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SinterCast Results January-December 2003

- Turnover for period SEK 6.9 million (SEK 9.7 million)
- Result after tax: SEK –20.0 million (SEK –16.4 million), SEK –4.0 per share before and after exercise of warrants (SEK –3.4)
- Turnover excluding revenues from System 2000 installations up 23% compared to 2002
- Successful start of series production of Ford-PSA cylinder block

Market Development

The revenues from production, consumables, prototyping and engineering service during 2003 have increased by 23% compared to 2002. Despite the positive growth in the production and pre-production activities, the total revenue for 2003 is lower than 2002 due to fewer System 2000 installations and the decreased exchange rate on revenues received in US dollars. The timing of new System 2000 installations depends on foundry investment planning strategies and does not reflect any change in the long-term Compacted Graphite Iron (CGI) market development. Further System 2000 installations are expected during 2004 and the core production and engineering service activities are also projected to increase in support of new installations and increased pre-production and series production activities.

SinterCast is currently supporting CGI engine development and pre-production activities for approximately fifteen different automotive OEMs in Europe, Asia and the Americas. These programs will lead toward new series production commitments in both the passenger vehicle and commercial vehicle sectors.

Series Production

The start of series production of the CGI cylinder block for the Ford-PSA 2.7 litre V6 diesel engine at the Tupy foundry in Brazil marks the first high volume CGI production in the automotive industry. The SinterCast-CGI cylinder block is destined to be launched in up to ten different vehicles within the Ford and PSA families over the next two years. The ramp-up rate and the ultimate annual volume will depend on the market strategy of the individual car companies and the sales success of the vehicles.

The year 2003 also marked the start of production of a SinterCast-CGI cylinder head for the new General Electric Transportation Systems "Evolution Series" locomotive engine. These cylinder heads are produced at the Motor Castings foundry in Milwaukee, Wisconsin, where SinterCast has supported CGI product development and niche volume motorsport production since 1999. The production of the GE Transportation Systems cylinder heads is projected to ramp-up during the second-half of 2004 in advance of the new 2005 emissions legislation.

In addition to the new production programs that were launched during 2003, the production volume for the Audi 4.0 litre CGI V8 diesel engine cylinder block increased at the Halberg foundry. The CGI production of engine components at the Caterpillar foundry, large piston rings at the Daros foundry, and Rolls-Royce Power Engineering cylinder heads and engine frames at the VDP foundry, continued throughout the period. The daily operation of the SinterCast System 2000 at the SKF-Mekan foundry in Sweden for ductile iron series production and on-going CGI product development continues to provide valuable confirmation of the robustness and reliability of SinterCast's automated process control technology.

Market Penetration and Competition

SinterCast System 2000 process control systems are currently installed at the Caterpillar, Cifunsa, ICC-International Casting Corporation and Tupy foundries in the Americas and at the Daros Piston Rings, Halberg Guss, SKF-Mekan, V. Luzuriaga and VDP foundries in Europe. The technology agreement with the international Teksid group extends to all nine Teksid iron foundries worldwide. The technology agreements with these foundry groups encompass a total of twenty-two iron foundries worldwide. The actions of the cast iron cylinder block and head foundries to install the SinterCast technology reflect the industrial confidence in CGI and in SinterCast as the leading supplier of process control technology for reliable high volume production. At present, SinterCast's

automotive foundry partners account for approximately 40% of the total world cast iron production capacity for passenger vehicle cylinder blocks, approximately 35% of the world cast iron capacity for commercial vehicle cylinder blocks and approximately 45% of the world capacity for commercial vehicle cylinder heads.

SinterCast continues to promote CGI product applications throughout the industry. All initiatives that stimulate the interest and confidence in CGI have the positive effect of expanding the overall CGI market potential. Based on its leading technology, know-how and engineering service, SinterCast will establish new foundry installations to continue to increase its share of the world CGI cylinder block and head production capacity.

Patents

SinterCast currently holds 25 patents. These patents address our metallurgical technology (13), our sampling technique and hardware (6), product applications (3) and CGI machining (3). In total, SinterCast has 121 individual national phase patents granted or pending worldwide. The SinterCast technology is primarily based on the 10 patents that were filed since 1997. These patents accurately reflect our current technology and ensure the long-term security of our business activities.

Organisation

The Group management, administration and sales activities are based at the headquarter office in London. Over the past year, the Technical Centre, based in Katrineholm Sweden, has assumed increased responsibility for the technical and commercial support of existing foundry Customers, in addition to its underlying responsibilities for product development, production and quality control. Local support of Customer activities in North and South America is based at SinterCast Inc., in Chicago, with key technical support provided by the Technical Centre in Katrineholm. The SinterCast employees comprise a technology-oriented and technology-driven Team that has the knowledge, competence, experience and motivation to support all aspects of CGI product development and series production. New technical and commercial recruitments are planned for 2004 to support increased field activities.

To expand its market reach and provide local contact bases, SinterCast has established representation agreements with ABB Elektrik Sanayi A.Ş. in Turkey, ABB KK in Japan, and with the Swedish Trade Promotion Center in Korea. These representation agreements provide a familiar and respected local presence for SinterCast technology. Additional representation agreements will be established as SinterCast continues to enter new foundry markets.

Operating Result, Investments and Accounting Principles

The Group turnover for January-December 2003 amounted to SEK 6.9 million (SEK 9.7 million for the previous year). The turnover mainly relates to income from production, installations, and engineering services. Fees for systems that have been installed under lease agreements have been accrued over the duration of the contract period. During the period, approximately 7,900 SinterCast Sampling Cups were delivered to customers (4,800). The result for the Group after calculated tax for January-December 2003 amounted to SEK -20.0 million, SEK -4.0 per share excluding outstanding warrants and SEK -4.0 per share including outstanding warrants (SEK -16.4 million, SEK -3.4 per share excluding outstanding warrants and SEK -3.4 per share including outstanding warrants). Other operating income and other operating expenses relate to sub-letting of office space in SinterCast Ltd. Investments by the Group during the period amounted to SEK 2.5 million (SEK 3.1 million).

During 2003 an internal project group has investigated and planned for the implementation of the new accounting standards, IFRS, that take effect as of 2005. The implementation of the new standards will have limited effect on the presentation of the SinterCast accounts with the possible exception of the revaluation of the ITP pension plan, if that information is available from the pension provider. The pension revaluation is not expected to have any significant effect on the SinterCast results. SinterCast has implemented the new accounting principles recommended by the Swedish Financial Accounting Standards during 2003. The transition to these new accounting principles is not deemed to have any effect on the financial statements or the comparison with previous years.

Liquidity and Financing

The Group's liquidity on 31 December 2003 amounted to SEK 40.4 million (SEK 32.6 million).

On 30 December 2003, 25,000 warrants were exercised with an exercise price of SEK 58 per share. In addition to the 464,138 warrants that were exercised on 3 November 2003 by the major warrant holders Goldman Sachs International and, on behalf of clients, Deutsche Morgan Grenfell, Merrill Lynch Investment Managers, Credit Suisse First Boston, and Erik Penser Fondkommission, the exercise of the 25,000 warrants on 30 December 2003 resulted in a total of 489,138 of the 590,888 outstanding warrants with the due date of 31 December 2003 being exercised. The exercise of these warrants has provided a total cash injection of SEK 28.4 million. As a result of the exercise of the warrants, the total number of SinterCast shares has increased to 5,389,200. Beyond the warrant

program of 31 December 2003, an additional 200,000 warrants remain outstanding as part of an employee option program. These warrants can be exercised at a price of SEK 58 during the period 1 October – 31 December 2004.

During December 2003, the President & CEO acquired additional shares, increasing his total holding to 16,500 shares.

Annual Report

The Annual Report will be available in early April, 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, www.sintercast.com.

Annual General Meeting

The Annual General Meeting of SinterCast AB (publ) will be held on 20 April 2004 at 15:00, at the premises of the Royal Swedish Academy of Engineering Sciences (IVA), Grev Turegatan 16, Stockholm.

The Board of Directors intend to propose to the AGM to decide on the transfer of SEK 528.2 million from the excess profit reserves to retained deficit to cover the opening balance for 2003. It will further be proposed that the result for 2003 be carried forward.

After eleven years of service as Chairman and Vice Chairman, Mr Bo C E Ramfors has declined re-election to the Board. The Nomination Committee has begun consultation regarding the appointment of a new board member.

Information

The next on-line Audio Q&A Forum will take place on 20 February 2004 at 13:00 CET. During the Q&A Forum, SinterCast's President & CEO will answer questions submitted by e-mail, or through the SinterCast website. Details of this on-line event, including information on how to submit questions and how to connect, can be found at www.sintercast.com, or by contacting SinterCast.

The Interim Report January-March 2004 will be published on 16 April 2004.

The Interim Report January-June 2004 will be published on 16 August 2004.

The Interim Report January-September 2004 will be published on 15 November 2004.

The Preliminary Financial Result for 2004 will be published on 16 February 2005.

Stockholm, 18 February 2004

On behalf of the Board of Directors



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President & CEO

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The company auditors have not audited this report

PROFIT AND LOSS ACCOUNTS SINTERCAST GROUP

AMOUNTS IN SEK MILLION	October-December		January-December	
	2003	2002	2003	2002
Operating income	1.8	2.7	6.9	9.7
Cost of goods sold	-1.6	-2.1	-5.4	-6.6
Gross result	0.2	0.6	1.5	3.1
Cost of sales and marketing	-2.6	-1.0	-11.2	-6.2
Cost of administration	-1.8	-2.2	-6.8	-7.2
Cost of research & development	-1.5	-2.9	-4.7	-7.7
Other operating income	0.7	0.9	2.7	3.2
Other operating costs	-0.6	-0.6	-2.3	-2.6
Operating result	-5.6	-5.2	-20.8	-17.4
Financial net	0.2	0.1	0.8	1.1
Tax	0.0	-0.1	0.0	-0.1
Result for the period	-5.4	-5.2	-20.0	-16.4
Average number of shares, thousands	4,977.4	4,760.7	4,977.4	4,760.7
Average number of shares adjusted for outstanding warrants, thousands	4,977.4	4,760.7	4,977.4	4,760.7
Earnings per share, SEK	-1.1	-1.1	-4.0	-3.4
Earnings per share adjusted for outstanding warrants, SEK	-1.1	-1.1	-4.0	-3.4
	Operating income January-December		Operating result January-December	
	2003	2002	2003	2002
Europe	3.8	2.0	-19.8	-19.0
Americas	2.9	7.2	-0.8	1.6
Asia	0.2	0.5	-0.2	0.0
Total	6.9	9.7	-20.8	-17.4

CASH FLOW STATEMENTS SINTERCAST GROUP

AMOUNTS IN SEK MILLION	October-December		January-December	
	2003	2002	2003	2002
Operations				
Operating result	-5.6	-5.2	-20.8	-17.4
Adjustments for items not included in the cash flow				
Depreciation	1.2	0.6	2.5	1.9
Exchange rate differences	1.7	0.2	1.2	-0.8
Financial items	0.3	0.2	0.9	1.2
Tax	0.0	-0.1	0.0	-0.1
Cash flow from operations excluding change in working capital	-2.4	-4.3	-16.2	-15.2
Change in working capital				
Stock	0.0	-0.1	1.1	0.8
Operating receivables	-4.4	2.9	-2.8	1.3
Operating liabilities	-0.6	0.2	-1.1	-4.2
Total change in working capital	-5.0	3.0	-2.8	-2.1
Cash flow from operations	-7.4	-1.3	-19.0	-17.3
Investments				
Acquisition of equipment, patent and capitalized development expenditure	-0.5	-0.1	-2.5	-3.1
Disposal of tangible assets	0.0	0.0	0.0	0.0
Increase/decrease in long-term receivables	2.3	-2.0	2.4	-2.0
Cash flow from investments	1.8	-2.1	-0.1	-5.1
Financial operations				
New share issue	26.9	-	26.9	40.5
Cash flow from financial operations	26.9	0.0	26.9	40.5
Change in cash position*	21.3	-3.4	7.8	18.1
Cash position - opening balances	19.1	36.0	32.6	14.5
Cash position - closing balances	40.4	32.6	40.4	32.6

*The cash position comprises short-term investments and cash at bank and in hand

BALANCE SHEETS SINTERCAST GROUP

AMOUNTS IN SEK MILLION	31 Dec 2003	31 Dec 2002	30 Sept 2003	30 Sept 2002
Assets				
Intangible assets	10.3	10.9	10.4	11.6
Tangible assets	2.1	2.1	2.5	3.5
Financial assets	1.1	3.5	3.4	3.9
Total fixed assets	13.5	16.5	16.3	19.0
Stock	1.8	2.9	1.7	2.8
Short-term receivables	7.3	4.5	3.0	5.0
Short term deposits and cash at bank and in hand	40.4	32.6	19.1	36.0
Total current assets	49.5	40.0	23.8	43.8
Total assets	63.0	56.5	40.1	62.8
Shareholders' equity and liabilities				
Restricted capital	603.5	588.4	579.1	591.9
Retained deficit	-548.8	-541.3	-547.0	-538.3
Total shareholders' equity	54.7	47.1	32.1	53.6
Long term liabilities	1.0	1.0	1.0	1.0
Current liabilities	7.3	8.4	7.0	8.2
Total shareholders' equity and liabilities	63.0	56.5	40.1	62.8
Adjusted equity per share	11.0	9.9	6.6	11.4
Adjusted equity per share adjusted for outstanding warrants	11.0	9.9	6.6	11.4
Change in Shareholders' equity	October-December 2003	2002	January-December 2003	2002
Opening balance	32.1	53.6	47.1	23.8
Exchange rate difference	-0.4	-1.3	-0.8	-0.8
New share issue	28.4	-	28.4	40.5
Result for the period	-5.4	-5.2	-20.0	-16.4
Closing balance	54.7	47.1	54.7	47.1

KEY RATIOS SINTERCAST GROUP AND DATA PER SHARE

	October-December 2003	2002	January-December 2003	2002
Key ratios				
Operating income, SEK millions	1.8	2.7	6.9	9.7
Net result, SEK millions	-5.4	-5.2	-20.0	-16.4
Solidity, %	86.8	83.4	86.8	83.4
Adjusted shareholders' equity, SEK millions	54.7	47.1	54.7	47.1
Capital employed, SEK millions	54.7	47.1	54.7	47.1
Total assets, SEK millions	63.0	56.5	63.0	56.5
Return on shareholders' equity, %	-12.4	-10.3	-39.3	-46.3
Return on capital employed, %	-12.1	-9.7	-38.7	-44.9
Return on total assets, %	-10.8	-9.3	-32.3	-26.1
Debt-to-equity ratio	0.0	0.0	0.0	0.0
Employees				
Number of employees at the end of the period	15	16	15	16
Data per share				
Dividends per share, SEK	-	-	-	-
Share price at the end of the period, SEK	57.5	40.0	57.5	40.0

Average number of shares	Adjusted shareholders' equity
Weighted average of the number of shares outstanding for the period	Shareholders' equity plus 72 per cent of untaxed reserves
Average number of shares adjusted for outstanding warrants	Capital employed
Weighted average number of shares at the end of period adjusted for 200,000 warrants issued in Feb 2002, which can be exercised from 1 October - 31 December 2004, calculated as per recommendations by the Accounting Standards Council	Total assets less non-interest bearing liabilities including deferred tax liabilities
Earnings per share	Return on shareholders' equity
Net result divided by the average number of shares	Net result as a percentage of average adjusted shareholders' equity
Earnings per share adjusted for outstanding warrants	Return on capital employed
Net result divided by the average number of shares adjusted for outstanding warrants	Net result after financial items plus financial expenses as a percentage of average capital employed
Adjusted equity per share	Return on total assets
Adjusted shareholders' equity divided by the average number of shares	Net result after financial items plus financial expenses as a percentage of total average assets
Equity per share adjusted for outstanding warrants	Debt-to-equity ratio
Adjusted shareholders' equity divided by the average number of shares for the last period adjusted for outstanding warrants	Interest bearing liabilities divided by adjusted shareholders' equity
Solidity	Share price at the end of the period
Adjusted shareholders' equity expressed as percentage of total assets	Latest paid price for the SinterCast share at the Swedish stock exchange, Stockholm börsen