

## SinterCast Results October-December 2010 Full Year Results 2010

- **Revenue for period:** SEK 14.5 million (SEK 5.5 million). **Full Year:** SEK 39.4 million (SEK 20.0 million)
- **Operating result:** SEK 3.9 million (SEK -1.1 million). **Full Year:** SEK 7.2 million (SEK -6.3 million)
- **Earnings/share:** SEK 1.3 per share (SEK -0.2 per share). **Full Year:** SEK 2.5 per share (SEK -0.5 per share)
- **Cashflow:** SEK 14.3 million (SEK -1.9 million). **Full Year:** SEK 15.5 million (SEK 15.8 million)
- **Dividend:** The Board of Directors proposes an ordinary dividend of SEK 0.5 per share (0.0)
- Daedong Metals foundry in Korea adopts SinterCast technology for commercial vehicle series production
- Dashiang Precision foundry in China activates second System 2000 for increased series production
- Grainger & Worrall receives *UK Casting of the Year* award for SinterCast-CGI V8 cylinder block

*Year-on-year series production increased by 118% as SinterCast supported the production of more than two million CGI castings in Europe, Asia and the Americas during 2010*

### Current Production and Outlook

Series production grew to an annualised rate of 1.2 million Engine Equivalents during the quarter, providing a 118% year-on-year increase and an increase of 60% relative to the pre-economic downturn high of 750,000 Engine Equivalents established during September 2008. The increased production demand resulted in the shipment of 102,650 consumable Sampling Cups and the production of more than two million SinterCast-CGI components. Combined with new installation revenue from First Automobile Works during January, and from the Dashiang Precision and Daedong Metals foundries during December, the increased activities provided full year revenue of SEK 39.4 million (SEK 20.0 million) and served as the basis of the positive results.

Following a successful product development period, Daedong Metals, one of South Korea's leading cast iron foundries, entered into a long-term technology supply agreement for series production. The SinterCast System 3000 process control system was delivered before year-end and installed during the first week of January 2011. Series production of 6, 9 and 11 litre CGI cylinder heads for Hyundai commercial vehicle engines began during early-January 2011. The CGI cylinder heads will be used for the high performance versions of existing engines and are forecast to provide a production volume of approximately 50,000 Engine Equivalents during 2011. The Hyundai production increases the number of SinterCast-CGI commercial vehicle components to 17, and the total number of series production components to 46.

In order to accommodate increased series production demand, the Dashiang Precision foundry in China exercised an option to activate a back-up System 2000 on 3 December 2010, in exchange for a previously agreed fee. The Dashiang foundry now produces CGI turbocharger housings and exhaust manifolds on two different moulding lines, for export to the European passenger vehicle market.

During the period, the Grainger & Worrall foundry received the prestigious 'UK Casting of the Year 2010' award from the British Cast Metals Federation. The UK's top casting prize was awarded for the development and production of the General Motors V8 NASCAR cylinder block produced in SinterCast-CGI. The Cast Metals Federation highlighted several key technical features of the block, including cored water passages between the cylinder bores of just 2.5mm, and the use of the SinterCast process technology, which Grainger & Worrall "has championed since 2004".

Also during the period, the Ford CCP foundry in the USA was closed as part of Ford's global reorganisation. The closure resulted in the termination of the agreement with CCP for the use of a Mini-System 2000 that was previously installed to support CGI product development.

Based on the current production programmes and the potential market recovery during SinterCast's five year planning horizon, the five year outlook is summarised as follows:

### Approximate Annual Production Potential and Revenue

Activity	31 December 2010		30 September 2010	
	<u>KEQVS*</u>	<u>MSEK/yr**</u>	<u>KEQVS*</u>	<u>MSEK/yr**</u>
Current Series Production <sup>1</sup>	1,200	26	1,100	25
Potential Mature Volume <sup>2</sup>	1,500	33	1,350	31
Production Orders Secured <sup>3</sup>	500	11	450	10
Development Pipeline <sup>4</sup>	2,350	52	2,500	58
<b>Near-term Market Opportunity<sup>5</sup></b>	<b>4,350</b>	<b>96</b>	<b>4,300</b>	<b>99</b>

- Notes:**
1. Current annualised production rate
  2. Annualised potential mature volume of Current Series Production (Item 1 above) when fully ramped-up
  3. Annualised mature volume of programmes for which SinterCast's foundry customers have received production orders, but have not yet started series production
  4. Annualised mature volume of development programmes that SinterCast is currently supporting, but have not yet been awarded as series production orders
  5. Total Near-term Market Opportunity (sum of items 2, 3 and 4)
- \* KEQVS: Thousands of Engine Equivalents  
 \*\* Based on 23 SEK/Engine Equivalent on 30 September and 22 SEK /Engine Equivalent on 31 December due to changes in exchange rates

### Financial Summary

#### Revenue

The revenue for the SinterCast Group relates primarily to income from equipment (sales and leases), series production and engineering service.

#### Revenue Breakdown

	October-December		January-December	
	2010	2009	2010	2009
Number of Sampling Cups shipped	<b>30,600</b>	18,600	<b>102,650</b>	54,600
<b>Equipment</b> <sup>1</sup>	<b>5.3</b>	0.3	<b>6.8</b>	2.6
<b>Series Production</b> <sup>2</sup>	<b>8.7</b>	4.7	<b>30.9</b>	15.6
<b>Engineering Service</b> <sup>3</sup>	<b>0.3</b>	0.4	<b>1.3</b>	1.7
<b>Other</b>	<b>0.2</b>	0.1	<b>0.4</b>	0.1
<b>Total</b>	<b>14.5</b>	5.5	<b>39.4</b>	20.0

(Amounts in SEK million if not otherwise stated)

- Notes:**
1. Includes revenue from system sales and leases and sales of spare parts
  2. Includes revenue from production fees, consumables and software licence fees
  3. Includes revenue from technical support, on-site trials and sales of test pieces

The **October-December 2010** revenue amounted to SEK 14.5 million (SEK 5.5 million). The revenue increase of 260% is a result of the SinterCast System 3000 delivery to Daedong Metals in Korea, the activation of the back-up System 2000 at the Dashiang Precision foundry in China, and the significant increases in series production and Sampling Cup shipments. The revenue from series production increased by 185% to SEK 8.7 million (SEK 4.7 million), due to the ongoing production at an annualised rate of approximately 1.2 (0.6) million Engine Equivalents and the shipment of 30,600 (18,600) Sampling Cups. Development activities amounted to SEK 0.4 (0.8) million and have been accounted as investments and credited R&D costs.

The **January-December 2010** revenue amounted to SEK 39.4 million (SEK 20.0 million). The revenue increase of 197% is as a result of the significant increases in series production, including an increase from 54,600 Sampling Cups in 2009 to 102,650 Sampling Cups in 2010, plus invoicing of installations at the Daedong Metals foundry in Korea, the Dashiang Precision foundry in China, and at First Automobile Works foundry in China. The revenue from series production increased by 198% to SEK 30.9 million (SEK 15.6 million).

## Results

### Results Summary

	October-December		January-December	
	2010	2009	2010	2009
<b>Operating Result</b>	<b>3.9</b>	-1.1	<b>7.2</b>	-6.3
<b>Result for the period</b>	<b>9.1</b>	-1.1	<b>16.5</b>	-2.7
<b>Result after tax per share (SEK)</b>	<b>1.3</b>	-0.2	<b>2.5</b>	-0.5

(Amounts in SEK million if not otherwise stated)

The **October-December 2010** operating result of SEK 3.9 million (SEK -1.1) million was primarily driven by the higher gross result of SEK 7.0 million compared to the same period 2009. The cost increase of SEK 2.0 million compared to the same period 2009 is mainly related to higher costs related to increased equipment sales, travel costs, temporary advisory services and intensified development efforts. The result after tax for the October-December 2010 period amounted to SEK 9.1 million (SEK -1.1 million), primarily related to the revaluation of the deferred tax asset, as described in the section entitled "Deferred Tax Asset".

The **January-December 2010** operating result of SEK 7.2 million (SEK -6.3) million was primarily driven by the higher gross result of SEK 16.2 million compared to the same period 2009. The cost increase of SEK 2.7 million compared to the same period 2009 is mainly related to higher costs related to increased equipment sales, travel costs, advisory services, operational exchange losses and increased R&D costs. The R&D costs have been credited by SEK 0.4 (0.8) million due to the activation of development projects. The result after tax for the January-December 2010 period amounted to SEK 16.5 million (SEK -2.7 million), primarily related to the revaluation of the deferred tax asset, as described in the section entitled "Deferred Tax Asset".

### Deferred Tax Asset

SinterCast calculates its estimated future taxable profit from secured production orders on a quarterly basis, in order to determine the valuation of its deferred tax asset.

Deferred Tax Asset	October-December		January-December	
	2010	2009	2010	2009
Estimated future taxable profit	<b>120.4</b>	80.3	<b>120.4</b>	80.3
Change in carry-forward tax loss taken into consideration	<b>23.4</b>	-	<b>40.1</b>	10.3
Deferred tax on carry-forward tax losses	<b>31.7</b>	21.2	<b>31.7</b>	21.2
Change in deferred tax due to the result for the period	<b>-1.1</b>	-	<b>-2.4</b>	-
Deferred tax asset			<b>29.3</b>	21.2
Change in deferred tax on carry-forward tax losses	<b>6.1</b>	-	<b>10.5</b>	2.7
Change in deferred tax due to the result for the period	<b>-1.1</b>	-	<b>-2.4</b>	-
Deferred tax changes on income tax	<b>5.0</b>	-	<b>8.1</b>	2.7

(Amounts in SEK million if not otherwise stated)

SinterCast has reassessed the estimated future taxable profit and deferred tax asset calculation from secured orders to reflect the current expectation of programme longevity and the typical lifecycle for engine programmes in the automotive industry. As of 31 December 2010, SEK 120.4 million (SEK 80.3 million) of SinterCast's total carried-forward tax losses have been used as the basis of the updated calculation, resulting in SEK 31.7 million (SEK 21.2 million) being capitalised as a deferred tax asset. Due to the positive result for the period, the deferred tax asset has been reduced by SEK 2.4 million (SEK 0.0 million) to SEK 29.3 million (SEK 21.2 million).

### Employee Stock Option Programme

As of 31 December 2010, the cost of the employee stock option programme 2009-2013 was calculated at a total amount of SEK 3.1 million (SEK 3.3 million), based on a closing share price of SEK 51.25 (SEK 50.5). Thus far during 2010, SEK 1.5 million (SEK 0.7 million) has been accounted for as costs related to the option programme.

### Cashflow, Liquidity and Investments

The **October-December 2010** cashflow result was SEK 14.3 million (SEK -1.9 million), providing a Group liquidity of SEK 40.3 million on 31 December 2010 (SEK 24.8 million). The cashflow change of SEK 14.3 million compared with the cash position of SEK 26.0 million at 30 September 2010 is a result of the warrant exercise programmes for shareholders (SEK 11.3 million) and for the first 15% of the employee options (SEK 1.7 million), together with the positive results for the period and an increase of working capital.

The **January-December 2010** cashflow result was SEK 15.5 million (SEK 15.8 million). The cashflow change of SEK 15.5 million compared with the cash position of SEK 24.8 million at 31 December 2009 is a result of the warrant exercise programmes for shareholders (SEK 11.3 million) and for the first 15% of the employee options (SEK 1.7 million), together with the positive results for the period and an increase of working capital. It is noted that accounts receivables has increased to SEK 11.6 million on 31 December 2010 (SEK 3.0 million on 31 December 2009). During December, the Sörmland Sparbank loan in the amount of SEK 3.0 million was extended for an additional three months.

Investments during the period amounted to SEK 0.7 million (SEK 1.3 million), of which SEK 0.4 million relates to the activation of development projects.

<b>Cashflow Summary</b>	<b>October-December</b>		<b>January-December</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Cashflow from operating activities	<b>5.1</b>	0.8	<b>10.4</b>	-3.2
Cashflow from working capital	<b>-3.5</b>	-2.3	<b>-7.4</b>	-1.7
Cashflow from investment activities	<b>-0.3</b>	-0.1	<b>-0.5</b>	-0.6
Cashflow from financing activities	<b>13.0</b>	-0.3	<b>13.0</b>	21.3
<b>Cashflow total</b>	<b>14.3</b>	-1.9	<b>15.5</b>	15.8
<b>Liquidity</b>	<b>40.3</b>	24.8	<b>40.3</b>	24.8
<b>Investments</b>	<b>0.2</b>	1.3	<b>0.7</b>	1.3

(Amounts in SEK million if not otherwise stated)

SinterCast has historically been financed by risk capital provided by its shareholders and has managed its expenses according to market forecasts, resource requirements, and regular reviews of expenditures in relation to the annual budget. Following positive cashflow from operations during 2010, the Board judges that the long-term financing of the Company is secure, allowing the Company to be more pro-active in its operations.

### **Risks and Uncertainty Factors**

Despite the positive increase in series production, and the renewed opportunities for installations, the main uncertainty factor for SinterCast continues to be the overall timing of the CGI market ramp-up. This primarily depends on OEM decisions for new CGI engines and other components, the global economy for new vehicle sales and on the individual sales success of the vehicles equipped with SinterCast-CGI components.

Over the past two years, the economic conditions facing the global foundry and automotive industries have caused some automotive OEMs to delay production launches and this has directly affected SinterCast. Although the automotive market is enjoying a recovery, volumes in SinterCast's core markets are still significantly below pre-downturn levels and the SinterCast-CGI programmes that started production before 3Q08 have still not fully recovered. While SinterCast continues to support new product development activities, and anticipates new production launches and new opportunities for installation revenue, the Board believes that it is still not possible to determine the ultimate effect of the global economic recession or the timing and rate of the overall market recovery.

### **Market Penetration and Competition**

SinterCast enjoys global brand recognition and respect as the CGI technology leader and is welcomed by the industry as a reliable and trustworthy partner. However, virtually every company encounters competition, and SinterCast is no exception. As the CGI market has developed, some foundry supply companies have proposed alternative CGI technologies. To SinterCast's knowledge, these have included Hereaus-Electronite, OxyCast, OCC and NovaCast. It is also possible that some foundries may opt to produce CGI using in-house control and discipline, but this is generally judged to become less likely as product complexity and production volumes increase, and as specification requirements become more rigidly enforced by the end-users. SinterCast judges that its technology and engineering know-how provides the most reliable and cost-effective solution for the production of high quality CGI. Based on its proven technology, production experience and engineering service, SinterCast will continue to support new CGI development activities to further increase its share of the world CGI production capacity. With respect to the development of alternative automotive technologies such as biofuels, hybrids and fuel cells, SinterCast does not expect these to have a significant effect on the Company's competitive position for the foreseeable future.

## **Organisation**

The Group management and sales activities are based at the headquarter office in London, UK. The Technical Centre based in Katrineholm, Sweden is responsible for technical and commercial support of ongoing foundry production activities, product development, production of the control systems and sampling consumables, ISO 9001:2008 quality certification, and finance and administration. Local support of customer activities in North and South America is provided by SinterCast Inc., based in Chicago, USA, while local support for the Chinese market is provided by the SinterCast AB Shanghai Representative Office. Technical back-up for the US and Chinese offices is provided by the Technical Centre in Katrineholm.

In order to expand SinterCast's market reach, representation agreements have been established with Ashland Casting Solutions on a global basis, ASD International in Japan, Pantech Engineering in Australia and with the STPC (Swedish Trade Promotion Center) in Korea. Consultancy agreements have also been established to support SinterCast's local sales activities in France and India. Together with the global presence of technology partners such as ABP for foundry automation, Grainger & Worrall for rapid prototyping and MAG Industrial Automation Systems for manufacturing, the representation and consultancy agreements provide a familiar and respected local presence for the SinterCast technology.

As of 31 December 2010, the Group had 13 (13) employees, two (two) of which were female. On 3 February 2011, Dr Jincheng Liu, a Chinese citizen and an advisor to the China Foundry Association, joined the company in the capacity of Sales Director – China. Following training at the SinterCast Technical Centre in Sweden, Dr Liu will be posted in China. Together with Dr Xiang Feng Zhang, General Manager – China, based at SinterCast's representation office in Shanghai, Dr Liu will increase SinterCast's sales presence in the Chinese market. Further recruitment will be phased with the development of field activities, particularly the need to support new installations.

## **Patents**

SinterCast currently holds 12 (13) patents. SinterCast currently maintains 59(63) individual national phase patents granted or pending worldwide. The 12 base patents address SinterCast's metallurgical technology, the Sampling Cup, product applications and machining.

## **Accounting Principles**

The information provided on behalf of the Group in this interim report has been prepared in accordance with Sweden's Annual Accounts Act and IAS 34 Interim Financial Reporting. The reporting for the Parent Company has been prepared in accordance with Sweden's Annual Accounts Act and RFR 2. The accounting policies that have been applied for the Group and for the Parent Company are in agreement with the accounting policies used in the preparation of the Company's latest annual report. New accounting principles, which came into effect as of 1 January 2010, have not affected the financial statements.

No material transactions have taken place between SinterCast and the Board or the Management during the period.

## **Events after the Balance Sheet Date**

There have been no significant events since the balance sheet date of 31 December 2010 that could materially change these financial statements.

## **Parent Company**

SinterCast AB (publ) is the Parent Company of the SinterCast Group, with registered office located in Stockholm, Sweden. The Parent Company has 10 (10) employees. The majority of the operations are conducted by the Parent Company, including responsibility for the representative office in China and sales representatives in Australia, India, Japan and Korea. Operations in the UK and the USA are managed by the local companies. The information given for the Group in this report corresponds in all material respects to the Parent Company.

## **Information**

The Interim Report January-March 2011 will be published on 4 May 2011

The Interim Report April-June 2011 will be published on 24 August 2011

The Interim Report July-September 2011 will be published on 2 November 2011

The Interim Report October- December and Full Year Results 2011 will be published on 22 February 2012

## **Annual Report 2010**

The Annual Report 2010 will be published during the week commencing 18 April 2011.

## **Annual General Meeting**

The Annual General Meeting 2011 will be held on 19 May 2011.

The Board of Directors intend to propose to the AGM 2011 to decide that the results for 2010 be carried forward, to propose dividend for 2011, and, on an annual basis, to seek shareholder approval to authorise a share buy-back programme.

## **Dividend**

Based on the improved profitability and increased liquidity, of the company, the Board of Directors propose an ordinary dividend of SEK 0.5 per share for the financial year 2010, which corresponds to a total transfer of SEK 3.5 million to shareholders of SinterCast AB (publ). No dividend was paid for the preceding year. The Board proposes 24 May, 2011 as the record date for entitlement to receive dividends.

## **Nomination Committee**

The Nomination Committee, elected by the Annual General Meeting 2010, consists of Ulla-Britt Fräjdin-Hellqvist, Lars Ahlström and Torbjörn Nordberg. The Nomination Committee can be contacted at:

[nomination.committee@sintercast.com](mailto:nomination.committee@sintercast.com)

This report has not been reviewed by the Company's Auditors.

For further information please contact:

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**SinterCast** is the world's leading supplier of process control technology for the reliable high volume production of Compacted Graphite Iron (CGI). With at least 75% higher tensile strength, 45% higher stiffness and approximately double the fatigue strength of conventional grey cast iron and aluminium, CGI allows engine designers to improve performance, fuel economy and durability while reducing engine weight, noise and emissions. The SinterCast technology is used for the production of more than 46 CGI components, ranging from 2 kg to 17 tonnes, all using the same proven process control technology. The end-users of SinterCast-CGI components include Aston Martin, Audi, Caterpillar, Chrysler, DAF Trucks, Ford, Ford-Otosan, General Electric Transportation Systems, General Motors, Hyundai, Jaguar, Kia, Land Rover, MAN, Navistar, Porsche, PSA Peugeot-Citroën, Renault, Rolls-Royce Power Engineering, Toyota, VM Motori, Volkswagen, Volvo and Waukesha Engine. The SinterCast share is quoted on the Small Cap segment of the NASDAQ OMX stock exchange (Stockholmsbörsen: SINT).

**- END -**

## Income Statement - SinterCast Group

AMOUNTS IN SEK MILLION	October-December		January - December	
	2010	2009	2010	2009
Revenue	14.5	5.5	39.4	20.0
Cost of goods sold	-3.7	-1.7	-10.2	-7.0
<b>Gross result</b>	<b>10.8</b>	<b>3.8</b>	<b>29.2</b>	<b>13.0</b>
Cost of sales and marketing	-3.4	-2.8	-11.3	-10.1
Cost of administration	-1.5	-1.1	-5.5	-5.2
Cost of research & development	-1.9	-0.9	-4.5	-3.9
Other operating income	0.0	0.0	0.0	0.0
Other operating costs	-0.1	-0.1	-0.7	-0.1
<b>Operating result</b>	<b>3.9</b>	<b>-1.1</b>	<b>7.2</b>	<b>-6.3</b>
Financial income	0.4	0.1	2.2	1.8
Financial costs	-0.1	-0.1	-0.9	-0.9
Income Tax	4.9	0.0	8.0	2.7
<b>Result for the period</b>	<b>9.1</b>	<b>-1.1</b>	<b>16.5</b>	<b>-2.7</b>
<b>Result attributable to:</b>				
Equity holder of the parent company	9.1	-1.1	16.5	-2.7
Non-controlling interests	-	-	-	-
Earnings per share, SEK	1.3	-0.2	2.5	-0.5
Earning per share, diluted, SEK	1.3	-0.2	2.5	-0.5
Number of shares at the close of the period, thousands	6,975.7	6,478.4	6,975.7	6,478.4
Average number of shares, thousands	6,862.8	6,478.4	6,574.5	5,815.1
Average number of shares adjusted for outstanding warrants	6,862.8	-	6,574.5	-

## Statement of Comprehensive Income - SinterCast Group

AMOUNTS IN SEK MILLION	October-December		January - December	
	2010	2009	2010	2009
<b>Result for the period</b>	<b>9.1</b>	<b>-1.1</b>	<b>16.5</b>	<b>-2.7</b>
<b>Other comprehensive income</b>				
Translation differences, foreign subsidiaries	0.2	0.2	0.1	0.0
<b>Other comprehensive income, net of tax</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>
<b>Total comprehensive income</b>	<b>9.3</b>	<b>-0.9</b>	<b>16.6</b>	<b>-2.7</b>
<b>Total comprehensive income attributable to:</b>				
Equity holder of the parent company	9.3	-0.9	16.6	-2.7
Non-controlling interests	-	-	-	-

## Cashflow Statement - SinterCast Group

AMOUNTS IN SEK MILLION	October-December		January - December	
	2010	2009	2010	2009
<b>Operating activities</b>				
Operating result	3.9	-1.1	7.2	-6.3
Adjustments for items not included in the cash flow				
Depreciation	0.5	0.2	1.1	1.5
Other	0.1	1.5	1.3	1.4
Exchange rate differences	1.0	0.4	0.9	0.4
Received interest	-0.3	0.0	0.1	0.0
Paid interest	-0.1	-0.2	-0.2	-0.2
<b>Total cashflow from operating activities before change in working capital</b>	<b>5.1</b>	<b>0.8</b>	<b>10.4</b>	<b>-3.2</b>
<b>Change in working capital*</b>				
Stock	0.9	-0.2	0.8	1.2
Operating receivables	-7.3	0.3	-9.7	0.6
Operating liabilities	2.9	-2.4	1.5	-3.5
<b>Total change in working capital</b>	<b>-3.5</b>	<b>-2.3</b>	<b>-7.4</b>	<b>-1.7</b>
<b>Cashflow from operations</b>	<b>1.6</b>	<b>-1.5</b>	<b>3.0</b>	<b>-4.9</b>
<b>Investing activities</b>				
Acquisition of intangible assets	-0.1	0.0	-0.3	-0.5
Acquisition of tangible assets	-0.2	-0.1	-0.2	-0.1
Increase/decrease in long-term receivables/payables	0.0	0.0	0.0	0.0
<b>Cashflow from investing activities</b>	<b>-0.3</b>	<b>-0.1</b>	<b>-0.5</b>	<b>-0.6</b>
<b>Financing activities</b>				
Rights issue**	11.3	-0.3	11.3	18.3
Employee share option programme***	1.7	-	1.7	
Bank loan	-	-	-	3.0
<b>Cashflow from financing activities</b>	<b>13.0</b>	<b>-0.3</b>	<b>13.0</b>	<b>21.3</b>
Change in cash and cash equivalents****	14.3	-1.9	15.5	15.8
Cash - opening balance	26.0	26.7	24.8	9.0
Cash - closing balance	40.3	24.8	40.3	24.8

\* Classification between individual items has been changed compared to Books Closing Report 2009.

\*\* The Rights Issue amounted to SEK 11.4 million (SEK 23.1 million) before transaction costs

\*\*\* The subscription of warrants amounted to SEK 1.8 million (SEK 0.0 million) before transaction costs

\*\*\*\* The cash and cash equivalents comprises short-term deposits and cash at bank and in hand.

## Balance Sheet - SinterCast Group

AMOUNTS IN SEK MILLION	31 Dec 2010	31 Dec 2009	30 Sept 2010	30 Sept 2009
<b>ASSETS</b>				
Intangible assets	2.9	3.3	3.3	3.3
Tangible assets	0.2	0.1	0.2	0.1
Financial assets	29.3	21.4	24.5	21.4
<b>Total fixed assets</b>	<b>32.4</b>	<b>24.8</b>	<b>28.0</b>	<b>24.8</b>
Stock	3.0	3.8	3.9	3.6
Short-term receivables	16.0	5.8	19.5	5.1
Short term deposits and cash at bank and in hand	40.3	24.8	26.0	26.7
<b>Total current assets</b>	<b>59.3</b>	<b>34.4</b>	<b>49.4</b>	<b>35.4</b>
<b>Total Assets</b>	<b>91.7</b>	<b>59.2</b>	<b>77.4</b>	<b>60.2</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity*</b>	<b>81.3</b>	<b>50.5</b>	<b>70.1</b>	<b>51.5</b>
Long term liabilities	0.0	0.0	0.0	0.0
Current liabilities	10.4	8.7	7.3	8.7
<b>Total shareholders' equity and liabilities</b>	<b>91.7</b>	<b>59.2</b>	<b>77.4</b>	<b>60.2</b>
Adjusted equity per share	11.7	7.8	10.0	7.9
<b>* STATEMENT OF CHANGES IN EQUITY</b>				
Attributable of the equity holder of the parant company	<b>Share Capital</b>	<b>Additional Paid in Capital</b>	<b>Accumulated Result</b>	<b>Total Equity</b>
<b>Opening balance 1 January 2009</b>	<b>5.55</b>	<b>9.53</b>	<b>19.07</b>	<b>34.15</b>
Employee share option programme, IFRS 2	-	-	0.78	0.78
Rights Issue	0.93	17.37	-	18.30
Total comprehensive income	-	-	-2.75	-2.75
<b>Closing Balance 31 December 2009</b>	<b>6.48</b>	<b>26.90</b>	<b>17.10</b>	<b>50.48</b>
<b>Opening balance 1 January 2010</b>	<b>6.48</b>	<b>26.90</b>	<b>17.10</b>	<b>50.48</b>
Employee share option programme, IFRS 2	-	-	1.25	1.25
Rights Issue, Warrants	0.45	10.85	-	11.30
Employee share option programme, Exercise	0.05	1.65	-	1.70
Total comprehensive income	-	-	16.55	16.55
<b>Closing Balance 31 December 2010</b>	<b>6.98</b>	<b>39.40</b>	<b>34.91</b>	<b>81.29</b>

## Key Ratio and Share Data - SinterCast Group

AMOUNTS IN SEK MILLION	October-December		January - December	
	2010	2009	2010	2009
<b>Key Ratio</b>				
Revenue, SEK millions	14.5	5.5	39.4	20.0
Net result, SEK millions	9.1	-1.1	16.5	-2.7
Operating margin %	26.9	-20.0	18.3	-31.5
Solidity, %	88.7	85.3	88.7	85.3
Adjusted shareholders' equity, SEK millions	81.3	50.5	81.3	50.5
Capital employed, SEK millions	84.3	53.5	84.3	53.5
Total assets, SEK millions	91.7	59.2	91.7	59.2
Return on shareholders' equity, %	12.0	-2.2	25.0	-6.4
Return on capital employed, %	10.8	-1.6	24.3	-5.6
Return on total assets, %	10.8	-1.4	22.2	-4.1
Debt-to-equity ratio	0.0	0.1	0.0	0.1
<b>Employees</b>				
Number of employees at the end of the period	13	13	13	13
<b>Data per Share</b>				
Earnings per share, SEK	1.3	-0.2	2.5	-0.5
Dividends per share, SEK	-	-	-	-
Cashflow per share, SEK	2.1	-0.3	2.4	2.7
Share price at the end of the period, SEK	51.3	50.5	51.3	50.5

### Operating margin %

Operating results as percentage of revenue

### Average number of shares

Weighted average of the number of shares outstanding for the period

### Average number of shares adjusted for outstanding warrants

Weighted average of the number of shares and warrants outstanding for the period

### Earnings per share

Net result divided by the average number of shares

### Earnings per share adjusted for outstanding warrants

Warrants related to employee share options

### Adjusted equity per share

Adjusted shareholders' equity divided by the average number of shares

### Adjusted equity per share adjusted for outstanding warrants

Warrants related to employee share options

### Solidity

Adjusted shareholders' equity expressed as percentage of total assets end of period

### Adjusted shareholders' equity

Shareholders' equity plus 73.7% of untaxed reserves

### Capital employed

Total assets less non-interest bearing liabilities

### Return on shareholders' equity

Net result as a percentage of average adjusted shareholders' equity

### Return on capital employed

Net result after financial items plus financial expenses as a percentage of average capital employed

### Return on total assets

Net result after financial items plus financial expenses as a percentage of total average assets

### Debt-to-equity ratio

Interest bearing liabilities divided by adjusted shareholders' equity

### Share price at the end of the period

Latest paid price for the SinterCast share at NASDAQ OMX stock exchange, Stockholmsbörsen

### Value presented as "0.0"

Amount below SEK 50,000

### Value presented as "-"

No amount applicable

## Income Statement - SinterCast AB

AMOUNTS IN SEK MILLION	October-December		January-December	
	2010	2009	2010	2009
Revenue	14.4	5.4	38.5	19.3
Cost of goods sold	-3.8	-2.0	-10.4	-7.8
<b>Gross result</b>	<b>10.6</b>	<b>3.4</b>	<b>28.1</b>	<b>11.5</b>
Cost of sales and marketing	-3.3	-5.6	-10.5	-8.9
Cost of administration	-1.5	-2.1	-5.5	-5.4
Cost of research & development	-1.9	-1.0	-4.5	-3.8
Other operating income	0.0	0.0	0.0	0.0
Other operating costs	0.0	-0.1	0.1	-0.1
<b>Operating result</b>	<b>3.9</b>	<b>-5.4</b>	<b>7.7</b>	<b>-6.7</b>
Financial income	0.4	0.1	2.2	1.8
Financial costs	-0.1	-0.1	-0.9	-0.9
Income Tax	4.9	0.0	8.0	2.7
<b>Result for the period</b>	<b>9.1</b>	<b>-5.4</b>	<b>17.0</b>	<b>-3.1</b>
<b>Result attributable to:</b>				
Equity holder of the parent company	9.1	-5.4	17.0	-3.1
Non-controlling interests	-	-	-	-
Earnings per share, SEK	1.3	-0.8	2.6	-0.5
Earning per share, diluted, SEK	1.3	-0.8	2.6	-0.5
Number of shares at the close of the period, thousands	6,975.7	6,478.4	6,975.7	6,478.4
Average number of shares, thousands	6,862.8	6,478.4	6,574.5	5,815.1
Average number of shares adjusted for outstanding warrants	6,862.8	-	6,574.5	-

## Statement of Comprehensive Income - SinterCast AB

AMOUNTS IN SEK MILLION	October-December		January-December	
	2010	2009	2010	2009
<b>Result for the period</b>	<b>9.1</b>	<b>-5.4</b>	<b>17.0</b>	<b>-3.1</b>
<b>Total comprehensive income</b>	<b>9.1</b>	<b>-5.4</b>	<b>17.0</b>	<b>-3.1</b>
<b>Total comprehensive income attributable to:</b>				
Equity holder of the parent company	9.1	-5.4	17.0	-3.1
Non-controlling interests	-	-	-	-

## Balance Sheet - SinterCast AB

AMOUNTS IN SEK MILLION

	31 Dec 2010	31 Dec 2009	30 Sept 2010	30 Sept 2009
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### ASSETS

Intangible assets	5.7	3.3	3.3	3.3
Tangible assets	0.2	0.1	0.2	0.1
Financial assets	29.3	23.4	26.9	23.3
<b>Total fixed assets</b>	<b>35.2</b>	<b>26.8</b>	<b>30.4</b>	<b>26.7</b>
Stock	2.3	3.0	3.1	2.8
Short-term receivables	16.2	5.3	23.1	8.4
Short term deposits and cash at bank and in hand	39.7	24.4	25.3	26.3
<b>Total current assets</b>	<b>58.2</b>	<b>32.7</b>	<b>51.5</b>	<b>37.5</b>
<b>Total Assets</b>	<b>93.4</b>	<b>59.5</b>	<b>81.9</b>	<b>64.2</b>

### SHAREHOLDERS' EQUITY AND LIABILITIES

<b>Shareholders' equity*</b>	<b>73.6</b>	<b>42.3</b>	<b>62.5</b>	<b>47.8</b>
Long term liabilities	0.1	0.1	0.1	0.1
Current liabilities	19.7	17.1	19.3	16.3
<b>Total shareholders' equity and liabilities</b>	<b>93.4</b>	<b>59.5</b>	<b>81.9</b>	<b>64.2</b>
Adjusted equity per share	10.6	6.5	9.0	7.4

### \* STATEMENT OF CHANGES IN EQUITY

Attributable of the equity holder of the parant company	Share Capital	Statutory Reserve	Share Premium Reserve	Results Brought Forward	Results For the Year	Total Equity
<b>Opening balance 1 January 2009</b>	<b>5.55</b>	<b>9.53</b>	<b>-</b>	<b>0.94</b>	<b>10.34</b>	<b>26.36</b>
Appropriation of last year's result	-	-	-	10.34	-10.34	-
Employee share option programme, IFRS 2	-	-	-	0.78	-	0.78
Rights Issue	0.93	-	17.37	-	-	18.30
Total comprehensive income	-	-	-	-	-3.11	-3.11
<b>Closing Balance 31 December 2009</b>	<b>6.48</b>	<b>9.53</b>	<b>17.37</b>	<b>12.06</b>	<b>-3.11</b>	<b>42.33</b>
<b>Opening balance 1 January 2010</b>	<b>6.48</b>	<b>9.53</b>	<b>17.37</b>	<b>12.06</b>	<b>-3.11</b>	<b>42.33</b>
Appropriation of last year's result	-	-	-	-3.11	3.11	-
Employee share option programme, IFRS 2	-	-	-	1.25	-	1.25
Rights Issue, Warrants	0.45	-	10.85	-	-	11.30
Employee share option programme, Exercise	0.05	-	1.65	-	-	1.70
Total comprehensive income	-	-	-	-	16.99	16.99
<b>Closing Balance 31 December 2010</b>	<b>6.98</b>	<b>9.53</b>	<b>29.87</b>	<b>10.20</b>	<b>16.99</b>	<b>73.57</b>