

***The Board of Directors' proposal on new issue of shares and share warrants of Series 2009/2010 with pre-emption rights for existing shareholders, subject to the general meeting's decision***

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The Board of Directors of SinterCast Aktiebolag (publ) (the “**Company**”), corp. reg. no. 556233-6494 proposes to increase the Company’s share capital with not more than SEK 1,388,224 by an issue of not more than 925,483 new shares and not more than 925,483 share warrants of Series 2009/2010 on the terms and conditions set out below. The proposal is subject to the general meeting’s decision. If all 925,483 shares are subscribed for, the share capital will increase by SEK 925,483. If all share warrants are used for subscription, the Company’s share capital will increase by SEK 462,741.

1. The right to subscribe for new shares and share warrants shall belong to those persons who on the record date for the new issue of shares and share warrants are recorded as shareholders of the Company in the share register kept by Euroclear Sweden AB. Each such shareholder shall have a pre-emption right to obtain one (1) subscription right for one (1) existing share. Six (6) subscription rights entitle the holder to subscribe for one (1) Unit consisting of one (1) share and one (1) share warrant. Shares and share warrants may only be jointly subscribed for in Units.
2. In the event that all Units are not subscribed for with subscription rights based on pre-emption rights, Units shall be allocated to shareholders who have subscribed for additional Units without such subscription rights. Such allocation shall be made pro rata, in relation to the number of Units each such shareholder has subscribed for under their subscription rights. Units shall thereafter be allocated to the public, who subscribe for Units without subscription rights, in proportion to such amount subscribed for.
3. The record date for participation in the new issue of shares and share warrants shall be on 27 August 2009.
4. Each Unit is issued at a subscription price of SEK 25, where the subscription price for each share is SEK 25. The share warrants are not issued against payment.
5. Subscription and payment for a Unit with subscription right shall be made on a subscription list during the period from 31 August to 14 September 2009. Subscription for a Unit shall also be made on a subscription list during the abovementioned subscription period. Payment of Unit without subscription right shall be made no later than on the third bank day following the subscriber’s receipt of confirmation notice of the subscription. The Board of Directors shall have the right to extend the subscription and payment period.
6. Subscription of shares by virtue of the share warrants shall be made in accordance with the terms and conditions for the share warrants of Series 2009/2010 during the period from 1 September 2010 to 30 September 2010.

7. Two (2) share warrants entitle the holder to subscribe to one (1) new share in the Company at a subscription price of SEK 25. Further, the share warrants of Series 2009/2010 are covered by the terms and conditions in Appendix A.
8. A new share entitles the holder to dividends for the first time on the first record date for dividends that take place after the issue of new shares has been registered with the Swedish Companies Registration Office and has been recorded in the share register kept by Euroclear Sweden AB.
9. The Managing Director, or any other person appointed by the Board of Directors, shall have the right to take those minor adjustments that may be required in order to register the resolution with the Swedish Companies Registration Office and Euroclear Sweden AB.

Appendices:

1. Copy of the annual report which contains the most recently adopted balance sheet and profit and loss account, with a notation of the general meeting's resolution regarding the Company's profit or loss
  2. Copy of the auditor's report for the year to which the annual report relates
  3. Report, signed by the Board of Directors, regarding events of material significance for the Company's financial position which occurred subsequent to the presentation of the annual report and
  4. Statement signed by the Company's auditor in respect of the report referred to in point 3.
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