

Press Release: 22 February 2012



## SinterCast Results October-December 2011 Full Year Results 2011

- **Revenue for period:** SEK 16.0 million (SEK 14.5 million). **Year-to-date:** SEK 49.0 million (SEK 39.4 million)
- **Operating result:** SEK 4.1 million (SEK 3.9 million). **Year-to-date:** SEK 11.6 million (SEK 7.2 million)
- **Earnings/share:** SEK 0.7 per share (SEK 1.3 per share). **Year-to-date:** SEK 2.1 per share (SEK 2.5 per share)
- **Cashflow from operations:** SEK 4.6 million (SEK 1.6 million). **Year-to-date:** SEK 14.5 million (SEK 3.0 million)
- **Dividend:** The Board proposes an ordinary dividend of SEK 1.0 per share (SEK 0.5 per share)
- **Extraordinary dividend:** The Board proposes an extraordinary dividend of SEK 0.7 per share
- Navistar PurePOWER foundry announces high volume production of commercial vehicle cylinder blocks
- Mid-City Foundry installs Mini-System 3000 for ongoing production of industrial power components

*SinterCast finishes 2011 with record production, record installations and record revenue*

### Current Production and Outlook

Series production increased by 7% during the quarter, finishing the year with record annualised production of 1.55 million Engine Equivalents. The increased series production during the fourth quarter extended the continuous trend of positive growth in every quarter since 2008. It is estimated that the current series production programmes have the potential to grow to an annual volume of approximately 1.9 million Engine Equivalents when all programmes reach mature volume. SinterCast is currently supporting product development programmes for passenger vehicle, commercial vehicle and industrial power applications in Europe, Asia and the Americas, including some high volume applications beyond the current high volume domains of passenger vehicle V-diesel cylinder blocks and commercial vehicle cylinder blocks and heads. It is estimated that the current product development programmes, some of which have already been approved for series production, could provide approximately 2.65 million additional Engine Equivalents per year. The combined potential of the current series production programmes and the programmes under development represents a market opportunity of approximately 4.55 million Engine Equivalents per year within SinterCast's five year planning horizon.

On 25 January 2012, the Navistar PurePOWER foundry in Indianapolis, Indiana announced the high volume (>100,000 Engine Equivalents per year) production of commercial vehicle cylinder blocks using the SinterCast process control technology. The series production began during mid-2011 and ramped up during the third and fourth quarters. The System 3000 installation at the PurePOWER Indianapolis casting facility is SinterCast's most technically advanced installation to date. In addition to the standard measure-and-correct feedforward control of the casting process, the System 3000 also provides automatic feedback control of the base treatment operation and data logging from the melting, moulding and shake-out operations to provide enhanced QS 9000 quality control and traceability. The technology agreement between PurePOWER and SinterCast encompasses the PurePOWER casting facilities located in Indianapolis, Indiana and Waukesha, Wisconsin, with PurePOWER reserving the right to install additional SinterCast control systems on the two casting lines in Waukesha. Together, the Indianapolis and Waukesha facilities provide high volume CGI production capability for passenger vehicle and commercial vehicle cylinder blocks and heads with engine displacements as large as 15 litres.

Following three years of niche volume CGI production with on-site technical support provided by SinterCast, the Mid-City Foundry Company located in Milwaukee, Wisconsin installed a Mini-System 3000 during December 2011, providing Mid-City with fully independent production capability for its ongoing production of industrial power components. The CGI components produced at Mid-City Foundry range from 100 to 550 kg and are all used in the demanding industrial power sector, particularly for the off-shore oil and gas industries. The castings, which are primarily produced for Cameron Compression, include cylinder heads and turbocharger components. The Mid-City production increases the total number of SinterCast-CGI components currently in series production to 52.

With the Mini-System 3000 installation at Mid-City, SinterCast reached six new installation commitments during 2011, exceeding the 2011 installation outlook that was first announced during November 2010. The six new

installations, made in China, Japan, Korea (2) and the United States (2) resulted in SinterCast's best year ever for new installations.

Following the introduction of SinterCast's ductile iron product development at the GIFA world foundry trade fair in June 2011, the first field trial has been conducted at a major international foundry in North America. The objective of the trial was to provide an initial demonstration of the technology and to collect production data to refine and validate the correlations established during the initial development. The start of field trials represents an important step in the product development phase, which is expected to continue throughout 2012 before a final decision can be made regarding the launch of a commercial product. The ductile iron technology is intended to provide a net cost-benefit to the foundry by reducing magnesium consumption, improving mould yield, reducing casting defects and improving machinability

## 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	
	2011	2010	2011	2010
Number of Sampling Cups shipped	<b>33,100</b>	30,600	<b>138,200</b>	102,650
<b>Equipment</b> <sup>1</sup>	<b>4.6</b>	5.3	<b>7.9</b>	6.8
<b>Series Production</b> <sup>2</sup>	<b>11.0</b>	8.7	<b>39.0</b>	30.9
<b>Engineering Service</b> <sup>3</sup>	<b>0.4</b>	0.3	<b>2.0</b>	1.3
<b>Other</b>	<b>0.0</b>	0.2	<b>0.1</b>	0.4
<b>Total</b>	<b>16.0</b>	14.5	<b>49.0</b>	39.4

(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 2011** revenue amounted to SEK 16.0 million (SEK 14.5 million). The revenue increase of 10% is a result of the increases in series production and Sampling Cup shipments. The revenue from series production increased by 26% to SEK 11.0 million (SEK 8.7 million), due to the record production at an annualised rate of approximately 1.55 million (1.2 million) Engine Equivalents and the shipment of 33,100 (30,600) Sampling Cups. Installation revenue amounting to SEK 4.6 million (SEK 5.3 million) is a result of Mini-System 3000 deliveries to FAW Wuxi Diesel in China, Mid-City Foundry in the USA and to Toa Koki in Japan.

The **January-December 2011** revenue amounted to SEK 49.0 million (SEK 39.4 million). The revenue increase of 24% represents the combined effect of a 26% increase in series production revenue and a 16% increase in equipment sales. During the period, 138,200 (102,650) Sampling Cups were shipped. The increased revenue related to installations is a result of the fully automated System 3000 installation at the PurePOWER foundry in the USA and to Mini-System 3000 installations at Daeshin in Korea, FAW Wuxi Diesel in China, Mid-City Foundry in the USA and at Toa Koki in Japan. The System 3000 installation at Daedong in Korea was commissioned during January 2011, but accounted for as revenue when it was shipped in December 2010.

### Results

The business activities of SinterCast are best reflected by the Operating Result. In contrast, the 'Result for the period' and the 'Result after tax per share' are influenced by the financial income and costs and by the revaluation of tax assets, as described in the section below entitled "Deferred Tax Asset".

Results Summary	October-December		January-December	
	2011	2010	2011	2010
<b>Operating Result</b>	<b>4.1</b>	3.9	<b>11.6</b>	7.2
<b>Result for the period</b>	<b>4.8</b>	9.1	<b>14.5</b>	16.5
<b>Result after tax per share (SEK)</b>	<b>0.7</b>	1.3	<b>2.1</b>	2.5

(Amounts in SEK million if not otherwise stated)

The **October-December 2011** operating result of SEK 4.1 million (SEK 3.9 million) was primarily affected, compared to the same period last year, by higher gross results of SEK 0.5 million, higher costs of SEK 0.5 million and increased exchange gains on bank holdings, operating receivables, and liabilities of SEK 0.2 million.

The result after tax for October-December 2011 amounted to SEK 4.8 million (SEK 9.1 million), primarily related to the revaluation of the deferred tax asset, accounted as tax income, amounting to SEK 0.1 million (SEK 4.9 million). This change is due to the market recovery following the downturn, as described in the section below entitled “Deferred Tax Asset”.

The **January-December 2011** operating result of SEK 11.6 million (SEK 7.2 million), compared to 2010, was primarily affected by higher gross results of SEK 5.6 million, higher costs of SEK 4.1 million and increased exchange gains on bank holdings, operating receivables, and liabilities of SEK 2.9 million. The cost increase is mainly within the sales & marketing function, as a result of SinterCast’s efforts to increase its market presence and to grow the business.

The result after tax for the January-December 2011 period amounted to SEK 14.5 million (SEK 16.5 million), primarily related to the revaluation of the deferred tax asset, accounted as tax income, amounting to SEK 3.6 million (SEK 8.1 million), as described in the section below entitled “Deferred Tax Asset”.

### Deferred Tax Asset

The estimated future taxable profit and deferred tax asset calculation is reassessed every quarter. As of 31 December 2011, SEK 125.1 million (SEK 120.4 million) of SinterCast’s total carried-forward tax losses have been used as the basis of the updated calculation, resulting in SEK 32.9 million (SEK 29.3 million) being capitalised as a deferred tax asset. The change in deferred tax asset, accounted as tax income, amounted to SEK 3.6 million (SEK 8.1 million), representing a significant change compared to 2010. The larger increase in 2010 was mainly due to the market recovery following the downturn. The estimated future taxable profit from secure production programs, which is the basis for the calculation, recovered during 2010 from low levels in 2008 and 2009. In contrast, the increase during 2011 was more moderate since the market outlook was more stable compared to the previous year.

### Employee Stock Option Programme

As of 31 December 2011, the cost of the employee stock option programme 2009-2013 was calculated at a total amount of SEK 3.3 million (SEK 3.1 million), based on a closing share price of SEK 45.0 (SEK 51.3). During 2011, SEK 0.7 million (SEK 1.5 million) was accounted for as costs related to the option programme.

The Board of Directors used the authorisation given at the 2011 AGM to compensate the employees in cash instead of exercising the options for 60,000 new shares in the stock market. In consideration of the current market conditions and the daily turnover, coupled with the dilution effects and administrative costs, the Board preferred to follow the AGM authorisation and to compensate the employees in cash for the second tranche of the 2009-2013 option programme. The cash compensation resulted in a cost of SEK 0.3 million, including social contributions. The Board transaction was formally agreed with the employees and concluded on 25 November 2011.

### Cashflow, Liquidity and Investments

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 and 2011, the Board judges that the long-term financing of the Company is secure, allowing the Company to be more pro-active in its operations and growth strategy.

Cashflow Summary	October-December		January-December	
	2011	2010	2011	2010
Cashflow from operations	4.6	1.6	14.5	3.0
Cashflow from investment activities	-0.1	-0.3	-0.4	-0.5
Cashflow from financing activities	-0.3	13.0	-6.8	13.0
<b>Cashflow total</b>	<b>4.2</b>	<b>14.3</b>	<b>7.3</b>	<b>15.5</b>
<b>Liquidity</b>	<b>47.6</b>	<b>40.3</b>	<b>47.6</b>	<b>40.3</b>

(Amounts in SEK million if not otherwise stated)

The **October-December 2011** cashflow result was SEK 4.2 million (SEK 14.3 million). The higher cashflow during the same period in 2010 is primarily due to the exercise of the shareholder warrants (SEK 11.3 million) and the exercise of the first 15% of the employee options (SEK 1.7 million).

The **January-December 2011** cashflow result was SEK 7.3 million (SEK 15.5 million) increasing the liquidity on 31 December 2011 to SEK 47.6 million (SEK 40.3 million). The increased liquidity includes the payment of the dividend amounting to SEK 3.5 million (SEK 0.0 million) and repayment of the loan to Sörmlands Sparbank amounting to SEK

3.0 million (SEK 0.0 million). The cashflow result excluding the dividend and the loan repayment would have been SEK 13.8 million. Investments during the period amounted to SEK 1.0 million (SEK 0.7 million).

### **Risks and Uncertainty Factors**

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 the individual sales success of vehicles equipped with SinterCast-CGI components.

SinterCast has diversified its product development activities in order to minimise the risk associated with any one industrial sector. Current series production is well balanced between V-diesel engines for passenger vehicles, commercial vehicle engine components, and other applications such as exhaust components and industrial power engines. SinterCast continues to support product development in these traditional areas while also exploring other potential applications. SinterCast's presence in Europe, Asia and the Americas also reduces the dependence on any one geographical sector. Pending the results of field trials, the new ductile iron technology could provide the potential to extend the market activities beyond the core CGI arena.

### **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, OCC, OxyCast and NovaCast. It is also possible that some foundries may opt to produce CGI using in-house control and discipline, but it is generally judged that this will 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.

SinterCast's business development is strongly linked to the internal combustion engine, and particularly to the diesel engine. New powertrain technologies, such as vehicle electrification (hybrids and plug-in vehicles) and fuel cells attract significant media attention; however, the development and implementation of these technologies remain a long-term prospect. Most industry forecasts indicate a market penetration for these technologies of approximately 10% in the 2020 to 2025 timeframe, which is below the expected global penetration for diesel engines. In consideration of the technology leadtime and other practical concerns such as increased cost and driving range, SinterCast does not expect these technologies to have a significant effect on the Company's competitive position for the foreseeable future.

### **Business Model**

SinterCast sells or leases the System 3000 hardware, leases the process control software, sells the sampling consumables, and charges a running Production Fee for each tonne of CGI castings produced using the SinterCast technology. Revenue is also derived from spare parts, engineering service, field trials and sales of test pieces. The total running fees (sampling consumables plus Production Fee) depend on the ladle size and the casting yield for each foundry and each product. For a typical cylinder block, the running fees provide revenue of approximately EUR 40-50 per tonne of castings, equivalently, EUR 2.00-2.50 for each 50 kg Engine Equivalent. The SinterCast business model is highly scalable, allowing profitability to rise as the installed base grows and as more products enter series production.

### **Organisation**

With successful high volume CGI production in foundries located in Europe, Asia and the America's, SinterCast has built up a global organisation with employees and representatives in Sweden, the United Kingdom, the United States, China, Korea, Japan, India and Australia. During 2011, new recruitments were made to strengthen the organisation and to improve the future growth prospects, including a new Sales Director for China, a new Global Sales & Marketing Director, a Market Communications assistant and a new Metallurgical Research engineer. As of 31 December 2011, the Group had 17 (13) employees, three (two) of which were female. Further recruitment will be phased with the development of field activities, particularly the need to increase sales activities and to support new installations.

### **Parent Company**

SinterCast AB (publ) is the Parent Company of the SinterCast Group, with its registered office located in Stockholm, Sweden. The Parent Company has 14 (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.

## **Patents**

SinterCast currently holds 11 (12) patents. SinterCast currently maintains 53 (59) individual national phase patents granted or pending worldwide. The 11 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.

No material transactions have taken place between SinterCast and the Board or the Management during the period, except for the second exercise of the employee stock option programme 2009-2013.

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

The following press release has been issued: 25 January 2012 – PurePOWER Technologies begins Compacted Graphite Iron Production at Indianapolis Casting Facility

There have been no other significant events since the balance sheet date of 31 December 2011 that could materially change these financial statements.

## **Nomination Committee**

The Nomination Committee, elected by the Annual General Meeting 2011, consists of Lars Ahlström, Chairman, Ulla-Britt Fräjdin-Hellqvist and Torbjörn Nordberg. The Nomination Committee can be contacted at: [nomination.committee@sintercast.com](mailto:nomination.committee@sintercast.com)

## **Annual General Meeting**

The Annual General Meeting 2012 of SinterCast AB (publ) will be held on 24 May 2012.

The Board of Directors intends to propose to the AGM 2012 to decide that the results for 2011 be carried forward, to propose a dividend for 2012, and, on an annual basis, to seek shareholder approval to authorise a share buy-back programme.

## **Dividend**

The Board's intention is to continue to provide an ordinary dividend to the shareholders, based primarily on the cashflow from operations. In the event that the Board considers that the liquidity exceeds the amount needed to support the operational requirements and strategic objectives, the Board has the option to propose an extraordinary dividend or a share buy-back to further adjust the liquidity.

Based on the improved profitability and increased liquidity of the company, the Board of Directors propose an ordinary dividend of SEK 1.0 (0.5) per share and an extraordinary dividend of SEK 0.7 per share, resulting in a total dividend of SEK 1.7 per share and a total transfer of SEK 11.9 million (SEK 3.5 million) to the shareholders of SinterCast AB (publ). The Board proposes 18 May, 2012 as the record date for entitlement to receive dividends.

In deciding the amount of the ordinary and extraordinary dividends to be proposed to the AGM 2012, the Board considered cashflow from operations and investment requirements together with other factors, such as market outlook, growth strategy and the internal financial forecast. The proposed ordinary dividend represents 48% of the 2011 cashflow from operations and 60% of the 2011 Operating result for the Group. The total amount of the ordinary and extraordinary dividends represents 82% of the 2011 cashflow from operations and 102% of the 2011 Operating result for the Group.

## **Information**

The Interim Report January-March 2012 will be published on 25 April 2012

The Interim Report April-June 2012 will be published on 22 August 2012

The Interim Report July-September 2012 will be published on 7 November 2012

The Interim Report October- December and Full Year Results 2012 will be published on 20 February 2013

## **Annual Report 2011**

The Annual Report 2011 will be published on 4 April 2012.

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

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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 50 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, Cameron Compression, Caterpillar, Chrysler, DAF Trucks, Ford, Ford-Otosan, General Electric Transportation Systems, General Motors, Hyundai, Jaguar, Jeep, Kia, Lancia, Land Rover, MAN, Navistar, Porsche, PSA Peugeot-Citroën, Renault, Rolls-Royce Power Engineering, Scania, 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). For more information: [www.sintercast.com](http://www.sintercast.com)

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## Income Statement - SinterCast Group

AMOUNTS IN SEK MILLION	October-December		January - December	
	2011	2010	2011	2010
Revenue	16.0	14.5	49.0	39.4
Cost of goods sold	-4.7	-3.7	-14.2	-10.2
<b>Gross result</b>	<b>11.3</b>	<b>10.8</b>	<b>34.8</b>	<b>29.2</b>
Cost of sales and marketing	-4.3	-3.4	-14.4	-11.3
Cost of administration	-1.7	-1.5	-6.6	-5.5
Cost of research & development	-1.3	-1.9	-4.4	-4.5
Other operating income	0.1	0.0	2.2	0.0
Other operating costs	0.0	-0.1	0.0	-0.7
<b>Operating result</b>	<b>4.1</b>	<b>3.9</b>	<b>11.6</b>	<b>7.2</b>
Financial income	0.2	0.4	0.6	2.2
Financial costs	0.4	-0.1	-1.1	-0.9
Income Tax	0.1	4.9	3.4	8.0
<b>Result for the period</b>	<b>4.8</b>	<b>9.1</b>	<b>14.5</b>	<b>16.5</b>
<b>Result attributable to:</b>				
Equity holder of the parent company	4.8	9.1	14.5	16.5
Non-controlling interests	-	-	-	-
Earnings per share, SEK	0.7	1.3	2.1	2.5
Earning per share, diluted, SEK	0.7	1.3	2.1	2.5
Number of shares at the close of the period, thousands	6,975.7	6,975.7	6,975.7	6,975.7
Average number of shares, thousands	6,975.7	6,862.8	6,975.7	6,574.5
Average number of shares adjusted for outstanding warrants	6,975.7	6,862.8	6,975.7	6,574.5

## Statement of Comprehensive Income - SinterCast Group

AMOUNTS IN SEK MILLION	October-December		January - December	
	2011	2010	2011	2010
<b>Result for the period</b>	<b>4.8</b>	<b>9.1</b>	<b>14.5</b>	<b>16.5</b>
<b>Other comprehensive income</b>				
Translation differences, foreign subsidiaries	0.2	0.2	0.4	0.1
<b>Other comprehensive income, net of tax</b>	<b>0.2</b>	<b>0.2</b>	<b>0.4</b>	<b>0.1</b>
<b>Total comprehensive income</b>	<b>5.0</b>	<b>9.3</b>	<b>14.9</b>	<b>16.6</b>
<b>Total comprehensive income attributable to:</b>				
Equity holder of the parent company	5.0	9.3	14.9	16.6
Non-controlling interests	-	-	-	-

## Cashflow Statement - SinterCast Group

AMOUNTS IN SEK MILLION	October-December		January - December	
	2011	2010	2011	2010
<b>Operating activities</b>				
Operating result	4.1	3.9	11.6	7.2
Adjustments for items not included in the cash flow				
Depreciation	0.2	0.5	0.9	1.1
Other	0.2	0.1	0.8	1.3
Unrealised exchange rate differences	-0.4	1.0	-0.4	0.9
Received interest	0.2	-0.3	0.6	0.1
Paid interest	0.0	-0.1	-0.1	-0.2
<b>Total cashflow from operating activities before change in working capital</b>	<b>4.3</b>	<b>5.1</b>	<b>13.4</b>	<b>10.4</b>
<b>Change in working capital</b>				
Stock	-0.1	0.9	-1.9	0.8
Operating receivables	-0.1	-7.3	3.7	-9.7
Operating liabilities	0.5	2.9	-0.7	1.5
<b>Total change in working capital</b>	<b>0.3</b>	<b>-3.5</b>	<b>1.1</b>	<b>-7.4</b>
<b>Cashflow from operations</b>	<b>4.6</b>	<b>1.6</b>	<b>14.5</b>	<b>3.0</b>
<b>Investing activities</b>				
Acquisition of intangible assets	0.0	-0.1	-0.1	-0.3
Acquisition of tangible assets	-0.1	-0.2	-0.3	-0.2
Increase/decrease in long-term receivables/payables	0.0	0.0	0.0	0.0
<b>Cashflow from investing activities</b>	<b>-0.1</b>	<b>-0.3</b>	<b>-0.4</b>	<b>-0.5</b>
<b>Financing activities</b>				
Rights issue*	-	11.3	-	11.3
Employee share option programme**	-0.3	1.7	-0.3	1.7
Bank loan	-	-	-3.0	-
Dividend	-	-	-3.5	-
<b>Cashflow from financing activities</b>	<b>-0.3</b>	<b>13.0</b>	<b>-6.8</b>	<b>13.0</b>
Change in cash and cash equivalents***	4.2	14.3	7.3	15.5
Cash - opening balance	43.4	26.0	40.3	24.8
Cash - closing balance	47.6	40.3	47.6	40.3

\* The Rights Issue amounted to SEK 0.0 million (SEK 11.4 million) before transaction costs

\*\* The subscription of warrants amounted to SEK 0.3 million (SEK 1.8 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 2011	31 Dec 2010	30 Sept 2011	30 Sept 2010
<b>ASSETS</b>				
Intangible assets	2.3	2.9	2.5	3.3
Tangible assets	0.4	0.2	0.7	0.2
Financial assets	32.9	29.3	32.8	24.5
<b>Total fixed assets</b>	<b>35.6</b>	<b>32.4</b>	<b>36.0</b>	<b>28.0</b>
Stock	4.4	3.0	4.3	3.9
Short term receivables	12.3	16.0	10.8	19.5
Short term deposits and cash at bank and in hand	47.6	40.3	43.4	26.0
<b>Total current assets</b>	<b>64.3</b>	<b>59.3</b>	<b>58.5</b>	<b>49.4</b>
<b>Total Assets</b>	<b>99.9</b>	<b>91.7</b>	<b>94.5</b>	<b>77.4</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity*</b>	<b>93.2</b>	<b>81.3</b>	<b>88.3</b>	<b>70.1</b>
Long term liabilities	0.0	0.0	0.0	0.0
Current liabilities	6.7	10.4	6.2	7.3
<b>Total shareholders' equity and liabilities</b>	<b>99.9</b>	<b>91.7</b>	<b>94.5</b>	<b>77.4</b>
Adjusted equity per share	13.4	11.7	12.7	10.0
<b>* STATEMENT OF CHANGES IN EQUITY</b>				
Attributable to the equity holder of the parent company	<b>Share Capital</b>	<b>Additional Paid in Capital</b>	<b>Accumulated Result</b>	<b>Total Equity</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>
<b>Opening balance 1 January 2011</b>	<b>6.98</b>	<b>39.40</b>	<b>34.91</b>	<b>81.29</b>
Employee share option programme, IFRS 2	-	-	0.78	0.78
Cash exercise, share option programme	-	-	-0.26	-0.26
Dividend	-	-	-3.49	-3.49
Total comprehensive income	-	-	14.88	14.88
<b>Closing Balance 31 December 2011</b>	<b>6.98</b>	<b>39.40</b>	<b>46.82</b>	<b>93.20</b>

## Key Ratio and Share Data - SinterCast Group

AMOUNTS IN SEK MILLION	October-December		January - December	
	2011	2010	2011	2010
<b>Key Ratio</b>				
Revenue, SEK millions	16.0	14.5	49.0	39.4
Net result, SEK millions	4.8	9.1	14.5	16.5
Operating margin %	25.6	26.9	23.7	18.3
Solidity, %	93.3	88.7	93.3	88.7
Adjusted shareholders' equity, SEK millions	93.2	81.3	93.2	81.3
Capital employed, SEK millions	93.2	84.3	93.2	84.3
Total assets, SEK millions	99.9	91.7	99.9	91.7
Return on shareholders' equity, %	5.2	12.0	16.6	25.0
Return on capital employed, %	4.8	10.8	16.4	24.3
Return on total assets, %	4.8	10.8	15.2	22.2
Debt-to-equity ratio	-	0.0	-	0.0
<b>Employees</b>				
Number of employees at the end of the period	17	13	17	13
<b>Data per Share</b>				
Earnings per share, SEK	0.7	1.3	2.1	2.5
Dividends per share, SEK	0.5	-	0.5	-
Cashflow from operations per share, SEK	0.7	0.2	2.1	0.5
Share price at the end of the period, SEK	45.0	51.3	45.0	51.3

### 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, diluted

Net result divided by the average number of shares adjusted for outstanding warrants related to the employee stock options

### Adjusted equity per share

Adjusted shareholders' equity divided by the average number of shares

### Adjusted equity per share adjusted for outstanding warrants

Adjusted shareholders' equity divided by the average number of shares adjusted for outstanding warrants related to employee stock 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, if any

### 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	
	2011	2010	2011	2010
Revenue	13.9	14.4	46.1	38.5
Cost of goods sold	-4.0	-3.8	-14.1	-10.4
<b>Gross result</b>	<b>9.9</b>	<b>10.6</b>	<b>32.0</b>	<b>28.1</b>
Cost of sales and marketing	-3.0	-3.3	-12.1	-10.5
Cost of administration	-1.8	-1.5	-6.6	-5.5
Cost of research & development	-1.3	-1.9	-4.4	-4.5
Other operating income	0.1	0.1	2.2	0.1
Other operating costs	0.0	-0.1	0.0	0.0
<b>Operating result</b>	<b>3.9</b>	<b>3.9</b>	<b>11.1</b>	<b>7.7</b>
Financial income	0.2	0.4	0.6	2.2
Financial costs	0.4	-0.1	-1.1	-0.9
Income Tax	0.1	4.9	3.4	8.0
<b>Result for the period</b>	<b>4.6</b>	<b>9.1</b>	<b>14.0</b>	<b>17.0</b>
<b>Result attributable to:</b>				
Equity holder of the parent company	4.6	9.1	14.0	17.0
Non-controlling interests	-	-	-	-
Earnings per share, SEK	0.7	1.3	2.0	2.6
Earning per share, diluted, SEK	0.7	1.3	2.0	2.6
Number of shares at the close of the period, thousands	6,975.7	6,975.7	6,975.7	6,975.7
Average number of shares, thousands	6,975.7	6,862.8	6,975.7	6,574.5
Average number of shares adjusted for outstanding warrants	6,975.7	6,862.8	6,975.7	6,574.5

## Statement of Comprehensive Income - SinterCast AB

AMOUNTS IN SEK MILLION	October-December		January - December	
	2011	2010	2011	2010
<b>Result for the period</b>	<b>4.6</b>	<b>9.1</b>	<b>14.0</b>	<b>17.0</b>
<b>Total comprehensive income</b>	<b>4.6</b>	<b>9.1</b>	<b>14.0</b>	<b>17.0</b>
<b>Total comprehensive income attributable to:</b>				
Equity holder of the parent company	4.6	9.1	14.0	17.0
Non-controlling interests	-	-	-	-

## Balance Sheet - SinterCast AB

AMOUNTS IN SEK MILLION	31 Dec 2011	31 Dec 2010	30 Sept 2011	30 Sept 2010
<b>ASSETS</b>				
Intangible assets	2.3	2.9	2.5	3.3
Tangible assets	0.4	0.2	0.3	0.2
Financial assets	36.0	32.1	35.9	26.9
<b>Total fixed assets</b>	<b>38.7</b>	<b>35.2</b>	<b>38.7</b>	<b>30.4</b>
Stock	3.7	2.3	3.5	3.1
Short-term receivables	9.7	16.2	15.0	23.1
Short term deposits and cash at bank and in hand	45.4	39.7	41.8	25.3
<b>Total current assets</b>	<b>58.8</b>	<b>58.2</b>	<b>60.3</b>	<b>51.5</b>
<b>Total Assets</b>	<b>97.5</b>	<b>93.4</b>	<b>99.0</b>	<b>81.9</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity*</b>	<b>84.6</b>	<b>73.6</b>	<b>80.0</b>	<b>62.5</b>
Long term liabilities	0.1	0.1	0.1	0.1
Current liabilities	12.8	19.7	18.9	19.3
<b>Total shareholders' equity and liabilities</b>	<b>97.5</b>	<b>93.4</b>	<b>99.0</b>	<b>81.9</b>
Adjusted equity per share	12.1	10.6	11.5	9.0

* STATEMENT OF CHANGES IN EQUITY	Share Capital	Statutory Reserve	Share Premium Reserve	Results Brought Forward	Results For the Year	Total Equity
Attributable to the equity holder of the parent company						
<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>
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>22.03</b>	<b>17.37</b>	<b>13.31</b>	<b>13.88</b>	<b>73.57</b>
<b>Opening balance 1 January 2011</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>
Employee share option programme, IFRS 2	-	-	-	0.78	-	0.78
Cash exercise, share option programme	-	-	-	-0.26	-	-0.26
Dividend	-	-	-	-3.49	-	-3.49
Total comprehensive income	-	-	-	-	14.03	14.03
<b>Closing Balance 31 December 2011</b>	<b>6.98</b>	<b>9.53</b>	<b>29.87</b>	<b>7.23</b>	<b>31.02</b>	<b>84.63</b>