

Global demand for SinterCast technology continues to grow

- Quotations issued for new installations with total value of more than SEK 20 million
- High volume series production to begin for North American OEMs during early-2009
- New products and production opportunities in Asia

The increasing global demand for Compacted Graphite Iron (CGI) has resulted in several new installation discussions in Europe, Asia and the Americas. During the first half of 2008, SinterCast has received requests for quotations for seven potential new foundry installations, both in the core cylinder block and head market, and for other CGI components. The total value of these new quotations is in excess of SEK 20 million. One of the installations, planned for an extended production trial at a major international foundry, has already been agreed and the hardware is due to be shipped during August 2008. In response to the increased installation demand, SinterCast has placed orders for two additional System 2000 units to be held in stock, to reduce order leadtimes.

In the important North American market, the series production of five new high volume SinterCast-CGI V-diesel engines remains on schedule for start of production during early-2009. Although the engines are slated for model year 2010 vehicles for each of the major North American OEMs, foundry production must begin during the first half of 2009 to allow for foundry production, transport, machining, engine assembly, vehicle installation and distribution to dealerships. Although the US pick-up and SUV markets have experienced a downturn due to recent fuel price increases, the total pick-up and SUV target market for the SinterCast engines remains large, in excess of 5 million units per year. The new SinterCast-CGI diesels will provide 30-40% improved fuel economy compared to the current petrol options and increased fuel prices can favour increased diesel uptake. In parallel with the increased awareness of Compacted Graphite Iron in North America, SinterCast has received orders for two new product development trials. These trials will begin during 3Q08.

SinterCast's presence and brand awareness in the Asian market continues to evolve positively. During the 1-6 June China Foundry Association (CFA) Congress and the Metal China foundry exhibition, both the CFA and the Foundry Research Institute of China's largest vehicle manufacturer – First Automobile Works – acknowledged and promoted SinterCast as the leading CGI production technology. SinterCast's presence in the Chinese market has also been bolstered by the start of series production at the Da Shiang Precision foundry in Tianjin. Export of the first SinterCast-CGI turbocharger housing has already begun for one major European OEM and production planning is in the advanced stages for another high-volume export component, with series production expected to begin during 2008. Series production for another SinterCast-CGI transmission component has also begun at the Componenta Döktaş foundry in Turkey, reducing SinterCast's smallest series production component to just 1.6 kg.

“We have experienced a clear upswing in field activities during the first half of 2008”, said **Dr Steve Dawson, President & CEO**. “Our engineers have been busier than ever and discussions for new installations are at an all time high. We remain positive to the global CGI growth potential, especially in North America where our forecast volumes have not yet been affected by vehicle sales in the pick-up and SUV sectors. For SinterCast, our focus is on the number of diesel engines, not the total vehicle sales”.

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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. 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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