SWEDISH AUTOMOBILE N.V. including SAAB AUTOMOBILE AB REPORTS ITS SEMI-ANNUAL RESULTS 2011

Management working on different scenarios to secure funding and ensure longer term continuity of Saab and Group

Zeewolde, the Netherlands, 31 August 2011 - Swedish Automobile N.V. (Swan), a holding company that owns subsidiaries which produce and sell premium automobiles under the Saab and Spyker brands (together referred to as the "Group"), today announces its interim results for the first half year 2011 ended 30 June 2011. The Group is listed on NYSE Euronext Amsterdam (ticker symbol SWAN).

FINANCIAL DEVELOPMENTS H1 2011

- H1 2011 sales of € 359.0 million, Q2 sales of € 101.9 million
- H1 EBIT of € (201.5) million, Q2 EBIT of € (122.2) million
- Cash generated from operations in H1 amounts to € (44.9) million
- Securing additional funding, restarting production and stabilizing operations top priority for management
- Longer term financing of EUR 245 million conditionally secured through agreements with Pang Da Automobile Trade Company Ltd ("Pang Da") and Youngman Automotive Group Company Ltd ("Youngman")

OPERATIONAL DEVELOPMENTS H1 2011

- Sales performance seriously affected by production stoppages and tight liquidity situation during second quarter
- 12,871 cars sold (wholesale) in H1 2011 compared to 10,240 in H1 2010, an increase of 26%
- 15,194 cars sold (retail) in H1 2011, up 44% compared to 10,535 in H1 2010
- 12,877 cars produced in H1 2011, compared to 11,851 in H1 2010, an increase of 9%
- 3,197 cars sold (wholesale) in Q2 2011 compared to 7,984 in Q2 2010, a decrease of 60%
- 5,801 cars sold (retail) in Q2 2011, up 5% compared to 5,539 in Q2 2010
- 1,989 cars produced in Q2 2011, compared to 9,497 in Q2 2010, a decrease of 79%
- Roll-out of Saab 9-4X into markets underway, first cars sold in US

Victor R. Muller, CEO of the Group and CEO and Chairman of Saab Automobile, said: "It will come as no surprise that this has been an unbelievably tough quarter for this company. Nothing is worse than having to delay salary payments to your loyal employees and they deserve nothing less than my sincere apologies. Moreover, our ever tighter financial situation resulted in sustained production stoppages, lost revenues and a significantly increased operating loss. Our business plan is under review pending completion of funding negotiations and to reflect ventures with our future partners Pang Da and Youngman."

"There are rays of light on the horizon as well. We have booked good progress in negotiations with our suppliers on payment and delivery terms, and we continue our effort to secure additional near-term funding to enable a sustainable restart of production. Investor interest exists in Saab Automobile based on a continued belief in the long-term prospects for the brand and the company. Despite the company's current predicament, they recognise the potential of the Saab business: several new vehicles waiting to be launched in global markets, loyal customers who continue to order cars to this very day, a strong premium brand, committed and well-funded new Chinese partners and a highly-skilled workforce responsible for many innovations in the automotive business."

"However, we know that we can't look too far into the future just yet. Right now, the focus of Saab management is on working as hard as possible to bring the company back into calmer waters by significantly strengthening our financial position, reaching agreement with all our suppliers on payment and delivery terms and restart production as soon as possible. We are evaluating all available options in order to secure continuity of Saab Automobile."

SEMI ANNUAL REPORT 2011 OF THE MANAGEMENT BOARD

Introduction

This semi-annual report of the Group for the six months starting on 1 January 2011 and ending on 30 June 2011, consists of the semi-annual report of the Management Board, the condensed consolidated semi-annual financial statements and a Management Board's declaration. The information in this semi-annual report is unaudited. The semi-annual report of the Group comprises Swedish Automobile N.V. and its subsidiaries.

CORPORATE AND OPERATIONAL REVIEW

Corporate

On 19 May, Swan's General Meeting of Shareholders voted in favour of the proposal to change the name from Spyker Cars N.V. to Swedish Automobile N.V., following the planned sale of the Spyker sports car business. Given the current uncertain outlook for the company, completion of the sale of the Spyker sports car business to CPP Global Holdings Limited has been suspended. The General Meeting appointed Mr. R. Schuijt statutory member of the Management Board. Mr. J.A. Jonsson retired as CEO of Saab Automobile per 19 May 2011. Mr. P.H. Heerema retired from the Supervisory Board per 21 March 2011. Mr. D.J.C.Y.S. Go stepped down as statutory member of the Management Board per 1 July 2011.

Sales & production

Both sales and production in the second quarter were seriously hampered by the production stoppages and tight liquidity situation, which meant that the sales momentum as seen in the first quarter could not be continued. The lack of new cars coming into markets because of the stop in production also created a more challenging business environment for all Saab sales points around the globe.

1 Jan – 30 Jun (Saab Automobile)	**Q2 2011**	**Q2 2010**	**Change %**	**H1 2011**	**H1 2010**	**Change %**
Wholesale	3,197	7,984	(60%)	12,871	10,240	26%
Retail	5,801	5,539	5%	15,194	10,535	44%
Production (units)	1,989	9,497	(79%)	12,877	11,851	9%

NOTE: Wholesale comprises sales to dealers, retail comprises dealer sales to end users.

Business development

While the first quarter of 2011 showed an encouraging sales performance despite challenging circumstances, with March being the best sales month for Saab Automobile since becoming an independent company, the company experienced a number of production stoppages at the end of March due to material shortages partly caused by payments issues with a small number of suppliers. On 6 April, Saab Automobile decided to halt production until further notice as management worked to secure additional funding for operations. While additional funding was secured and production restarted on 27 May, production interruptions followed in the days after as a result of an unsteady inflow of parts and components. On 9 June Saab Automobile suspended production once again and has since then been working on securing the required funding and agreement with suppliers on payment and delivery terms to enable a sustainable restart of production.

On 13 June, Saab Automobile conditionally secured longer term financing by signing a Memorandum of Understanding worth EUR 245 million with Chinese firms Pang Da and Youngman. As part of the agreement with Saab Automobile, Pang Da purchased EUR 45 million worth of Saab vehicles, which were paid in advance. Furthermore, Pang Da agreed to subscribe to EUR 109 million in new shares in Swedish Automobile, corresponding with a 24 percent equity interest in Swedish Automobile on a fully diluted basis. Youngman agreed to take a 29.9% interest in Swan on a fully diluted basis, investing EUR 136 million. The agreements furthermore include a strategic alliance consisting of a 50/50 distribution joint venture (DJV) and a manufacturing joint venture (MJV) for Saab branded vehicles as well as for an MJV owned brand (the so-called 'child brand') for the Chinese market. In the MJV Youngman will take 45% of the shares, Saab Automobile 45%

and Pang Da 10%. In the DJV, Youngman will take 33% of the shares, Pang Da 34% and Saab Automobile 33%. Binding agreements with Pang Da and Youngman were announced on July 4, but these are still subject to approval by relevant authorities.

Throughout the second quarter, Swan worked on Saab Automobile's short-term financing through a number of activities, among which a convertible loan with Gemini Investment Fund Limited which was issued in May and the sale of 50.1 percent of the shares in Saab Automobile Property AB for a consideration of EUR 28 million which was finalized early July. In addition, a Chinese company placed an order to purchase 582 Saab vehicles with a value of EUR 13 million. Unfortunately, these agreements did not provide sufficient funding to finalise negotiations with suppliers and secure a sustainable restart of production; also, some of the funds committed by investors have not yet been paid. Swan and Saab Automobile continue discussions with several parties about obtaining additional funding for both the short, medium and long term in order to strengthen Saab Automobile's financial position.

On February 24, 2011, Swan announced that it had signed a memorandum of understanding to sell the assets of the Spyker Automotive business to the private UK holding CPP Global Holdings Limited. The sale has been suspended as of the date of this report. Swan is still in discussion with the potential buyer regarding the transaction, but might also consider other alternatives for the Spyker sports car business.

GROUP - SUMMARY INCOME STATEMENT

The H1 2011 report of the Group is significantly impacted by the stop in production that has lasted for several months.

Group (unaudited), half year ended per:		30 June 2011		30 June 2010
		€ ('000)		€ ('000)
Net Sales		358 995		241 630
Costs of Sales		(378 761)		(242 316)
Gross Margin		(19 766)		(686)
EBIT (Operating result)		(201 537)		(21 900)
Financial Result		(6 173)		(30 559)
Share of Result of Associates		(1 727)		-
Result after Tax from Discontinued Operations		(14 606)		(2 784)
Income Tax		(152)		(489)
Net Result		(224 195)		(55 732)
Result per weighted average number of shares	€	(10,70)	€	(3,30)

2011 Net Sales are 49% higher than what was reported for 2010. This is partly driven by increased sales volume compared to last year, but is also a result of the fact that Swan's consolidated numbers for 2010 only reflect the financials as of the effective date of acquisition, i.e. for Saab Automobile and its subsidiaries from March and for Saab Great Britain from June of that year.

The negative Gross Margin for the first six months of 2011 is mainly driven by the production stoppage during most of the second quarter, whereby the margin is burdened with the full cost of the idle production capacity at Saab as well as cost for some idle supplier capacity.

Also the operational cost is higher in 2011 as it reflects six months of operations compared to four months of operation in 2010. The operational result of (201.5) million for the first half of 2011 is largely impacted by the production stoppage. Although operating costs have been reduced during the stoppage, a significant portion of the operating costs is fixed in the short term.

Currency effects have been positive during the first six months of 2011, which has balanced the interest expense of the Group, resulting in a Financial Net of (6.2) million.
Share of Result of Associates relate entirely to Saab's Joint Venture with American Axle.
Result from discontinued operations of € (14.6) million includes the losses of the Spyker Automotive business and the effects of the planned divestiture. The latter includes a downward revision of the expected sales price for the Spyker assets and further includes an impairment charge arising from the sale of land in July.

GROUP - SUMMARY BALANCE SHEET

Group (unaudited)	**30 June 2011**
	€ ('000)
- Tangible fixed assets	286 390
- Intangible fixed assets	263 245
- Other non current assets (excluding reserved cash)	5 797
Non current assets (excluding reserved cash)	**555 432**
Assets held for sale (net of liabilities associated with the assets)	**11 919**
Current receivables	95 045
Inventories	253 128
Accounts Payable & Accrued Expense	(727 554)
Net Working Capital (excluding cash)	**(379 381)**
Other non-current provisions and liabilities	**(132 550)**
- EIB loan	(204 520)
- Convertible loans	(46 880)
- Other interest bearing debt	(133 444)
- Reserved cash	76 942
- Cash and cash equivalents	23 502
Net debt position	**(284 400)**
Redeemable preference shares	**(167 587)**
Equity	**(396 567)**

The total cash position amounts to € 100.4 million and comprises €23.5 million free available cash and € 76.9 million reserved cash (escrow for pensions, tooling payments and other items related to business operations).

SHAREHOLDERS EQUITY

The negative equity position of the Group has in itself no immediate impact on the execution of the Saab Automobile business plan, nor does it imply that the Group is legally required to issue new share capital. The Board and Management are closely monitoring the equity development in Saab Automobile where certain legal minimum equity requirements apply under Swedish law.
The Group is in pursuit of improving its equity position. Management has full focus on this subject and works on several initiatives to improve this situation.

On 28 January, Swan issued 250,000 shares to GEM as part of GEM's 1.57 million existing warrants. On 25 March 2011 Swan issued about 5.5 million shares to several shareholders. On 16 May, Swan issued 1 million shares to GEM Global Yield Fund Limited (GEM) under the existing EUR 150 million equity facility between Swan and GEM. In addition to the share issues above, Swan issued 5 million shares under the GEM facility on 2 August and sent a subscription notice for 4 million shares on 15 August as indicated below under "Recent Events".
Swan and Saab Automobile continue to work on securing funding, see "Funding".

WORKING CAPITAL

The Group's net working capital at the end of Q2 2011 was € (379,4) million. The net working capital position has deteriorated during Q2 as a result of the production stoppage and the funding situation. When adequate funding of the business is secured, Management aims to further increase its focus on adequate management of working capital and continue to work on improvement in this area. As part of the improvement of the liquidity, Management is actively pursuing debt collection, negotiating improved terms and conditions with suppliers, improving logistics chains and aiming for strict inventory control.

PRINCIPAL RISKS AND UNCERTAINTIES

The 2010 Annual Report contains a concise overview of the various risks and uncertainties the group is facing. Presently, arranging sufficient funding to continue operations is priority number one for Management. The present status is set out below.

Funding and Going Concern considerations

As has been disclosed in our Q1 2011 trading update, liquidity at the end of Q1 2011 has been very tight. This resulted in discussions with certain suppliers about payments and payment terms. During late March and early April a small number of suppliers halted their services or supplies to Saab pending these discussions which caused shortages and interruptions in Saab's supply chain. Saab subsequently decided to temporarily halt production until a more stable flow of materials and supplies could be ensured. To date Saab has not been able to secure the required funding to restart its production and management continues its effort to raise funds from various parties and pursues various initiatives to improve the Group's liquidity and strengthen the Group's balance sheet. Additional funding for timely payments and to meet the agreements with suppliers on new terms is also required to avoid default under the various lending agreements. Should a Group company receive such notice and cannot cure such default it may be faced with penalties and/or acceleration of principal repayment. It is not yet clear if sufficient funding can be raised to restart production in the short term. Based on its assessment of all known and relevant factors Management is of the opinion that the continuity of the Group can be secured based on the conditional EUR 245 million agreed investment by Pang Da and Youngman and based on the interest shown by investors to provide further short-term funding as is currently under negotiation. Management has accordingly prepared the financial statements on the assumption that the Group will be able to continue as a going concern. However, if adequate funding for the Group cannot be secured timely, going concern can likely not be maintained. Management is evaluating all available options in order to secure continuity of Saab Automobile.

Management is responsible under IFRS to evaluate, on a periodic basis, whether the value of fixed assets can be maintained in the balance sheet based on the business ability to generate cash from its future operations. Due to the recent events, including the significant production stoppage, Management recognizes that the business plan used as the base for the last evaluation is no longer valid and that the assets might be impaired. However, the current uncertainties described in this report make an adjustment of the asset value difficult to complete at this time. Also, the agreed investments and strategic alliances with Pang Da and Youngman also create additional business opportunities which still need to be incorporated in the business plan. Work on a revised business plan is under way and Management aims at forming a conclusion on the valuation of assets as soon as such work has been completed.

Other near term Management priorities

When the necessary funding to restart and sustain production has been secured, Management will continue to focus on its strategy of making Saab Automobile a profitable, independent niche premium car manufacturer, while reducing risks in the execution of the revised plan. Management will continue to focus on strengthening its financial position and stabilizing its operations through securing additional mid- and long-term financing. Further key management priorities remain:

- Manage cash and control costs and capital expenditure tightly;
- Continue to focus on initiatives to further reduce the break-even point;
- Continue product development activities in order to refresh and expand the entire product portfolio;
- Continue to build up an independent Saab distribution organization;
- Continue to build up capabilities as an independent company;

In summary: all measures to continue to restore confidence with our valued customers, dealers, suppliers, shareholders and other stakeholders in order to support increasing sales and improved margins from a rejuvenated product portfolio.

RECENT EVENTS

Following the delayed payment of blue-collar salaries in June, the July salaries for white-collar workers were delayed at the end of July. The salaries were paid on 5 August after Swan issued 5 million new shares in the company under the EUR 150 million equity facility between Swan and GEM. On 15 August, Swan issued another subscription notice for 4 million shares to GEM. On August 23, Saab announced it sees a risk in timely payment of the August salaries.

On 4 July, Swan and Saab Automobile announced a conditional agreement with Youngman Passenger Car for the formation of a Sweden-based joint venture company for the development of three new product Saab models (NPJV). The NPJV will be 50 percent owned by Saab Automobile and 50 percent by Youngman Passenger Car, and forms the foundation for an expansion of the Saab product portfolio with three models which until now were not part of Saab Automobile's current and future product portfolio. As such the NPJV will focus on developing three completely new Saab vehicles: the Saab '9-1', Saab '9-6X' and Saab '9-7'. Within the development process of these three new vehicle lines, Saab Automobile will be responsible for controlling and managing the design, the development and testing process to the start of production and providing other necessary technical and quality control support. For this, Saab Automobile will source existing capabilities and expertise from its state-of-the-art technical development department in Trollhättan. Youngman Passenger Car will be responsible for providing the necessary financial investments in the joint venture. The agreement on the NPJV is subject to approval from relevant authorities, which Swan, Saab Automobile and Youngman Passenger Car hope to obtain timely.

On 7 July, Swan and Saab Automobile announced that Saab Automobile obtained final approval from the EIB, the NDO and the Swedish government for the sale and lease back of the Saab property. A consortium of Swedish real estate investors purchased 50.1% of the shares in Saab Property AB for a total consideration of SEK 255 million (EUR 28 million), reflecting an adjustment to the transaction price for a one year lease free period. Of the SEK 255 million consideration, SEK 205 million was paid in cash on closing and the remaining SEK 50 million in the form of a sellable bond convertible into shares of the purchasing company. Shortly following this transaction, SEK25 million of this bond was sold to another investor. On 22 July a supplier of Saab Automobile Tools AB (Saab Tools) filed for bankruptcy of Saab Tools, a subsidiary of Saab Automobile AB. The issue was resolved after Saab Tools reached agreement on payment terms with the supplier.

Saab Automobile continues discussions with its supplier base on material supply and delivery terms in order to be able to resume production at its Trollhättan plant as soon as possible, also recognising that the prolonged production interruption is causing financial difficulties with certain suppliers. As of today the necessary funding was not yet obtained.

OUTLOOK

Management remains fully focused on securing short and mid-term funding in order to strengthen the company's financial position, meet its agreements with all suppliers on payment and delivery terms and restart production as soon as possible. Provided that funding is found to stabilize the business and enable a sustainable restart of production, the Group's medium term goal is to establish Saab Automobile as an independent, financially viable, niche premium car manufacturer. There can however be no assurance that these discussions will be successful or that the necessary funding will be obtained. Given the recent liquidity and production situation, previously communicated sales and financial targets will be reassessed as soon as the consequences of this situation on the Group's operations become clearer. The Group foresees a substantial net loss for 2011.

STATEMENT OF THE MANAGEMENT BOARD

This Semi-Annual Report 2011 of the Management Board contains a selection of some of the main developments in the first six months of the financial year and should not be considered as exhaustive. This Semi-Annual Report 2011 of the Management Board also contains the current expectations of the Management Board for the second half of the financial year. With respect to these expectations, reference is made to the disclaimer about Forward-looking Statements at the bottom of this Press Release.

Declaration

In conjunction with the EU Transparency Directive as incorporated in the Dutch Financial Markets Supervision acts (*Wet op het financiëel toezicht*), the Management Board declares that, to the best of their knowledge:
The Semi-annual financial statements 2011 as at 30 June 2011 and for the six months ended at 30 June 2011 have been prepared in accordance with IFRS (IAS 34) as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss of Swedish Automobile N.V. and its consolidated Group companies taken as a whole; and
The Semi-Annual Report 2011 of the Management Board gives a true and fair view of the important events of the past six-month period and their impact on the half-year financial statements, as well as the principal risks and uncertainties for the six-month period to come, and the most important related party transactions.

Zeewolde, 31 August 2011

Management Board Swedish Automobile N.V.

Victor R. Muller
Chief Executive Officer

Rob Schuijt
Acting CFO and Corporate Development

Forward-looking Statements

This Press Release contains forward-looking statements. These statements may be identified by words such as "expect", "should", "could", "shall", and similar expressions. The Group cautions that such forward-looking statements are qualified by certain risks and uncertainties that could cause actual results and events to differ materially from what is contemplated by the forward-looking statements. Factors which could cause actual results to differ from these forward-looking statements may include, without limitation, general economic conditions; conditions in the markets in which the Group is engaged; behaviour of customers, suppliers, and competitors; technological developments; the implementation and execution of new ICT systems or outsourcing; and legal, tax, and regulatory rules affecting the Group's businesses. In addition, financial risks such as currency movements, interest rate fluctuations, liquidity, and credit risks could influence future results. The foregoing list of factors should not be construed as exhaustive. The Group disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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Swedish Automobile N.V.

Interim Consolidated Financial Statements

for the period ended 30 June 2011

Contents

Interim consolidated income statement

for the period ended 30 June 2011

	Unaudited Period 1 April - 30 June 2011 €('000)	Unaudited Period 1 April - 30 June 2010 €('000)	Unaudited Period ended 30 June 2011 €('000)	Unaudited Period ended 30 June 2010 €('000)
Net Sales	101853	197 843	358 995	241630
Cost of sales	(135 372)	(177 795)	(378 761)	(242 316)
Gross Margin	**(33 519)**	**20 048**	**(19 766)**	**(686)**
Other operating income	451	11555	781	12 566
Gain from bargain purchase	-	21980	-	77 923
Selling expenses	(38 195)	(33 136)	(88 992)	(38 675)
Administrative expenses	(35 766)	(12 579)	(58 761)	(29 152)
Product development expenses	(8 311)	(35 810)	(20 459)	(42 091)
Other operating expenses	(6 827)	12	(14 340)	(1785)
Operating result	**(122 167)**	**(27 930)**	**(201 537)**	**(21 900)**
Financial income	2 183	3 655	28 664	11660
Financial expenses	(18 066)	(35 146)	(34 837)	(42 219)
Share of result of associates	(962)	-	(1727)	-
Result before taxation	**(139 012)**	**(59 421)**	**(209 437)**	**(52 459)**
Taxation	(48)	(489)	(152)	(489)
Result from continued operations	**(139 060)**	**(59 910)**	**(209 589)**	**(52 948)**
Result after tax from discontinued operations	(13 123)	(474)	(14 606)	(2 784)
Result for the period	**(152 183)**	**(60 384)**	**(224 195)**	**(55 732)**
Attributable to:				
Owners of the parent	(152 183)	(60 384)	(224 195)	(55 732)
Non-controlling interests	-	-	-	-
Result for the period	**(152 183)**	**(60 384)**	**(224 195)**	**(55 732)**
Result:				
- for the year per weighted average number of shares	€ (6,71)	€ (3,58)	€ (10,70)	€ (3,30)
- for the year per weighted average number of shares diluted *	€			

* Diluted earnings per share equals basic earnings per share as the potentially ordinary shares are anti-dilutive as they would decrease the loss per share.

See note 6 for further comments to the Interim Consolidated Income Statements.

Interim consolidated statement of comprehensive income

for the period ended 30 June 2011

	Unaudited Period 1 April - 30 June 2011 €('000)	Unaudited Period 1 April - 30 June 2010 €('000)	Unaudited Period ended 30 June 2011 €('000)	Unaudited Period ended 30 June 2010 €('000)
Result for the period	**(152 183)**	**(60 384)**	**(224 195)**	**(55 732)**
Other comprehensive income:				
Exchange rate differences on translating of foreign operations	11 224	(4 005)	6 938	(5 080)
Income tax effect	-	-	-	-
	11 224	(4 005)	6 938	(5 080)
Total comprehensive income for the period	**(140 959)**	**(64 389)**	**(217 257)**	**(60 812)**
Attributable to:				
Owners of the parent	(140 959)	(64 389)	(217 257)	(60 812)
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	**(140 959)**	**(64 389)**	**(217 257)**	**(60 812)**

Interim consolidated statement of financial position

at 30 June 2011

Assets		Unaudited 30 June 2011 €('000)	Audited 31December 2010 €('000)
Land and buildings		101649	117 499
Plant and machinery		168 454	148 155
Equipment		16 287	16 710
Trademarks	10	64 074	65 645
Technology	10	36 637	41359
Rental rights	10	830	854
Capitalized development expenditure	10	152 502	81254
Proprietary software	10	9 202	10 260
Investments in associates		4 243	6 067
Deferred tax assets		-	394
Reserved cash	11	20 282	24 264
Financial assets		-	1146
Other non-current assets		1554	1829
Non-current assets	9	**575 714**	**515 436**
Raw material		56 625	70 743
Work in progress		8 439	8 261
Finished goods		188 064	210 956
Trade receivables	12	58 238	84 807
Other receivables		36 807	32 625
Reserved cash	11	56 660	67 401
Cash and cash equivalents		23 502	70 057
Current assets		**428 335**	**544 850**
Assets held for sale	8	15 224	17 396
Total assets		**1 019 273**	**1 077 682**

Equity and liabilities		30 June 2011 €('000)	31December 2010 €('000)
Issued capital		972	700
Share premium		164 331	137 405
Reserves		(337 675)	(126 330)
Unappropriated net result		(224 195)	(218 283)
Total equity attributable to owners of the parent	14	**(396 567)**	**(206 508)**
Redeemable preference shares		167 587	171540
Interest bearing borrowings	15	340 859	323 580
Employee benefit liability		73 943	77 498
Provisions		38 302	41737
Deferred tax liability		2 628	2 654
Other non-current liabilities		17 677	27 326
Non-current provisions and liabilities		**640 996**	**644 335**
Interest bearing borrowings	15	43 985	9 026
Provisions		44 322	48 862
Trade payables	12	283 812	171657
Prepayments from customers	13	60 476	361
Other payables		338 944	406 651
Current provisions and liabilities		**771539**	**636 557**
Liabilities directly associated with the assets classified as held for sale	8	3 305	3 298
Total equity and liabilities		**1 019 273**	**1 077 682**

Interim consolidated statement of changes in equity

for the period ended 30 June 2011

	Attributed to owners of the parent					
	Issued capital	Share premium	Translation reserve	Other reserves	Un-appropriated net result	Total
	€('000)	€('000)	€('000)	€('000)	€('000)	€('000)
Balance at 1 January 2011	**700**	**137 405**	**(2 720)**	**(123 610)**	**(218 283)**	**(206 508)**
Result for the period ended 30 June 2011	-	-	-	-	(224 195)	(224 195)
Other comprehensive income	-	-	6 938	-	-	6 938
Total comprehensive income	**-**	**-**	**6 938**	**-**	**(224 195)**	**(217 257)**
Allocation of net result prior year	-	-	-	(218 283)	218 283	-
Proceeds from new share issues	272	26 927	-	-	-	27 199
	272	**26 927**	**-**	**(218 283)**	**218 283**	**27 199**
Balance at 30 June 2011	**972**	**164 331**	**4 218**	**(341 893)**	**(224 195)**	**(396 567)**

for the period ended 30 June 2010

	Attributed to owners of the parent					
	Issued capital	Share premium	Translation reserve	Other reserves	Un-appropriated net result	Total
	€('000)	€('000)	€('000)	€('000)	€('000)	€('000)
Balance at 1 January 2010	**633**	**135 647**	**156**	**(110 870)**	**(22 953)**	**2 613**
Result for the period ended 30 June 2010	-	-	-	-	(55 732)	(55 732)
Other comprehensive income	-	-	(5 080)	-	-	(5 080)
Total comprehensive income	**-**	**-**	**(5 080)**	**-**	**(55 732)**	**(60 812)**
Allocation of net result prior year	-	-	-	(22 953)	22 953	-
Proceeds from new share issues	67	4 269	-	-	-	4 336
Recognition of equity component of convertible notes	-	5 611	-	-	-	5 611
Warrants	-	1680	-	-	-	1680
	67	**11 560**	**-**	**(22 953)**	**22 953**	**11 627**
Balance at 30 June 2010	**700**	**147 207**	**(4 924)**	**(133 823)**	**(55 732)**	**(46 572)**

Interim consolidated cash flow statement

for the period ended 30 June 2011 (under the indirect method)

		Unaudited Half year ended 30 June 2011 €('000)	Unaudited Half year ended 30 June 2010 €('000)
Cash flows from operating activities			
Result for the period		(224 195)	(55 732)
Adjustments for:			
Depreciation		58 263	36 713
Amortization of intangible assets		7 362	769
Impairment charges		8 500	-
Net financing income and expenses		6 173	29 773
Gain / loss on sale of property, plant and equipment		(647)	(4 501)
Gain from bargain purchase		-	(77 923)
Equity-settled share-based expenses		-	2 277
Other		1320	(5 427)
Movements in working capital:			
Change in inventories		36 832	(74 216)
Change in current assets		20 305	(102 410)
Change in current liabilities	13	45 167	223 543
Change in reserved cash		16 009	10 580
Change in provisions, employee benefit liabilities and deferred tax liabilities		(19 974)	2 754
Cash generated from operations		**(44 885)**	**(13 800)**
Interest paid		(14 065)	(3 191)
Interest received		1823	4 245
Income tax paid		-	-
Net cash from operating activities		**(57 127)**	**(12 746)**
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		-	96 082
Acquisition of property, plant and equipment		(8 811)	(73 765)
Proceeds from sale of property, plant and equipment		3 442	6 244
Changes in other investments		1817	(190)
Development expenditure and licenses		(67 849)	(19 921)
Net cash used in investing activities		**(71 401)**	**8 450**
Cash flows from financing activities			
Proceeds from issue of share capital		13 840	1824
Proceeds from borrowings		68 724	174 743
Repayment of borrowings		(150)	(1268)
Net cash from (used in) financing activities		**82 414**	**175 299**
Net increase in cash and cash equivalents		**(46 114)**	**171 003**
Cash and cash equivalents at 1 January		70 057	1018
Effect of exchange rate fluctuations		(441)	1629
Cash and cash equivalents at 30 June		**23 502**	**173 650**
For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise of the following at 30 June:			
Cash at banks and on hand		23 502	173 650
Bank overdraft		-	-
Cash and cash equivalents		**23 502**	**173 650**

Notes to the interim consolidated financial statements

1. GENERAL INFORMATION

Swedish Automobile N.V. (Swan), formerly known as Spyker Cars N.V., is a public limited liability company incorporated under the laws of the Netherlands with its statutory seat in Zeewolde, the Netherlands. Swan is listed on NYSE Euronext Amsterdam (ticker symbol SWAN).

The Interim Consolidated Financial Statements at 30 June 2011 comprise of Swan and its subsidiaries (together referred to as the "Group"). The principal activities of the Group are described in Note 5. The Q2 2010 figures include retrospectively the final purchase price allocation of the acquisition of Saab Automobile AB and of Saab Great Britain Ltd. The Management Board and Supervisory Board authorized the Interim Consolidated Financial Statements at 30 June 2011 for issuance on 31 August 2011.

2. BASIS OF PREPARATION

The Interim Consolidated Financial Statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting. As permitted by IAS 34, the Interim Consolidated Financial Statements do not include all the information required for full annual financial statements and should be read in conjunction with the Group's 2010 Annual Report and the Interim Consolidated Statement for the period ending 31 March 2011. The interim consolidated financial statements have not been audited and should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

3. SEASONALITY OF OPERATIONS

Based on experience in the past the Group encounters a seasonal pattern in its operations. New car sales during the first quarter, particularly during January and February are generally lower than in subsequent quarters. However, due to the stop in the production in Q2, the seasonal pattern is less relevant for the development to date for the Group during 2011.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the Interim Consolidated Financial Statements are consistent with those applied in the IFRS annual report 2010 of the Group, except for the adoption of new Standards and Interpretations as of 1 January 2011.

New standards and Interpretations:

IAS 24 Related Party Disclosures (Amendment)

The amended standard clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government-related entities. The amended standard had no impact on the Group's financial position or performance.

IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (Amendment)

The amendment to IAS 32 amended the definition of a financial liability in order to classify rights issues (and certain options or warrants) as equity instruments in cases where such rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, or to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. This amendment had no impact on the Group after initial application.

IFRIC 14 Prepayments of a minimum funding requirement (Amendment)

The amendment to IFRIC 14 provides guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset. The amendment had no impact on the Group's financial position or performance.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

IFRIC 19 clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as consideration paid. The equity instruments issued are measured at their fair value. In case that this cannot be reliably measured, the instruments are measured at the fair value of the liability extinguished. Any gain or loss is recognized immediately in profit or loss. The adoption of this interpretation had no effect on the Group's financial position or performance.

Improvements to IFRSs (issued in May 2010)

The IASB issued Improvements to IFRSs, an omnibus of amendments to its IFRS standards. The amendments have been adopted as they become effective for the Group on 1 January 2011:

- IFRS 3 Business Combinations
- IFRS 7 Financial Instruments: Disclosures
- IAS 1 Presentation of Financial Statements
- IAS 27 Consolidated and Separate Financial Statements
- IFRIC 13 Customer Loyalty Programs

The adoption of the amendments had no impact on the Group's financial position or performance.

5. SEGMENT INFORMATION

For the purposes of presenting segment information, the activities of the Group are divided into operating segments in accordance with the rules contained in IFRS 8 (Operating Segments). Operating segments are identified on the same basis that is used internally to manage and report on performance and takes account of the organizational structure of the Group based on the various products and services of the reportable segments.
Compared to the Group's annual report of 2010, the operating segments of the Group are changed. Due to Management's intention to sell the activities of the Spyker Automotive business, these discontinued operations are no longer part of the Group's operating segments. Swedish Automobile N.V.'s activities relating to corporate and general financing of group companies will continue. Management reviews these activities now as part of operating segment "Saab Vehicles".

Saab Vehicles

The Saab Vehicles operating segment comprises the design, development, manufacturing and selling of Saab cars. This segment also comprises corporate and general financing of group companies.

Saab Parts

The Saab Parts operating segment comprises the manufacturing and sale of Saab spare parts and accessories. This segment also comprises the sale of Opel spare parts for the areas Scandinavia and South East Asia until June 3, 2011 when it was discontinued. Saab Parts continue however to proved the warehousing and distribution services in relation to such Opel spare parts.

Eliminations

Eliminations comprise the effects of eliminating business relationships between the operating segments.

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the Group consolidated financial statements. There were no changes in accounting policies compared to previous periods. Inter-segment receivables and payables, provisions, income, expenses and profits are eliminated in the column "Eliminations". Inter-segment sales take place at arm's length prices.

The Group measures segment profit or loss on the basis of operating results. The assets of the segments comprise all of the assets allocated to the individual activities.

Half year ended 30 june 2011	Saab Vehicles	Saab Parts	Eliminations	Total
	€('000)	€('000)	€('000)	€('000)
Total external revenues	266 452	92 543	-	358 995
Inter segment		437	(437)	-
Total segment revenue	**266 452**	**92 980**	**(437)**	**358 995**
Segment result from operating activities	(229 509)	27 972		(201537)
Unallocated:				
Net finance costs				(6 173)
Share of result of associates				(1727)
Income tax expense				(152)
Result from continued operations				**(209 589)**
Result from discontinued operations				(14 606)
Result for the period				**(224 195)**
Segment assets	997 710	182 860	(176 521)	1004 049
Assets held for sale				15 224
Unallocated assets				-
Total assets				**1 019 273**

Half year ended 30 June 2010	Saab Vehicles	Saab Parts	Eliminations	Total
	€('000)	€('000)	€('000)	€('000)
Total external revenues	169 217	72 413	-	241630
Inter segment	10 028	14 219	(24 247)	-
Total segment revenue	**179 245**	**86 632**	**(24 247)**	**241 630**
Segment result from operating activities	(123 117)	21224	2 070	(99 823)
Gain from bargain purchase				77 923
Net finance costs				(30 559)
Income tax expense				(489)
Result from continued operations				**(52 948)**
Result from discontinued operations				(2 784)
Result for the period				**(55 732)**
Segment assets	1022 599	147 229	(48 353)	1121475
Assets held for sale				58 985
Unallocated assets				-
Total assets				**1 180 460**

6. RESULT FOR THE REPORTING PERIOD

Net sales amount to €359 million for the first 6 months of 2011, which is 49% higher than what was reported for the same period 2010. This is partly driven by increased sales volume compared to last year, but also a result of the fact that Swan's consolidated numbers for 2010 only reflect the financials as of the effective date of acquisition, i.e. for Saab Automobile and its subsidiaries from March and for Saab Great Britain from June of that year.

The negative gross margin for the second quarter, as well as for the first six months of 2011, is mainly driven by the production stoppage during most of the second quarter, whereby the margin is burdened with the full cost of the idle production capacity at Saab as well as cost for some idle supplier capacity.

Also the operational cost is higher in 2011 as it reflects six months of operations compared to four months of operation in 2010. The operational result of € (201.5) million for the first half of 2011 is largely impacted by the production stoppage. Although operating costs have been reduced during the stoppage, a significant portion of operating costs is fixed in the short term.
The bargain purchase H1 2010 of € 77.9 million relates to the acquisition of Saab Automobile at 23 February 2010 resulting in a bargain purchase of € 55.9 million and to the acquisition of Saab Great Britain at 31 May 2010 resulting in a bargain purchase in Q2 2010 for an amount of € 22.0 million.

Currency effects have been positive during the first six months of 2011 resulting in a gain on financial items of € 22.5 million. The currency effect in Q2 is insignificant and the corresponding amount for H1 2010 was a loss on financial items. The positive currency effect has balanced the interest expense of the Group, resulting in a Financial Net of € (6.2) million. Share of Result of Associates relate entirely to Saab's Joint Venture with American Axle.

Result from discontinued operations of € (14.6) million includes the losses of the Spyker Automotive business and the effects of the planned divestiture. The latter includes a downward revision of the expected sales price for the Spyker assets and further includes an impairment charge arising from the sale of land in July as an effect of the sale of shares in Saab Automobile Property AB.

7. RESULTS PER SHARE

The loss for 2010 is allocated to Other Reserves, as proposed in the Annual Report 2010.
The following reflects the income and share data used in the basic and diluted earnings per share computations:

	30 June 2011	30 June 2010
Weighted average number of ordinary shares for basic earnings per share	20 945 408	16 913 837
Effect dilution:		
Share options	83 782	208 128
Convertible loans	5 559 316	7 494 593
Weighted average number of ordinary shares adjusted for the effect of dilution	26 588 506	24 616 558

	30 June 2011	30 June 2010
	€('000)	€('000)
Net profit attributable to ordinary equity holders of the parent for basic earnings	(224 195)	(55 732)
Interest on convertible loans	3 034	2 064
Net profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	(221 161)	(53 668)

Results per share from continued operations	30 June 2011	30 June 2010
	€	€
Result per weighted average number of shares	(10,01)	(2,97)
Result per weighted average number of shares diluted	(10,01)	(2,97)

Results per share from discontinued operations	30 June 2011	30 June 2010
	€	€
Result per weighted average number of shares	(0,70)	(0,16)
Result per weighted average number of shares diluted	(0,70)	(0,16)

Diluted earnings per share equals basic earnings per share as the potentially ordinary shares are anti-dilutive as they would decrease the loss per share.

8. DISCONTINUED OPERATIONS

On February 24, 2011, Swan announced that it had signed a memorandum of understanding to sell the assets of the Spyker Automotive business to the private UK holding CPP Global Holdings Limited. The sale has been suspended as of the date of this report. Swan is still in discussion with the potential buyer regarding the transaction, but might also consider other alternatives for the Spyker sports car business.
Spyker's Automotive result for the period ended 30 June 2011 amounts to € (13.1) million. The net cash flow during the first half year 2011 amounts to € (1.6) million. Reference is made to Note 18 Discontinued operations of the Group's annual report 2010 for the major classes of assets and liabilities of Spyker Automotive classified as held for sale. Based on the fact that the sale of the Spyker sports car business has been suspended Management decided to revise the value of these net assets downwards. As per 30 June, as a result of the sale of Saab Property AB in July, (see further under section Non-Current Assets below) the part of the property that relate to land has been reclassified to assets held for sale. These assets have also been impaired as a result of the sales transaction.

9. NON-CURRENT ASSETS

Management is responsible under IFRS to evaluate, on a periodic basis, whether the value of fixed assets can be maintained in the balance sheet based on the business ability to generate cash from it's future operations. Due to the recent events, including the significant production stoppage, Management recognizes that the business plan used as the base for the last evaluation is no longer valid and that the assets might be impaired. However, the current uncertainties described in this report make an adjustment of the asset value difficult to complete at this time. Also, the agreed investments and strategic alliances with Pang Da and Youngman also create additional business opportunities which still need to be incorporated in the business plan. Work on a revised business plan is under way and Management aims at forming a conclusion on the valuation of assets as soon as such work has been completed.

On 7 July Saab Automobile AB concluded an agreement to sell 50.1% of the shares in Saab Property AB (see "Events after the end of the reporting period" below). Saab Property AB owns operating facilities in Trollhättan with a book value of € 89.3 million at the end of June, 2011. Saab Automobile will continue to lease all facilities from Saab Property AB. The portion of the sale-lease-back relating to buildings will be considered a finance lease and is therefore not impacting the classification or valuation in the balance sheet of Swan at the end of Q2. The portion of the transaction relating to land will be considered an operating lease and has caused Swan to recognize a write-down of the value of land as of June 30, 2011. The portion of land sold has been reclassified as "Assets held for sale" at the end of June.

10. INTANGIBLE ASSETS

30 June 2011	Development costs	Technology	Trademarks, patents and licences	Proprietary software	Total
	€('000)	€('000)	€('000)	€('000)	€('000)
Cost as at 1 January net of accumulated amortization and impairment	81254	41359	66 499	10 260	199 372
Acquisitions through business combination	0	0	0	0	0
Additions - internally developed	77 755	0	0	0	77 755
Amortization charge for the year	-2 301	-3 846	-31	-837	-7 015
Impairment charges	0	0	0	0	0
Disposal					0
Disposal as result of discontinued operations					0
Effect of movements in exchange rates	-4 205	-875	-1564	-221	-6 865
At 30 June 2011, net of accumulated amortization and impairment	152 502	36 637	64 904	9 202	263 246
At 1 January :					
Cost	83 353	47 629	66 527	12 197	209 706
Accumulated amortization and impairment	-2 097	-6 271	-29	-1937	-10 334
Net carrying amount	81256	41358	66 498	10 260	199 372
At 30 June :					
Cost	156 893	43 568	64 964	12 007	277 432
Accumulated amortization and impairment	-4 391	-6 931	-59	-2 805	-14 186
Net carrying amount	152 502	36 637	64 904	9 202	263 246

11. RESERVED CASH

The Group has reserved an amount of € 76.9 million of its cash position on separate bank accounts for covering the liabilities of some creditors. This part of the cash is reserved in the sense that the Group can only access the reserved cash under certain circumstances and with approval from the counterparty. Of the reserved cash an amount € 20.3 million relates to non-current liabilities and € 56.7 million to current liabilities.

12. TRADE RECEIVABLES AND TRADE PAYABLES

About 40% of the trade receivable balance relate to the after sales business in Saab Parts AB, which operations has been running fully during the first half year and only been experiencing minor disruptions due to the production stoppage. A majority of the trade payables were past due at the end of the second quarter.

13. PRE-PAYMENTS FROM CUSTOMERS

As per June 2011, Saab has received pre-payment from customers amounting to €60.5 million. € 58 million of this amount relate to prepayments of cars from Chinese companies during the second quarter, whereof €45 million were received from Pang Da. These agreements stipulate that the car sales agreement can be terminated by the buyer with not less than six month notice. In the event of termination, the amount should be repaid within six months from termination at 7% interest. The prepayments from Pang Da are secured to Pang Da through a pledge on the shares of Saab Great Britain. In the cash flow statement the amount is included in “Change in current liabilities”.

14. EQUITY AND DIVIDENDS

On 28 January, Swan issued 250,000 shares to GEM

On 25 March 2011 the Group issued about 5.5 million shares to several shareholders.

On 16 May 2011 the Group issued 1 million shares to GEM Global Yield Fund Ltd. within the € 150 million Equity Credit Line Facility. The total proceeds from this share issue amounts to € 3.1 million.

No dividends were paid during the period ended 30 June 2011.

15. INTEREST BEARING BORROWINGS

Interest bearing borrowings	30 June 2011
	€('000)
Non-current	340 859
Current	43 985
Interest berаring borrowings	384 844
EIB Loan	204 520
Convertable loans	46 880
Other interest beraring borrowings	133 444
Interest beraring borrowings	384 844

On May 2, 2011, Swan entered into a EUR 30 million convertible loan agreement with Gemini with a 6 month maturity. The interest rate of the loan is 7% per annum and the conversion price is EUR 4,88 per share.

16. RELATED PARTY TRANSACTIONS

The ultimate parent

Swan is the ultimate parent of the Group, based and listed in The Netherlands.

Entities with significant influence over the Group

Tenaci Capital B.V.

On 25 March, Tenaci Capital B.V. converted its € 9.5 million convertible loan into 2,533,333 shares class A at a conversion price of EUR 3.75. This company is partly owned by the CEO of the Group, Mr. V.R. Muller. Furthermore, Mr. Muller holds shares in the Group through Investeringsmaatschappij Helvetia B.V. On 30 June 2011, Mr. Muller, through these companies, had a 28.7% interest in the Group.

Associate

e-AAM Drive Line Systems AB

The Group has a 33% interest in e-AAM Drive Line Systems AB and entered in 2010 into a long-term supply agreement for the e-AWD System.

During the period ended 30 June 2011 e-AAM purchased services from the Group for an amount of € 0.5 million and the Group purchased services from e-AAM for an amount of € 0.3 million. At 30 June 2011 the Group had a net receivable of € 0.1 million from e-AAM.

Certain third parties

General Motors

At Closing, GM converted $ 326 million of pre-closing receivables on Saab Automobile into redeemable preference shares (RPSs) in Saab Automobile. The voting rights attaching to these RPSs constitute 0.0005% of the total voting rights in Saab Automobile.

During the period ended 30 June 2011 GM companies purchased parts and services from the Group for an amount of € 32.8 million. During this period the Group purchased cars, materials, parts and services from GM companies for an amount of € 104.3 million. As at 30 June 2011 the Group owed a net amount of € 308.4 million to GM companies (including RPSs).

Saab Automobile will pay GM for the 9-4X development costs and fixed assets for a total amount of $ 48.6 million and the complete amount has been paid or accrued as per 30 June 2011 and is included in the amounts above. In addition Saab Automobile will pay GM an agreed price per car produced for the coverage of the costs relating to additional special tooling equipment. For future model year changes Saab Automobile committed itself to pay GM a total amount of $ 9.3 million. As security for costs related to the production of the 9-4X, the Group has deposited $ 10 million in reserved cash.

Saab Automobile has committed itself to pay GM $ 17.5 million over a period of several years in exchange for the right to use certain technology in present and future models. At the end of the reporting period $ 7.5 million is recognized as a liability in the balance sheet.

All sale and purchase transactions with GM companies are concluded at arm's length basis against normal market conditions.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Except for Tenaci Capital B.V. there have been no guarantees provided or received for any related party receivables or payables other than indicated above.

Remuneration of key management personnel of the Group

Managers in key positions with the Group comprise the members of the Supervisory Board, Management Board and the statutory directors of Saab Automobile. Transactions with these individuals constitute related-party transactions. Outside of regular remunerations for work performed, there have been no material transactions with members of this group.

17. COMMITMENTS NOT INCLUDED IN THE BALANCE SHEET

The Group has entered various agreements on operating leases, commitments of purchase volumes and commitments to reimburse suppliers for development costs on various terms. These are all normal occurrences in the business of vehicle development and manufacturing.

18. EVENTS AFTER THE END OF THE REPORTING PERIOD

Binding agreements were announced on July 4 with Pang Da and Youngman relating to longer term financing and joint venture operations (see further in the Management Board Report under section "Business Development"). These agreements are still subject to approval by relevant authorities.

On 7 July Saab Automobile AB concluded an agreement with a group of investors to sell 50,1% of the shares in Saab Property AB for a total consideration of SEK 255 million (€28 million), reflecting an adjustment to the transaction price for a one year lease free period. Of the SEK 255 million consideration, SEK 205 million was paid in cash on closing and the remaining SEK 50 million in the form of a sellable bond convertible into shares of the purchasing company. 25 MSEK of that convertible loan was placed with an external investor and paid to Saab Automobile on 19 July.
On 2 August and 15 August Swan announced subscription notices for the issuance of 5 respective 4 million shares to GEM Global Yield Fund Ltd.

19. RISK MANAGEMENT

A detailed description of the Group's risk exposure and risk management is included in the Group's Annual Report 2010. Further elaboration on this issue can also be found in the Management Board Report section of this report (see section " Principal Risks and Uncertainties"). During the first half year of 2011, Management's attention was particularly focused on managing the Group's liquidity risk.

Liquidity risk

The Group has had a difficult liquidity position throughout the reporting period and the situation has intensified during the production stoppage. It is critical to secure additional short term funding within a near future as well as to ensure a completion of the longer-term funding initiatives. Otherwise continuity of the Group could be at risk.

Even with above mentioned funding secured, the liquidity situation will remain a top priority for Management. Efforts will continue in the areas of improving capital structure and working capital.

Operational risk

As a result of the liquidity position and the stoppage in production, there is a risk of effects on the network of both suppliers and dealers.

20. CONTINGENCIES

A detailed description of the Group's contingencies is included in the Group's Annual Report 2010.

21. GOING CONCERN

For going concern considerations, see section "Funding and Going Concern Considerations" in the Management Board Report section of this report.

FORWARD-LOOKING STATEMENTS

This Press Release contains forward-looking statements. These statements may be identified by words such as “expect”, “should”, “could”, “shall”, and similar expressions. The Group cautions that such forward-looking statements are qualified by certain risks and uncertainties that could cause actual results and events to differ materially from what is contemplated by the forward-looking statements. Factors which could cause actual results to differ from these forward-looking statements may include, without limitation, general economic conditions; conditions in the markets in which the Group is engaged; behavior of customers, suppliers, and competitors; technological developments; the implementation and execution of new ICT systems or outsourcing; and legal, tax, and regulatory rules affecting the Group’s businesses. In addition, financial risks such as currency movements, interest rate fluctuations, liquidity, and credit risks could influence future results. The foregoing list of factors should not be construed as exhaustive. The Group disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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