

Press Release
For Immediate Distribution

Guaranteed Pre-emptive Rights Issue in SinterCast

- The Board of Directors proposes a pre-emptive rights issue of shares and warrants, subject to approval at an Extraordinary General Meeting (EGM) of the shareholders, to be held on 20 August 2009
- New share issue to generate SEK 23.1 million, prior to transaction costs. Additional capital will be generated in the event that the associated warrants are exercised
- Term of subscription to run from 31 August to 14 September 2009
- Rights issue fully guaranteed through subscription undertakings and guarantee commitments
- New Employee Option Programme to be proposed to the EGM

[Stockholm, 4 August 2009] - During the 7 May 2009 Annual General Meeting (AGM), SinterCast's shareholders authorised the Board of Directors to increase the share capital prior to the next AGM, through one or more new share issues with pre-emptive rights. This pro-active authorisation was motivated by the overall decline in global automotive production and the associated delay in capital expenditure related to the installation of new production capacity and process control equipment throughout the foundry industry.

The Managing Director's presentation at the AGM noted that SinterCast requires series production levels of approximately 800,000 Engine Equivalents per year, plus some installation revenue, in order to achieve positive cashflow. SinterCast's series production reached 750,000 Engine Equivalents during the second half of 2008, but has since declined and stabilised at approximately 400,000 Engine Equivalents, directly paralleling the overall reductions in the wider automotive industry. The Managing Director's AGM presentation also noted that the Company would immediately intensify its ongoing discussions with foundries in Europe, Asia and the Americas regarding new installations, in order to quantify the near-term liquidity outlook. While these efforts have since resulted in a successful installation at the Luitpoldhütte foundry in Germany, and a hardware upgrade/expansion at one existing installation, it has become apparent that decisions regarding the majority of the ongoing installation discussions will be delayed beyond the second-half of 2009.

The Board of Directors remains optimistic for additional installation revenue in the near term and anticipates the start of series production of at least one new SinterCast-CGI engine programme during 2009. Accordingly, the Board of Directors remains confident in market opportunities and growth potential for the Company. However, in consideration of the uncertain timing of the overall recovery in the automotive and foundry industries, the Board of Directors judges that it is in the best interest of the shareholders to proceed with the new rights issue at this time, in order to ensure the long-term security of the Company and to enable the Company to take offensive operational actions as the market recovers. On this basis, the Board of Directors has decided to propose a pre-emptive rights issue of shares and warrants that initially will generate SEK 23.1 million, prior to transaction costs.

Terms of the Pre-emptive Rights Issue

The Board of Directors hereby proposes to the Extraordinary General Meeting of shareholders, to be held on 20 August 2009, a pre-emptive rights issue of a maximum of 925,483 new shares and 925,483 new warrants. It is noted that a pre-emptive rights issue has already been authorised by the 7 May 2009 AGM, however, the inclusion of the warrants in the present proposal requires a new and separate mandate from the shareholders. The warrants have been added to the present proposal as an incentive to further encourage shareholder participation in the rights issue.

According to the present proposal, shareholders will receive one (1) subscription right (unit right) for each share currently held. Every six (6) unit rights entitle the holder to subscribe to one Unit at the subscription price SEK 25 per Unit. Each Unit consists of one (1) share and one (1) warrant. Every two (2) warrants entitle the holder to subscribe to one (1) share at SEK 25 during the period 1-30 September 2010. The subscription price represents a discount of approximately 40% relative to the current share price, without consideration for the warrants.

Units that have not been subscribed to pursuant to the pre-emptive rights will be offered to shareholders who applied to subscribe for Units without pre-emptive rights. Such Units shall be distributed pro rata in relation to the number of Units the shareholder has subscribed to with support of the pre-emptive rights. In addition thereto, other investors are offered to subscribe to Units without the support of unit rights. The term of subscription shall run from 31 August to 14

September 2009. As the proposal does not affect the shareholders' pre-emptive rights, resolution at the EGM requires a simple majority (50%) of the votes cast.

Subscription Undertakings and Guarantee Commitment

All members of the Board of Directors and senior management have declared their support and have undertaken to participate in the pre-emptive rights issue. Certain other shareholders have also declared their support for the pre-emptive rights issue and have likewise undertaken to participate. Additionally, certain investors, both existing shareholders and non-shareholders, have entered into guarantee commitments. In total, the subscription undertakings and the guarantee commitments equal the full amount of SEK 23.1 million, corresponding to 100% of the initial capital raised in the pre-emptive rights issue.

Indicative Time Schedule

Extraordinary General Meeting:	20 August 2009
Preliminary date for publication of prospectus:	24 August 2009
Last day of trading in the shares with the right to participate in the rights issue:	24 August, 2009
First day of trading in the shares without the right to participate in the rights issue:	25 August 2009
Record date for participation in the rights issue:	27 August 2009
Trading in unit rights:	31 August to 9 September 2009
Trading in paid subscribed units:	31 August 2009 until the rights issue is registered with the Swedish Companies Registration Office
Subscription period in the rights issue:	31 August to 14 September 2009
Trading in warrants:	Mid-October 2009 to 27 September 2010

Financial Advisor

Remium AB is acting as advisor to SinterCast in conjunction with the pre-emptive rights issue.

Employee Option Programme

The Board of Directors also proposes that a new employee stock option programme be approved by the EGM. This proposal is motivated by the fact that the employees are effectively without a current incentive programme and that the Board judges that it is critical for SinterCast, as a technology specialist company, to motivate and secure its key staff.

It is proposed that the options, which will be received free of charge, shall be allotted to all staff currently employed in the SinterCast Group and that an allocation be reserved for individuals who may be employed in the future. Each option will entitle the holder to subscribe to one share. The maximum number of options allotted shall be 300,000, of which the President & CEO will be allocated 150,000. A total of 15,000 options will be reserved to cover the social costs of the programme and 5,000 options will be reserved for new employees that may join the company during the term of the programme. The remaining options will be distributed among the employees, as determined by the Board of Directors. The subscription of shares via the options will take place annually over a four year period, with the subscription price being equivalent to an annual increase of ten (10) percent of the average volume-weighted price paid for one SinterCast share on the Stockholm Stock Exchange on each trading day during the period 6-19 August 2009. This corresponds to a 46.5% increase over the four year term of the programme.

The employee stock options shall be subject to a ceiling such that any profit, at exercise, cannot exceed SEK 50 per option. In consideration of the time required to administer the programme following the EGM, and SinterCast's internal policy preventing trading prior to the publication of quarterly reports, the annual subscription period is proposed to run from 1 November to 15 December each year. The proposed employee option programme shall therefore expire on 15 December 2013 and convey the right to subscribe to:

- 15% of the options during the period 1 November to 15 December 2010
- 20% of the options during the period 1 November to 15 December 2011
- 25% of the options during the period 1 November to 15 December 2012
- 40% of the options during the period 1 November to 15 December 2013

The options can only be subscribed to provided that the option-holder has not been terminated from his or her position or voluntarily left the Company prior to any of the exercise periods. By entering into the proposed option programme, all employees will automatically forfeit any options that may currently be held, such that there will only be one active programme at the outset of the proposed new option programme.

In order to implement the option programme, the Board of Directors proposes that the EGM resolve to undertake the issue of a total of 300,000 warrants, which each convey the right to subscribe to one share. Based on an average volume-weighted price of SEK 40 during 6-19 August 2009, and the assumption that all options will be realised at the maximum ceiling of SEK 50, the reported statutory cost for the employee options is calculated to amount to approximately SEK 4.8 million during the 2009 to 2013 period. With full exercise of the options, the Company's share capital will increase by SEK 300,000. This increase is equivalent to a dilution effect of approximately 5.1% of the total number of shares and votes in the Company (4.4% of the total number of shares and votes after the proposed rights issue and, 4.2% of the total number of shares and votes if the warrants associated with the new rights issue are exercised). A valid resolution requires that the proposal is supported by shareholders representing at least nine-tenths (90%) of the votes (shares) represented at the EGM.

EGM Date and Location

The EGM will be held at 14:00 on Thursday 20 August 2009 at the premises of Remium AB, Kungsgatan 12-14, Stockholm, Sweden.

Additional Information

Further information about the proposed new rights issue and the proposed employee stock option programme will be available in the notice to the EGM, which will be posted on the Company's website, www.sintercast.com, and published in Svenska Dagbladet and Post- och Inrikes Tidningar on 6 August 2009. The Board's complete proposals will also be available on the Company's website as of 6 August 2009. The preliminary publication date for the prospectus related to the new rights issue is 24 August 2009.

For and on behalf of the Board of Directors,

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Nothing in this press release shall be deemed to constitute an invitation or an offer to invest, subscribe or otherwise deal with shares, subscription rights or other securities in SinterCast. The invitation to relevant persons to subscribe for shares in SinterCast will only be made in the prospectus which SinterCast is intending to make public on 24 August 2009. The prospectus will inter alia contain accounting records and information about the Board of Directors and the auditor of SinterCast.

Neither unit rights, nor paid and subscribed units or new shares will be registered pursuant to the Securities Act or to any provincial law in Canada and may not be transferred or offered for sale in the United States of America or Canada, or to a person domiciled in such state or for such persons account other in such cases, where registration is not required pursuant to the Securities Act or any provincial law in Canada.

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. SinterCast produces a variety of CGI components ranging from 2 kg to 17 tonnes, all using the same 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, MAN B&W Diesel, Porsche, PSA Peugeot-Citroën, Renault, Rolls-Royce Power Engineering, Toyota, Volkswagen, Volvo and Waukesha Engine. The SinterCast share is quoted on the Small Cap segment of the Nordic Exchange OMX, Stockholm (Stockholmsbörsen: SINT).

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