

January - March 2009

- **Net sales for the quarter were at 29,2 MSEK (15,3)**
- **Loss after tax was -13,7 MSEK (-3,8)**
- **Operating loss for the period was -12,2 MSEK (-3,8)**
- **Earnings per share -1,01 SEK (-0,29)**
- **Reduced adjusted loss of -13,9 MSEK Q4 2008 to -8,0 MSEK Q1 2009 as a result of rationalization and cost reduction program**
- **Order intake was 26,2 MSEK (17,7) and order backlog was 57,5 MSEK (13,1)**
- **New financing facilities of 24 MSEK in place**
- **Production start of wind power castings during March**
- **New Camito orders during period**
- **New marketing strategy with new CEO for merged NovaCast Foundry Solutions and Graphyte**
- **New CEO for Camito Technology Center**
- **Several Camito orders after reporting period**

Events after reporting period

- **Several Camito orders after reporting period**

Group development during reporting period

Net sales

Net sales for the group for the first quarter of 2009 increased to 29,2 MSEK (15,3). Delivery of casting details to Enercon commenced during the quarter.

Result after tax

Result after tax for the period was -13,7 MSEK (-3,8). The loss is mainly due to low income recognition in current projects within Swepart Verktyg in combination with low capacity utilization, as well as a single cost of 1,2 MSEK. Furthermore there was a transformer breakdown at Camito Technology Center in January. The costs for the production stop, which are approx. 3 MSEK, are expected to be covered mainly by consequential loss insurance, which has not been recorded in the results for the quarter. The effects of personnel reductions that were announced through notices of dismissal in December 2008 (18 persons at SwePart and 8 at CTC) and February 2009 (25 persons at SwePart) have yet not reduced the costs. The cost reduction, which is a total of almost 1 MSEK per month, will not be noticeable until the second quarter of 2009 and will reach full intensity during the fourth quarter of 2009.

The operating loss during the previous quarter was -28,8 MSEK, of which 14,9 MSEK was considered a single event, i.e. an adjusted net loss of -13,9 MSEK. The corresponding adjusted net figure for the period is -8,0 MSEK, without consideration for the effects of personnel reductions.

Cash

Cash and cash equivalents at end of accounting period were 23,8 MSEK (10,2) including unutilized check credit of 7,0 MSEK and unutilized other granted credit facilities of 14,7 MSEK. Trade debtors for the group were at 17,7 MSEK (12,4).

During the period the group was granted new credit of 24 MSEK in a combination of bank loan, 12 MSEK and loan from ALMI Skåne, 12 MSEK.

Order intake and order backlog

Order intake for the quarter was 26,2 MSEK (17,7) of which 21,2 MSEK (13,3) applies to the Automotive business area and 5,0 MSEK (4,4) applies to activities within foundry technology. Outgoing order backlog was 57,5 MSEK (13,1) of which the Automotive business area reached 56,7 MSEK (13,1) and Foundry Technology reached 0,8 MSEK (0).

Investments

Reported investments during the quarter amounted to 0,1 MSEK (5,1).

Development per business area and market during reporting period

Automotive

Net sales for this business area were 25,0 MSEK (11,1) during the period. Operating loss was -12,1 MSEK (-4,1). Order intake during the period was 21,2 MSEK (13,3) and outgoing order book was 56,7 MSEK (13,1).

Camito AB

The group's sales and marketing organization has worked intensely with a considerable number of enquiries and quotations. As a result of the market situation large projects have tended to be changed and delayed in the final decisions about production, i.e. submitting orders. At the end of and after the reporting period we noted a certain improvement in closing deals for smaller projects, where lead times and time to production start are most often very narrow.

During the period, as well as the first weeks after, Camito received orders for smaller projects from five customers and further orders are expected in the near future.

Camito received an order during the period for the first Camito die shoe casting from August Läßle GmbH & Co KG in Heilbronn, Germany, that will be used for the production of car body parts for an international automotive group. August Läßle GmbH & Co KG in Heilbronn is one of Europe's leading manufacturers of stamping tools, production systems and car body parts, with customers like BMW, Mercedes, Porsche, Volkswagen, Volvo, Ford and Jaguar.

Camito has also received orders for stamping die shoe castings and complete dies from Schweikert GmbH, Germany. The orders are for trim and flange dies and stamping die shoe castings for delivery to one of the world's leading international automotive groups. Schweikert is one of Europe's leading system suppliers of stamping dies and car body parts, with customers like VW, Audi, Porsche, BMW and Mercedes.

Camito Technology Center AB (CTC)

Production of the order signed with Enercon during the third quarter of 2008 in excess of 30 MSEK for castings to the wind power industry, began during March 2009. Efforts to increase the share of castings for the wind power industry are part of our strategy to change the product mix at the foundry, mainly to level out the expected fluctuations in orders for Camito castings from the automotive industry. Production will now increase successively, reaching the planned annual pace at the end of the fourth quarter in 2009.

All production of smaller castings at the old foundry was terminated at the end of the fourth quarter in 2008, leaving 8 persons with a notice of dismissal. The effects of staff reductions will start to give an impact in the second quarter of 2009.

A serious production stop due to transformer breakdown took place during the period. The transformer has since been repaired and re-installed but the stop has caused reductions in volume and results, which in turn have relatively considerably effected the quarter. Claims have been filed to our insurance company for coverage through consequential loss

insurance. These claims of about 3 MSEK have not been taken into consideration in the figures for the quarter.

Janni Dimovski assumed duties as new CEO for CTC during the period. Janni is also CEO for Swepart Verktyg, which facilitates the coordination of our production units management-wise, as a lead in SwePart's changeover to Camito technology.

Swepart Verktyg AB

Reprocessing of the order book prior to acquisition of SwePart Verktyg is proceeding and despite certain provisions in the annual accounts for 2008 we cannot exclude further exceeding costs until these projects are finalized during quarter three of 2009. Production has caused several difficult bottlenecks in certain production phases, while at the same time the general booking level has been too low as a result of slow order flow.

During December 2008 18 persons received notice of dismissal and a further 25 in February 2009, the effects of which will be felt during the second quarter of 2009.

Sandvik's Production Improvement Program (PIP), aimed at optimizing efficiency mainly in time-consuming machining phases is currently being conducted within SwePart. Training and adjustment towards becoming a distinct specialist at producing Camito-based dies is taking place at the same time in accordance with the strategy that was set down at acquisition.

Foundry Technology (incl. Graphyte product area)

Net sales for the business area during the period were 4,2 MSEK (4,2). Operating loss was -0,1 MSEK (0,3).

Order intake, invoicing and result within the new merged unit have been better than expected during the period, given the state of the market.

NovaCast Foundry Solutions AB

NovaCast Foundry Solutions received orders for among others NovaFlow&Solid simulation package from three customers, Columbus Steel Castings (USA), a European customer and Omen (Israel).

Since the turn of the year Peter Vomacka is the new CEO at NovaCast Foundry Solutions. Peter was previously sales manager at Graphyte AB.

The installed licence base at end of March was 645, with 424 customers in 42 countries. The number of Technology Partner Agreements (TPA) that generate income at approx. 15 % of the product price was 212.

Graphyte

Business activities within Graphyte were merged with those at NovaCast Foundry Solutions during the period, within the framework for a larger strategic approach where the “new” NovaCast Foundry Solutions broadens and adjusts its total product range to the global foundry industry. Graphyte will thereby be an important product area within the new company. Strategy changes are underway with full force and are expected to be fully developed and introduced successively before the end of the year.

Customer tests with the new Graphyte ® technology are proceeding according to plan and we are looking forward to the possibility of installation orders during 2009.

Parent company

Net sales for the parent company were 2,3 MSEK (3,1) during the period, of which intragroup sales were 2,3 MSEK (3,1). Operating loss was -0,3 MSEK (-0,4).

Risks and uncertainty factors

By far the largest risk for 2009 is the prevailing industrial and financial crisis in many parts of the world. It is impossible to say how this will affect the NovaCast group. We are focusing on measures that will increase our preparedness for a difficult 2009.

The new CTC foundry is dependent on considerable increases in production volumes. The demand for Camito castings is not dependent on number of sold cars, but we cannot exclude negative consequences of problems within the automotive industry. In order to counter these risks we are intensifying efforts to change the product mix at the foundry, mainly through increased volumes from the wind power industry.

For further information about the group’s operational and financial risks, risk management and risk exposure please see NovaCast Technologies’ annual report on www.novacast.se

Events after reporting period

After the reporting period Camito received an order for Camito castings and traditional castings to a new customer in Austria.

Camito and SwePart Verktyg received an order from Finnveden Metal Structures for a large progressive tool.

SwePart Verktyg has also received an order for the construction and production of trimming dies from Scania’s wholly-owned subsidiary FerruForm in Luleå, Sweden. The order also includes adjusting and adaptation of a number of existing stamping dies, as well as casting die shoes from the special foundry at Camito Technology Center.

Future developments

As in previous years, NovaCast Technologies AB does not give any prognoses, mainly since business activities are still in the construction phase, where individual orders or business deals can create significant swings in these activities. The general market development combined with the prevailing global financial crisis render it irrelevant to make any prognoses of our own this year.

The Board and management will focus on adapting business activities according to market conditions, on liquidity and cash flow, as well as on creating a new business platform for expansion.

Stockholm, 22 April 2009

Hans Svensson
CEO

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This report has not been audited by company auditor.

Report for total result

<u>SEK M</u>	Group			Parent company		
	<u>2009</u> Jan. - Mar.	<u>2008</u> Jan. - Mar.	<u>2008</u> Year	<u>2009</u> Jan. - Mar.	<u>2008</u> Jan. - Mar.	<u>2008</u> Year
Net sales	29,2	15,3	105,0	2,3	3,1	13,4
Work perf.by co.for its own use & capitalized	0,8	1,7	5,3	-	-	-
Other operating income	0,4	0,2	15,6	0,2	0,0	0,2
Raw materials & consumables	-14,7	-5,6	-52,5	-	-	-0,1
Other external costs	-8,4	-7,5	-41,4	-1,5	-1,6	-6,8
Employee benefit expenses	-17,6	-7,5	-44,6	-1,3	-1,9	-5,4
Depreciation&impairment	-2,5	-0,4	-5,8	-0,0	0,0	-0,1
Other net profit/loss	0,6	-	-5,0	-0,0	-	-
Operating profit/loss	-12,2	-3,8	-23,4	-0,3	-0,4	1,2
Net financial income/expense	-1,5	0,0	-2,5	0,2	0,8	0,1
Taxes	-	-	3,5	-	-	-
Net profit/loss for the period	-13,7	-3,8	-22,4	-0,1	0,4	1,3
Sum total result for the period	-13,7	-3,8	-22,4	-0,1	0,4	1,3
Result for period and total result attributable to equity holders of the parent	-13,7	-3,8	-22,4	-0,1	0,4	1,3
Earnings/share (SEK) before and after dilution	-1,01	-0,29	-1,65	-	-	-
Income per segment	<u>2009</u>	<u>2009</u>	<u>2009</u>	<u>2009</u>		
<u>SEK M</u>	Automotive	Foundry tech.	Elimination	Total		
External income	25,0	4,2	-	29,2		
Internal income	4,3	0,2	-4,5	0,0		
Total income	29,3	4,4	-4,5	29,2		
Operating loss	-12,1	-0,1	-	-12,2		
Net financial income/expense				-1,5		
Result before tax				-13,7		
Income per segment	<u>2008</u>	<u>2008</u>	<u>2008</u>	<u>2008</u>		
<u>SEK M</u>	Automotive	Foundry tech.	Elimination	Total		
External income	11,1	4,2	-	15,3		
Internal income	3,3	0,2	-3,5	0,0		
Total income	14,4	4,4	-3,5	15,3		
Operating loss	-4,1	0,3	-	-3,8		
Net financial income/expense				0,0		
Result before tax				-3,8		

Cash flow statement

<u>SEK M</u>	Group		Parent company	
	<u>2009</u> Jan. - Mar.	<u>2008</u> Jan. - Mar.	<u>2009</u> Jan. - Mar.	<u>2008</u> Jan. - Mar.
Operating activities				
Operating loss	-12,3	-3,8	-0,3	-0,4
Adjustment for non-cash items	2,5	0,5	0,0	0,0
	-9,8	-3,3	-0,3	-0,4
Interest received/paid	-1,4	0,0	0,4	0,8
Tax received/paid	-	-	-0,2	-0,1
Cash flow from operating activities before working capital changes	-11,2	-3,3	-0,1	0,3
Cash flow from working capital changes				
Decrease/increase in inventories	-3,4	-1,4	-	-
Decrease/increase in accounts receivable	11,0	-0,9	0,2	0,3
Decrease/increase in receivables	-10,1	1,5	-1,8	-2,5
Decrease/increase in accounts payable	-9,9	-2,6	-0,1	0,4
Decrease/increase in current liabilities	12,5	-0,2	0,4	0,0
Cash flow from operating activities	-11,1	-6,9	-1,4	-1,5
Investing activities				
Acquisition of tangible fixed assets	-0,1	-5,5	-	-
Acquisition of intangible assets	-0,8	-2,8	-	-
Change in financial assets	-	-0,1	-0,8	2,0
Investments in subsidiaries	-	-	-0,9	-1,3
Cash flow from investing activities	-0,9	-8,4	-1,7	0,7
Financing activities				
Decrease/increase in long-term loans	10,7	12,4	3,0	-
Cash flow from financing activities	10,7	12,4	3,0	0,0
Cash flow for period	-1,3	-2,9	-0,1	-0,8
Cash & cash equivalents at beg. of period	3,4	5,1	0,2	1,1
Cash & cash equivalents at end of period	2,1	2,2	0,1	0,3

* Specification of csh and cash equivalents at end of period

Cash & bank balances	2,1	2,2	0,1	0,3
Short-term investments	-	-	-	-
	<u>2,1</u>	<u>2,2</u>	<u>0,1</u>	<u>0,3</u>

Balance sheet

<u>SEK M</u>	Group			Parent company		
	<u>2009</u> 31 Mar.	<u>2008</u> 31 Mar.	<u>2008</u> 31 Dec.	<u>2009</u> 31 Mar.	<u>2008</u> 31 Mar.	<u>2008</u> 31 Dec.
Assets						
Goodwill	16,8	16,8	16,8	-	-	-
Intangible fixed assets	23,0	18,0	22,4	-	-	-
Tangible fixed assets	113,9	75,0	115,9	0,1	0,2	0,1
Financial assets	3,1	0,0	3,1	125,7	99,6	124,0
Inventories	20,8	5,9	17,4	-	-	-
Current receivables	46,4	16,3	47,4	17,4	16,3	15,8
Cash and bank balances	2,1	2,2	3,4	0,1	0,3	0,2
Total assets	226,1	134,2	226,4	143,3	116,4	140,1
Equity and liabilities						
Share capital	6,8	6,5	6,8	6,8	6,5	6,8
Other contributed capital	116,1	100,9	116,1	-	-	-
Accumulated loss incl. result for year	-50,6	-18,3	-36,9	-	-	-
Statutory reserve	-	-	-	11,1	11,1	11,1
Non-restricted equity	-	-	-	103,3	87,2	103,4
Non-current liabilities	68,6	25,4	55,7	0,0	-	0,0
Current liabilities	85,2	19,7	84,7	22,1	11,6	18,8
Total equity and liabilities	226,1	134,2	226,4	143,3	116,4	140,1
Segment assets						
	<u>2009</u> 31 Mar.		<u>2008</u> 31 Dec.			
Automotive	225,5		229,2			
Foundry technology	19,7		12,8			
Eliminations	-19,1		-15,6			
Group total	226,1		226,4			

Changes in equity in group, SEK M

	<u>Share capital</u>	<u>other contributed capital</u>	<u>Accumulated deficit</u>	<u>Total</u>
Equity 2008-01-01	6,5	100,9	-14,5	92,9
Loss after tax	-	-	-22,4	-22,4
Shares issue	0,3	14,3	-	14,6
Non-cash issue	0,0	0,9	-	0,9
Equity 2008-12-31	6,8	116,1	-36,9	86,0
Equity 2009-01-01	6,8	116,1	-36,9	86,0
Result for the year			-13,7	-13,7
Equity 2009-03-31	6,8	116,1	-50,7	72,2

Key ratios

	Group			Parent company		
	<u>2009</u> 31 Mar.	<u>2008</u> 31 Mar.	<u>2008</u> 31 Dec.	<u>2009</u> 31 Mar.	<u>2008</u> 31 Mar.	<u>2008</u> 31 Dec.
Equity ratio	32%	66%	38%	85%	90%	87%
Liquidity ratio	57%	94%	60%	79%	143%	85%
No. of shares in thousands	13607,2	12984,7	13607,2	13607,2	12984,7	13607,2
Earnings per share (SEK)	-1,01	-0,29	-1,65	-	-	-
Equity per share (SEK)	5,31	6,86	6,32	8,91	8,07	8,91

Definitions

Equity ratio:	Equity in relation to balance sheet total.
Liquidity ratio:	Current assets minus stock in relation to current liabilities.
Earnings per share:	Profit for the period attributable to equity holders of the parent divided by the average number of shares.
Equity per share:	Equity in relation to number of outstanding shares per respective reporting date (13.607.161).

Accounting principles

NovaCast Technologies' interim report was prepared in accordance with IAS 34 "Interim financial reporting", as well as RFR's 2:2 (Swedish Financial Reporting Board) and the Annual Accounts Act. The same accounting principles were used in our latest annual report.

Coming reports

NovaCast Technologies AB quarterly reports are planned to be published on 12 August, 27 October 2008 as well as press release of unaudited earnings for January-December 2009 during February 2010.

NovaCast Technologies AB develops and markets enhanced castings for the production dies for car body parts, as well as software for methoding, simulating and process control, for better and faster production processes to the global automotive industry and its subcontractors, mainly foundries and tool manufacturers.

NovaCast Foundry Solutions AB offers powerful software packages that basically cover the complete needs in a foundry, from planning to process control and quality control. Graphyte technology offers advanced process control systems for serial production of castings in compacted graphite iron related to the automotive industry.

NovaCast subsidiary Camito AB markets Camito enhanced castings manufactured in one solid piece for the production of dies for forming and stamping automotive body components in a considerably shorter time than traditional methods.

Camito Technology Center AB mainly produces heavy castings, primarily to the automotive industry. The foundry is also the development center for Camito technology.

SwePart Verktyg is Scandinavia's leading die manufacturer. SwePart provides the group with expertise within the whole value chain for the manufacture and sales of stamping dies.

NovaCast Technologies' (founded 1981) head office is in Tyringe, Sweden.

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