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SinterCast Extraordinary General Meeting

- **Approval of a directed share issue and an employee stock option plan**
- **The new financing secures the Company until the expected positive cash flow will be achieved**

An Extraordinary General Meeting (EGM) decided today, in accordance with the Board's proposal, to issue new shares, in the amount of SEK 40 million (USD 3.8 million), directed to Goldman Sachs International and, on behalf of clients and funds, to Merrill Lynch Investment Managers, NorgesInvestor Verdi and Erik Penser Fondkommission. The subscription price is SEK 50 (USD 4.7) per share and encompasses the issue of 800,000 class A-shares. It was also decided that as part of the financing solution, the subscribers to the directed share issue will receive 0.75 warrants for each class A-share subscribed. Thus, a total of 600,000 options will be issued, each conferring the right to subscribe for one new A-share at a price of SEK 58 (USD 5.4). The subscription can be exercised at any time from 31 March 2002 to 31 December 2003. Full exercise of all options will raise approximately SEK 35 million (USD 3.3 million) through the issue of 600,000 new class A-shares.

Furthermore, the EGM decided, in accordance with the Board's proposal, to implement a new employee stock option plan to replace the employee stock option plan of 150,000 warrants, which expired in May 2001 without subscription. The exercise price will correspond to approximately 110 percent of the average price for the A-share during the period 11 February – 15 February 2002, however, not lower than SEK 58. The options can be exercised during the period 1 October 2004 to 31 December 2004. The options will be allotted free of charge. Moreover, the options are not transferable and can only be exercised if the holder of the options is still employed or otherwise engaged by the SinterCast group.

In order to secure the commitments under the plan, the EGM decided on an issue of debt instruments with detachable warrants with terms corresponding to the stock options. The maximum number of warrants to be issued is 200,000 of which 50,000 are issued to cover future social security costs as a result from the stock option plan. The total number of these warrants will equal approximately 3.4 per cent of the share capital and approximately 3.7 per cent of the votes if all these warrants are exercised, calculated on outstanding shares and warrants together with shares and warrants which are proposed to be issued in connection with the proposed directed new share issue. The Company has earlier offered warrants to employees, entitling to subscription of 250,000 shares of series A in the Company during the period from 9 May 2003 to 30 June 2003 at a subscription price of SEK 82. Together with these warrants the total dilution amounts to 7.6 per cent of the share capital and 8.4 per cent of the votes.

Furthermore, as presented at the Annual General Meeting in May 2001, the investigation to convert the B-shares to A-shares is continuing and will be presented to the Board, who will decide on a proposal to the Annual General Meeting

The Preliminary Financial Report for 2001 will be published on 20 February 2002.

The Interim Report January - March will be published on 25 April 2002.

The Interim Report January - June will be published on 7 August 2002.

The Interim Report January - September will be published on 23 October 2002.

The Preliminary Financial Report for 2002 will be published on 20 February 2003.

The Annual Report will be published beginning of May 2002.

The Annual General Meeting will take place at the premises of the Royal Swedish Academy of Engineering Sciences (IVA), Grev Turegatan 16, Stockholm, Friday 24 May 2002 at 10.00 a.m.

Stockholm, 8 February 2002

On behalf of the Board of Directors of SinterCast AB (publ)

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