

Press Release: 3 November 2010



## SinterCast Results July-September 2010

- **Revenue for period:** SEK 8.3 million (SEK 5.2 million). **Year-to-date:** SEK 24.9 million (SEK 14.5 million)
- **Operating result:** SEK 2.0 million (SEK -1.5 million). **Year-to-date:** SEK 3.3 million (SEK -5.2 million)
- **Earning/share:** SEK 0.5 per share (SEK 1.8 per share). **Year-to-date:** SEK 1.1 per share (SEK -0.3 per share)
- **Cashflow:** SEK 0.5 million (SEK 17.6 million). **Year-to-date:** SEK 1.2 million (SEK 17.7 million)
- Series production exceeds annualised rate of one million Engine Equivalents in August and September
- VM Motori launches 3.0 litre engine with SinterCast-CGI cylinder block and bedplate

*Annualised Series production surpassed the one million Engine Equivalent milestone in the third quarter providing year-on-year growth of 120% compared to September 2009*

### Current Production and Outlook

Annualised series production reached 1,050,000 Engine Equivalents in August and grew further to 1,100,000 Engine Equivalents (55,000 tonnes/year) in September, clearly demonstrating stable series production in excess of the one million milestone during the period. The series production for September 2010 represents a 120% increase relative to the production pace of 500,000 Engine Equivalents in September 2009, and a 47% increase compared to the pre-economic downturn high of 750,000 Engine Equivalents established in September 2008. The significant growth in series production is primarily derived from the continued ramp-up of the Ford 6.7 litre V8 engine and from increased exhaust component production in China; however, the launch of the Navistar 6.4 litre V8, the Land Rover 4.4 litre V8, and VM Motori 3.0 litre V6 diesel engines during 2010 has also contributed to the growth, providing the basis for a positive cashflow outlook for 2010.

In conjunction with the Paris Motor Show, VM Motori SpA of Italy introduced a new 3.0 litre V6 diesel engine with a SinterCast-CGI cylinder block and bedplate. The cylinder blocks and bedplates began series production at the Tupy foundry in Brazil during mid-2010 and become the sixteenth and seventeenth CGI components to be produced by Tupy using the SinterCast process control technology. Following pre-machining of the cylinder blocks and bedplates at Tupy, final machining and engine assembly are performed in a purpose-built manufacturing facility at VM Motori in Cento, Italy. The Euro 5 compliant engine is capable of 240 horsepower (59 kW/litre) and 550 Nm of torque and will be available in 2011 model year vehicles in the European market. The VM Motori engine reconfirms that CGI has effectively become the standard material for passenger vehicle V-diesel engines, providing the best combination of weight reduction, compact design, performance, NVH, durability and environmental efficiency.

As part of SinterCast's ongoing efforts to increase the awareness of CGI in China, press conferences were held in Shanghai and Beijing for 18 of China's leading automotive journals. SinterCast also provided a half-day technology seminar at China's only foundry conference devoted specifically to automotive foundries. These presentations, together with the ongoing direct contacts that have been established with the main automotive foundries, are an important part of the strategy to establish and grow the SinterCast brand in China.

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

Activity	Approximate Annual Production Potential and Revenue			
	30 September 2010		30 June 2010	
	<u>KEQVS*</u>	<u>MSEK/yr**</u>	<u>KEQVS*</u>	<u>MSEK/yr**</u>
Current Series Production <sup>1</sup>	1,100	22	950	22
Potential Mature Volume <sup>2</sup>	1,350	30	1,300	30
Production Orders Secured <sup>3</sup>	450	9	400	9
Development Pipeline <sup>4</sup>	2,500	58	2,500	58
<b>Near-term Market Opportunity<sup>5</sup></b>	<b>4,300</b>	<b>97</b>	<b>4,200</b>	<b>97</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  
 \*\* Assumes SEK 23 per Engine Equivalent, depending on 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	July-September		January-September	
	2010	2009	2010	2009
Number of Sampling Cups shipped	23,400	15,400	72,050	36,000
<b>Equipment</b> <sup>1</sup>	0.2	0.3	1.5	2.3
<b>Series Production</b> <sup>2</sup>	7.8	4.5	22.2	10.9
<b>Engineering Service</b> <sup>3</sup>	0.3	0.4	1.0	1.3
<b>Other</b>	0.0	0.0	0.2	0.0
<b>Total</b>	<b>8.3</b>	<b>5.2</b>	<b>24.9</b>	<b>14.5</b>

(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 **July-September 2010** revenue amounted to SEK 8.3 million (SEK 5.2 million). The revenue increase of 60% is a result of the significant increases in series production and Sampling Cup shipments. The revenue from series production increased by 73% to SEK 7.8 million (SEK 4.5 million), due to the record production at an annualised rate of approximately 1,100,000 (500,000) Engine Equivalents and the shipment of 23,400 (15,400) Sampling Cups. Despite the increase in series production during the third quarter 2010, the revenue decreased by SEK 0.3 million compared to the second quarter 2010 mainly due to lower equipment and engineering service revenue. Additional engineering service activities during the period were concentrated mainly on the Pressurised Pouring Furnace development project. Development activities amounted to SEK 0.4 million and have been accounted as investments and credited R&D costs.

The **January-September 2010** revenue amounted to SEK 24.9 million (SEK 14.5 million). The revenue increase of 72% is as a result of the significant increases in series production, the doubling of the Sampling Cup shipments, and the invoicing of the Mini-System 3000 to First Automobile Works in China. The revenue from series production increased by 104% to SEK 22.2 million (SEK 10.9 million).

### Results

Results Summary	July-September		January-September	
	2010	2009	2010	2009
<b>Operating Result</b>	2.0	-1.5	3.3	-5.2
<b>Result for the period</b>	3.0	10.1	7.4	-1.6
<b>Result after tax per share (SEK)*</b>	0.5	1.8	1.1	-0.3

(Amounts in SEK million if not otherwise stated)

\*Based on 6,478,383 shares

The **July-September 2010** operating result of SEK 2.0 million (SEK -1.5million) was primarily affected by the higher gross result of SEK 3.4 million compared to the same period 2009. The R&D costs were reduced by SEK 0.4 million due to the activation of Pressurised Pouring Furnace and development project. The result after tax for the July-September 2010 period amounted to SEK 3.0 million (SEK 10.1 million), primarily related to the revaluation of the deferred tax asset, as described in the section entitled "Deferred Tax Asset".

The **January-September 2010** operating result of SEK 3.3 million (SEK -5.2) million was primarily affected by the higher gross result of SEK 9.2 million compared to the same period 2009. The result after tax for the January-September 2010 period amounted to SEK 7.4 million (SEK -1.6 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	July-September		January-September		FY
	2010	2009	2010	2009	2009
<b>Estimated future taxable profit</b>	<b>97.0</b>	80.3	<b>97.0</b>	80.3	80.3
<b>Change in carry-forward tax loss taken into consideration</b>	<b>4.8</b>	40.4	<b>16.7</b>	10.3	10.3
<b>Deferred tax on carry-forward tax losses</b>	<b>25.5</b>	21.1	<b>25.5</b>	21.1	21.1
<b>Change in deferred tax due to the result for the period</b>	<b>-1.3</b>	-	<b>-1.3</b>	-	-
<b>Deferred tax asset</b>	<b>24.2</b>	21.1	<b>24.2</b>	21.1	21.1
<b>Change in deferred tax on carry-forward tax losses</b>	<b>1.3</b>	10.7	<b>4.3</b>	2.7	2.7
<b>Change in deferred tax due to the result for the period</b>	<b>-1.3</b>	-	<b>-1.3</b>	-	-
<b>Income tax</b>	<b>0.0</b>	10.7	<b>3.0</b>	2.7	2.7

(Amounts in SEK million if not otherwise stated), (FY: Full Year)

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 30 September 2010, SEK 97.0 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 25.5 million (SEK 21.1 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 -1.3 million (SEK 0.0 million) to SEK 24.2 million (SEK 21.1 million).

#### Employee Stock Option Programme

As of 30 September 2010, the cost of the employee stock option programme 2009-2013 was calculated at a total amount of SEK 3.2 million (SEK 3.3 million), based on a closing share price of SEK 52.0 (SEK 49.4). Thus far during 2010, SEK 1.1 million (SEK 0.7 million) has been accounted for as costs related to the option programme.

#### Cashflow, Liquidity and Investments

The **July-September 2010** cashflow result was SEK 0.5 million (SEK 17.6 million), providing a Group liquidity of SEK 26.0 million (SEK 26.7 million) on 30 September 2010. The successful completion of the warrant programme resulted in a net cash injection of SEK 11.3 million on 6 October 2010 and will appear in future liquidity reports. It is noted that the cashflow result from operating activities was positive during the period. The increase in working capital required during the period relates to increased receivables and reduced liabilities.

Investments during the period amounted to SEK 0.5 million (SEK 1.2 million), mainly relating to the activation of the Pressurised Pouring Furnace development project.

Cashflow Summary	July-September		January-September	
	2010	2009	2010	2009
Cashflow from operating activities	<b>2.9</b>	<b>-1.2</b>	<b>5.3</b>	<b>-4.0</b>
Cashflow from working capital	<b>-2.4</b>	<b>0.0</b>	<b>-3.9</b>	<b>0.6</b>
Cashflow from investment activities	<b>0.0</b>	<b>0.2</b>	<b>-0.2</b>	<b>-0.5</b>
Cashflow from financing activities	-	<b>18.6</b>	-	<b>21.6</b>
<b>Cashflow total</b>	<b>0.5</b>	<b>17.6</b>	<b>1.2</b>	<b>17.7</b>
<b>Liquidity</b>	<b>26.0</b>	<b>26.7</b>	<b>26.0</b>	<b>26.7</b>
<b>Investments</b>	<b>0.5</b>	<b>1.2</b>	<b>0.7</b>	<b>1.2</b>

(Amounts in SEK million if not otherwise stated)

Current liquidity is SEK 26.0 million, with an additional SEK 11.3 million received on 6 October 2010 from the warrants related to the rights issue conducted during September 2009 and the potential for an additional SEK 1.7 million from the exercise of the first 15% of the employee stock options during November-December 2010.

## **Risks and Uncertainty Factors**

### *Market Development*

Despite the positive increase in series production, the main uncertainty factor for SinterCast continues to be the overall timing of the CGI market ramp-up, which primarily depends on the global economy for new vehicle sales and on the individual sales success of the vehicles equipped with SinterCast-CGI components. The economic conditions facing the global foundry and automotive industries have, in some cases, caused automotive OEMs to delay production launches. In parallel, foundries have delayed plans for new investment in CGI production capacity. The overall decline in the automotive market has resulted in a reduction of SinterCast's near-term market opportunity calculation from a peak of 5.7 million Engine Equivalents on 30 June 2008 to the current value of 4.3 million Engine Equivalents. Although the automotive sector has begun to recover, 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.

### *Liquidity*

SinterCast regularly monitors its cash position with reference to market forecasts and internal expense budgets. In consideration of current expense and revenue forecasts, the Board judges that the Company's financial position is secure. The Company will continue its prudent approach toward expenses and new recruitment.

## **Market Penetration and Competition**

SinterCast has played a leading role in the development and application of CGI since the early 1990's. 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.

## **Personnel**

As of 30 September 2010, the Group had 13 (13) employees, two (two) of which were female. The core technical staff has the necessary skills and resources to support ongoing customer activities and to support the current intensified market development. Further recruitment will be phased with the development of field activities, particularly the need to support new installations.

## **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 2.3. 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**

The successful completion of the warrant programme resulted in a net cash injection of SEK 11.3 million on 6 October 2010. Transaction fees related to the exercise of the warrants were approximately SEK 0.1 million. There have been no other significant events since the balance sheet date of 30 September 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.

## Annual General Meeting

The Annual General Meeting 2011 of SinterCast AB (publ) will be held on 19 May 2011.

## 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)

## Information

The Interim Report October- December and Full Year Results 2010 will be published on 18 February 2011

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

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## Review report

We have reviewed this report for the period 1 January 2010 to 30 September 2010 for SinterCast AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden, RS, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 3 November 2010

Öhrlings PricewaterhouseCoopers

.....  
Anna-Carin Bjelkeby  
Authorised Public Accountant  
Auditor in charge

**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 40 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, Navistar, Jaguar, Kia, Land Rover, MAN, Porsche, PSA Peugeot-Citroën, Renault, Rolls-Royce Power Engineering, Toyota, Volkswagen, VM Motori, Volvo and Waukesha Engine. The SinterCast share is quoted on the Small Cap segment of the NASDAQ OMX stock exchange (Stockholmsbörsen: SINT).

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## Income Statement - SinterCast Group

AMOUNTS IN SEK MILLION	July - September		January - September		January-December	
	2010	2009	2010	2009	2009	2008
Revenue	8.3	5.2	24.9	14.5	20.0	24.8
Cost of goods sold	-1.4	-1.7	-6.5	-5.3	-7.0	-9.4
<b>Gross result</b>	<b>6.9</b>	<b>3.5</b>	<b>18.4</b>	<b>9.2</b>	<b>13.0</b>	<b>15.4</b>
Cost of sales and marketing	-2.6	-2.2	-7.9	-7.3	-10.1	-11.0
Cost of administration	-1.1	-1.2	-4.0	-4.1	-5.2	-6.5
Cost of research & development	-0.6	-1.5	-2.6	-3.0	-3.9	-3.9
Other operating income	0.0	-0.1	0.0	0.0	0.0	0.0
Other operating costs	-0.6	0.0	-0.6	0.0	-0.1	0.3
<b>Operating result</b>	<b>2.0</b>	<b>-1.5</b>	<b>3.3</b>	<b>-5.2</b>	<b>-6.3</b>	<b>-5.7</b>
Financial income	1.4	1.5	1.8	1.7	1.8	0.7
Financial costs	-0.4	-0.6	-0.8	-0.8	-0.9	-0.4
Income Tax	0.0	10.7	3.1	2.7	2.7	18.5
<b>Result for the period</b>	<b>3.0</b>	<b>10.1</b>	<b>7.4</b>	<b>-1.6</b>	<b>-2.7</b>	<b>13.1</b>
<b>Result attributable to:</b>						
Equity holder of the parent company	3.0	10.1	7.4	-1.6	-2.7	13.1
Non-controlling interests	-	-	-	-	-	-
Earnings per share, SEK	0.5	1.8	1.1	-0.3	-0.5	2.4
Earning per share, diluted, SEK	0.5	1.8	1.1	-0.3	-0.5	2.4
Number of shares at the close of the period, thousands	6,478.4	6,478.4	6,478.4	6,478.4	6,478.4	5,552.9
Average number of shares, thousands	6,478.4	5,676.3	6,478.4	5,676.3	5,938.5	5,552.9
Average number of shares adjusted for outstanding warrants	6,722.2	5,698.5	6,722.2	5,698.5	5,960.7	5,552.9

## Statement of Comprehensive Income - SinterCast Group

AMOUNTS IN SEK MILLION	July - September		January - September		January-December	
	2010	2009	2010	2009	2009	2008
<b>Result for the period</b>	<b>3.0</b>	<b>10.1</b>	<b>7.4</b>	<b>-1.6</b>	<b>-2.7</b>	<b>13.1</b>
<b>Other comprehensive income</b>						
Translation differences, foreign subsidiaries	-0.1	-0.2	-0.1	-0.2	0.0	0.1
<b>Other comprehensive income, net of tax</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-0.1</b>	<b>-0.2</b>	<b>0.0</b>	<b>0.1</b>
<b>Total comprehensive income</b>	<b>2.9</b>	<b>9.9</b>	<b>7.3</b>	<b>-1.8</b>	<b>-2.7</b>	<b>13.2</b>
<b>Total comprehensive income attributable to:</b>						
Equity holder of the parent company	2.9	9.9	7.3	-1.8	-2.7	13.2
Non-controlling interests	-	-	-	-	-	-

## Cashflow Statement - SinterCast Group

AMOUNTS IN SEK MILLION	July - September		January - September		January-December	
	2010	2009	2010	2009	2009	2008
<b>Operating activities</b>						
Operating result	2.0	-1.5	3.3	-5.2	-6.3	-5.7
Adjustments for items not included in the cash flow						
Depreciation	0.2	0.9	0.6	1.3	1.5	1.2
Other	0.7	-0.6	1.2	-0.1	1.4	0.6
Exchange rate differences	0.0	0.0	-0.1	0.0	0.4	0.3
Received interest	0.0	-0.1	0.4	0.0	0.0	0.7
Paid interest	0.0	0.1	-0.1	0.0	-0.2	-0.4
<b>Total cashflow from operating activities before change in working capital</b>	<b>2.9</b>	<b>-1.2</b>	<b>5.3</b>	<b>-4.0</b>	<b>-3.2</b>	<b>-3.3</b>
<b>Change in working capital*</b>						
Stock	0.1	0.3	-0.1	1.4	1.2	-1.8
Operating receivables	0.1	-0.4	-2.4	0.3	0.6	-0.5
Operating liabilities	-2.6	0.1	-1.4	-1.1	-3.5	-1.4
<b>Total change in working capital</b>	<b>-2.4</b>	<b>0.0</b>	<b>-3.9</b>	<b>0.6</b>	<b>-1.7</b>	<b>-3.7</b>
<b>Cashflow from operations</b>	<b>0.5</b>	<b>-1.2</b>	<b>1.4</b>	<b>-3.4</b>	<b>-4.9</b>	<b>-7.0</b>
<b>Investing activities</b>						
Acquisition of intangible assets	0.0	0.2	-0.2	-0.5	-0.5	-0.2
Acquisition of tangible assets	0.0	0.0	0.0	0.0	-0.1	-0.1
Increase/decrease in long-term receivables/payables	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cashflow from investing activities</b>	<b>0.0</b>	<b>0.2</b>	<b>-0.2</b>	<b>-0.5</b>	<b>-0.6</b>	<b>-0.3</b>
<b>Financing activities</b>						
Rights Issue**	-	21.6	-	21.6	18.3	-
Bank Loan	-	-3.0	-	-	3.0	-
<b>Cashflow from financing activities</b>	<b>-</b>	<b>18.6</b>	<b>-</b>	<b>21.6</b>	<b>21.3</b>	<b>-</b>
Change in cash and cash equivalents***	0.5	17.6	1.2	17.7	15.8	-7.3
Cash - opening balance	25.5	9.1	24.8	9.0	9.0	16.3
Cash - closing balance	26.0	26.7	26.0	26.7	24.8	9.0

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

\*\* The Rights Issue amounted to SEK 23.1 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	30 Sept 2010	30 Sept 2009	30 June 2010	30 June 2009	31 Dec 2009	31 Dec 2008
<b>ASSETS</b>						
Intangible assets	3.3	3.3	3.1	3.8	3.3	3.5
Tangible assets	0.2	0.1	0.1	0.1	0.1	0.1
Financial assets	24.5	21.4	24.5	10.7	21.4	18.7
<b>Total fixed assets</b>	<b>28.0</b>	<b>24.8</b>	<b>27.7</b>	<b>14.6</b>	<b>24.8</b>	<b>22.3</b>
Stock	3.9	3.6	4.0	3.9	3.8	5.0
Short-term receivables	19.5	5.1	8.2	3.7	5.8	4.4
Short term deposits and cash at bank and in hand	26.0	26.7	25.5	9.1	24.8	9.0
<b>Total current assets</b>	<b>49.4</b>	<b>35.4</b>	<b>37.7</b>	<b>16.7</b>	<b>34.4</b>	<b>18.4</b>
<b>Total Assets</b>	<b>77.4</b>	<b>60.2</b>	<b>65.4</b>	<b>31.3</b>	<b>59.2</b>	<b>40.7</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>						
<b>Shareholders' equity*</b>	<b>70.1</b>	<b>51.5</b>	<b>55.5</b>	<b>22.9</b>	<b>50.5</b>	<b>34.1</b>
Long term liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	7.3	8.7	9.9	8.4	8.7	6.6
<b>Total shareholders' equity and liabilities</b>	<b>77.4</b>	<b>60.2</b>	<b>65.4</b>	<b>31.3</b>	<b>59.2</b>	<b>40.7</b>
Adjusted equity per share	10.8	7.9	8.6	3.5	7.8	6.1

**\* STATEMENT OF CHANGES IN EQUITY**

Attributable of the equity holder of the parant company	Share Capital	Additional Paid in Capital	Accumulated Result	Total Equity
<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	-	-	0.70	0.70
Rights Issue	0.93	17.51	-	18.44
Total comprehensive income	-	-	-1.81	-1.81
<b>Closing Balance 30 September 2009</b>	<b>6.48</b>	<b>27.04</b>	<b>17.96</b>	<b>51.48</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	-	-	0.95	0.95
Ongoing Rights Issue*	-	11.31	-	11.31
Total comprehensive income	-	-	7.33	7.33
<b>Closing Balance 30 September 2010*</b>	<b>6.48</b>	<b>38.21</b>	<b>25.38</b>	<b>70.07</b>

\* The Rights Issue consists of SEK 452 740 unregistered share capital

## Key Ratio and Share Data - SinterCast Group

AMOUNTS IN SEK MILLION	July - September		January - September		January-December		
	2010	2009	2010	2009	2009	2008	2007
<b>Key Ratio</b>							
Revenue, SEK millions	8.3	5.2	24.9	14.5	20.0	24.8	22.8
Net result, SEK millions	3.0	10.1	7.4	-1.6	-2.7	13.1	-4.5
Operating margin %	24.1	-28.8	13.3	-35.9	-31.5	-23.0	-22.4
Solidity, %	90.6	85.5	90.6	85.5	85.3	83.8	71.2
Adjusted shareholders' equity, SEK millions	70.1	51.5	70.1	51.5	50.5	34.1	20.0
Capital employed, SEK millions	73.1	54.5	73.1	54.5	53.5	34.1	20.0
Total assets, SEK millions	77.4	60.2	77.4	60.2	59.2	40.7	28.1
Return on shareholders' equity, %	4.8	27.1	12.3	-3.8	-6.4	48.4	-20.7
Return on capital employed, %	4.7	27.1	13.1	-3.7	-5.6	50.0	-19.2
Return on total assets, %	4.8	51.3	12.1	-6.8	-4.1	66.5	-29.7
Debt-to-equity ratio	0.0	-	0.0	-	0.1	-	-
<b>Employees</b>							
Number of employees at the end of the period	13	13	13	13	13	15	14
<b>Data per Share</b>							
Earnings per share, SEK	0.5	1.8	1.1	-0.3	-0.5	2.4	-0.8
Dividends per share, SEK	-	-	-	-	-	-	-
Cashflow per share, SEK	0.1	3.1	0.2	3.1	2.7	-1.3	0.1
Share price at the end of the period, SEK	52.0	60.0	52.0	60.0	50.5	32.5	140.0

### 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

No outstanding warrants

### Adjusted equity per share

Adjusted shareholders' equity divided by the average number of shares

### Adjusted equity per share adjusted for outstanding warrants

No outstanding warrants

### Solidity

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

### Adjusted shareholders' equity

Shareholders' equity plus 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 the Swedish 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	July - September		January - September		January-December	
	2010	2009	2010	2009	2009	2008
Revenue	8.0	5.9	24.1	13.9	19.3	22.3
Cost of goods sold	-1.3	-2.4	-6.6	-5.8	-7.8	-9.3
<b>Gross result</b>	<b>6.7</b>	<b>3.5</b>	<b>17.5</b>	<b>8.1</b>	<b>11.5</b>	<b>13.0</b>
Cost of sales and marketing	-2.2	-0.9	-7.2	-3.3	-8.9	-11.1
Cost of administration	-1.1	-1.0	-4.0	-3.3	-5.4	-6.6
Cost of research & development	-0.7	-1.4	-2.6	-2.8	-3.8	-3.9
Other operating income	0.0	0.0	0.0	0.0	0.0	0.2
Other operating costs	0.4	0.5	0.1	0.0	-0.1	0.0
<b>Operating result</b>	<b>3.1</b>	<b>0.7</b>	<b>3.8</b>	<b>-1.3</b>	<b>-6.7</b>	<b>-8.4</b>
Financial income	1.4	1.5	1.8	1.7	1.8	0.6
Financial costs	-0.4	-0.6	-0.8	-0.8	-0.9	-0.4
Income Tax	0.0	10.7	3.1	2.7	2.7	18.5
<b>Result for the period</b>	<b>4.1</b>	<b>12.3</b>	<b>7.9</b>	<b>2.3</b>	<b>-3.1</b>	<b>10.3</b>
<b>Result attributable to:</b>						
Equity holder of the parent company	4.1	12.3	7.9	2.3	-3.1	10.3
Non-controlling interests	-	-	-	-	-	-
Earnings per share, SEK	0.6	1.9	1.2	0.4	-0.5	1.9
Earning per share, diluted, SEK	0.6	1.9	1.2	0.4	-0.5	1.9
Number of shares at the close of the period, thousands	6,478.4	6,478.4	6,478.4	6,478.4	6,478.4	5,552.9
Average number of shares, thousands	6,478.4	5,676.3	6,478.4	5,676.3	5,938.5	5,552.9
Average number of shares adjusted for outstanding warrants	6,722.2	5,698.5	6,722.2	5,698.5	5,960.7	5,552.9

## Statement of Comprehensive Income - SinterCast AB

AMOUNTS IN SEK MILLION	July - September		January - September		January-December	
	2010	2009	2010	2009	2009	2008
<b>Result for the period</b>	<b>4.1</b>	<b>12.3</b>	<b>7.9</b>	<b>2.3</b>	<b>-3.1</b>	<b>10.3</b>
<b>Total comprehensive income</b>	<b>4.1</b>	<b>12.3</b>	<b>7.9</b>	<b>2.3</b>	<b>-3.1</b>	<b>10.3</b>
<b>Total comprehensive income attributable to:</b>						
Equity holder of the parent company	4.1	12.3	7.9	2.3	-3.1	10.3
Non-controlling interests	-	-	-	-	-	-

## Balance Sheet - SinterCast AB

AMOUNTS IN SEK MILLION	30 Sept 2010	30 Sept 2009	30 June 2010	30 June 2009	31 Dec 2009	31 Dec 2008
<b>ASSETS</b>						
Intangible assets	3.3	3.3	3.1	3.8	3.3	3.5
Tangible assets	0.2	0.1	0.1	0.1	0.1	0.1
Financial assets	26.9	23.3	26.8	12.5	23.4	20.1
<b>Total fixed assets</b>	<b>30.4</b>	<b>26.7</b>	<b>30.0</b>	<b>16.4</b>	<b>26.8</b>	<b>23.7</b>
Stock	3.1	2.8	3.2	3.0	3.0	5.0
Short-term receivables	23.1	8.4	10.6	5.9	5.3	3.8
Short term deposits and cash at bank and in hand	25.3	26.3	24.9	8.5	24.4	8.2
<b>Total current assets</b>	<b>51.5</b>	<b>37.5</b>	<b>38.7</b>	<b>17.4</b>	<b>32.7</b>	<b>17.0</b>
<b>Total Assets</b>	<b>81.9</b>	<b>64.2</b>	<b>68.7</b>	<b>33.8</b>	<b>59.5</b>	<b>40.7</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>						
<b>Shareholders' equity*</b>	<b>62.5</b>	<b>47.8</b>	<b>46.7</b>	<b>17.1</b>	<b>42.3</b>	<b>26.4</b>
Long term liabilities	0.1	0.1	0.1	0.1	0.1	0.1
Current liabilities	19.3	16.3	21.9	16.6	17.1	14.2
<b>Total shareholders' equity and liabilities</b>	<b>81.9</b>	<b>64.2</b>	<b>68.7</b>	<b>33.8</b>	<b>59.5</b>	<b>40.7</b>
Adjusted equity per share	9.6	7.4	7.2	2.6	6.5	4.8

**\* STATEMENT OF CHANGES IN EQUITY**

Attributable of the equity holder of the parant company	Share Capital	Additional Paid in Capital	Accumulated Result	Total Equity
<b>Opening balance 1 January 2009</b>	<b>5.55</b>	<b>9.53</b>	<b>11.28</b>	<b>26.36</b>
Employee share option programme	-	-	0.70	0.70
Rights Issue	0.93	17.51	-	18.44
Total comprehensive income	-	-	2.30	2.30
<b>Closing Balance 30 September 2009</b>	<b>6.48</b>	<b>27.04</b>	<b>14.28</b>	<b>47.80</b>
<b>Opening balance 1 January 2010</b>	<b>6.48</b>	<b>9.53</b>	<b>26.32</b>	<b>42.33</b>
Employee share option programme	-	-	0.95	0.95
Ongoing Rights Issue*	-	11.31	-	11.31
Total comprehensive income	-	-	7.87	7.87
<b>Closing Balance 30 September 2010</b>	<b>6.48</b>	<b>20.84</b>	<b>35.14</b>	<b>62.46</b>

\* The Rights Issue consists of SEK 452 740 unregistered share capital