

Press Release: 19 September 2008



Contradictory Swedish Companies' Act leads to cancellation of proposed Extraordinary General Meeting

As announced in a 17 September 2008 press release issued by the Company, the Board of Directors intended to convene an Extraordinary General Meeting (EGM) of the Shareholders to seek the shareholders' permission to conduct a share buy-back campaign. However, following a deeper assessment of the Swedish Companies' Act, the Company's advisors have concluded that it is not legally possible for SinterCast to proceed with the buy-back proposal at this time. The Board of Directors of SinterCast AB (publ) has therefore decided to cancel the EGM that was planned to be held on Friday 10 October 2008.

A share buy-back programme conducted on the OMX Nordic Exchange, Stockholm, is defined as a value transfer according to the Swedish Companies' Act. A value transfer requires disposable funds as shown in the most recently adopted balance sheet. Since SinterCast did not make a profit during 2007, there were no disposable funds in the balance sheet that was adopted at the 6 May 2008 Annual General Meeting (AGM). The initial input from the Company's advisors indicated that, a transformation of restricted equity into unrestricted equity would create disposable funds for promoting the share buy-back programme. Despite that the law is contradictory on this point, the Company's auditors and two of Sweden's leading law firms have ultimately concluded that disposable funds cannot be created during an ongoing financial year to fuel value transfers such as the re-purchasing of a Company's own shares. The advisors and the Board of Directors judge that it is not in the best interest of the Company or its shareholders to mount a legal challenge to this contradiction in the law. In view of this, the Board of Directors has decided to cancel the EGM. Any shareholder who has already notified SinterCast of his/her attendance at the EGM will be contacted by telephone regarding the cancellation.

The inability to proceed with the EGM and the share buy-back programme is not in any way related to the Board's confidence in the Company. The Board is convinced that the Company has the necessary liquidity to begin a share buy-back campaign at this time, and that the pending System 2000 installations and start of new high volume series production programmes will provide considerable growth over the nearest 12-month period. The Board continues to believe that the recent decline in the SinterCast share price does not accurately reflect the current business activities or the near-term market outlook for the Company and remains committed to its policy of returning excess funds to the shareholders in the form of dividends and/or share buy-backs, with the intention to begin the process at the 7 May 2009 Annual General Meeting.

Stockholm, 19 September 2008

On behalf of the Board of Directors

A handwritten signature in black ink, appearing to read "Steve Dawson", with a horizontal line extending to the right.

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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). SinterCast produces a variety of CGI components ranging from 1.6 kg to 17 tonnes, all using the same process control technology. The end-users of SinterCast-CGI components include Aston Martin, Audi, Caterpillar, Chrysler, Ford, General Electric Transportation Systems, General Motors, Hyundai, International Truck and Engine, Jaguar, Kia, Land Rover, MAN, MAN B&W Diesel, PSA Peugeot-Citroën, Rolls-Royce Power Engineering, Toyota, Volkswagen, Volvo and Waukesha Engine. The SinterCast share is quoted on the Small Cap segment of the Nordic Exchange, Stockholm (Stockholmsbörsen: SINT).

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