

SinterCast Results October-December 2007 Full Year Results 2007

- **Turnover Fourth Quarter:** SEK 5.5 million (SEK 5.1 million). **Full Year:** SEK 22.8 million (SEK 18.1 million)
- **Result after tax:** SEK -0.7 million (SEK -2.2 million). **Full Year:** SEK -4.5 million (SEK -9.7 million)
- **Earning/share:** SEK -0.1 per share (SEK -0.4 per share) **Full Year:** SEK -0.8 per share (SEK -1.7 per share)
- **Cashflow:** SEK +1.0 million (SEK +2.7 million). **Full Year:** SEK +0.8 million (SEK -4.7 million)
- Series production of commercial vehicles boosts production volume by 43% compared to fourth quarter 2006
- Installation upgrades delivered to foundry customers in China, Germany and Mexico

*SinterCast achieves 2007 “neutral cashflow” forecast
with full-year cashflow result of SEK +0.8 million*

Series Production

Building on the start of series production of commercial vehicle cylinder blocks for Hyundai, MAN Nutzfahrzeuge and Volvo Powertrain, plus the continued ramp-up of passenger vehicle V-diesel cylinder block production for Audi-Volkswagen, Ford-PSA Peugeot-Citroën and Hyundai, production volume reached an all time high of more than 600,000 Engine Equivalents during October 2007. The annualised production rate remained in excess of 500,000 Engine Equivalents throughout the quarter, despite the December summer shutdown at SinterCast’s largest production foundry in Brazil. The fourth quarter production volume represents a 43% increase relative to fourth quarter 2006. Further growth is expected during 2008 as the new production programmes continue to ramp-up and additional production programmes come on-stream. The mature volume of the current series production programmes is estimated to be approximately one million Engine Equivalents.

Following the January 2008 launch of the Kia Mohave SUV in Korea, with the Hyundai 3.0 litre V6 engine, SinterCast-CGI cylinder blocks are now available for purchase in 18 vehicles and nine car brands. Combined with the commercial vehicle programmes, automotive cylinder block and head production currently accounts for approximately 90% of SinterCast’s production volume. The remaining 10% is derived from large industrial power applications, small automotive components and motorsport cylinder blocks. Approximately 80% of the NASCAR racing grid currently relies on SinterCast-CGI cylinder blocks.

Market Development

During the period, the Da Shiang foundry in China, the Halberg foundry in Germany and the Cifunsa foundry in Mexico each ordered additional SinterCast Sampling Modules. The additional Sampling Modules can be incorporated into the existing System 2000 hardware platform to effectively double the production capacity. The investment at Da Shiang was made to support the planned start of high volume production of exhaust manifolds and turbocharger housings, while the installation at Halberg was motivated by increased market demand for the Audi 4.2 litre V8 TDI cylinder block. The additional Sampling Module for Cifunsa was shipped during December 2007 for new CGI series production programmes that are currently in the prototyping and pre-production phases.

Within the passenger vehicle sector, SinterCast’s market development activities continue to focus primarily on V-diesel cylinder blocks. Since early-2006, each of the last seven V-diesel engines launched in the market were based on CGI cylinder blocks. The overall market potential for SinterCast and CGI in V-diesel applications received further support during the 19-27 January 2008 Detroit Auto Show, where each of the US ‘Big 3’ automakers confirmed new V-diesel engines for light duty pick-up and SUV applications. It is estimated that these ‘Big 3’ programmes alone could provide more than 1.5 million additional V-diesel Engine Equivalents in the market. The vehicles are expected to appear in dealer showrooms before 2010.

SinterCast’s current market development extends beyond the core European and American cylinder block and head activities. Product development and new foundry installation discussions are underway for engine components in Asia and for applications such as turbocharger housings, exhaust manifolds and clutch components. Development of these components and increased brand awareness of SinterCast in Asia are primary goals for 2008.

Market Outlook

The typical concept-to-showroom development cycle for new engine programmes in the automotive industry is approximately four years. The planning of the automotive OEMs therefore allows SinterCast to estimate the Start of Production (SOP) dates for new engine programmes within the near-term (<5 year) period. Following the start of series production, the ramp-up rates for new production programmes and the time required to reach mature volume depend largely on the sales success of the vehicles and are therefore more difficult to forecast. In general, new engine programmes reach mature volume within approximately two years after SOP. While SinterCast does conduct sales and marketing activities that are targeted toward development programmes beyond the near-term period, these are more speculative and are generally not included in the Development Pipeline. Many of the programmes in the Development Pipeline have already progressed through the initial product development stages and are expected to begin foundry production within the next 1~2 years. Based on current activities and knowledge, the near-term market opportunity can be summarised as follows:

<u>Activity</u>	<u>Approximate Annual Engine Equivalents (Thousands)</u>	
	<u>31 December 2007</u>	<u>30 September 2007</u>
Current Series Production ¹	525	450
Potential Mature Volume ²	1,000	875
Announced Programmes ³	200	385
Development Pipeline ⁴	4,300	4,285
Total⁵:	5,500	5,545

- Notes:**
1. Current annualised production rate
 2. Annualised potential mature volume of current series production when fully ramped-up
 3. Annualised mature volume of programmes that have been announced, but have not yet started series production
 4. Annualised mature volume of development programmes that SinterCast is currently supporting, but have not yet been announced
 5. Sum of items 2, 3 and 4

With SinterCast's current business model, the total near-term market opportunity, when fully ramped to mature volume, provides for running revenues in excess of SEK 100 million per year. Additional revenues will continue to be realised from Engineering Services, new System 2000 installations and other business activities.

SinterCast's near-term growth is primarily linked to the passenger vehicle V-diesel and the commercial vehicle cylinder block and head sectors. In total, global production in these two sectors is expected to increase from approximately 10 million Engine Equivalents in 2007 to approximately 18 million Engine Equivalents in 2012, primarily fuelled by growth in the commercial vehicle sector. This provides for continuous growth opportunities in SinterCast's core sector. The current series production level of 525,000 Engine Equivalents represents a penetration rate of approximately 5%, establishing an excellent reference for the robustness of the SinterCast process control technology while still providing significant growth potential within the core market.

Market Penetration and Competition

Virtually every company encounters competition, and SinterCast is no exception. Some foundries, for example in Germany, follow in-house CGI production techniques to differentiate their offering from off-shore competition. However, in the global market, SinterCast enjoys the respect of the industry as the market leader for CGI process control technology and CGI know-how, and is welcomed as a reliable and trustworthy technology partner. At present, SinterCast's market penetration in comparison to the combined penetration of other companies that may present themselves as providers of CGI process control technology can be summarised as follows:

<u>Category</u>	<u>SinterCast</u>	<u>All Others</u>
CGI Cylinder Blocks/month	~ 30,000	0
Last 5 CGI foundry installation orders	5	0
Penetration of global cast iron block and head capacity (%)	50	0

Based on its leading technology and engineering service, SinterCast will continue to support new CGI development activities and further increase its share of the world CGI cylinder block and head production capacity.

Patents

SinterCast currently holds 18 (23) patents. The core technology is primarily protected by 10 (10) of the most recent patents, filed since 1997. These patents will remain valid until approximately 2015 and provide long-term security for the technology and the market position. In the meantime, new patents will be filed to extend the scope and duration of the formal protection.

During 2007, several patents were intentionally allowed to lapse. It was judged that these older patents no longer reflected SinterCast's current technology and that the protection offered did not warrant continued payment of the annual fees. SinterCast currently maintains 91 (103) individual national phase patents granted or pending worldwide. The 18 base patents address SinterCast's metallurgical technology (9), sampling technique and hardware (3), product applications (3) and CGI machining (3).

Risks and Uncertainty Factors

SinterCast has historically been financed by risk capital provided by its shareholders. SinterCast regularly monitors its cash position with reference to market forecasts and expense budgets. During recent years, the expense level has been reduced and the revenues have been increased, thus significantly reducing the financing risk. The main uncertainty factor for SinterCast is the timing of the CGI market ramp-up. SinterCast's risks and uncertainty factors have been described in the Annual Report 2006 and no significant changes have occurred thereafter.

There have been no significant events since the balance sheet date of 31 December 2007 that could materially change these financial statements.

Organisation

The Group management and sales activities are based at the headquarter office in London, UK. The Technical Centre based in Katrineholm, Sweden is responsible for technical and commercial support of ongoing foundry production activities, product development, production of the control systems and sampling consumables, ISO 9001:2000 quality certification, and finance and administration. Local support of customer activities in North and South America is provided by SinterCast Inc., based in Chicago, USA with key technical support provided by the Technical Centre in Katrineholm.

In order to expand SinterCast's market reach, representation agreements have been established with Ashland Casting Solutions on a global basis, ASD International in Japan, Pantech Engineering in Australia and with the STPC (Swedish Trade Promotion Center) in Korea. A representation agreement with ABB Elektrik in Turkey has also been active since 2003. Following the successful introduction of SinterCast's technology in Turkey, notice regarding cancellation of the representation agreement with ABB Elektrik has been served. SinterCast will begin to directly represent itself in Turkey from early-2008, as it does in most other countries. Ad-hoc consultancy agreements have also been established to support SinterCast's local sales activities in France and India. Together with the global presence of technology partners such as ABP for foundry automation, Grainger & Worrall for rapid prototyping and MAG Industrial Automation Systems for manufacturing, the representation agreements and ad-hoc consultants provide a familiar and respected local presence for the SinterCast technology.

The Group had 14 (12) employees on 31 December 2007, whereof three (3) were female. Two new university graduate metallurgical engineers were employed during 2007. Further technical and commercial recruitment is planned to support the increasing market demand.

Operating Result, Liquidity, Investments and Option Programme

The revenue primarily relates to income from new installations, series production and Engineering Service. During the period, approximately 13,100 (10,600) Sampling Cups were delivered to customers. Approximately 50,200 (40,900) Sampling Cups were delivered during the full year. During the period, the Da Shiang foundry in China, the Halberg foundry in Germany and the Cifunsa foundry in Mexico each ordered additional Sampling Modules.

The quarterly result has improved by SEK 1.5 million (68%) compared to the October-December period 2006 and the full year result has improved by SEK 5.2 million (54%) compared to 2006. The cashflow result during the quarter is SEK +1.0 million and the full year cashflow result of SEK +0.8 million represents an improvement of SEK +5.5 million compared to 2006, providing a Group liquidity of SEK 16.3 million on 31 December 2007 (SEK 15.5 million). Investments continue on a low level and relate mainly to office equipment. As of 31 December 2007, the cost of the employee stock option programme was calculated at a total amount of approximately SEK 5.0 million (SEK 3.5 million), based on a share price of SEK 140 (SEK 75). During 2007, SEK 1.7 million (SEK 0.6 million) has been accounted for as costs related to the option programme.

	October – December		January-December	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenue	5.5	5.1	22.8	18.1
Result after calculated tax	-0.7	-2.2	-4.5	-9.7
Result after tax per share (SEK)	-0.1	-0.4	-0.8	-1.7
Cashflow	+1.0	+2.7	+0.8	-4.7
Liquidity	16.3	15.5	16.3	15.5
Investments	0.1	0.3	0.4	0.5

Amounts in SEK million if not otherwise stated

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 11 (9) employees. The majority of the operations are conducted by the parent company with the exception of the operations in the UK and the USA. The information given for the Group in this report corresponds in all material respect to the parent company.

Accounting Principles

For the Group, this year-end report and the previous interim reports released during 2007, have 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. The accounting policies that have been applied for the Group and Parent Company are in agreement with the accounting policies used in the preparation of the company's latest annual report. The company auditors have not audited this report.

Annual Report

The Annual Report will be available on 18 April 2008, and will be sent to all registered shareholders and to those who have requested the report. The Annual Report will also be available on the SinterCast website.

Annual General Meeting

The Annual General Meeting of SinterCast AB (publ) will be held on 6 May 2008 at 16:00, at the premises of the Royal Swedish Academy of Engineering Sciences (IVA), Grev Turegatan 16, Stockholm.

The Board of Directors and the Managing Director intend to propose to the AGM to decide that the accumulated deficit for 2007 be carried forward.

Information

The Interim Report January-March 2008 will be published on 29 April 2008.

The Interim Report April-June 2008 will be published on 20 August 2008.

The Interim Report July-September 2008 will be published on 5 November 2008.

The Interim Report October-December 2008 and Full Year Results 2008 will be published on 9 February 2009.

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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 80% 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 8 kg to 17 tonnes, all using the same process control technology. The end-users of SinterCast-CGI components include Aston Martin, Audi, Caterpillar, DaimlerChrysler, Ford, General Electric Transportation Systems, General Motors, Hyundai, International Truck and Engine, Jaguar, 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).

END

PROFIT AND LOSS ACCOUNTS SINTERCAST GROUP

AMOUNTS IN SEK MILLION	October - December		January - December	
	2007	2006	2007	2006
Revenue	5.5	5.1	22.8	18.1
Cost of goods sold	-2.1	-1.9	-8.7	-7.5
Gross result	3.4	3.2	14.1	10.6
Cost of sales and marketing	-2.6	-2.6	-9.8	-9.8
Cost of administration	-1.7	-1.6	-6.3	-6.0
Cost of research & development	-1.0	-1.1	-4.1	-4.0
Other operating income	1.0	0.0	1.0	0.0
Other operating costs	0.0	0.0	0.0	-0.8
Operating result	-0.9	-2.1	-5.1	-10.0
Interest income and similar items	0.4	0.0	0.9	0.5
Interest expenses and similar items	-0.2	-0.1	-0.3	-0.2
Income Tax	0.0	0.0	0.0	0.0
Result for the period	-0.7	-2.2	-4.5	-9.7
Number of shares at the close of the period, thousands	5,552.9	5,552.9	5,552.9	5,552.9
Average number of shares, thousands	5,552.9	5,552.9	5,552.9	5,552.9
Earnings per share, SEK	-0.1	-0.4	-0.8	-1.7
Earning per share, diluted, SEK	-0.1	-0.4	-0.8	-1.7
Depreciation	0.2	0.3	1.3	2.4
GEOGRAPHICAL MARKETS*	Revenue		Operating Result	
	January - December		January - December	
	2007	2006	2007	2006
Europe	8.0	4.7	-16.7	-18.9
Americas	11.8	8.8	9.2	6.1
Asia	3.0	4.6	2.4	2.8
Total	22.8	18.1	-5.1	-10.0

*SinterCast provides only one product, process control systems for the reliable production of Compacted Graphite Iron, and related services for product development, installations, calibration and maintenance. The company judges that the opportunities and risks are not primarily related to the geographical markets but associated with the overall CGI market development. The operation is defined as the primary segment and no further split has been made other than the presented financial statements.

Based on the present customer base and the geographical areas, the secondary segment has been split into Europe Americas, and Asia. The income, operating results, assets and investments presented are allocated based on the location of the individual customers in these geographical areas.

CASHFLOW STATEMENTS SINTERCAST GROUP

AMOUNTS IN SEK MILLION	October - December		January - December	
	2007	2006	2007	2006
Operating activities				
Operating result	-0.9	-2.1	-5.1	-10.0
Adjustments for items not included in the cash flow				
Depreciation	0.2	0.3	1.3	2.4
Other	-0.4	0.3	0.9	0.6
Exchange rate differences	0.2	0.1	0.2	-0.2
Received interest income and similar items	0.3	0.0	0.8	0.5
Paid interest expenses and similar items	-0.2	-0.1	-0.3	-0.2
Income tax	0.0	0.0	0.0	0.0
Total cashflow from operating activities before change in working capital	-0.8	-1.5	-2.2	-6.9
Change in working capital				
Stock	-0.2	0.1	0.3	0.2
Operating receivables	3.7	2.6	1.9	4.7
Operating liabilities	-0.7	1.6	2.2	-2.2
Total change in working capital	2.8	4.3	4.4	2.7
Cashflow from operations	2.0	2.8	2.2	-4.2
Investing activities				
Acquisition of intangible assets	0.0	-0.2	-0.3	-0.3
Acquisition of tangible assets	-0.1	0.1	-0.1	0.0
Acquisition of Financial assets	0.1	0.2	0.0	0.0
Increase/decrease in long-term receivables/payables	-1.0	-0.2	-1.0	-0.2
Cashflow from investing activities	-1.0	-0.1	-1.4	-0.5
Financing activities				
Cashflow from financing activities	-	-	-	-
Change in cash and cash equivalents*	1.0	2.7	0.8	-4.7
Cash - opening balance	15.3	12.8	15.5	20.2
Cash - closing balance	16.3	15.5	16.3	15.5

*The cash and cash equivalents comprises short-term deposits and cash at bank and in hand.

BALANCE SHEETS SINTERCAST GROUP

AMOUNTS IN SEK MILLION	31 Dec 2007	31 Dec 2006	30 Sept 2007	30 Sept 2006
ASSETS				
Intangible assets	4.4	5.2	4.6	5.4
Tangible assets	0.1	0.1	0.0	0.4
Financial assets	0.2	0.2	0.3	0.2
Total fixed assets	4.7	5.5	4.9	6.0
Stock	3.2	3.5	3.1	3.6
Short-term receivables	3.9	5.8	4.4	8.4
Short term deposits and cash at bank and in hand	16.3	15.5	15.3	12.8
Total current assets	23.4	24.8	22.8	24.8
Total Assets	28.1	30.3	27.7	30.8
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity*	20.0	23.4	20.5	25.5
Long term liabilities	0.0	1.0	1.0	1.0
Current liabilities	8.1	5.9	6.2	4.3
Total shareholders' equity and liabilities	28.1	30.3	27.7	30.8
Adjusted equity per share	3.6	4.2	3.7	4.6

*STATEMENTS OF CHANGES IN EQUITY	Share Capital	Additional Paid In Capital	Exchange Differences	Accumulated Total Equity Deficit	Total Equity
Opening balance 1 January 2006	5.55	81.27	6.45	-60.27	33.00
Exchange rate differences foreign subsidiaries	-	-	-0.40	-	-0.40
Result for the period	-	-	-	-9.73	-9.73
Total recognised income and expense	-	-	-0.40	-9.73	-10.13
Employee share option programme	-	-	-	0.56	0.56
Closing balance 31 December 2006	5.55	81.27	6.05	-69.44	23.43
Opening balance 1 January 2007	5.55	81.27	6.05	-69.44	23.43
Exchange rate differences foreign subsidiaries	-	-	0.24	-	0.24
Result for the period	-	-	-	-4.55	-4.55
Total recognised income and expense	-	-	-	-4.55	-4.31
Employee share option programme	-	-	-	0.93	0.93
Closing Balance 31 December 2007	5.55	81.27	6.29	-73.06	20.05

KEY RATIOS SINTERCAST GROUP AND DATA PER SHARE

KEY RATIOS	October - December 2007	October - December 2006	January - December 2007	January - December 2006
Revenue, SEK millions	5.5	5.1	22.8	18.1
Net result, SEK millions	-0.7	-2.2	-4.5	-9.7
Solidity, %	71.2	77.2	71.2	77.2
Adjusted shareholders' equity, SEK millions	20.0	23.4	20.0	23.4
Capital employed, SEK millions	20.0	23.4	20.0	23.4
Total assets, SEK millions	28.1	30.3	28.1	30.3
Return on shareholders' equity, %	-3.2	-7.8	-20.7	-34.4
Return on capital employed, %	-2.3	-7.4	-19.2	-33.7
Return on total assets, %	-1.7	-6.9	-29.7	-26.3
Debt-to-equity ratio	-	-	-	-
Employees				
Number of employees at the end of the period	14	12	14	12
Data per Share				
Dividends per share, SEK	-	-	-	-
Share price at the end of the period, SEK	140.0	82.5	140.0	82.5
Average number of shares				
Weighted average of the number of shares outstanding for the period				
Average number of shares adjusted for outstanding warrants				
No outstanding warrants				
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				
Adjusted shareholders' equity				
Shareholders' equity plus 72% of untaxed reserves				
Capital employed				
Total assets less non-interest bearing liabilities, including deferred tax 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	

PROFIT AND LOSS ACCOUNTS SINTERCAST AB

AMOUNTS IN SEK MILLION	October - December		January - December	
	2007	2006	2007	2006
Revenue	4.5	4.9	20.7	17.5
Cost of goods sold	-2.1	-2.4	-8.3	-8.9
Gross result	2.4	2.5	12.4	8.6
Cost of sales and marketing	-2.1	-2.4	-8.8	-7.9
Cost of administration	-1.4	-1.4	-6.2	-5.7
Cost of research & development	-1.0	-1.0	-4.1	-4.0
Other operating income	1.0	0.0	1.0	0.0
Other operating costs	0.0	-0.8	0.0	-0.8
Operating result	-1.1	-3.1	-5.7	-9.8
Interest income and similar items	0.3	0.1	0.8	0.5
Interest expenses and similar items	-0.2	-0.1	-0.1	-0.2
Write down of shares in subsidiaries	0.0	-0.2	0.0	-0.2
Financial net	0.1	-0.2	0.7	0.1
Result after financial income and expenses	-1.0	-3.3	-5.0	-9.7
Income Tax	0.0	0.0	0.0	0.0
Result for the period	-1.0	-3.3	-5.0	-9.7

BALANCE SHEETS SINTERCAST AB

AMOUNTS IN SEK MILLION	31 Dec	31 Dec	30 Sept	30 Sept
	2007	2006	2007	2006
ASSETS				
Intangible assets	4.4	5.2	4.6	5.4
Tangible assets	0.1	0.1	0.0	0.4
Financial assets	1.0	0.4	1.2	0.0
Total fixed assets	5.5	5.7	5.8	5.8
Stock	3.2	3.5	3.1	0.0
Short-term receivables	3.1	3.6	8.5	19.1
Short term deposits and cash at bank and in hand	15.4	15.0	14.4	12.3
Total current assets	21.7	22.1	26.0	31.4
Total Assets	27.2	27.8	31.8	37.2
SHAREHOLDERS' EQUITY AND LIABILITIES				
Restricted capital	88.3	86.8	86.8	86.8
Accumulated Deficit	-73.2	-67.7	-70.7	-65.2
Total Shareholders' equity	15.1	19.1	16.1	21.6
Long term liabilities	0.1	1.1	1.0	1.0
Current liabilities	12.0	7.6	14.7	14.6
Total shareholders' equity and liabilities	27.2	27.8	31.8	37.2