Spyker N.V.

Annual Report 2011

Contents

FOREWORD BY THE CEO

Dear stakeholders,

There can be no doubt that 2011 was the worst year in our Company's history. In spite of all our relentless efforts, we could not prevent Saab Automobile AB's bankruptcy on 19 December 2011, which left Spyker N.V. ("Spyker" or the "Company") and its subsidiaries in a very serious financial position.

With Saab sadly gone, the uncertainty surrounding Spyker's sports car business has fortunately come to an end. We decided to terminate all our discussions with prospective buyers which we started in September 2010 and to continue the Spyker sports car business under the listed parent, Spyker. All management resources and funding are now -again- exclusively focused on Spyker's sports car business, which in my opinion has and has always had very attractive prospects as a niche high end manufacturer.

I am therefore pleased to inform you of the substantial progress we have made since the beginning of this year.

The first step taken was to seek short-term funding for Spyker and its subsidiaries to ensure continuation of our operations. We made several draw downs under the € 150 million GEM Equity Stand-by Facility, which had been in place since January 2010. These draw-downs were used to pay for ongoing operating expenses, certain creditors and suppliers to facilitate the start-up of the Spyker C8 Aileron production.

On 24 February 2012, Spyker and GEM signed a term sheet on the issue of a € 10 million Convertible Debenture Loan by GEM to finance Spyker's short term funding. Furthermore, Spyker is in discussions with various investors to fulfil its medium and long term financing requirements also to expand the Spyker sports car business, including the production of the long-awaited SSUV Spyker D8 Peking-to-Paris. The GEM Equity Stand-by Facility is available for further draw-downs and will be used when necessary. However, the Company will at all times endeavour to optimize funding from a shareholder's point of view i.e. seek to limit dilution if possible.

An important step to reduce Spyker's debt was made on 17 April 2012, when Spyker reached agreement with its three major lenders on a full conversion of their outstanding loans, including all accrued interest. These loans were in part entered into to finance the Saab Automobile acquisition. The total indebtedness in the amount of € 130 million has now been converted into Spyker share capital at a share price of € 0.50 per share: in total 260 million shares were issued to the lenders. After these conversions, Spyker is now free from any (bank) loans with the exception of a financial lease agreement for the tooling for the Spyker C8 Aileron. The end result is a completely cleaned up balance sheet and a positive equity position. With that solid foundation in place Spyker's Management is determined to fully focus on growing the Spyker sports car business again.

On 10 January 2012, Spyker's Tier One supplier of our aluminium bodies-in-white, CPP (Manufacturing) Ltd. ("CPP"), unfortunately went into administration. In 2011 CPP started preparations for the production of the Spyker C8 Aileron but the administration prevented CPP from actually starting assembly. Based on the fact that we still had the experience and capacity in-house, we decided to remove assembly back to our factory facility in Zeewolde, the Netherlands (where we had continued to assemble the Spyker C8 Spyder and Spyker C8 Laviolette). So as to make this transition possible we reached an agreement with the administrators of CPP to buy tools, work in progress and (body) parts for the Spyker C8 Aileron production and started to refurnish our facilities and build up the assembly line again in Zeewolde.

As a first result of our actions over the passed months the first production Spyker C8 Aileron body-in-white (chassis #263), was assembled in Zeewolde in April 2012.

It is our firm intention to take the Spyker D8 Peking-to-Paris SSUV in production as soon as possible. In 2011 we continued to develop the interior design and functionality of that desirable SSUV.

On 17 April 2012, the Extraordinary General Meeting of Shareholders approved to change the name of Swedish Automobile N.V. into Spyker N.V. The same day Mr. Martin E. Button was appointed member and chairman of Spyker's Supervisory Board. Martin Button has been associated with Spyker since its inception in 2000. He served as managing director of Spyker of North America, LLC until the end of 2011, overseeing the development of the American market and dealer network.

In the year 2010 and 2011 we took many charges and losses following the consolidation of Saab Automobile but under IFRS rules the loss of control over Saab Automobile caused Saab's negative net equity position to be no longer consolidated by Spyker resulting in the year 2011's profit of € 16.2 million. The result from discontinued operations in 2011 (Saab Automobile AB and Saab GB) was in total € 53.7 million positive where it was € 144.7 million negative in 2010.

Let me finish by thanking our stakeholders, for standing by us under these trying circumstances. Your confidence in Spyker will be rewarded: I am determined and confident that we will deliver on our promises and that we can and will create a profitable and sustainable Spyker sports car business. In the meantime we intensely hope that the receivers of Saab Automobile will be successful in finding a competent buyer so that our efforts to put Saab Automobile back where it belonged, a niche player in the premium European market segment, were not in vain and many of our dedicated Saab Automobile employees will find employment with this magnificent brand again.

Yours sincerely,

Victor R. Muller

Chief Executive Officer and Founder

Zeewolde, 1 May 2012

WHO WE ARE

Profile

Spyker N.V. ("Spyker") is a public limited liability company incorporated under the laws of the Netherlands with statutory seat in Zeewolde, the Netherlands and is listed at the NYSE Euronext Amsterdam Stock Exchange. Initially listed as Spyker Cars N.V. per its IPO on 27 May 2004, it changed its name on 15 June 2011 into Swedish Automobile N.V. It is listed under its current name since 18 April 2012.

Spyker is a holding company of a group of companies that designs, engineers, manufactures, markets and distributes high-end sports cars under the brand name 'Spyker'.

Spyker is also the holding company of Saab Automobile AB ("Saab Automobile") and Saab Great Britain Ltd. On 19 December 2011 the board of Saab Automobile filed for bankruptcy of Saab Automobile and the subsidiaries Saab Automobile Tools AB and Saab Automobile Powertrain AB. On 29 November 2011 Saab GB filed for administration with the High Court of London, United Kingdom. The winding-up proceedings with regard to both Saab Automobile and Saab GB are presently on-going and are not expected to be finalized on short term.

The Management Board report in this Annual Report summarizes the events in 2011, which concern the Saab business until 19 December 2011 and the preparations made by Management in 2012 with regard to the revitalization of the Spyker sports car business.

BOARD MEMBERS OF SPYKER

Members of the Supervisory Board per 1 May 2012

Per 18 January 2012, Messrs. Hans Hugenholtz, Maurizio La Noce and Alex Roepers resigned as members of the Supervisory Board of Swedish Automobile N.V., since 18 April 2012 renamed Spyker N.V. ("Spyker"). Mr. Pieter Heerema stepped down as per 21 March 2011.

Following a resolution of the Extraordinary General Meeting of Shareholders ("EGMS"), held on 17 April 2012, Mr. Martin E. Button was appointed as member and chairman of the Supervisory Board of Spyker.

Martin E. Button (1954, male, American)

Martin Button has been associated with Spyker since its inception in 2000. He served as managing director of Spyker of North America, LLC until the end of 2011, overseeing the development of the American market and dealer network.

Mr. Button has been intimately involved in the development of the brand world-wide, and has advised on product development, reporting directly to the CEO.

Mr. Button owns and manages Cosdel International Transportation; a San Francisco, USA, based freight forwarding company specializing in the import and export of collector, historic and show cars for classic car organizations and OEM's.

Mr. Button is an Englishman by birth, and has lived and worked in the Middle East, Africa and Asia before moving to San Francisco in 1982. Following grammar school in Lincolnshire he obtained a degree in Engineering in Oxfordshire, and studied International Business Management and an MBA at Golden Gate University in San Francisco. Mr. Button is married and has two children.

Former members of the Supervisory Board who were in function during 2011

Hans (J.)B.Th. Hugenholtz (1950, male, Dutch)

Hans Hugenholtz has been a Supervisory Board member since Spyker's IPO on 27 May 2004. He was reappointed twice. Per 23 February 2010 he became chairman of the Board. Before Mr. Hugenholtz stepped down as Supervisory Board member per 18 January 2012, he was chairman of the Audit Committee, member of the Remuneration & Nomination Committee and member of the Strategy Committee. Since the IPO, Mr. Hugenholtz has held shares in the Company; at the time of his resignation, his interest was below 1%.

Maurizio La Noce (1957, male, American)

Maurizio La Noce joined the Supervisory Board on 20 April 2006. He held several executive directorships at Mubadala Development Company, which company is a shareholder of Spyker through MDC-SC Holdings Sàrl since 2005. Having been reappointed on 23 April 2009 for a term of four years he became vice-chairman in 2010. He resigned as a member of the Supervisory Board per 18 January 2012. Mr. La Noce also chaired the Remuneration & Nomination Committee and was member of both the Audit Committee and Strategy Committee.

Pieter H. Heerema (1951, male, Dutch)

After the acquisition of Saab Automobile, Mr. Pieter Heerema became member of the Supervisory Board from 22 April 2010 until 21 March 2011, when he voluntarily stepped down. He was also member of the three Supervisory Board Committees.

When Spyker acquired Saab Automobile in 2010, Mr. Heerema granted Spyker a convertible loan of USD 25 million through his personal holding company Epcote S.A. ("Epcote"), with a two year term at an initial conversion price of € 3.75 per share. Later on, the loan amount was fixed at € 18.2 million.

Spyker and Epcote recently reached agreement to convert the loan plus accrued interest into 45,600,000 shares class A at a fixed price of € 0,50 per share, which conversion was executed on 18 April 2012 (see also the chapter "Recent Events" in the Management Board report).

Alexander J. Roepers (1959, male, American)

After the acquisition of Saab Automobile, Alexander Roepers was appointed Supervisory Board member on 22 April 2010 for a term of four years. He resigned per 18 January 2012. Until his resignation, Mr. Roepers was chairman of the Strategy Committee and member of the Audit Committee and Remuneration and Nomination Committee.

Members of the Management Board per 1 May 2012

Victor R. Muller (1959, male, Dutch), Chief Executive Officer

Victor Muller is the founder of Spyker. As Chief Executive Officer he is responsible for implementing the overall strategy of the Company.

Mr. Muller started his career in 1984 as a lawyer at Caron & Stevens/Baker & McKenzie, Amsterdam. In 1989, he became a member of the management team of Heerema Offshore in Leiden, the Netherlands and as such was involved in several acquisitions. He became part owner of Wijsmuller Salvage and Towage, IJmuiden, the Netherlands, as a member of a consortium through a management buy-out. From 1992, he has managed and restructured several companies including Emergo Fashions Group B.V. which went public under the name McGregor Fashion Group N.V. in April 1999.

In the IPO year of Spyker in 2004, Mr. Muller was appointed management board member and CEO for an indefinite period of time. As from the inception of Spyker, Mr. Muller has been a shareholder of the Company.

Since 18 January 2012, when Mr. R. Schuijt stepped down, the Management Board effectively consists of one member.

Former members of the Management Board who were in function during 2011

D. Hans (J.)C.Y.S. Go (1962, male, Dutch), Chief Financial Officer

Mr. Go was appointed statutory member of the Management Board and CFO on 23 April 2009. Having joined Spyker on 15 March 2009, he received 59,782 option rights at an exercise price of € 2.37 in 2009. The key focus areas of Mr. Go concerned finance & control, risk management and organizational improvement. When Mr. Go stepped down as Chief Financial Officer and statutory director of Spyker with effect of 1 July 2011, his option rights lapsed.

Robert Schuijt (1962, male, Dutch), Senior Vice President Corporate Development and (acting) Chief Financial Officer as from 1 July 2011

Rob Schuijt was appointed statutory member of the Management Board and Senior Vice President Corporate Development at Spyker on 19 May 2011. He was responsible for the strategy, business developments and alliances of the group. Together with the management team of Saab Automobile AB ("Saab Automobile") his assignment was to implement Saab Automobile's business plan and to improve the group's performance.

Mr. Schuijt worked for Spyker pursuant to a management agreement. His remuneration contract and share subscription agreement are described in the remuneration report.

Mr. Schuijt stepped down as statutory director on 18 January 2012.

Five-year overview of the key figures

Key Figures Based on IFRS	2011	2010	2009	2008	2007
	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)
Revenues	1.510	3.344	6.604	7.852	5.141
Operating result	-13.768	-64.131	-19.237	-21.797	-29.689
Result before taxes	-37.512	-73.571	-22.953	-23.840	-32.332
Result from continued operations	-37.513	-73.571	-22.953	-23.840	-36.337
Result from discontinued operations [1)]	53.672	-144.712	0	0	-35.738
Result attributable to owners of the parent	16.159	-218.283	-22.953	-24.767	-71.306
Average number of employees (in FTE) [2)]	56	55	131	132	166
Balance sheet data					
Non-current assets	11.386	515.436	50.037	44.011	43.273
Equity attributable to owners of the parent	-151.241	-206.508	2.613	24.913	25.657
Balance sheet total	15.785	1.077.682	64.183	60.542	68.012
Net cash from operating activities	-96.285	-123.025	-17.941	-19.518	-44.179
Shares of Spyker N.V.					
Outstanding shares as at 31 December with a par value of € 0.04	35.984.544	17.495.991	15.825.992	15.572.476	9.747.476
Weighted average number of shares diluted	52.058.025	25.736.819	16.908.690	16.714.321	7.122.869
Weighted average number of shares	26.566.402	17.207.306	15.671.799	15.295.962	6.929.401
Group equity per share	€ -5,69	€ -12,00	€ 0,17	€ 1,63	€ 3,70
Result from continued operations per share	€ -1,41	€ -4,28	€ -1,46	€ -1,62	€ -5,13
Result from discontinued operations per share	€ 2,02	€ -8,41	€ 0,00	€ 0,00	€ -5
Result per share	€ 0,61	€ -12,69	€ -1,46	€ -1,62	€ -10,29
Cash flow from operating activities per share	€ -3,62	€ -7,15	€ -1,14	€ -1,28	€ -6,38

1) Discontinued operations 2011 and 2010 relate to the results of the Saab activities.
Discontinued operations of 2007 relate to the results of the Formula One Racing activities.
2) Only relates to the continued operations.

INFORMATION FOR SHAREHOLDERS

Key financial dates 2012

17 April 2012	Extraordinary general meeting of shareholders
27 April 2012	Publication year results 2011
27 April 2012	Press Release Trading Update Q1 2012
1 May 2012	Publication Annual Report 2011
12 June 2012	Annual general meeting of shareholders
31 August 2012	Publication results first half year 2012
26 October 2012	Publication interim results Q3, 2012

Note: these dates might be subject to change.

Listing

Spyker N.V. is listed on the NYSE Euronext Amsterdam Stock Exchange (ticker symbol SPYKR, fund code 012505, ISIN-code NL 0010125050).

Share capital movements during 2011

Spyker's issued share capital consists of ordinary shares and shares class A. The nominal value of each share in Spyker is € 0.04. Shares class A are registered shares and cannot be listed. Shares class A can be converted into ordinary shares if the shareholder so requires by means of an application to that effect to the Management Board.

During the year 2011, 1,901,961 ordinary shares and 16,586,592 shares class A were issued, 8,393,374 shares class A were converted to ordinary shares.

At year end, 35,984,544 (17,495,991 per end 2010) shares were in issue, consisting of 27,527,992 ordinary shares and 8,456,552 shares class A.

	Ordinary shares	Priority shares	Class A shares	Total shares
Issued shares per 1 January 2011	17.232.657	0	263.334	17.495.991
Shares issued during 2011	1.901.961	0	16.586.592	18.488.553
Converted from class A to ordinary shares	8.393.374	0	-8.393.374	0
Issued shares per 31 December 2011	27.527.992	0	8.456.552	35.984.544

Substantial holdings in Spyker

Under Dutch law, substantial holdings which equals or exceeds 5% and multiples of 5% have to be reported to the Dutch Authority for the Financial Markets ("AFM"). The overview hereunder shows the holding percentages (excluding option rights) in Spyker per the end of 2010, per the end of 2011 and per the date of this annual report.

	30.04.2012	31.12.2011	31.12.2010
Gemini Investment Fund Ltd	-	5-10%	10-15%
Mubadala Development Company	-	5-10%	20-25%
B. `O Toole (Dorwing Solution Limited)	-	5-10%	5-10%
Muller, V.R. (Investeringsmaatschappij Helvetia B.V. , Tenaci Capital B.V. and and LAT Management N.V.)**	60-75%	15-20%	25-30%

Overview of publications in the period 1 April 2011 – 1 May 2012

Art. 5: 25f Wft requires listed companies to publish an overview of all press releases or a reference to these press releases once a year, regarding the press releases of the last twelve months. The press releases mentioned hereunder were published on Spyker's website (first on www.spykercars.com and later on www.swedish-automobile.nl) under the heading 'investors'.

27 April 2012	Spyker N.V. reports its full results 2011 and Trading update Q1 2012
23 April 2012	Resolutions taken EGMS Swan 17 April 2012
16 April 2012	Statement Swedish Automobile's CEO in court on bankruptcy Saab Automobile AB
12 April 2012	Swedish Automobile issues subscription notice under GEM Facility
11 April 2012	Swedish Automobile intends to change name into Spyker
4 April 2012	Information on share interest Mr. Muller
6 March 2012	Swedish Automobile settles debt with subsidiary Saab Great Britain Ltd.
5 March 2012	Swedish Automobile gives update on financial and general position
8 February 2012	Swedish Automobile issues subscription notice under GEM Facility
18 January 2012	Swedish Automobile announces changes in Supervisory and Management Board
18 January 2012	Swedish Automobile issues subscription notice under GEM Facility and gives further update
19 December 2011	Saab Automobile Saab Automobile Powertrain AB and Saab Automobile Tools AB file for bankruptcy
7 December 2011	Swedish Automobile informed by administrator of application to terminate voluntary reorganization
5 December 2011	Swedish Automobile continues discussions with Youngman
30 November 2011	Swedish Automobile N.V. including Saab Automobile AB reports its third-quarter results 2011
29 November 2011	Saab GB files for administration
18 November 2011	Trading update Swedish Automobile N.V. (including Saab Automobile AB) Third Quarter 2011
11 November 2011	Information on Extraordinary General Meeting of Shareholders
7 November 2011	Update on proposed sale of Saab Automobile and Saab GB
1 November 2011	Extraordinary General Meeting of Shareholders still to be held on 11th November 2011

31 October 2011	Information on restructuring plan Saab Automobile
31 October 2011	District Court approved continuation voluntary reorganisation
28 October 2011	Swedish Automobile issues subscription notice under GEM Facility
28 October 2011	Swedish Automobile signs MOU with Pang Da and Youngman for the sale of Saab Automobile and Saab GB
23 October 2011	Swedish Automobile N.V. terminates subscription agreement with Pang Da and Youngman
21 October 2011	Ongoing discussions with Pang Da and Youngman
20 October 2011	Swedish Automobile received commitment from North Street Capital on funding
20 October 2011	Swedish Automobile informed by administrator of application to terminate voluntary reorganisation
13 October 2011	Saab Automobile update
12 October 2011	Swedish Automobile, Saab Automobile and Pang Da respond to media reports
29 September 2011	Swedish Automobile reached conditional agreement on main terms sale Spyker business
28 September 2011	Swedish Automobile reached settlement agreement with Orange India
21 September 2011	Saab Automobile voluntary reorganisation filing approved
20 September 2011	Saab Automobile and Saab Automobile Powertrain dispute union bankruptcy filings
19 September 2011	Court of Appeal grants right to appeal to Saab Automobile in voluntary reorganization case
12 September 2011	Saab Automobile signs € 70 million technology license agreement
12 September 2011	Saab Automobile lodges appeal against District Court ruling
12 September 2011	Saab Automobile confirms bankruptcy filing by Swedish unions
9 September 2011	Saab Automobile update on voluntary reorganization
8 September 2011	Court rejects voluntary reorganisation application, Saab Automobile to appeal decision
7 September 2011	Saab Automobile files for voluntary reorganisation, Saab Automobile Parts AB and overseas subsidiaries are excluded
31 August 2011	Swedish Automobile N.V. including Saab Automobile AB reports its semi-annual results 2011
26 August 2011	Swedish Automobile to publish semi-annual results on 31st August 2011
26 August 2011	Swedish Automobile update on Saab Automobile
23 August 2011	Saab Automobile informs employees on salary payments
15 August 2011	Swedish Automobile issues subscription notice under GEM Facility

3 August 2011	Swedish Automobile issues subscription notice under GEM Facility
26 July 2011	Update on Saab Automobile
22 July 2011	Update on status Saab subsidiary
22 July 2011	Update on status Saab subsidiary
21 July 2011	Saab Automobile update on production
7 July 2011	Saab Automobile update on production and sale and lease back of Saab property
4 July 2011	Swedish Automobile, Saab Automobile, Pang Da and Youngman convert non-binding MOU on equity investment into binding agreement and agree on additional new product JV subject to regulatory approvals
28 June 2011	Swedish Automobile enters into € 25 million convertible bridge loan with Gemini securing additional short-term funding and pays employee's wages
28 June 2011	Saab Automobile have reached conditional agreement for sale and lease back of Saab property
27 June 2011	Swedish Automobile update on additional short-term funding
23 June 2011	Press release on wages Saab
13 June 2011	Discussions about sale of Saab property ongoing
13 June 2011	Saab Automobile, Spyker, Pang Da, and Youngman enter into MOU on distribution / manufacturing partnership for China and equity participation
9 June 2011	Saab Automobile temporarily suspends production pending more stable inflow of components
7 June 2011	Spyker Cars changes name into Swedish Automobile per 15th June 2011
1 June 2011	Hans Go resigns as CFO of Spyker Cars N.V
1 June 2011	Pang Da advances € 15 million order for Saab vehicles by 17 days
27 May 2011	Saab Automobile restarts production
23 May 2011	Pang Da enters procedure discussions with Chinese authorities to obtain necessary regulatory approvals for investment in Spyker Cars and Saab Automobile
16 May 2011	Spyker issues subscription notice under GEM Facility
16 May 2011	Saab Automobile and Spyker enter into MOU with Pang Da Automobile on distribution / manufacturing partnership for China and equity participation
12 May 2011	Spyker and Hawtai Motor Group continue discussions about funding and strategic partnership yet earlier agreement terminated
3 May 2011	Saab Automobile AB enters agreement with Hawtai Motor Group on strategic partnership

2 May 2011	Saab Automobile secures short-term funding
29 April 2011	Spyker Cars N.V. including Saab Automobile AB reports its interim first quarter results 2011
28 April 2011	Swedish National Debt Office allows Vladimir Antonov as shareholder in Spyker
26 April 2011	Discussions about sale property Saab Automobile ongoing
21 April 2011	Discussions about sale property Saab Automobile ongoing
15 April 2011	Spyker confirms statement Swedish government about release of NDO's security in Saab property
14 April 2011	Spyker confirms statement NDO about its recommendation to Swedish government
12 April 2011	Saab Automobile continues to work on securing its short and medium term funding
11 April 2011	Spyker confirms ongoing discussions on sale and lease back Saab Automobile's real estate property

SUPERVISORY BOARD'S REPORT

To the shareholders

Meetings of the Supervisory Board and topics discussed

In 2011, the main subject which the Supervisory Board discussed in its numerous meetings was the tight cash situation at Saab Automobile and funding possibilities, especially through new partnerships. The conclusion of new arrangements was complicated by the existing (financial) agreements with General Motors ("GM"), the European Investment Bank ("EIB") and the Swedish National Debt Office ("NDO"), often requiring the prior approval of these parties. Throughout the year, the Board requested information from Management on available funds, the debt situation and priority of payments to be made.

Financial instruments, to which the Board gave its approval, concerned among others a € 30 million convertible loan, obtained from Gemini Investment Fund Ltd. and several share issues under the GEM € 150 million equity facility.

The Board approved of a sale and lease back of Saab property, by a sale of 50.1% of the shares of Saab Automobile Property AB. Final approval from the EIB and NDO was obtained on 7 July 2011. Furthermore, the Board approved of a technology license agreement regarding Saab Automobile's Phoenix architecture technology.

The Board reviewed partnership possibilities, presented by the Management Board. The search for a strategic partnership resulted in signing of agreements with Hawtai Motor Group Company Ltd. ("Hawtai") on 3 May 2011; these were terminated a week later because Hawtai could not obtain the necessary approvals from the Chinese authorities. New Chinese partners were found when a Memorandum of Understanding ("MoU") was signed on 16 May 2011 with Pang Da Automobile Trade Co. Ltd. ("Pang Da"), followed by a non binding MoU with Pang Da and Zhejiang Youngman Lotus Automobile Co. Ltd. ("Youngman") on 13 June 2011 and binding agreements with Pang Da and Youngman on 4 July 2011. The agreements were subject to approval from relevant authorities.

In the absence of necessary bridge funding, the Board supported the preparations for a reorganization plan at Saab Automobile. On 21 September 2011, Saab Automobile, Saab Automobile Powertrain AB and Saab Automobile Tools AB entered into voluntary reorganization. Having received information from the Management Board that Pang Da and Youngman did not adhere to the signed binding agreements, the Board consented to termination by Spyker N.V. of these agreements. The Board took notice of the fact that new offers, presented by Pang Da and Youngman on the acquisition of all shares in Saab Automobile and Saab Great Britain Ltd., did not receive the support of GM. Later on, GM declined to consent to structures whereby Youngman would hold less than 20% or even 0% of Spyker. Following termination of the voluntary reorganization, the three Saab companies filed for bankruptcy on 19 December 2011.

The situation at Saab Automobile resulted in an intensive demand on the Board's supervising responsibilities. The Supervisory Board met no less than 46 times in 2011, in most cases by way of a conference call. None of the members was frequently absent.

Apart from the situation at Saab Automobile, the Board discussed final settlement of the Formula 1 claim between Spyker N.V. and Orange India Holdings, the preparation of shareholders meetings of Spyker, the annual report 2010 and the results for the first half year of 2011. The annual meeting of shareholders was held on 19 May 2011; the meeting followed the proposal to amend the articles of association of the Company. The amendment was executed on 15 June 2011 and included a change of the Company's name Spyker Cars N.V. into Swedish Automobile N.V. Per 19 May, Mr. R. Schuijt was appointed member of the Management Board. An extraordinary meeting of shareholders was convened for 11 November 2011 in order to execute the binding agreements with Pang Da and Youngman. Although the meeting was held to give an update to shareholders, the agenda points such as introduction of a one tier board and appointment of Pang Da and Youngman Supervisory Board members were not discussed as a result of early termination of the agreements With Pang Da and Youngman.

Another important subject on the Supervisory Board's agenda was the sale of the Spyker sports car business, initially to CPP Global Holdings Ltd. and, when this sale did not materialize, to other candidates.

Per 18 January 2012, Mr. Hugenholtz, Mr. La Noce and Mr. Roepers resigned as members of the Supervisory Board as a result of a difference of opinion with Mr. Muller as to the funding alternatives available to Spyker after the bankruptcy of Saab Automobile, the future of Spyker and its remaining Spyker sports car business. Mr. Heerema stepped down as member of the Supervisory Board per 21 March 2011.

General tasks of the Supervisory Board

The Supervisory Board is charged with the supervision of the Management Board, the general course of affairs of the Group and the business connected to it. The Board supervises and advises the Management Board in performing its management tasks, including (a) achievement of the objectives of the Company, (b) corporate strategy and the risks inherent in the business activities, (c) the structure and operation of the internal risk management and control systems, (d) the financial reporting process, (e) compliance with primary and secondary legislation, (f) the Company-shareholder relationship, and (g) corporate social responsibility issues that are relevant to the enterprise. Major management decisions and the Group's strategy are discussed with and approved by the Supervisory Board.

According to the Company's articles of association, the Management Board shall submit to the Supervisory Board for its approval (a) the operational and financial targets of the Company, (b) the strategy applied to realize the objectives and (c) the parameters to be applied in relation to the strategy, for example in respect of the financial risks.

The application by Spyker of the Corporate Governance Code is addressed in a separate chapter "Corporate Governance" in this Annual Report. It is the task of the Supervisory Board to discuss the corporate strategy and the risks of the business, the result of the assessment by the Management Board of the structure and operation of the internal risk management and control systems, as well as any significant changes thereto at least once a year.

It should be noted that the execution of the above mentioned tasks were strongly influenced and hampered by the urgency to continue the Saab Automobile business.

Without the Management Board members being present, the Board discussed the functioning of the Management Board as a separate body and of each individual Board member. In the same meeting the functioning of the Supervisory Board as a body was discussed. The Board decided that the introduction of a one tier structure would be in the best interest of the Company. Introduction of a one tier structure was on the agenda for the extraordinary meeting of shareholders in November 2011, but was not adopted as a result of the terminated agreements with Pang Da and Youngman.

There was no occasion where a member of the Supervisory Board had to abstain from voting in view of a (potential) conflict of interest.

The Audit Committee reviewed and discussed the Company's annual, semi-annual and quarterly financial statements and had meetings with the independent auditors on their findings and recommendations arising from the 2010 audit. The other committees, the Remuneration & Nomination Committee and the Strategy Committee, did not meet separately. The members of the Supervisory Board had a seat in each Committee; the Committees were chaired by different Supervisory Board members.

Situation since 18 January 2012

From 18 January until 17 April 2012, the Supervisory Board of the Company did not have any members. On 17 April 2012, an extraordinary meeting of shareholders was held. The meeting appointed Mr. M.E. Button as a new member and chairman of the Supervisory Board. He was nominated by Mr. Hugenholtz on behalf of the Supervisory Board and in his capacity of outgoing chairman. The curriculum vitae of Mr. Button can be found in the Chapter Board Members. Since the Supervisory Board currently has one member separate committees are not instituted. It is the intention to appoint additional members to the Supervisory Board this year.

Furthermore, the extraordinary meeting of shareholders decided to amend the articles of association. The Company's name was changed to Spyker N.V. The authorized share capital was increased to enable a conversion of loans into share capital. The conversions were executed on 18 April. The original issue of 270 million shares A was afterwards corrected to 260 million shares, taking into account certain payments of Spyker that were overseen.

The financial statements prepared by the Management Board for the annual report 2011 of Spyker N.V. ("Spyker") have been audited by Ernst & Young Accountants LLP. Ernst & Young discussed their findings on the financial statements with our Board and Supervisory Board. The Supervisory Board concurs with the financial statements and recommend to the General Meeting of Shareholders:

- To accordingly adopt the 2011 financial statements;
- To deduct the net result over 2011 from the other reserves;
- Not to declare any dividend.

The member of the Supervisory Board has signed the financial statements in this annual report pursuant to the statutory obligations under art 2:101(2) Dutch Civil Code.

Remuneration report

Introduction

Spyker's remuneration policy was approved by the General Meeting of Shareholders in 2005 and further amended by the General Meeting of Shareholders in 2009, 2010 and 2011. The amendment in 2011 was related to the acquisition of Saab Automobile in February 2010. The subsequent events in 2011, leading to the filing for bankruptcy of Saab Automobile and two of its subsidiaries on 19 December 2011, caused all management attention to be directed to the continuity of the business and the remuneration policy was not actively pursued in 2011.

General remuneration policy

The remuneration which the Management Board members receive from Spyker shall be such that qualified and expert managers can be recruited and retained. According to the policy, the remuneration consists of the following elements:

1. fixed salary;
2. option rights according to the Company's Employee Stock Option Plan (ESOP);
3. a cash bonus linked to short term targets;
4. a cash bonus linked to long term targets over a period of three years;

The elements set out under point 2 to 4 are variable components, which are linked to predetermined targets that can be easily measured and once achieved have the ability to make a positive and direct impact on Spyker's results and performance. The importance of the variable remuneration component is to strengthen the Board members' commitment to the Company and its objectives. Payment of the bonus, up to the amount of the base salary, is to be achieved by meeting the targets, linked to a corporate target (two-thirds) and an individual target (one-third). The variable bonus component shall be for a maximum of the base salary. The Supervisory Board determines whether targets have been met or not. Options to acquire shares in Spyker in principle (i) shall be granted to members of the Management Board and key employees and (ii) are a conditional remuneration component. The Supervisory Board may award incidental bonuses in cash or stock (performance shares) to members of the Management Board. Shares held by members of the Management Board are long term investments and strengthen the Board Member's commitment to the Company. The granting of shares however, which qualify as a variable bonus according to the remuneration policy, are not linked to a five year retain period.

Spyker does not grant its Management Board members any personal loans or guarantees unless it is within the normal course of business. The terms will be applicable to individual personnel and only granted after approval from the Supervisory Board. Severance payments in employment contracts will not exceed one year's salary, unless this would be manifestly unreasonable in the circumstances.

Remuneration in the past financial year

Remuneration Management Board

There have been several changes within the Management Board during 2011. Per the start of 2011, the Management Board consisted of Mr. Victor R. Muller as Chief Executive Officer ("CEO") and Mr. Hans Go as Chief Financial Officer ("CFO"). Per 19 May 2011, Mr. Robert Schuijt joined the Management Board in the function of Senior Vice-President Corporate Development. Upon the resignation of Mr. Go per 1 July 2011, Mr. Schuijt assumed the function of CFO on an interim-basis. Mr. Schuijt resigned as statutory director as per 18 January 2012.

Mr. Muller worked pursuant to a management contract between Saab Automobile and his management company LAT Management N.V. This contract was for an indefinite period of time. When Saab Automobile went into bankruptcy, the payment obligation has been assumed by Spyker. Also Mr. Schuijt worked for the Company under a management agreement. This agreement, concluded between Spyker, Mr. Schuijt and his management company, was for a period of three years, starting 1 June 2011 and ending 1 June 2013.

Management contracts, contrary to employment contracts, do not contain an arrangement regarding severance payments. The yearly management fee for Mr. Muller is € 600,000 (excluding any VAT). This management fee covered all expenses, including travelling expenses and other expenses, and all costs incurred by the management company specifically for the benefit of Saab Automobile. Mr. Schuijt received a base management fee of € 400,000 (excluding VAT), not covering expenses. In addition, Spyker, Mr. Schuijt and his management company agreed upon a share subscription agreement, obligating the management company to purchase 300,000 company shares in three annual tranches of each 100,000 shares at a share price of 2.71. Per 12 January 2012, the subscription agreement was terminated and Mr. Schuyt was released from his obligation to buy these shares.

The employment contract with Mr. Go was for a period of four years, intended to end per the day of Spyker's Annual General Meeting of 2013. The contract of Mr. Go, which was early terminated per 1 July 2011, contained a provision that severance payments would not exceed one year's salary, unless this would be manifestly unreasonable in the circumstances. The base remuneration of Mr. Go was € 300,000 per year.

In addition to a fixed salary, the remuneration of the Management Board members includes a cash bonus linked to targets. However, the Supervisory Board did not set targets for the members of the Management Board in 2011. Consequently, only one bonus was paid out in connection with 2010 and no bonuses were paid as an additional remuneration over 2011.

No pension schemes have been set up for Mr. Muller and Mr. Schuijt. Mr. Go received a contribution of € 11.800 from Spyker to build up a pension.

Members of the Management Board (excluding Mr. Muller) have been compensated for the actual expenses regarding travelling and communication.

Remuneration Management Board 2011	Base salary	Bonus	Management fee	Total cash compensation	Vested stock options	As a % of base salary
	€	€	€	€		
V.R. Muller	0	0	600.000	600.000	none	-
R. Schuijt (*)	0	0	400.000	400.000	none	-
D.J.C.Y.S. Go	222.962	0	0	222.962	none	-
	222.962	0	1.000.000	1.222.962		-

(*) Mr. R. Schuijt received a bonus in 2010 which was paid in 2011 (€ 160.000)

The options expensed for the members of the Management Board amount to € 0.

Remuneration Management Board 2010	Base salary	Bonus	Management fee	Total cash compensation	Vested stock options	As a % of base salary
	€	€	€	€		
V.R. Muller	0	508.571	550.000	1.058.571	none	-
D.J.C.Y.S. Go	282.000	52.000	0	334.000	none	-
	282.000	560.571	550.000	1.392.571		-

The options expensed for the members of the Management Board amount to € 0.

Remuneration Supervisory Board

According to a resolution of the General Meeting of Shareholders in 2011, the chairman of the Supervisory Board is entitled to a remuneration of € 80,000, increased by € 5,000 per meeting in excess of eight meetings per year, and each of the members to a remuneration of € 50,000 per year, increased by € 4,000 per meeting in excess of eight meetings. Members of the Audit Committee receive an additional € 10.000 per year, the chairman of this Committee receives an additional € 15.000 per year. Members and the chairman of the other Committees are entitled to an additional € 5.000 per Committee per year. The remuneration over 2011 has not been paid to any of the Supervisory Board members, who were in function during 2011. Mr. La Noce and Mr. Roepers have forgiven their right to receive payment for the entire period of their Supervisory Board membership, being for Mr. La Noce since 2006 and for Mr. Roepers since 2010. Mr. Hugenholtz agreed to a 50% payment of his remuneration as from 2010.

Remuneration Supervisory Board	2011	2010
	€	€
V. Antonov	0	3.333
J.B.Th. Hugenholtz	62.475	95.000
M. La Noce	0	62.333
P.H. Heerema	17.500	50.666
A. Roepers	0	50.666
M. Bondars	0	2.500
N. Stancikas	0	2.500
	79.975	266.998

Employee's option rights

Spyker has an Employee Share Option Plan (ESOP), which came into force in 2005 and was amended in 2006, 2008 and 2011. The option rights under the ESOP have a five-year duration and entitle the holder of the option right to acquire newly issued shares. Option rights granted may not exceed an aggregate amount of 10% of the issued share capital per the last option date.

Following the acquisition of Saab Automobile, the Supervisory Board decided to grant new option rights to personnel of Spyker and of Saab Automobile companies on 16 March 2011. As a consequence of the difficult situation at Spyker and Saab Automobile, the granting of option rights was not executed. Mr. Go held 59,785 option rights under the ESOP until his resignation per 1 July 2011.

As per 31 December 2011, a remainder of 24,000 ESOP-option rights (2010: 83,782 option rights) are in force. The exercise price for these options is € 17.00. In 2011, no option rights were exercised and 59,785 option rights belonging to Mr. Go lapsed. An employee is only allowed to convert its option rights into shares if he or she is still an employee of Spyker or any of its subsidiaries. Each year 20% of the option rights will vest if the performance criteria for that year are met. These performance criteria are to be determined each year by the Supervisory Board. The Supervisory Board did not set targets for 2011.

The appointment of Mr. Rob Schuijt as (non-statutory) Senior Vice President Corporate Development came into force per 1 June 2010. As a part of his remuneration package, Spyker granted him the right and obligation to subscribe for 300,000 ordinary shares, to be issued in separate tranches of 100,000 shares each over the next three years at a share price of € 2.71. It was agreed between parties not to issue the first tranche of 100,000 shares, but to add this tranche to the second tranche due after 1 June 2012. Per 12 January 2012 the subscription agreement has been terminated and Mr Schuyt was released from his obligation to buy these shares.

Remuneration policy for the coming years

A remuneration policy for the management of Spyker has not yet been set. The Supervisory Board had no members in the period from 18 January to 17 April 2012. Per 17 April, Mr. M.E. Button was appointed chairman and member of the Supervisory Board by the extraordinary general meeting of shareholders. His remuneration was set at a fixed € 40,000 per year.

Zeewolde, 1 May 2012

Martin E. Button, Chairman

MANAGEMENT BOARD REPORT

Introduction

2011 has been the most challenging year since Spyker's founding in 2000. This obviously had to do with filing for bankruptcy of Saab Automobile AB ("Saab Automobile"), the Company which manufactured and marketed vehicles under the brand name of Saab, the shares of which were acquired from General Motors in the beginning of 2010.

Until Saab Automobile was forced to file for bankruptcy, management of Saab Automobile and its holding company Swedish Automobile N.V. (as per 18 April 2012 renamed into Spyker N.V., "Spyker") made every effort to make Saab Automobile a profitable, independent niche premium car manufacturer. Saab Automobile and Spyker worked very hard to restore confidence with dealers, suppliers, customers and other stakeholders. By continuing product development activities in order to refresh and expand the entire product portfolio, forming new business partnerships (like the agreement signed on 18 March 2011 with ZF Chassis Systems, supplier of driveline and chassis systems), building up a stand-alone company and an independent Saab distribution organization, Saab Automobile and Spyker tried to revitalize the Saab brand and to support an increase in sales. Meanwhile management attempted to manage funding and cash to control costs and capital expenditure, focused on initiatives to further reduce the break-even point, restructured its organization and introduced new ways of working.

On 21 March 2011 Mr. Pieter Heerema resigned as member of the Supervisory Board of Spyker. Mr. Jan Åke Jonsson, President and CEO of Saab Automobile retired per the annual Meeting of Shareholders on 19 May 2011. The same day Mr. Robert Schuijt was appointed statutory member of the Management Board. Mr. Schuijt was responsible for the strategy, business developments and alliances of the group. Together with Saab Automobile's management team his assignment was to implement Saab's business plan and to improve the group's performance (further changes with regard to the group's management are mentioned in the "Human resources" chapter of this Management Board report).

Saab Automobile made good progress during the first three months of 2011 on many fronts and both sales and production reached the highest levels since the aquisition. Being declined access to financial resources and ensuing payment issues with suppliers led to an unsteady inflow of parts and components for production and ultimately, as of 6 April 2011, to unscheduled production stoppages. These interruptions in production resulted in lost revenues, significant operating losses, and finally contributed to the demise of Saab Automobile.

Early 2012, Spyker decided to terminate discussions with prospective buyers and to revitalize and continue the Spyker sports car business, both financially and commercially.

In view of the fact that Saab Great Britain Ltd. ("Saab GB") filed for administration with the High Court in London, United Kingdom, on 29 November 2011 and that Saab Automobile, Saab Automobile Tools AB ("Saab Tools") and Saab Automobile Powertrain AB ("Saab Powertrain") filed for bankruptcy with the District Court in Vänersborg, Sweden, on 19 December 2011, Saab Automobile's activities since then form a discontinued operation of the Spyker group. Consequently Spyker has no access to information about Saab Automobile and its subsidiaries anymore. This Annual Report 2011 therefore only summarily concerns the automotive business of the Saab entities.

Saab's demise

Until the moment that the Court approved the bankruptcy filing by the Management Board of Saab Automobile, Spyker worked relentlessly to secure (additional) funding for operations. It tried to come to agreement with suppliers on payment and delivery terms to enable a sustainable restart of production.

The sale and lease back of Saab property

One of the funding scenario's Saab Automobile worked on was the sale and lease back of Saab Automobile's real estate, owned by its subsidiary Saab Automobile Property AB ("Saab Property"). Realizing such, extensive talks with the Swedish National Debt Office ("NDO"), the Swedish Government and the European Investment Bank ("EIB") were necessary to release NDO's pledge on the shares of Saab Property and to get approval from the Swedish Government and the EIB to have said pledge released (Saab Property shares were pledged as a collateral for the NDO, guaranteeing the loan of € 400 million (under which € 217 million were drawn) provided by the EIB to Saab Automobile on the day that Spyker acquired Saab Automobile from General Motors ("GM") in 2010).

After fulfilling numbers of additional conditions mostly set by the EIB, Spyker on 7 July 2011 obtained final approval for the sale of 50.1% of the shares in Saab Property to a consortium of Swedish real estate investors led by Hemfosa Fastigheter, for a total consideration of SEK 255 million (€ 28 million).

As a result, the Swedish state guarantee provided by NDO to EIB was reduced by € 120 million which consequently meant that Saab Automobile was not able to draw more than € 280 million under the then existing EIB loan.

Strategic partnerships

Hawtai Motor Group Company

On 3 May 2011 Spyker annnounced that Spyker, Saab Automobile and Hawtai Motor Group Company ("Hawtai"), a China-based privately-owned automotive company with headquarters located in Beijing, People's Republic of China, reached agreement on a strategic partnership. These agreement concerned conditionally securing medium term funding, including financing in the form of subscription agreements in the amount of € 150 million as well as a strategic alliance for China with respect to manufacturing, technology and distribution.

The intended transactions were subject to agreement on definitive transaction documents and certain conditions, which included consents from certain Chinese governmental agencies, the EIB and the NDO.

When it became clear that Hawtai was not able to obtain all the necessary governmental consents, the parties terminated the agreement with immediate effect.

Pang Da Automobile Trade Co., Ltd.

On 16 May 2011 Spyker announced that Spyker and Saab Automobile signed a Memorandum of Understanding ("MoU") with Pang Da Automobile Trade Co., Ltd. ("Pang Da"), China's largest publicly traded automobile distributor with over 1,100 dealerships nationwide.

The MoU included a strategic partnership consisting of a 50/50 distribution joint venture and a manufacturing joint venture for Saab branded vehicles as well as for a manufacturing joint venture for a so-called "child-brand" in China. It was the intention that Saab Automobile would have up to 50 percent in these manufacturing joint ventures, with Pang Da and a to-be-selected manufacturing partner owing the remaining shares.

Pursuant to the MoU Pang Da also transferred € 30 million to Saab Automobile as payment for the purchase of ±1,300 Saab vehicles, and was willing to transfer an additional amount of € 15 million for the purchase of 630 additional vehicles which payment was actually made.

Some of the transactions following the MoU were subject to approval from, among other parties, GM, NDO, EIB and certain Chinese authorities, including the National Development and Reform Commission ("NDRC").

All these efforts led to a restart of production at Saab Automobile's production facility in Trolhättan on 27 May 2011. For this first day of production since 6 April 2011 a first batch of around 100 Saab vehicles was planned. Mr. Pang Qinghua, Chairman and CEO of Pang Da attended the restart of production.

Zhejiang Youngman Lotus Automobile Co., Ltd.

On 13 June 2011, Saab Automobile conditionally secured longer term financing by signing a non-binding MoU (worth € 245 million) with Chinese firms Pang Da and Zhejiang Youngman Lotus Automobile Co., Ltd. ("Youngman"), as the selected manufacturing partner in the joint ventures to be incorporated. Binding agreements with Pang Da and Youngman (subject to approval by relevant authorities) were announced on 4 July 2011, reflecting among other things that Youngman would take 45% of the shares in the manufacturing joint ventures, Saab Automobile 45% and Pang Da the remainder of 10%. In the distribution joint venture Youngman and Saab Automobile would each take 33% and Pang Da 34% of the shares.

Other funding actions

On Saab Automobile's short term funding, Spyker concluded a € 30 million convertible loan with Gemini Investment Fund Ltd., which was issued in May 2011.

Spyker also bridged a gap in financing by signing a technology license agreement with a special purpose vehicle named Swedish Automobile Coöperatief U.A.. The license agreement was related to the non-exclusive rights in Saab Automobile's PhoeniX architecture technology for a consideration of € 70 million. As part of the transaction, Youngman also signed a technology license transfer agreement with Swedish Automobile Coöperatief U.A. on purchasing the license and providing a guarantee for its payment of the license.

To continue the reorganization process at Saab Automobile, North Street Capital, LP ("North Street Capital"), a Greenwich, Connecticut, USA, based private equity firm and intended buyer of the Spyker sports car business, also offered to fund Spyker and Saab Automobile but no transaction was concluded.

Outcome of funding scenarios

With Pang Da and Youngman as strategic partners, the production restart at the end of May 2011 and a significantly contractually strengthened financial position, Saab Automobile seemed to enter calmer waters.

However, the seven-week production stop in April and May 2011 did not only affect Saab Automobile but also its supplier base. Irregular inflows of components and parts caused disruptions and production hiccups, as a consequence of which Saab Automobile, despite the constructive cooperation of its employees and suppliers, was forced to suspend production again on 9 June 2011. At that moment, Saab Automobile was left with almost 10,000 orders for new Saab vehicles on hand.

Despite working hard to secure a better future for Saab Automobile, Saab Automobile and Spyker didn't manage to provide dealers and customers with the vehicles they ordered. Pang Da and Youngman decided to walk away from earlier made agreements to acquire shares in Saab's automotive business through Spyker. Saab Automobile's production facility in Trolhättan was basically not in operation except for the first three months of 2011 and stock levels around the globe continued to fall. This situation seriously affected Saab Automobile's sales performance and overall operating performance.

Voluntary reorganization

The above aspects, Saab Automobile's limited financial resources as well as the time needed to secure the required approvals for the investments by Pang Da and Youngman, made Saab Automobile conclude that a voluntary reorganization under Swedish law would entail the best preconditions for using existing resources in the most efficient way. The purpose of the voluntary reorganization process was to secure short-term stability while simultaneously attracting additional funding, pending the inflow of the equity contributions of Pang Da and Youngman.

In first instance the District Court of Vänersborg, Sweden rejected the proposal for voluntary reorganization by Saab Automobile and its subsidiaries Saab Powertrain and Saab Tools, but on 20 September 2011 the Court of Appeal in Gothenburg, Sweden approved the reorganization proposal by Saab Automobile. This decision also meant that bankruptcy filings by a number of Swedish labour unions became void, and these filings were shortly after withdrawn by the unions.

Following the ruling by the Court of Appeal, an administrator was appointed to oversee the reorganization process. As part of its application, Saab Automobile formulated a reorganization plan, which included a number of aspects aimed at lowering its cost-base and creating a viable, competitive and independent organization. This reorganization plan was presented to creditors in more detail at the creditors meeting of 31 October 2011, including an outline proposal to redeem outstanding debts with Saab Automobile's creditors. On the same day the Court of Appeal approved Saab Automobile's reorganization proposal, Saab Automobile also launched an efficiency improvement initiative as part of a broader review of the Company's business plan for 2012 and beyond. The initiative was an important element of the reorganization plan and focused on both fixed and variable costs and aimed to create a lower and more flexible cost structure within Saab Automobile by eliminating duplication of work, streamlining processes, shortening lead times, improving coordination between departments and simplifying the organizational structure.

Termination of subscription agreement with Pang Da and Youngman; alternative scenario

On 23 October 2011, Spyker terminated the subscription agreement with Youngman and Pang Da that was signed on 4 July 2011, as Pang Da and Youngman failed to confirm their commitment to the subscription agreement and the transactions on the agreed terms contemplated thereby, as well as to explicit and binding agreements made on 13 October 2011 related to providing bridge funding to Saab Automobile while in voluntary reorganization under Swedish law.

However, discussions between the parties regarding an alternative agreement continued and on 28 October 2011 Spyker signed a new MoU with Youngman and Pang Da for the sale by Spyker to Youngman and Pang Da of the shares that Spyker held in Saab Automobile and Saab GB for an aggregate purchase price of € 100 million.

Whether the transaction envisaged under the MoU could be completed was subject to the consent of GM pursuant to the change of control conditions of the existing technology licenses and the supply agreement for the Saab 9-4X vehicles to Saab Automobile following the proposed change in ownership. Spyker, Saab Automobile and the administrator entered into negotiations with GM, Youngman, Pang Da and the NDRC to explore alternative transaction and future ownership structures which would allow for the necessary approval from GM.

As a consequence of the termination of the subscription agreements with Pang Da and Youngman, there was no need to ask Spyker's shareholders to vote on amendment of Spyker's articles of association nor a need to appoint new board members at the Extraordinary General Meeting of Shareholders ("EGMS") of 11 November 2011. The meeting was convened after agreements were signed with Pang Da and Youngman; the agreements regarded an equity investment in Spyker and the formation of manufacturing and distribution joint ventures with Saab Automobile for Saab branded vehicles in China. During this EGMS the shareholders of Spyker voted - during an informal vote - in favour of the potential sale of Saab Automobile and Saab GB by Spyker. Approval by informal voting was also obtained for the continuation of negotiations which might have led to the sale of the Spyker business.

Bankruptcy

Giving Saab GB and creditors of Saab GB the necessary legal protection until the required funding for Saab Automobile and its subsidiaries would have been secured, Saab GB filed for administration with the High Court of London, UK, on 29 November 2011.

Unfortunately this attempt to protect Saab GB from its creditors did not succeed. Despite all the efforts and the good work of many Saab-caring people from inside as well as outside Saab Automobile, Spyker on 19 December 2011 sadly had to announce that Saab Automobile, Saab Tools and Saab Powertrain were forced to file for bankruptcy that morning. GM was unwilling to cooperate on the contemplated transaction (although in the last iteration Youngman would take zero shares in Spyker) and Youngman therefore informed Saab Automobile that the funding to continue and complete the reorganization of Saab Automobile could not be concluded. The Board of Saab Automobile subsequently decided that the Company without further funding would be insolvent and that filing for bankruptcy would be in the best interests of its creditors.

The District Court of Vänersborg, Sweden placed above mentioned companies into receivership and appointed two lawyers as receivers: Mr. Hans Bergqvist from Delphi and Anne-Marie Pouteaux from Wistrand, both law firms from Gothenburg, Sweden. This team since then is responsible for Saab Automobile and has been exploring all future options of the Company, including the possibility of a partial or a complete sale of the business. The receivers in the meantime have met a number of parties which have expressed their interest in a possible acquisition of part or all of the business.

Saab Automobile Parts AB ("Saab Parts"), which is a subsidiary of Saab Automobile, remained outside the petition in bankruptcy of the vehicle manufacturing business and continued trading and supplying replacement parts. Also Saab's authorised repairer network is still available to offer service and maintenance for Saab vehicles. The provision of parts and servicing therewith is still ongoing.

Other events related to Saab

The Saab PhoeniX scooped the Top Design Award in the Auto Express 2011 New Car Awards, with an overwhelming 30 per cent of the magazine's online readers voting the Saab PhoeniX as their number one "head-turning" car of the year. The Saab PhoeniX was designed by Saab Automobile's design chief Jason Castriota and gave a clear indication of Saab's future models designs particularly the new Saab 900 which was to succeed the Saab 9-3.

Moreover, in August 2011 Saab's all-new 9-4X landed in the dealer showrooms in the United States.

The same crossover vehicle in July 2011 earned the "Top Safety Pick", therewith joining the Saab 9-5 SportSedan which received the same accolade in June 2011. The Top Safety Pick is the highest rating for crashworthiness awarded by the Insurance Institute for Highway Safety ("IIHS"), a research and communications organization funded by auto insurers in the United States.

Another highlight happened to be the 25th anniversary of Saab's convertible. It all began in 1986, when the first car in a production run of just 400 Saab 900 Convertibles for the United States market was delivered. In 2011, three generations later, almost 300,000 Saab Convertibles had been sold around the world and the drop-top from Scandinavia was established as a global icon for the brand.

Other noteworthy news related to Saab

As part of its five-year business plan, Saab Automobile unveiled the Saab 9-3 Griffin range (including the Saab 9-3 Convertible Independence Edition), the new Saab 9-4X crossover vehicle and the Saab 9-5 SportCombi.

The naming of the Saab 9-5 SportSedan 2.8V6 Turbo as Car of the Year in Singapore by a prestigious consumer guide, published by Wheels Asia. The annual "Car Buyer's Guide 2011/2012" ranked all models on sale in Singapore, and the Saab 9-5 was favorably compared with the Audi A6 and BMW 535i in the Executive Sedan class.

Spyker's revival

Spyker announced on 24 February 2011 that it had signed a MoU to sell virtually all assets of the Spyker sports car business to the privately held UK holding CPP Global Holdings Limited ("CPP Holding"). Selling the Spyker sports car business would allow Spyker to exclusively focus on the Saab automotive business while reducing debt and improving operating results through reduced interest expenses and removing the operating losses related to the Spyker sports car business.

Because of these intentions Spyker Cars N.V. as of 15 June 2011 changed its name into Swedish Automobile N.V. (since 18 April 2012 changed into Spyker N.V.), following the decision hereto of the annual general meeting of shareholders held on 19 May 2011.

The intended asset sale of the Spyker sports car business -including the Spyker trademarks and other intellectual property rights- was put on hold while awaiting further developments at Saab Automobile and later on not further pursued.

End of September 2011, discussions about the sale of the Spyker sports car business were started with North Street Capital, leading to the signing of an MoU with an intended sale price of € 32 million (in line with the value calculated by an external valuator). On 20 October, Spyker announced funding commitments of North Street Capital both regarding the Spyker sport car business and Saab Automobile, however the intended transaction did not materialize.

The driver behind the sale of the Spyker sports car business disappeared with Saab Automobile filing for bankruptcy. Discussions came to a halt, as announced in Spyker's press release of 5 March 2012. The same applied for discussions held with other prospective buyers. All management resources and funding are currently exclusively focused on the Spyker business.

Operationally Spyker is preparing for the future again. Unfortunately Spyker's tier one supplier of its aluminum bodies-in-white CPP (Manufacturing) Ltd. ("CPP") went into administration on 10 January 2012. On 2 March 2012 Spyker reached agreement with CPP's administrators to buy certain tools, work in progress and (body)parts for its Spyker C8 Aileron production. Spyker is moving assembly of the C8 Aileron from the UK back to Zeewolde, The Netherlands. Tools, equipment, parts and materials are in place since 16 March 2012, new and former suppliers and partners have been asked to join, loyal dealers have been enthused, critical debts settled and agreements with certain creditors reached, (convertible) loans have been converted into Spyker share capital to eliminate the interest burden of these loans, a new supervisory board member (and chairman) has been appointed, emergency funding was put in place and (additional) short- middle- and long term funding is continuously being secured (and is progressing). In the meantime, the first Spykers C8 Aileron are being built by Spyker's dedicated and qualified personnel.

Spyker's strategy

The Management Board believes that it can create growth by properly rebuilding and extending Spyker's current business. The Management Board also believes that Spyker can be developed into an important brand in the high-end sports car industry. This entails among other things assuring a distinct and reliable product of outstanding quality, strictly controlled distribution, continuous innovation and consistent investment in marketing and communication by reintroducing the Spyker brand at high profile (lifestyle) events, thus recreating brand recognition and credibility.

Accordingly, Spyker's strategy for 2012 will be focused on positioning the Spyker brand as a premium brand for exclusive and hand built sports cars and related products in the high-end sports car market with a high-end distribution network to match. Spyker will keep an open eye to opportunities, including but not limited to acquisitions in the industry that may add value to the Spyker brand.

Product research and product development; investment policy

In March 2009 Spyker successfully introduced a pre-production version of the Spyker C8 Aileron at the Salon International de l'Automobile in Geneva, Switzerland.

For the North American market the Spyker C8 Aileron introduction is scheduled the second half of 2013 as certain certification approvals will have to be obtained.

Selling highly exclusive Spyker sports cars worldwide requires engineering capabilities to design, develop and certify the cars before their launch into the market. Spyker's objective always has been and still is to develop a product in line with customer expectations, to create an efficient production process and to meet the highest quality standards. In short term all resources will be used to put Spyker back on track. Spyker's investment policy is primarily focused on the production of the Spyker C8 Aileron and the implementation of further technological improvements (including modification to various international standards). Spyker's Management Board is in discussions with various parties to fulfill its medium and long term financing requirements, also with a view to expanding the business, including the production of the SSUV Spyker D8 Peking-to-Paris, the development of which has been progressing at a slow pace because of the focus on Saab and the intended but aborted sale of the Spyker sports car business.

Production and suppliers

As the year progressed it appeared that CPP and its group companies were facing financial difficulties. After production of several chassis and body parts for the Spyker C8 Aileron at CPP, activities halted in the UK. It has been decided in early 2012 to build the cars at Spyker's works facility in Zeewolde, The Netherlands. The first Spyker C8 Aileron was supplied to a customer in the first week op April 2012. The next Spyker C8 Aileron is currently being build.

Production of bodies-in-white shall remain in the UK, at least for the time being at CPP Envisage Ltd. in Coventry, UK, which acquired CPP's business from the administrators Negotiations on a longer term supply contract are ongoing.

It is anticipated that CPP Envisage will supply some 30 to 40 bodies to Spyker this year. All of these cars are pre-sold.

Spyker deals with a wide variety of suppliers, all first-class and ranging from mainstream to strategic. As from 2012 all part sourcing is handled by Spyker Automobielen B.V. ("Spyker Automobielen"). Michelin delivers the tires, Luzzo Bespoke produces the machined interior panels, drive shafts will come from GKN, Continental is responsible for the safety and restraint systems, Superform provides the aluminium skin panels and Perei manufactures the lighting system. Engine and gearbox are from Audi, anti lock braking systems from Bosch, whereas AP Racing delivers the brake discs and pads. Upon completion of final assembly, Spyker Automobielen will distribute all customer vehicles worldwide.

Spyker's distribution, dealer network and sales development

Spyker sells and transports cars to its dealers from its factory in Zeewolde. Final Spyker-products mainly find their way to the customer through multi-brand retail outlets with a customer base similar to or overlapping the Spyker target client group, e.g. Rolls Royce, Bentley, Ferrari, Lamborghini and Aston Martin dealers.

The year 2011 was a tough year for Spyker. New car sales results dropped and pre-sold Spykers C8 Aileron could not be build due to financial difficulties at CPP. These cars are currently being produced and are to be delivered in 2012.

With Spyker more or less in hibernation in 2011, its dealers had a difficult time. Nevertheless, some were able to book Spyker C8 Aileron orders.

The difficult circumstances at Spyker also had an impact on the recruitment of new dealers. While trying to keep existing dealer partners on board (Spyker only lost one dealer). Spyker appointed a new dealer in Japan (Spyker of Tokyo / Yasuda Shipyard Co. Ltd.) and just recently one in Taiwan (Spyker of Taipei / Xiao-Ya Impex Co. Ltd.). Talks with a prospective dealer in India are ongoing.

Branding and marketing

Since its founding in 2000, Spyker focussed on the five main values of the Spyker brand and will continue to do so: heritage, design, craftsmanship, performance and exclusivity. These brand values play an important role at the re-launch of the Spyker brand (the most important aspect of Spyker's short term strategy) and do not only apply to the manufacturing of products, but also to the way the cars are presented to the market through high profile events and the selection of premium dealers.

Spyker cars are marketed via face-to-face presentations at high profile events, including selected motor shows and concourses d'elegance. Notwithstanding the circumstances, Spyker managed to attend the prestigious auto show Pebble Beach Concours d'Elegance in California, the Goodwood Festival of Speed and the Salon Privé, the luxury and supercar show in London, UK. Furthermore, Spyker in 2011 participated in the Shanghai Auto Show and the Salon International de l'Automobile in Geneva, Switzerland.

Furthermore in 2011, Spyker organized several ride & drive events with the Spyker C8 Spyder and Spyker C8 Aileron. This way, Spyker's dealers and potential customers were able to experience the second generation Spyker.

Merchandise and market supporting activities

All merchandise and market supporting activities fall under Spyker Events & Branding B.V. ("Spyker Events & Branding"), a 100% subsidiary of Spyker. In 2011 Spyker Events & Branding continued to organize factory visits and, if the visiting group so desired, a racing experience at the oval circuit of Lelystad, The Netherlands.

Spyker Events & Branding entered into a license agreement on Spyker scale models with Sonic International (Toys) Ltd. and reached agreement with Microsoft for the use of a special edition of the Spyker C8 Laviolette and the Spyker C8 Aileron in their Forza Motorsport 4 game.

In general, the merchandise market segment remains an opportunity for the Company and Spyker Events & Branding intends to redevelop this business again through extending further licenses.

Human resources

During 2011 Spyker (together with Spyker Automobielen, Spyker Events & Branding and Spyker Squadron) employed an average of 56 full time equivalent (fte's) employees. At the end of the financial year the number of fulltime employees amounted to 28,81 fte's, while at the beginning 71,21 fte's were employed. This sharp decrease is mainly attributable to the intended sale and related scale down of the activities. Mr. Wicher Kist (Chief Operating Officer) left the Company, accepting the function of Strategy Director at CPP Global Holdings Ltd., the initially intended buyer of the Spyker Automotive business. Currently, his task has been taken over by Mr. Peter van Erp as COO, who until recently was responsible for Spyker's racing activities.

Legal proceedings and other legal matters

In September 2011, Spyker reached agreement with Orange India Holdings S.a.r.l. ("OIH") for the full and final settlement of several potential claims related to the sale of the Formula One team by Spyker and its subsidiary Spyker Events & Branding to OIH in 2007. According to the settlement agreement, Spyker Events & Branding and Spyker will pay OIH an amount of £ 2.5 million of which € 1.45 million was released from an escrow account in 2011. Spyker has started discussions with OIH about payment of the remainder.

The settlement with OIH excludes the existing indemnity given by Spyker to OIH for an alleged claim of the former manager of the Spyker Formula One team in the amount of € 1.2 million, which OIH disputes. Parties are preparing an exchange of witness statements.

End 2011, Spyker received a claim from the Dutch Tax authorities for wage and VAT taxes of the years 2005-2009, which the authorities assessed at an amount of nearly € 3 million. A accrual of € 2 million for this claim was already made in 2010. Spyker has submitted evidence contesting various elements and its confident that the final claim will be considerably lower.

Environmental and social aspects

The Spyker group is conscious of the fact that every company has a duty to respect the environment. This means that every company within its reasonable power must keep the environmental impact of its manufacturing activities to a minimum.

Spyker therefore supports the worldwide aim of further reducing CO2 emissions in the future. Within the current environmental conditions and economical climate it is essential to lower the vehicle energy consumption levels. The Spyker group among others, consistently endeavors to reduce the weight of its vehicles hence reducing consumption of fuel. Spyker investigates the possibilities for the future vehicles to implement environmentally friendly technologies. The objective within this research is to develop technology which lowers the vehicle energy consumption and carbon dioxide emissions, which is not to the detriment of Spyker's sports car performance and to the driver's experience.

The Spyker group complies with regional environmental legislation regarding the production process, such as separated refuse collection and a sound collection of polluting waste.

Within the Spyker premises, a heating exchanger delivers warmth to the central-heating system, which results in energy savings and less use of heating.

Spyker also acknowledges that as a company it has social responsibilities. The Spyker group in the past proved its social commitment by participating in a number of events and projects for sick children and young people, to give them something positive to look forward to. Spyker intends to participate in similar projects in the near future again.

Spyker considers it to be its social responsibility and its challenge to find smart, sustainable solutions that reduce reliance on non-renewable natural resources, conserve energy and reduce waste. In this regard the Spyker group learned a lot from Saab Automobile that has taken positive steps by development of lightweight, fuel efficient technologies and by the use of innovations that cut emissions and reduce reliance on fossil fuels.

Recent events

On 18 January 2012 Mr. Hans Hugenholtz, Mr. Maurizio La Noce and Mr. Alex Roepers stepped down as members of the Supervisory Board and Mr. Rob Schuijt resigned as member of the Management Board.

On 6 March 2012 Spyker settled its debt with the administrators of Saab GB. An agreement was reached with the administrators of Saab GB in terms of which Spyker shall pay in full and final settlement for its debt of £ 20,9 million (€ 24,9 million) an amount of € 500,000 in cash and the equivalent of € 250,000 in the form of shares.

On 17 April 2012 Mr. Martin E. Button was appointed as new member and chairman of the Supervisory Board for a term of four years.

Agreement has been reached between Spyker and its major lenders, Tenaci Capital B.V. ("Tenaci"), Epcote SA ("Epcote") and Gemini Investment Fund Ltd. The latter loan has been sold and transferred to LAT Management N.V. ("LAT"), a company indirectly wholly owned by Mr. Victor Muller. All three lenders have agreed to convert the outstanding amounts under these loans into shares class A at a fixed price of € 0.50 per share. The conversions are made into non-listed class A shares as follows:

- Tenaci: principal amount € 64.5 million, accrued interest € 10.7 million, number of shares Class A to be issued 150.4 million;
- LAT: principal amount € 30.0 million, accrued interest € 2.0 million, number of shares Class A to be issued 64.0 million;
- Epcote: principal amount € 18,2 million, accrued interest € 4.6 million, number of shares Class A to be issued 45.6 million.

On the day of amendment of the Company's articles of association, being on 18 April, the conversions were executed. Before the conversion took place, Tenaci also transferred its loan to LAT.

The amendment of the Company's articles of association among others concerned:

- The increase of the authorized share capital of Spyker to make the share conversions possible. The authorized capital was increased from € 3,000,000 to € 20,000,000 divided into 150,000,000 ordinary shares and 350,000,000 shares class A with a nominal value of € 0.04 each;
- The annulment of the references to a priority share. The rights attributed to the priority share were assigned to the Supervisory Board;
- The change of the Company's name into Spyker N.V.

Outlook for 2012

As from the beginning of this year, Spyker's first priority was to relocate and restart production of the Spyker C8 Aileron, which had been halted for most of 2011. On 16 March 2012 the first body-in-white for the production of the Spyker C8 Aileron with chassis number #263 arrived at Spyker's works facility in Zeewolde and will leave end of line approximately around May 2012.

Spyker's partners and customers are looking forward to delivery of the Spykers C8 Aileron on order. To further support the revitalization of the brand, Spyker will take advantage of these deliveries to build media coverage and to generate customer interest and "showroom traffic".

Re-launching the Spyker brand, restoring customer confidence and re-engaging the dealer body, including obtaining the necessary funding to do so, are the major priorities for the Management Board of Spyker this year.

Risk Management

Although management continuously assessed the various risks related to the business, the economic climate and financial outlook of the Saab and Spyker businesses, Saab Automobile, Saab Automobile Tools and Saab Powertrain had to file for bankruptcy due to a lack of funding. The purpose of risk management is to reduce the uncertainty regarding the achievement of corporate, divisional and subsidiaries' objectives. The risk management process identifies the most significant and emerging risks and focuses management attention on the action plans to mitigate risk and maximize opportunities.

Risk management at Spyker as a stand alone company was due to the small size of the organization always a trade off, between the realization of certain segregation of duties and economic efficiencies. Also the dependence on a few individuals entails a risk when these persons are absent or would resign.

The most significant strategic and operational risks related to the business of the Group are explained hereunder. This risk overview is not exhaustive. It should be noted that some risks may not yet be known to management, or may currently not believed to be material, but at a later date could potentially turn out to have a major impact on the Group's business.

Information on financial risks can be found in paragraph 37 in the consolidated financial statements.

Strategic risks

Funding

The Group's available cash position is monitored very closely by Management. To strengthen working capital in the short term, Management is raising liquidity from current shareholders and other available sources such as the GEM standby equity facility. However the Company will at all times endeavour to optimize funding from a shareholder's point of view i.e. seek to limit dilution if possible. To ensure adequate liquidity for the remainder of this year and to further improve its capital structure, management is currently exploring various options to improve the Group's funding, and accelerate the revitalization of the Spyker business. Accordingly proactive working capital management remains a top priority for management.

Sector risks

Market factors and increasingly stringent governmental requirements policies to safety and emissions standards are the main challenges for the Spyker product development activities. The discovery of defects in vehicles or of non-compliance with safety standards may result in recall campaigns, increased warranty costs or litigation which could have a material adverse effect on Spyker sports car business, financial condition and/or results of operations.

Exposure to adverse economic conditions

Spyker operates and competes in markets that are subject to considerable volatility in demand. This volatility has a high correlation with cycles in the overall business and economic environment in general and in the automotive and high-end consumer goods sectors in particular. Since Spyker distributes its products internationally, a significant decline in the general economy or in consumer sentiment could have a material adverse effect on the Group.

Spyker relies on external suppliers

Spyker depends on various suppliers for its car components. In principle, most of the relations have now been re-established and normalized after the held for sale period in 2011. Given the amounts which are still outstanding, management continuously works on its relationships with suppliers.

Operational risks

Spyker relies upon certain key personnel and upon its ability to find and retain skilled personnel

Spyker's success depends to a certain degree upon the efforts and abilities of of its Management Board and its workforce and relies on its ability to attract, train and retain skilled personnel for the specific departments like design, engineering, manufacturing sales & marketing. Although Spyker has shown to be able to hire and retain employees even in difficult times, no assurances can be given that this will be the case in the future. The inability to attract the required skills could hamper Spyker in its efforts to develop new models and grow at the necessary speed.

Limited production capacity

Spyker's capacity to produce cars has been secured at Zeewolde. All facilities have been centralized in order to be run in a coordinated way. Future growth of operations depends on Spyker's success regarding sales of the model range. The fact that CPP Manufacturing was in financial difficulties and subsequently went into administration in January 2012, has had a negative effect on Spyker's capacity to manufacture cars. CPP Envisage Ltd. has acquired CPP Manufacturing's business and will produce bodies-in-white for Spyker in 2012 but initially in limited numbers.

U.S. Business

The U.S. is an important market for Spyker. Due to certain restrictions in the US , the US market will not be re-entered before the middle of 2013 with the Spyker C8 Aileron. Uncertainty as to how much and how fast sales will be made could have a negative effect on short term earnings and liquidity.

Pressure on dealers

Over the years, Spyker has developed a network of over 35 dealers globally. Spyker's dealer network has obviously also been suffering during the last year as a result of the situation at Spyker as well as the global recession. Mitigating factor is that many of these dealers do not carry Spyker exclusively.

Consumer's brand awareness and confidence.

The events at Saab Automobile and Swedish Automobile in 2011 may have fall-out effects on the Spyker sports car business going forward although Spyker's brand awareness world wide has increased as compared to pre-Saab Automobile days. A risk exists that brand awareness and consideration stays below expectations which could effect sales negatively.

Information and IT risks

The protection of information data, business secrets and innovative development is of great importance. To safeguard against unauthorized access, damage and misuse internal controls have been improved and implemented.

Corporate governance

I. The Corporate Governance Code

In this report, Spyker addresses its overall corporate governance structure and states to what extent it applies the provisions of the revised Dutch Corporate Governance Code of December 10, 2008 applicable to the financial year 2011 (the "Code").

Spyker' statements in this report also relate to Saab Automobile, as Saab Automobile was part of the Spyker Group until its demise.

Spyker endorses the principles of the Code. The Management Board and the Supervisory Board are responsible for the corporate governance structure of Spyker and compliance with the Code.

Last year, the Boards declared to be of the opinion that the principles and best practice provisions of the Code, which are addressed to the Management Board and the Supervisory Board, interpreted and implemented in line with the best practices followed by Spyker, are being applied. During 2011, those principles and best practices were no less endorsed, but less actively applied due to the fact that the Saab business required all management attention.

The Boards are of the opinion that the principles and best practice provisions of the Code, which are addressed to the Management Board and the Supervisory Board, interpreted and implemented in line with the best practices followed by Spyker, are being applied.

Deviations from aspects of the corporate governance structure of Spyker, when deemed necessary in the interests of the Company, will be disclosed in the annual report. Substantial changes in Spyker's corporate governance structure and in Spyker' compliance with the Code are submitted to the General Meeting of Shareholders for discussion under a separate agenda item. In line with the recommendation included in the Code an explanation of the Company's corporate governance structure as outlined in this report will be discussed at the 2011 General Meeting of Shareholders.

Hereunder, Spyker will give a brief overview of its present managerial structure.

Spyker has a two-tier governance structure with a Supervisory Board and a Management Board. Each board is a separate body.

II. Management Board

II.1 Role and procedure

The executive management of Spyker is entrusted to its Management Board. It consists of one or more managing directors (in the year under review the CEO and CFO). The members of the Management Board have collective powers and responsibilities. They share responsibility for the management of the Company, the deployment of its strategy and policies and the achievement of its objectives and results. The Management Board has divided its tasks for practical purposes but remains collectively responsible for decisions. The division of tasks must be approved by the Supervisory Board.

According to Dutch law and Spyker's corporate objectives, the Management Board is guided by the interests of the Company and its affiliated enterprises within the Group, taking into consideration the interests of the Company's stakeholders, and is accountable for the performance of its assignment to the Supervisory Board and the General Meeting of Shareholders. Furthermore, the Management Board follows its By-Laws. These By-Laws are published on Spyker's website (www.swedish-automobile.nl).

Members of the Management Board are appointed by the General Meeting of Shareholders. The nomination, suspension and dismissal rights of the priority with regard to Management Board members are exercised by the Supervisory Board, since the priority share has been cancelled per 22 April 2010. The CEO, who was appointed before the first Corporate Governance Code 2003 applied, was appointed for an indefinite period of time. The CFO was appointed in 2009 for a term of four years, which expires at the end of the General Meeting of Shareholders to be held in 2013. Members may be suspended by the Supervisory Board and the General Meeting of Shareholders and dismissed by the latter.

The Management Board is supervised by the Supervisory Board. Major decisions require the approval of the supervisory Board; these include decisions concerning (a) the operational and financial targets of the Company, (b) the strategy applied to realize the objectives, (c) if necessary, the parameters to be applied in relation to the strategy and (d) corporate social responsibility issues that are relevant to Spyker.

The Management Board is responsible for implementing a risk management and control system that is suitable for Spyker and that is designed to provide reasonable assurance that strategic objectives are met by creating focus, by integrating management control over the Company's operations, by ensuring compliance with applicable laws and regulations and by safeguarding the reliability of the financial reporting and its disclosures. The Management Board reports on and accounts for internal risk management and control systems to the Supervisory Board and its Audit Committee.

Due to the fact that the Saab Automobile business required all management attention, management reviews, reviews of the effectiveness of internal controls and reviews by the financial administration department were less actively applied as an integral parts of the Company's risk management approach. Nevertheless, the Management Board confirms that in view of the circumstances internal controls over financial reporting provided a reasonable level of assurance that the financial reporting did not contain any material inaccuracies, and confirms that these controls in view of the circumstances have properly functioned in 2011. The financial statements fairly represent the financial condition and result of operations of the Company and provide the required disclosures. It should be noted that the above does not imply that these systems and procedures provide certainty as to the realization of operational and financial business objectives, nor can they prevent all misstatements, inaccuracies, errors, fraud and non-compliances with rules and regulations.

In view of the above the Management Board believes that it is in compliance with the requirements of recommendation II.1.4. of the Dutch Corporate Governance Code.

Risk factors and the risk management approach, as well as the sensitivity of the Company's results to external factors and variables, are described in the chapter on Risk Management in this Annual Report.

The Management Board has adopted a Whistleblower Policy and a Code of Conduct. Both regulations are posted on the Company's website.

No member of the Management Board holds more than two supervisory board memberships of listed companies, or is a chairman of such supervisory board, other than of an affiliate. The acceptance by a Management Board member of membership of the supervisory board of another company requires the approval of the Supervisory Board. The Supervisory Board is required to be notified of other important positions held by a member of the Management Board.

In 2011, no shareholder exercised the right to put an item on the agenda of the General Meeting of Shareholders.

II.2 Remuneration

The remuneration and contractual terms of employment or management contracts with Management Board members are determined by the Supervisory Board in accordance with article 17 of the Company's articles of association and clause 10 of the By-Laws of the Supervisory Board, within the scope of the remuneration policy adopted by the General Meeting of Shareholders. The remuneration policy applicable to the Board of Management was adopted by the General Meeting of Shareholders in 2005 and lastly amended in 2010. It is published on the Company's website. A full and detailed description of the composition of the remuneration of the individual members of the Management Board is included in the chapter on Remuneration in this Annual Report.

The remuneration structure, including severance pay, promotes the interests of Spyker in the medium and long term, does not encourage members of the Management Board to act in their own interests or take risks that are not in keeping with the adopted strategy, and does not reward failing members of the Management Board upon termination of their employment. The level and structure of remuneration are determined by the Supervisory Board in the light of factors such as the results and other developments relevant to the Company. The main elements of the contract of employment of the members of the Management Board are posted on Spyker' website.

The set-up of Spyker' share option plan (ESOP) is as follows. Options granted under the ESOP do not have a three-year, but a five-year term. However, each year only one fifth of the granted option rights can be exercised if the predetermined targets for that year are met. Options are granted at fair market value, based on the closing price of NYSE Euronext Amsterdam. The value of the options granted to members of the Board of Management and other personnel and the method followed in calculating this value are stated in the notes to the annual accounts. Intended new option rights for top management of Spyker and the Saab entities were not granted in 2011 in view of the deteriorating situation at the Saab entities.

Shares held by members of the Management Board are long term investments. The granting of shares however, which qualify as a variable bonus according to the remuneration policy, as approved by the General Meeting of shareholders, are not linked to a five year retain period.

The company and its subsidiaries do not grant personal loans, guarantees or the like to Management Board members except within the framework of its usual business operations, on conditions which apply to all employees and with the approval of the Supervisory Board. Loans are not remitted.

Unless the law provides otherwise, the Management and Supervisory Board members shall be reimbursed by the Company for various costs and expenses. The company has also taken out liability insurance (D&O - Directors & Officers) for the persons concerned.

II.3 Conflicts of interest

Rules are laid-down in the By-Laws to avoid conflicts of interests between the Company and members of the Management Board. A Management Board member shall not take part in any discussion or decision-making that involves a subject or transaction in relation to which he has a conflict of interest with the Company. Decisions to enter into transactions in which there are conflicts of interest with Management Board members that are of material significance to the Company and/or the relevant Management Board members require the approval of the Supervisory Board. The By-Laws of the Management Board establish further rules on the reporting of conflicts of interests. No such reports have occurred during the financial year 2011.

III. Supervisory Board

III.1 Role and procedure

The Supervisory Board supervises and advises the Management Board in performing its management tasks, including (a) achievement of the Company's objectives, (b) corporate strategy and the risks inherent in the business activities, (c) the structure and operation of the internal risk management and control systems, (d) the financial reporting process, (e) compliance with primary and secondary legislation, (f) the Company-shareholder relationship, and – as from the fiscal year 2010 - (g) corporate social responsibility issues that are relevant to the enterprise. Major management decisions and the Group's strategy are discussed with and approved by the Supervisory Board. In its report, the Supervisory Board describes its activities in the financial year 2011. In the year under review, three Supervisory Board committees were in operation: the Strategy Committee, the Audit Committee and the Remuneration & Nomination Committee.

The Supervisory Board shall meet as often as deemed necessary for the proper functioning of the Supervisory Board with a minimum of four meetings per year.

The Management Board members and the Company secretary shall be requested to attend as many of the Supervisory Board meetings as possible, to the extent that the Supervisory Board does not indicate that it wishes to meet in their absence. The Supervisory Board, being responsible for the quality of its own performance, discusses, at least once a year on its own, without the members of the Management Board being present, both its own functioning and that of the individual members, and the conclusions that must be drawn on the basis thereof. The Supervisory Board shall discuss the corporate strategy and the risks of the business, the result of the assessment by the Management Board of the structure and operation of the internal risk management and control systems, as well as any significant changes thereto at least once a year.

Individual data on the members of the Supervisory Board (including the members of the Supervisory Board during 2011) are published in the annual report, and updated on the Spyker website.

III.2 Independence

The Supervisory Board's By-Laws set forth its own governance rules (including meetings, items to be discussed, resolutions, appointment and re-election, committees, conflicts of interests, trading in securities, profile of the Supervisory Board). The Supervisory Board shall endeavour to ensure, within the limits of its powers, that it is at all times composed so that its members are able to act critically and independently of one another, the Management Board and any particular interest. The independent criteria are summarized in article 1.4 of the By-Laws. According to this criterion, the one member does not qualify as independent.

III.3 Expertise and composition

According to the articles of association, amended per 17 April 2012, the Supervisory Board consists of at least one member (in the year under review the Board first consisted of four members and later of three). Members are elected by the General Meeting of Shareholders for a maximum term of three four-year terms. The Supervisory Board currently has the right to nominate, suspend and dismiss its members. A Supervisory Board member shall retire early in the event of unacceptable performance, structural incompatibility of interests, and in any other instances where deemed necessary by the Supervisory Board.

The Supervisory Board consists at present of one member. It is the intention to appoint additional supervisory directors as soon as feasible, which would include industry experts.

The composition of the Board follows the profile, which aims for an appropriate combination of knowledge and experience among its members in relation to the Group's businesses. The Supervisory Board attaches great importance to diversity in its composition. More particularly, it aims at having members with a European and non-European background (nationality, working experience or otherwise).

In accordance with the By-Laws adopted by the Supervisory Board, no member of the Supervisory Board shall hold more than five supervisory board memberships of Dutch listed companies, the chairmanship of a supervisory board counting as two regular memberships.

Its profile and rotation schedule are posted on the website.

III.4 The chairman of the Supervisory Board and the Company secretary

The Supervisory Board is assisted by the Company secretary. The secretary sees to it that correct procedures are followed and that the Supervisory Board acts in accordance with its statutory obligations and its obligations under the articles of association. Furthermore, the secretary assists the Chairman of the Supervisory Board in the actual organization of the affairs of the Supervisory Board (information, agenda, evaluation, introductory program). The company secretary, with the approval of the Supervisory Board, shall be appointed and removed by the Management Board. The Chairman's tasks are described in the By-Laws of the Supervisory Board.

III.5 Composition and role of three key committees of the Supervisory Board

The By-Laws of the Supervisory Board are published on the Company's website, as well as the By-Laws of its committees, to which the plenary Supervisory Board, while retaining overall responsibility, has assigned certain tasks: the Remuneration & Nomination Committee, the Audit Committee and the Strategy Committee. Each committee reports, and submits its minutes for information, to the Supervisory Board. Currently, as there is only one Supervisory Board member, no separate committees are in place.

Audit Committee

The Supervisory Board supervises compliance with internal procedures established by the Management Board for the preparation and publication of the Annual Report, the Annual Accounts, the quarterly (insofar as required) and half-yearly figures and ad hoc financial information. The Supervisory Board also supervises the establishment and maintenance of internal control mechanisms for external financial reporting as described in the By-Laws of the Management Board. The line of contact between the

Supervisory Board and the External Auditor is in principle through the chairman of the Audit Committee of the Supervisory Board. The Audit Committee is the first contact for the External Auditor if any irregularities in the contents of the financial reports are discovered.

Remuneration & Nomination Committee

The Supervisory Board has decided to delegate certain of her tasks to the Remuneration & Nomination Committee. The Committee (a) draws up selection criteria and appointment

procedures for members of the Supervisory Board and the Management Board; (b) periodically

assesses the size and composition of the Supervisory Board and the Management Board, and makes recommendations relating to the profile of the Supervisory Board; (c) periodically assesses the functioning of individual members of the Supervisory Board, Management Board, and reports on this to the Supervisory Board (d) makes proposals to the Supervisory Board for the (re)appointment of members of the Supervisory Board and the Management Board, and (e) supervises the policy on the selection and appointment of the executives within the Spyker group.

Strategy Committee

The specific responsibilities of the Strategy Committee include technology & production, marketing, dealer network, racing and the funding of Spyker. In addition, the Strategy Committee determines the responsibilities of the Management Board members, reviews and monitors key performance indicators and approves business plans and partnerships.

III.6 Conflicts of interest

In compliance with the Dutch Corporate Governance Code, the Company has formalized strict rules to avoid conflicts of interest between the Company and members of the Supervisory Board; all information about a conflict of interest situation is to be provided to the chairman of the Supervisory Board. There were occasions where the chairman and a member of the Supervisory Board had to abstain from voting in view of a (potential) conflict of interest. In some instances, a Supervisory Board member did not take part in a discussion or decision-making that involved a subject or transaction in relation to which he had a conflict of interest with the Company.

III.7 Remuneration

The remuneration of each member of the Supervisory Board is determined by the General Meeting of Shareholders. The remuneration of a Supervisory Board member is not dependent on the results of the Company. A Supervisory Board member shall not be granted any shares and/or rights to shares in the Company's capital by way of remuneration. Shares in the Company held by a Supervisory Board member are long-term investments. The Supervisory Board has adopted a policy on ownership (and notification) of transactions in non-Spyker securities by members of the Supervisory and Management Board.

Spyker and its subsidiaries may not grant personal loans, guarantees or the like to Supervisory Board members, save as part of its usual business operations. Loans are not remitted. No such (remissions of) loans and guarantees were granted to the members in 2011, nor were any outstanding as per December 31, 2011.

The Supervisory Board shall determine the remuneration of the individual Management Board members on a proposal by the Remuneration Committee, within the scope of the remuneration policy adopted by the General Meeting of Shareholders.

III.8 One-tier management structure

Spyker does not have a one-tier management structure. During 2011, the Board decided that the introduction of a one tier structure would be in the best interest of the Company when Saab Automobile was still in operation. Introduction of a one tier structure was on the agenda for the extraordinary meeting of shareholders in November 2011, but was not adopted as a result of the terminated agreements with Pang Da and Youngman

IV. General Meeting of Shareholders

IV.1 Powers

The main powers of the General Meeting of Shareholders are to appoint, suspend and dismiss

members of the Board of Management and of the Supervisory Board, to adopt the annual accounts, declare dividends and to discharge the Board of Management and the Supervisory Board from responsibility for the performance of their respective duties for the previous financial year, to appoint the external auditor as required by Dutch law, to adopt amendments to the articles of association and proposals to dissolve or liquidate the Company, to issue shares or rights to shares, to restrict or exclude pre-emptive rights of shareholders and to repurchase or cancel outstanding shares.

All outstanding shares carry voting rights.

As a separate agenda item and in application of Dutch law, the General Meeting of Shareholders discusses the discharge of the members of the Management Board and of the Supervisory Board from responsibility for the performance of their respective duties in the preceding financial year. This discharge only covers matters that are known to the Company and the General Meeting of Shareholders when the resolution is adopted.

The policy of the Company on reserves and on dividends and any changes to this policy shall be dealt with and explained as a separate agenda item at the General Meeting of Shareholders, as well as a resolution to pay a dividend.

IV.2 Depositary receipt for shares

Spyker has not issued preference shares, financing preference shares or depositary receipts for shares.

IV.3 Provision of information to and logistics of the General Meeting

A General Meeting of Shareholders is held at least once a year to discuss the annual report, including the Supervisory Board’s Report, the Management Board’s report, the annual financial statements with explanatory notes thereto and additional information required by law.

The Management Board shall procure that each substantial change in the corporate governance structure of the Company or in the Company’s compliance with the Dutch Corporate Governance Code is submitted to the General Meeting of Shareholders for discussion under a separate agenda item.

When a meeting is convened, the Company determines a registration date for the exercise of the voting rights and the rights attached to meetings. The company gives the shareholders the opportunity to vote by proxy according to the instructions given on the voting instruction form.

The Management Board shall provide the General Meeting of Shareholders with all requested information, unless this would be contrary to an overriding interest of the Company. If the Management Board invokes an overriding interest, it shall state the reasons.

The annual report, the financial statements and other regulated information such as defined in the Dutch Act on Financial Supervision, are solely published in English.

If a right of approval is granted to the General Meeting of Shareholders by law or under the articles of association (e.g. in the case of option schemes, far-reaching decisions as referred to in Section 2:107a of the Dutch Civil Code), or the Management Board or the Supervisory Board requests a delegation of powers (e.g. issue of shares or authorization for the repurchase of shares), the Management Board and the Supervisory Board shall inform the General Meeting of Shareholders by means of a shareholders' circular of all facts relevant to the approval, delegation or authorization to be granted.

If a serious private bid is made for a business unit or a participating interest and the value of the bid exceeds the threshold referred to in Section 2:107a paragraph 1(c) of the Dutch Civil Code, and the bid is made public, the Management Board shall, at its earliest convenience, make public its position on the bid and the reasons for this position.

V. The audit of the financial reporting and the position of the internal audit function and the external auditor

V.1 Financial reporting

The annual financial statements are prepared by the Management Board and reviewed by the Supervisory Board. The supervisory board issues a preliminary report on the annual accounts to the general meeting. The company instructs the external auditor to examine the annual accounts. The external auditor shall report to the Management Board and Supervisory Board on the result of his audit. The external auditor shall lay down the results of his audit in a statement on the fairness of the annual accounts.

V.2 Role, appointment, remuneration and assessment of the functioning of the external auditor

The external auditor is appointed by the General Meeting of Shareholders. The Supervisory Board nominates a candidate for this appointment to the General Meeting of Shareholders and may recommend replacement of the External Auditor. The Management Board and the Audit Committee shall both advise the Supervisory Board in this regard.

The Management Board and the Audit Committee shall report their dealings with the External Auditor to the Supervisory Board on an annual basis, including their assessment of the External Auditor's independence (for example, the desirability of rotating the responsible partners of the External Auditor and the desirability of the External Auditor providing both auditing and non-audit services to the Company). The Supervisory Board shall take this into account when deciding its nomination to the General Meeting of Shareholders for the appointment of an External Auditor.

At least once every four years the Management Board and the Audit Committee shall conduct a thorough assessment of the functioning of the external auditor in the various entities and capacities in which the external auditor acts. The main conclusions of this assessment are communicated to the General Meeting of Shareholders for the purpose of assessing the nomination for the appointment of the external auditor. The current auditor of the Company, Ernst & Young Accountants LLP, has been appointed by the General Meeting of Shareholders on 19 May 2011 to audit the Financial Statements for the financial year 2010. The external auditor attends the Annual General Meeting of Shareholders. Questions may be put to him at the meeting about his report. The Management Board and the Audit Committee of the Supervisory Board shall report on their dealings with the external auditor to the Supervisory Board on an annual basis, particularly with regard to the auditor's independence.

V.3 Internal audit function

Internal procedures, compliance with which is supervised by the Supervisory Board, are in place for the preparation and publication of the annual report, the half year results, the quarterly figures and ad hoc financial information. A formal internal audit function has not yet been established, but will now no longer be pursued given Spyker's relatively small sized operations.

V.4 Relationship and communication of the external auditor with the organs of the Company

The external auditor attends, normally, all meetings of the Audit Committee. The findings of the external auditor, the audit approach and the risk analysis are also discussed at these meetings. The external auditor attends the meeting of the Supervisory Board at which the report of the external auditor with respect to the audit of the annual accounts is discussed. In its audit report on the annual accounts to the Board of Management and the Supervisory Board, the external auditor refers to the financial reporting risks and issues that were identified during the audit, internal control matters, and any other matters, as appropriate.

Website Spyker

The following items are posted on Spyker's website (www.swedish-automobile.nl under the heading "Investors"):

(i) By-laws for the Management Board (2011)

(ii) Main elements of the contract with the Management Board (2012)

(iii) By-laws for the Supervisory Board (2011, to be updated)

(iv) Rules on transactions in securities in other listed companies (2008)

(v) Remuneration report 2010

(vi) Member and biography Supervisory Board (2012)

(vii) Insider Trading Code (2010)

(viii) Whistleblower policy (2008)

(ix) Code of Conduct (2006).

Compliance with the Dutch Corporate Governance Code

Spyker complies with the Dutch Corporate Governance Code and applies all its principles and best practice provisions that are addressed to the Board of Management and the Supervisory Board. The full text of the Dutch Corporate Governance Code can be found at the website of the Monitoring Commission Corporate Governance Code (www.commissiecorporategovernance.nl).

On the basis of the above and in accordance with the best practices of the Dutch Corporate Governance Code of 10 December 2008 and Article 5:25c of the Financial Market Supervision Act the Management Board confirms that internal controls over financial reporting provide a reasonable level of assurance that the financial reporting does not contain any material inaccuracies and confirm that material controls functioned properly in the year under review and that there are no indications that they will not continue to do so. The financial statements fairly represent the Company's financial condition and the results of the Company's operations and provide the required disclosures.

It should be noted that the above does not imply that these systems and procedures provide absolute assurance as to the realization of operational and strategic business objectives, or that they can prevent all misstatements, inaccuracies, errors, fraud and non-compliances with legislation, rules and regulations.

It was last year recognized that further improvements were needed regarding Saab Automobile's control environment. Although these were made in the first half year of 2011, systems and procedures became unavoidably under pressure as a result of the increasing funding problems. Mitigating factors were the fact that activities had come to a stand-still and that there was an increased focus on cash control and compliance with laws and regulations. The recent revitalization of Spyker implies that its control environment and reporting needs to be reassessed as well.

In view of the above, the Management Board confirms that, to the best of its knowledge, the financial statements give a true and fair view of the assets, liabilities, financial position and loss of the Company and the annual report includes a fair review of the position at the balance sheet date and the development and performance of the business during the financial year together with a description of the principle risks and uncertainties that the Company faces.

Zeewolde, 1 May 2012

Spyker N.V.

The Management Board:

V.R. (Victor) Muller, Chief Executive Officer

Spyker N.V.

Consolidated Financial Statements

31 December 2011

Contents

Consolidated income statement

For the year ended 31 December 2011

	Note	2011	2010
		€ ('000)	€ ('000)
Net Sales	7	1.510	3.344
Cost of sales	8	-6.288	-4.390
Gross Margin		**-4.778**	**-1.046**
Other operating income	9	496	201
Selling expenses	10	-3.379	-5.041
Administrative expenses	11	-2.527	-8.880
Product development expenses	12	-3.549	-42.755
Other operating expenses	13	-31	-6.610
Operating result		**-13.768**	**-64.131**
Financial income	15	242	5.155
Financial expenses	15	-23.819	-14.595
Share of result of associates	5	-167	0
Result before taxation		**-37.512**	**-73.571**
Taxation	16	-1	0
Result from continued operations		**-37.513**	**-73.571**
Result after tax from discontinued operations	17	53.672	-144.712
Result for the period		**16.159**	**-218.283**
Attributable to:			
Owners of the parent		16.159	-218.283
Non-controlling interests		0	0
Result for the period		**16.159**	**-218.283**
Result:			
- for the year per weighted average number of shares	€	0,61 €	-12,69
- for the year per weighted average number of shares diluted	€	0,61 €	-12,69
Result from continued operations			
- for the year per weighted average number of shares	€	-1,41 €	-4,28
- for the year per weighted average number of shares diluted	€	-1,41 €	-4,28

The comparative figures 2010 are adjusted due to the presentation of the Saab Automobile activities as discontinued operations and the Spyker Automotive activities as continued operations (Note 17. Discontinued operations)

Consolidated income statement – on the basis of the nature of expenses

For the year ended 31 December 2011
For presentation purposes only

	2011 € ('000)	2010 € ('000)
Revenues	**1.510**	**3.344**
Other income	496	201
Changes in inventories of finished goods and work in progress	0	69
Work performed by the entity and capitalized	0	1.082
Raw materials and consumables	-5.392	-5.100
Employee benefits	-3.508	-4.177
Amortization and depreciation	-414	-809
Impairment charges	-2.694	-41.834
Other operating expenses	-3.766	-16.907
Operating result	**-13.767**	**-64.131**
Financial income/expenses	-23.577	-9.440
Share of profit of associates	-167	0
Result before taxation	**-37.512**	**-73.571**
Taxation	-1	0
Result from continued operations	**-37.513**	**-73.571**
Result after tax from discontinued operations	53.672	-144.712
Result for the period	**16.159**	**-218.283**

Consolidated statement of comprehensive income

For the year ended 31 December 2011

	2011 € ('000)	2010 € ('000)
Result for the period	**16.159**	**-218.283**
Other comprehensive income:		
Exchange rate differences on translating of foreign operations	2.876	-2.876
Income tax effect	0	0
	2.876	-2.876
Total comprehensive income for the period	**19.035**	**-221.159**
Attributable to:		
Owners of the parent	19.035	-221.159
Non-controlling interest	0	0
Total comprehensive income for the period	**19.035**	**-221.159**

Other comprehensive income in both 2011 and 2010 almost fully relates to the discontinued operations (Note 17. Discontinued operations).

Consolidated statement of financial position

As at 31 December 2011

Assets	Note	2011	2010
		€ ('000)	€ ('000)
Property, plant and equipment	19	2.255	282.364
Intangible assets	20	8.966	199.372
Investments in associates	5	165	6.067
Deferred tax assets	16	0	394
Reserved cash	27	0	24.264
Financial assets	23	0	1.146
Other non-current assets	22	0	1.829
Non-current assets		**11.386**	**515.436**
Inventories	24	3.704	289.960
Trade and other receivables	25	439	117.432
Reserved cash	27	0	67.401
Cash and cash equivalents	28	256	70.057
Current assets		**4.399**	**544.850**
Assets held for sale		0	17.396
Total assets		**15.785**	**1.077.682**

Equity and liabilities	Note	2011	2010
		€ ('000)	€ ('000)
Issued capital	29	1.440	700
Share premium	29	172.897	137.405
Reserves	29	-341.737	-126.330
Unappropriated net result		16.159	-218.283
Total equity attributable to owners of the parent		**-151.241**	**-206.508**
Redeemable preference shares	30	0	171.540
Interest bearing borrowings	30	1.106	323.580
Employee benefit liability	31	0	77.498
Provisions	32	28	41.737
Deferred tax liability	16	0	2.654
Other non-current liabilities		0	27.326
Non-current provisions and liabilities		**1.134**	**644.335**
Interest bearing borrowings	30	138.683	9.026
Provisions	32	53	48.862
Trade and other payables	33	27.156	578.669
Current provisions and liabilities		**165.892**	**636.557**
Liabilities directly associated with the assets classified as held for sale		0	3.298
Total equity and liabilities		**15.785**	**1.077.682**

Consolidated statement of changes in equity

For the year ended 31 December 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 31 December 2011	0	0	0	0	16.159	16.159
Other comprehensive income	0	0	2.876	0	0	2.876
Total comprehensive income	**0**	**0**	**2.876**	**0**	**16.159**	**19.035**
Allocation of net result prior year	0	0	0	-218.283	218.283	0
Proceeds from new share issues	740	35.492	0	0	0	36.232
	740	**35.492**	**0**	**-218.283**	**218.283**	**36.232**
Balance at 31 December 2011	**1.440**	**172.897**	**156**	**-341.893**	**16.159**	**-151.241**

Note: the proceeds from new share issues include a total non-cash amount of € 12.9 million consisting of a share issue to Tenaci Capital for an amount of € 9.5 million by means of converting a convertible loan into equity and a share issue of € 3.4 million to Dorwing by means of a current account settlement

For the year ended 31 December 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 31 December 2010	0	0	0	0	-218.283	-218.283
Other comprehensive income	0	0	-2.876	0	0	-2.876
Total comprehensive income	**0**	**0**	**-2.876**	**0**	**-218.283**	**-221.159**
Allocation of net result prior year	0	0	0	-22.953	22.953	0
Proceeds from new share issues *	67	1.758	0	2.268	0	4.093
Recognition of equity component of convertible notes	0	0	0	5.755	0	5.755
Warrants	0	0	0	1.680	0	1.680
Share based payments	0	0	0	510	0	510
	67	**1.758**	**0**	**-12.740**	**22.953**	**12.038**
Balance at 31 December 2010	**700**	**137.405**	**-2.720**	**-123.610**	**-218.283**	**-206.508**

Note: the proceeds from new share issues include an non cash amount of € 2.3 million. These shares are issued to GEM by means of paying the commitment fee.

Consolidated statement of cash flows

For the year ended 31 December 2010

(under the indirect method)

	2011	2010
	€ ('000)	€ ('000)
Cash flows from operating activities		
Result for the year	16.159	-218.283
Adjustments for:		
Depreciation	46.470	45.808
Amortization of intangible assets	11.931	7.496
Impairment charges	11.220	42.558
Net financing costs	75.170	17.263
Gain on sale of property, plant and equipment	-4.207	-831
Gain from bargain purchase	0	-77.923
Gain on discontinued operations upon loss of control	-390.759	0
Change in provisions, employee benefit liabilities and deferred tax liabilities	-24.387	-14.896
Equity-settled share-based expenses	0	510
Other	-2.261	
Movements in working capital:		
Change in inventories	64.915	-108.388
Change in current assets	27.248	-69.679
Change in current liabilities	62.877	250.208
Change in reserved cash	23.354	9.036
Cash generated from operations	**-82.270**	**-117.121**
Interest paid	-15.049	-9.206
Interest received	1.385	3.302
Income tax paid	-351	0
Net cash from operating activities	**-96.285**	**-123.025**
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	0	91.394
Acquisition of property, plant and equipment	-11.045	-62.915
Net cash position of subsidiaries at loss of control	-13.991	0
Proceeds from sale of property, plant and equipment	9.713	9.740
Acquisition of other investments	1.724	-1.014
Development expenditure	-77.403	-82.755
Net cash used in investing activities	**-91.002**	**-45.550**
Cash flows from financing activities		
Proceeds from issue of share capital	23.314	1.788
Proceeds from borrowings	93.270	229.716
Repayment of borrowings	-150	-2.237
Net cash from (used in) financing activities	**116.434**	**229.267**
Net increase in cash and cash equivalents	**-70.853**	**60.692**
Cash and cash equivalents at 1 January	70.057	1.018
Effect of exchange rate fluctuations	1.052	8.347
Cash and cash equivalents at 31 December	**256**	**70.057**
For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise of the following at 31 December:		
Cash at banks and on hand	256	70.057
Bank overdraft	0	0
Cash and cash equivalents	**256**	**70.057**

Notes to the consolidated financial statements

1. Corporate information

Spyker N.V. ("Spyker" or the "Company") is a public limited liability company incorporated under the laws of the Netherlands with its statutory seat in Zeewolde, the Netherlands. From 27 May 2004 until 15 June 2011 it has been listed at the NYSE Euronext Amsterdam Stock Exchange as Spyker Cars N.V. After the acquisition of Saab Automobile AB, the name of the Company was changed from Spyker Cars N.V. into Swedish Automobile N.V. Due to the bankruptcy of Saab Automobile AB, the Company changed its name into Spyker N.V. per 17 April 2012.

The consolidated financial statements of Spyker N.V. for the year ended 31 December 2011 were approved for issue by both Supervisory Board and Management Board on 1 May 2012. The financial statements are subject to adoption by the Annual General Meeting of Shareholders on 12 June 2012. Spyker is a public limited company incorporated and domiciled in The Netherlands whose shares are publicly traded at the NYSE Euronext Amsterdam since 27 May 2004. The registered office is located at Edisonweg 2 in Zeewolde. As of September 2011 Spyker is placed under special scrutiny of the NYSE Euronext Amsterdam ("strafbankje").

The consolidated financial statements of Spyker as at and for the year ended 31 December 2011 comprise the Company and its subsidiaries (together referred to as the "Group"). The principal activities of the Group changed significantly in 2010 and 2011 after the acquisitions of subsidiaries.

Up to 2009, the main activities of the Group consisted of designing, engineering, manufacturing, marketing and distributing of high-end sports cars ("Spyker activities"). These activities were intended to be sold in 2011. However, the sales process with the original buyer was cancelled. It has been decided to continue the Spyker sports car business as a 100 percent subsidiary of Spyker.

In 2010, Spyker purchased all of the ordinary shares in Saab Automobile AB ("Saab Automobile") and Saab Great Britain Ltd ("Saab GB") which changed the main activities into designing, engineering, manufacturing, marketing and distributing of Saab automobiles. The production and worldwide sales was conducted by Saab Automobile, which was by far the largest company in the group. The distribution in the UK was done via Saab GB.

On 19 December 2011 Spyker N.V. announced that Saab Automobile AB, Saab Automobile Tools AB and Saab Powertrain AB filed for bankruptcy with the District Court in Vänersborg, Sweden. On 29 November 2011 Saab GB filed for administration with the High Court in London, United Kingdom. As a result Spyker lost control over these entities and their respective subsidiaries.

After the these events it has been decided to continue the Spyker business as a 100% subsidiary of the Company. As per 31 December 2011, results of the Saab activities are presented as discontinued operations and the Spyker activities are now presented as continued operations. The comparative figures in the consolidated income statement have been adjusted accordingly. Reference is made to Note 17. Discontinued operations.

In accordance with Section 402, Book 2 of the Dutch Civil Code, in the income statement the result on subsidiaries after taxation is the only item shown separately.

2. Significant accounting policies

2.1 Recapitalization and continuity of the Group

a. Recapitalization of the Group.

The financing of the acquisition of Saab Automobile with (convertible) loans and the bankruptcy of Saab Automobile and Saab GB in 2011, significantly deteriorated the financial position of the Company. For Spyker to have a viable future, the burden of these (convertible) loans needed to be eliminated and new terms agreed to avoid Spyker being put in default under those loans. To that end, agreements have been reached in the first quarter of 2012 between Spyker and its lenders to convert the outstanding loans (including all accrued but unpaid interest) into non-listed Class A shares at a share price of € 0.50 per share as follows:

- Tenaci Capital B.V.: principal amount € 64.5 million, accrued interest € 10.7 million, number of shares Class A to be issued 150.4 million;
- Gemini Investment Fund Ltd. (which loan has been sold and transferred to LAT Management N.V., which is indirectly wholly owned by Mr. Victor Muller): principal amount € 30.0 million, accrued interest € 2.0 million, number of shares Class A to be issued 64.0 million;
- Epcote SA: principal amount € 18.2 million, accrued interest € 4.6 million, number of shares Class A to be issued 45.6 million.

Total number of shares Class A issued at April 18, 2012 to convert these loans amount to 260 million.

The Company also reached an agreement in the first quarter of 2012 with the administrators of Saab GB in terms of which the Company shall pay in full and final settlement for its debt (including accrued interest) of £ 20.9 million (€ 24.9 million) an amount of € 0.5 million in cash and € 0.25 million in the form of shares (0.5 million shares Class A).

The Company also reached a settlement with certain of its creditors to reduce its trade payables by a total amount of €1.2 million. The remaining amount is in principle still overdue and accordingly needs to be paid in the coming period (see also Note 33. Trade and other payables).

At the time of, and in connection with, the acquisition of Saab Automobile, Spyker granted a US$ 10 million parent company guarantee to Saab Automobile's financier GMAC. In an agreement reached on 2 March 2012, that exposure has been reduced to $ 1 million to be placed in escrow for the duration of GMAC's recovery process, which may take up to several years. As a result of the agreement the recognized obligation in the balance sheet at year-end is recorded at € 0.8 million.

After the above Spyker will be free from (bank) loans with the exception of a financial lease agreement for Spyker C8 Aileron tooling (residual amount is € 2.0 million). The pro forma 2011 balance sheet after recapitalization, taking into account above (planned) events, would approximately be as follows:

Pro-forma Consolidated Balance Sheet
at 31 December 2011

Assets	2011	Recapitalization	Pro-forma 2011
	€ ('000)	€ ('000)	€ ('000)
Property, plant and equipment	2.255		2.255
Intangible assets	8.966		8.966
Investments in associates	165		165
Non-current assets	**11.386**		**11.386**
Inventories	3.704		3.704
Trade and other receivables	439		439
Cash and cash equivalents	256		256
Current assets	**4.399**		**4.399**
Total assets	**15.785**		**15.785**
Equity and liabilities			
Total equity attributable to owners of the parent	**-151.241**	152.255	**1.014**
Interest bearing borrowings	1.106		1.106
Provisions	28		28
Non-current provisions and liabilities	**1.134**		**1.134**
Interest bearing borrowings	138.683	-137.156	1.527
Provisions	53		53
Trade and other payables	27.156	-15.099	12.057
Current provisions and liabilities	**165.892**		**13.637**
Total equity and liabilities	**15.785**		**15.785**

Note: based on carrying amount of the loans and accrued interest as at December 31, 2011. The difference between the total effect of the recapitalization of € 155.6 million and the € 152.3 million relates the accrued interest between 1 January 2012 and the actual equity conversion dates.

b. Going concern

The bankruptcy of Saab Automobile and filing for administration by Saab GB left Spyker with a serious financial deficit, mainly caused by the loans entered into to finance the Saab acquisition.

In order to fund Spyker's on-going costs and pay critical overdues, draw-downs were and are still being made under the GEM Equity Stand-by Facility (see Note 29. Issued capital and reserves for further details). In order to recapitalize the Group's balance sheet, agreement was reached with the loan holders, Tenaci, Gemini and Epcote, to convert these loans into share capital. In addition, agreement was reached with the liquidators of Saab GB with regard to the settlement of the loan from Saab GB, with certain creditors, as well as with GMAC, to which a parent company guarantee had been issued (see further note 2.1a. above).

Saab Automobile was in principle contractually ring-fenced and there are accordingly no other material balances between Spyker and Saab Automobile or Saab GB remaining. The bankruptcy of Saab Automobile is presently under review by its liquidators. Management is at this stage not aware of any other matters which could, directly or indirectly, have a material impact on Spyker.

These actions resulted – as detailed in 2.1a. above - in a significant improved equity of Spyker.

In addition to the existing GEM Equity Stand-by Facility, the issuance of a 10 mio Euro Convertible Debenture to GEM is presently being finalized (see Note 40. Events after the reporting date for further details). GEM is, together with the cash proceeds arising from the sale of cars, currently the main means of funding for the group. The Convertible Debenture with GEM includes a downpayment upon finalization of approximately € 1 million, with further draw-downs being possible with intervals of 3 months, provided that the average share price during 30 days is at least 35% higher than the average share price during the previous draw-down. The GEM Equity Stand-by Facility expires on January 16, 2013. In addition, Spyker should demonstrate its viability to Euronext before September 2012, as the trading in it's shares may otherwise be stopped.

The amount of funding which can be generated from the GEM facilities depends mainly on the market's ability to absorb additional shares and the (resulting) share price and can therefore not be reliably estimated. In order to fund the Group's operations for the coming year, including a full restart of the production and repayment of all overdue creditors, further funding will, however, in any event be required.

Management is accordingly having exploratory discussions with a number of interested investors. Management expects that it will be able to find additional funds in time and therefore the accounting principles applied in these financial statements are based on the assumption that Group will be able to continue on a going concern basis.

In case management is not successful in finding the necessary additional funding in time, or other adverse developments occur, the Group's ability to continue as a going concern will be highly uncertain.

2.2 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU).

The consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand (€ '000), except when otherwise indicated.

2.3 Basis of consolidation

Basis of consolidation

The consolidated financial statements comprise the financial statements of Spyker N.V. and its subsidiaries as at 31 December 2011.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest

- Derecognizes the cumulative translation differences, recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.4 Summary of significant accounting policies

a. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non- controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of IAS 39, it is measured in accordance with the appropriate IFRS.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

b. Investment in an associate

The Group's investment in its associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The income statement reflects the share of the results of operations of the associate. Where there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group's share of profit of an associate is shown on the face of the income statement. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on the Group's investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the 'share of result of an associate' in the income statement.

Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

c. Foreign currency translation

The Group's consolidated financial statements are presented in euros, which is also the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group has elected to recycle the gain or loss that arises from the direct method of consolidation, which is the method the Group uses to complete its consolidation.
Foreign exchange gains and losses resulting from changes in exchange rates between the dates of recognition and payment of receivables and liabilities denominated in foreign currencies are presented as Other operating expense or Other operating income. Foreign exchange gains and losses from

measurement of assets and liabilities at the closing rate are presented as part of Financial income or Financial expenses.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date.

All differences arising on settlement or translation of monetary items are taken to the income statement with the exception of all monetary items that designated as part of the hedge of the Group's net investment of a foreign operation. These are recognized in other comprehensive income until the net investment is disposed, at which time, the cumulative amount is reclassified to the income statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss is also recognized in other comprehensive income or profit or loss, respectively)

ii) Group companies

On consolidation the assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation for consolidation are recognized in other comprehensive income. On disposal or liquidation of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the income statement.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

d. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

Sale of cars

Revenue from the sale of cars is recognized when the significant risks and rewards of ownership of the cars have passed to the buyer, usually on delivery of the cars: this corresponds generally to the date when the vehicles are made available to non-group dealers, or the delivery date in the case of direct sales.

New vehicle sales with a buy-back commitment are not recognized at the time of delivery but are accounted for as operating leases when the significant risk and rewards have not been transferred. This is the case when it is probable that the vehicle will be bought back. More specifically, vehicles sold with a buy-back commitment are accounted for as assets in Inventory (agreements with normally a short-term buy back commitment). The difference between the carrying value (corresponding to the manufacturing cost) and the estimated resale value (net of refurbishing costs) over the buy-back period is depreciated at the end of the buy-back period. The initial sale price received is recognized as an advance payment (liability). The difference between the initial sale price and the buy-back price is recognized as rental revenue on a straight-line basis over the term of the operating lease.

Rendering of services

Revenue from services is recognized by reference to the stage of completion. Stage of completion is measured by reference to labor hours incurred to date as a percentage of total estimated labor hours for each contract. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered.

Interest income

For all financial instruments measured at amortized cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

Dividends

Revenue is recognized when the Group’s right to receive the payment is established.

e. Cost of sales

Cost of sales comprises the cost of manufacturing products, which has been sold. It includes all directly attributable material and production costs and all production overheads. These include the depreciation of property, plant and equipment and the amortization of intangible assets relating to production and write-downs of inventories. Cost of sales also includes freight and insurance costs relating to deliveries to dealer and agency fees in the case of direct sales.

Cost of sales also includes provisions made to cover the estimated cost of product warranties at the time of sale to dealer networks or to the end customer. Revenues from the sale of extended warranties and maintenance contracts are recognized over the period during which the service is provided.

f. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

When the Group receives non-monetary grants, the assets and the grant are recorded gross at nominal amounts and released to the income statement over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grants.

g. Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent

that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognized subsequenty if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was recognized during the measurement period or in profit or loss.

Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax, except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

h. Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

A discontinued operation is a component of the activities of the Group that represent a separate significant line of business or separate significant geographical area of operation, or is a subsidiary that has been acquired with the sole intention of reselling it. An operation is classified as discontinued when it is sold or, if it has not yet been sold, when the operation meets the criteria for classification as held for sale. The results of discontinued operations are presented as a single amount in the income statement both for the current and prior period as "Result from discontinued operations".

In the statement of comprehensive income, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

i. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the income statement as incurred. The present value of the expected costs for the decommissioning of an asset after its use is included in the cost of the representive asset if the recognition criteria for a provision are met. Refer to Significant accounting judgements, estimates and assumptions (Note 3) and Provisions (Note 23) for further information about recorded decommissioning provision.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Spyker:	**Saab**:
Land and buildings	25 years	25 to 40 years
Plant and machinery	3 to 10 years	5 to 15 years
Equipment	3 to 5 years	3 to 15 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively, if appropriate.

j. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a lessee

Finance leases which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the income statement.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an operating expense in the income statement on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

k. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

l. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives (Trademarks) are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Changes to the existing model (facelifts) are also expensed. Development expenditures, on an individual project, are recognized as an intangible asset when the Group can demonstrate:

The technical feasibility of completing the intangible asset so that it will be available for use or sale
Its intention to complete and its ability to use or sell the asset
How the asset will generate future economic benefits
The availability of resources to complete the asset
The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit on a straight-line basis for Saab Vehicles and on a unit of production basis for Spyker Automotive. Amortization is recorded in product development expenses. During the period of development, the asset is tested for impairment annually.

Technology

Technology relates to engine and power train calibration and special technologies of Saab Automobile. Amortization of the asset begins when the technologies are used. It is amortized over the period of expected future benefits on a straight line basis. Amortization is recorded in cost of sales.

Trademarks

Trademarks relate to the trademark "Saab" and the product–specific trademarks "9-5" and "9-3". Trademarks have an indefinite useful life and are not amortized. The asset is tested for impairment annually.

Proprietary software

Proprietary software relates to Saab's internally developed series of software applications and platforms. Amortization of the asset begins when the software is used. It is amortized over the period of expected future benefits on a straight line basis. Amortization is recorded in cost of sales and product development expenses.

A summary of the policies applied to the Group's intangible assets is as follows:

	Development costs	Technolgy	Trademarks	Proprietary software
Useful lives	Finite	Finite	Indefinite	Finite
Amortization method used	Saab Vehicles: Amortized over the period of expected future sales from the related project on straight-line basis Spyker Automotive: Amortized on the basis of unit of production	Saab Vehicles: Amortized over the period of expected future sales from the related project on straight-line basis	No amortization	Amortized on a straight-line basis over the period of the patent
Internally generated and/or acquired	Internally generated/acquired	Acquired	Acquired	Acquired

m. Financial instruments – initial recognition and subsequent measurement

i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group’s financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables, quoted and unquoted financial instruments and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the income statement. The losses arising from impairment are recognized in the income statement in finance costs.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

ii) Impairment of financial assets

The Group assesses at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost

For financial assets carried at amortized cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the income statement.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the income statement, the impairment loss is reversed through the income statement.

iii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, financial guarantee contracts, other liabilities, and interest bearing and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

Gains or losses on liabilities held for trading are recognized in the income statement.

Financial liabilities designated upon initial recognition at fair value through profit and loss so designated at the initial date of recognition, and only if criteria of IAS 39 are satisfied. The Group has not designated any financial liabilities upon initial recognition as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate method (EIR) amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the income statement.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognized less cumulative amortization.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

v) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 16.

n. Inventories

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials:

- Purchase cost on a first in, first out basis

Finished goods and work in progress:

- Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

o. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the income statement in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill and intangible assets with indefinite useful life, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

p. Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

Cash restricted in use, in the sense that the group can only access this cash under certain circumstances and with approval from the counterparties, is classified as reserved cash. Depending on the length of the restriction the reserved cash is presented as current or non-current asset.

q. Redeemable preference shares

Redeemable preference shares are recognized as liability based on the terms of the contract.

On issuance of the redeemable preference shares, the fair value of the liability is determined using a market rate for an equivalent non-convertible bond. This amount is classified as a financial liability measured at amortized cost (net of transaction costs) until it is extinguished on redemption.

r. Provisions

General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, there imbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Warranty provisions

Provisions for warranty-related costs are recognized when the product is sold or service provided. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Restructuring provisions

Restructuring provisions are only recognized when general recognition criteria for provisions are fulfilled. Additionally, the Group needs to follow a detailed formal plan about the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs and appropriate time-line. The people affected have a valid expectation that the restructuring is being carried out or the implementation has been initiated already.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities recognized in a business combination

A contingent liability recognized in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of:

- The amount that would be recognized in accordance with the general guidance for provisions above (IAS 37) or
- The amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with the guidance for revenue recognition (IAS 18)

s. Employee benefit liability and other post employment benefits

The Group operates various pension schemes. The schemes are generally funded through payments to separately administered funds or insurance companies determined by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

When the Group participates in a multi-employer plan, qualifying as a defined benefit plan, but has not sufficient information to apply the required IAS 19 accounting principles, such pension commitments are accounted for as a defined contribution plan. The Group would record an asset or liability only when there is a contractual agreement between the multi-employer plan and its participants how the surplus will be distributed to the participants or the deficit funded. For defined contribution plans the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

For defined benefit plans the cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method. If the accumulated unrecognized actuarial gains and losses exceed 10% of the greater of the defined benefit obligation or the fair value of plan assets, a portion of that net gain or loss is recognized immediately as income or expense. The portion recognized is the excess divided by the expected average remaining working lives of the participating employees. Actuarial calculations are done periodically by external advisors. Actuarial gains and losses that do not breach the 10% limits described above (the 'corridor') are not recognized.

The past service costs are recognized as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits have already vested, immediately following the introduction of, or changes to, a pension plan, past service costs are recognized immediately.

The defined benefit asset or liability comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate and government bonds, as explained in Note 31. Employee benefits, less past service costs and less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value is based on market price information and in the case of quoted securities it is the published bid price. The value of any defined benefit asset recognized is restricted to the sum of any past service costs and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

t. Share-based payment transactions

Employees (including senior executives) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense (Note 31. Employee benefits).

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 18. Earnings per share).

2.5 Changes in accounting policy and disclosures

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations effective as of 1 January 2011:

- IAS 24 Related Party Disclosures (amendment), effective 1 January 2011
- IAS 32 Financial Instruments: Presentation (amendment) , effective 1 February 2010
- IFRIC 14 Prepayments of a Minimum Funding Requirement (amendment), effective 1 February 2010
- Improvements to IFRSs (Issued May 2010), effective 1 January 2011

When the adoption of the standard or interpretation is deemed to have an impact on the financial statements or the performance of the Group, its impact is described below:

IAS 24 Related Party Transactions (Amended)

The IASB issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships and clarifies the circumstances in which persons and key management personnel affect related party relationships of an entity. In addition, the amendment introduces an exemption from the general related party disclosure requirements for transactions with government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

IAS 32 Financial Instruments: Presentation (Amendment)

The IASB issued an amendment that alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment has no effect on the financial position or performance of the Group because the Group does not have these type of instruments.

IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment)

The amendment removes an unintended consequence when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover such requirements. The amendment permits a prepayment of future service cost by entity to be recognised as a pension asset. The amendment of the interpretation did not have anno effect on the financial position nor performance of the Group.

Improvements to IFRSs

In May 2010, the IASB issued its third omnibuses of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but no impact on the financial position or performance of the Group.

- IFRS 3 *Business Combinations:* The measurement options available for non-controlling interest (NCI) were amended. Only components of NCI that constitute a present ownership interest that entitles their holder to a proportionate share of the entity's net assets in the event of a liquidation should be measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components are to measured at their acquisition date fair value (see Note 5).
- *IFRS 7 Financial Instruments – Disclosures:* The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context. The Group reflects the revised disclosure requirement in Note 16.
- *IAS 1 Presentation of Financial Statements*: The amendment clarifies that an entity may present an analysis of each component of other comprehensive income maybe either in the statement of changes in equity or in the notes to the financial statements. The Group provides this analysis in Note 9.8.

Other amendments resulting from improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Group:

- *IFRS 3 Business Combinations* (Contingent consideration arising from business combination prior to adoption of IFRS 3 (as revised in 2008))
- IFRS 3 Business Combinations (Un-replaced and voluntary replaced share-based payment awards)
- IAS 27 Consolidated and Separate Financial Statements
- IAS 34 Interim Financial Statements

The following interpretation and amendments to interpretations did not have any impact on the accounting policies, financial position or performance of the Group:

- IFRIC 13 Customer Loyalty Programmes (determining the fair value of award credits)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

3. Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Management discussed the development, selection and disclosure of the Group's critical accounting judgements, estimates and assumptions as described below:

Most relevant judgements, estimates and assumptions for the year ended 31 December 2011

Going concern assessment

Management has assessed whether due to the uncertainties in respect of attracting additional funding the going concern assumption is still appropriate. For further information we refer to note 2.1b.

Impairment of intangible assets and property, plant and equipment

The Group reviews assets for impairment annually. Assets subject to this review include intangible assets and property, plant and equipment totaling € 11 million at the 2011 balance sheet date (2010: € 482 million). In determining impairments, management makes significant judgments and estimates to determine if the recoverable amount, based on the higher of the future cash flows expected to be generated by those assets and the fair value less costs to sell at which the assets could be sold, is less than their carrying value. Determining cash flows requires the use of judgments and estimates that have been included in the Group's strategic plans and long-range planning forecasts. The data necessary for the execution of the impairment tests are based on management's best estimates of future cash flows, which require estimating revenue growth rates and profit margins. Additionally an assessment needs to be made for the discount rate to be applied in these discounted cash flow calculations. Management bases itself in its forecasts as much as possible on external evidence, like industry specific study reports, opinions from external industry experts and strategic consultants. However, due to the unique activities of the Group and the niche market in which it operates and the current specific circumstances of the Group significant management judgment is necessary. Similar estimates are necessary to estimate the fair value less cost to sell. In Note 20. Intangible assets the impairment tests performed and the assumptions used have been described in more detail.

Since the budget and projections relate to the future, actual results are likely to be different from the projected results because events and circumstances frequently do not occur as expected, and the differences may be material.

Development costs

Development costs are capitalized in accordance with the accounting policy in Note 2.4 Summary of significant accounting policies. Initial capitalization of costs is based on management's judgment that technological and economical feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. At 31 December 2011, the carrying amount of capitalized development costs was € 9 million (2010: € 92 million). During 2011 no additional development costs were capitalized in respect of the Spyker Automotive business as these did not meet the capitalization criteria, most notably the requirement that sufficient funding is in place. Further information is provided in Note 20. Intangible assets.

Deferred tax assets

The Group has significant tax loss carry forwards available, for which management has to assess to what extent it is probable that they will be realized. Although management believes that the Group has a viable future, it feels it only to be appropriate to recognize the deferred tax asset again once the expected developments have been sufficiently realized.

Product warranties

The Group makes provisions for estimated expenses related to product warranties at the time products are sold. Management establishes these estimates based on historical information on the nature, frequency and average cost of warranty claims. The Group seeks to improve vehicle quality and minimize warranty expenses arising from claims.

Information on Saab activities

Due to the loss of control over the Saab activities the Group can no longer access Saab's books, certain of the information on Saab is not available and could therefore not be provided. This primarily relates to the inclusion of the operating results from 1 October 2011 until bankruptcy and administration. If this information had been available it would only have resulted in a reclassification between the result from operations and the result on the loss of control, both presented in the single line item "Result after tax from discontinued operations" in the income statement. In certain respects the Group has made estimates in presenting the information on Saab or has not included full movement schedules during the year.

Additionally certain information on the 2010 comparative figures has no longer been included as upon the derecognition of all Saab's assets and liabilities in 2011 this information is no longer relevant. Reference is made to the 2010 financial statements for further information on these balances.

Judgements, estimates and assumptions primarily related to the Saab activities and primarily relevant for the year ended 31 December 2010:

Purchase price allocation

For the calculation of the purchase price allocation the fair value concept as defined in IFRS 3-R, was used as the standard to be applied to the valuation of the assets acquired and liabilities assumed. Fair value is defined as the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. As basis for the calculations were used among others historical financial statements, operating results, financial statistics, projected financial information and public general and industry market data. Management were assisted by an independent valuator firm for the calculation of the purchase price allocation. Certain assets and liabilities acquired are very specific to the Company, requiring management judgment to be applied in determining the respective fair values. For information on certain key judgments and estimates and the sensitivity of the purchase price allocation of Saab Automobile, reference is made to the 2010 financial statements.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The fair value of financial instruments have been relevant to the Company due to first recognition, as part of the funding of the acquisitions of Saab Automobile and Saab GB in 2010. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Residual values of assets leased out under operating lease arrangements or sold with a buy-back commitment

The Group reports assets rented or leased to customers under operating leases as a part of inventories. Furthermore, new vehicle sales with a buy-back commitment are not recognized as sales at the time of delivery but are accounted for as operating leases if it is probable that the vehicle will be bought back. The Group recognizes income from such operating leases over the term of the lease on a straight-line basis. Depreciation expense for assets subject to operating leases is recognized on a straight-line basis over the term of the lease in amounts necessary to reduce the cost of the assets to its estimated residual value at the end of the lease term. The estimated residual value of the leased assets is calculated at the lease inception date on the basis of published industry information and historical experience.

Realization of the residual values is dependent on the Group's future ability to market the assets under the then-prevailing market conditions. The Group continually evaluates whether events and circumstances have occurred which impact the estimated residual values of the assets on operating leases.

Pension and other post-retirement benefits

Group companies sponsor pension and other post-retirement benefits in various countries. In Sweden and the United Kingdom the Group has major defined benefit plans. Management uses several statistical and judgmental factors that attempt to anticipate future events in calculating the expense, the liability and the assets related to these plans. These factors include assumptions about the discount rate, expected return on plan assets, rate of future compensation increases and health care cost trend rates. In addition, the Group's actuarial consultants also use subjective factors such as withdrawal and mortality rates in making relevant estimates. Regarding the discount rate, yields of corporate bonds are subject to volatility. It cannot be excluded, though, that future significant changes in the yields of corporate bonds may lead to effects on liabilities and unrecognized actuarial gains and losses, taking into account however any simultaneous changes in the returns of plan assets where these may exist.

4. Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt those standards when they become effective. The Group however expects no impact from the adoption of the amendments on its financial position or performance.

IAS 1 Financial Statement Presentation - Presentation of Items of Other Comprehensive Income

The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has there no impact on the Group's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

IAS 12 Income Taxes – Recovery of Underlying Assets

The amendment clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deffered tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 13 always be measured on a sale basis of the asset. The amendment becomes effective for annual periods beginning on or after 1 January 2012.

IAS 19 Employee Benefits (Amendment)

The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of excepted returns on plan assets to simple clarifications and re-wording. The Group is currently assessing the full impact of the remaining amendments. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IAS 27 Separate Financial Statements (as revised in 2011)

As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The Group does not present separate financial statements in accordance with IFRS. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IAS 28 Investment in Associates and Joint Ventures (as revised in 2011)

As a consequence of the new IFRS 11 and IFRS 12 IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 7 Financial Instruments: Disclosures – Enhanced Derecognition Disclosure Requirements

The amendments requires additional disclosure about financial assets that have been transferred but not derecognized to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognized and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognized assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognized assets. The amendment becomes effective for annual periods beginning on or after 1 July 2011.The amendment affects disclosure only and has no impact on the Group's financial position or performance.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets.The completion of this project is expected over the course of 2011 or the first half of 2012. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on classification and measurement of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation Special Purpose Entities.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27.

This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 11 Joint Arrangements

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 jointly-controlled Entities – Non-monetary Contributions by Venturers.

IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method.

This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 12 Disclosure of Involvement with Other Entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interest in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance. This standard becomes effective for annual periods beginning on or after 1 January 2013.

5. Investment in an associate

The Group has a 49% interest in Spyker Beijing Automobile Sales Co. Ltd (SBAS), a company headquartered in Beijing, China, that in 2011 started with introducing, exploiting and developing Spyker products for the Chinese domestic market. The business scope of the Company shall be wholesale and retailing, distribution of Spyker automobiles and Spyker parts.

SBAS is a private entity that is not listed on any public exchange.

The following table illustrates summarized financial information of the Group's investment in Spyker Beijing Automobile Sales Co. Ltd:

	2011	2010
	€ ('000)	€ ('000)
Share of the associate's statement of financial position:		
Current assets	173	0
Non current assets	1	0
Current liabilities	-9	0
Non-current liabilities	0	0
Equity	165	0
Share of the associate's revenue and profit:		
Revenue	5	0
Expenses	-172	0
Profit	-167	0
Carrying amount of the investment	165	0
Investment in associates per 1 January	0	0
Additions	303	0
Share of result of associates	-167	0
FX change	29	0
Investment in associates per 31 December	165	0

The Group's 45% interest in Tenaci Engineering Pvt. Ltd., India has been sold and the shares are in process to be transferred to the buyer. Tenaci Engineering Pvt. Ltd. was a dormant company of insignificant value during 2010.

As from 1 October 2010 the Group had a 33% interest in e-AAM Driveline Systems AB, a company headquartered in Trollhättan Sweden, that develops and markets an innovative electric all-wheel drive system in a full service package.e-AAM Driveline Systems AB is a private entity that is not listed on any public exchange.

The following table illustrates summarized financial information of the Group's investment in e-AAM Driveline Systems AB:

	2011	2010
	€ ('000)	€ ('000)
Share of the associate's statement of financial position:		
Current assets	0	6.118
Non current assets	0	1.111
Current liabilities	0	-658
Non-current liabilities	0	-504
Equity	0	6.067
Share of the associate's revenue and profit:		
Revenue	0	0
Expenses	0	-577
Profit	0	-577
Carrying amount of the investment	0	6.067
Investment in associates per 1 January	0	0
Additions	0	6.331
Share of result of associates	0	-577
FX change	0	313
Investment in associates per 31 December	0	6.067

The investment in the associate was derecognized as a result of the loss of control over the Saab activities, further information in Note 17 Discontinued Operations.

6. Operating 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 financial statements of 2010, the operating segments of the Group are changed. As result of the bankruptcy of Saab Automobile AB, Saab Automobile Tools AB and Saab Powertrain AB the only segment which remains is Spyker.

Spyker Sports Car Business

The Spyker sports car operating segment comprises the design, development, production and sale of motorcars in the broadest sense and GT racing under the brand Spyker. These activities were intended to be sold in 2011. However, the sales process with the original and subsequent buyers was cancelled. It has been decided to continue the Spyker sports car business as a 100 percent subsidiary of Spyker.

The activities of the Group are broken down into geographic areas based on the location of the customer.

Geographic information

Year ended 31 December 2011	NL	EMEA	USA	Asia	Total
	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)
External revenues	413	460	419	218	1.510
Non-current assets	11.200	0	0	165	11.386

Year ended 31 December 2010	NL	EMEA	USA	Asia	Total
	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)
External revenues	0	1.507	901	936	3.344
Non-current assets	400	514.958	78	0	515.436

7. Net sales

	2011	2010
	€ ('000)	€ ('000)
Net sales comprises:		
Sales of cars	1.510	3.344
	1.510	3.344

8. Cost of sales

	2011	2010
	€ ('000)	€ ('000)
Cost of sales comprises:		
Material / Manufacturing costs	5.394	4.390
Depreciation and amortization	0	0
Impairment charges	894	0
	6.288	4.390

The cost of sales includes all fixed manufacturing cost (so including the effect of underutilization) and impairment charges. This is the methodology as used to be applied by Saab. Considering that the Spyker activities were held for sale during 2011 and are presently in a start-up phase again this methodology leads to a cost of sales relatively high compared to the net sales.

9. Other operating income

	2011 € ('000)	2010 € ('000)
Other operating income comprises:		
Foreign exchange gains	0	0
Services charged	0	0
Sundry operating income	496	201
	496	201

Sundry operating income consists mainly of the sale of merchandise and parts.

10. Selling expenses

	2011 € ('000)	2010 € ('000)
Selling expenses comprises:		
Marketing and advertising	473	618
Depreciation and amortization	196	315
Other selling expenses	2.710	4.108
	3.379	5.041

Selling expenses comprise mainly marketing, advertising and sales personnel costs.

11. Administrative expenses

	2011 € ('000)	2010 € ('000)
Administration expenses comprises:		
Depreciation and amortization	123	269
Personnel costs	220	1.954
Other administrative expenses	2.709	8.131
Recharged	-525	-1.474
	2.527	8.880

Administrative expenses comprise mainly expenses for administration, which are not attributable to sales, production and research and development functions.

12. Product development expenses

	2011 € ('000)	2010 € ('000)
Research and development expenditure (*)	1.655	696
There of:		
Capitalized	0	0
Expensed	1.655	696
Amortization	94	225
Impairment	1.800	41.834
	3.549	42.755

(*) including personnel costs, external services and other product development expenses

None of the development expenses were capitalized in 2011, as these did not meet the capitalisation criteria, most notably the requirement that sufficient funding is in place.

13. Other operating expenses

	2011 € ('000)	2010 € ('000)
Foreign exchange losses	0	0
Expenses relating to payment settlements	0	0
Sundry operating expenses	31	6.610
	31	6.610

This item consists of expenses, which cannot be allocated to specific functional areas, such as foreign exchange losses and expenses not attributable to other items of Cost of sales, or Selling and Administrative expenses.

14. Other information by nature

Employee benefits

	2011	2010
	€ ('000)	€ ('000)
Wages and salaries	2.367	2.615
Social security contributions	387	409
Contributions to employee pension benefits	219	254
Management fees	87	193
Hired personnel and other personnel costs	448	706
Equity settles share based payments	0	0
	3.508	4.177

The remuneration of the individual members of the Management Board and the members of the Supervisory Board of Spyker is explained in the Note 39. Related parties.

Reference is made to Notes 8, 10, 11 and 12 for the amounts of depreciation and amortization.

Staff

The Group employed at average 56 full-time equivalents in 2011 for continued operations (2010: 55) and 3,101 full-time equivalents for discontinued operations (2010: 3,833).

15. Financial income and expenses

Financial income

	2011	2010
	€ ('000)	€ ('000)
Interest income	0	4.778
Foreign exchange results	242	377
	242	5.155

The interest income in 2010 relates to the gain on the conversion of the existing loans by Tenaci Capital B.V.

Financial expenses

	2011	2010
	€ ('000)	€ ('000)
Interest expenses	23.462	14.400
Foreign exchange results	357	195
	23.819	14.595

Interest expenses mainly relate to interest expenses on Tenaci, Epcote, Gemini and Saab GB loans.

Borrowing costs attributable to development costs related to Spyker is capitalized for an amount of € 0 in 2011 (2010: € 0 million).

16. Deferred and current income tax

Consolidated income statement

	2011	2010
	€ ('000)	€ ('000)
Current tax financial year	1	-186
Adjustment in respect of current income tax prior years and other adjustments	0	0
Total current tax in the income statement	1	-186
Deferred tax, current year	0	394
Relating to originating and reversal of temporary differences	0	0
Total deferred tax in the income statement	0	394
Total	1	208
Of which included in:		
Continued operations	1	0
Discontinued operations	0	208
Total	1	208

The effective tax rate in both years are 0%. The Group has not recognized deferred tax for tax losses available for offset against future profits. All of the subsidiairies had sufficient tax losses available for offset against future profits to avoid taxes for the year. Main non-taxable items are the gain from bargain purchase for an amount of € 77.9 million in 2010 and gain on discontinued operations upon loss of control € 390.8 million in 2011. The loss on discontinued operations for an amount of € 53.7 million is expected to be non-taxable deductable for Dutch tax purposes.

Deferred tax assets and liabilities

In 2011 and 2010 no deferred tax assets were recognized in respect of tax-deductible losses. The deferred tax assets and liabilities for 2010 can be specified as follows:

	31-dec-10		
Deferred tax assets and liabilities	Deferred tax assets	Deferred tax liabilities	Net
	€ ('000)	€ ('000)	€ ('000)
Temporary differences US operations	394	0	394
Untaxed reserves	0	2.654	-2.654
	394	2.654	-2.260

The movement in the deferred tax assets and liabilities is as follows:

2011	01-jan	Transfer to discontinued operations	Recognized in income statement	Recognized in other compre-hensive income	transfer to current tax	31-dec
	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)
Temporary differences US operations	394	-394	0	0	0	0
Untaxed reserves	-2.654	2.654	0	0	0	0
	-2.260	2.260	0	0	0	0

2010	01-jan	Acquisition through business combinations	Recognized in income statement	Recognized in other compre-hensive income	transfer to current tax	31-dec
	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)
Temporary differences US operations	0	0	394	0	0	394
Untaxed reserves	0	-2.654	0	0	0	-2.654
	0	-2.654	394	0	0	-2.260

The Group has significant tax loss carry forwards available, for which management has to assess to what extent it is probable that they will be realized. Given the uncertainty of future taxable income, management decided not to recognize deferred tax assets. Although management has the opinion that the Group has a viable future, it feels it only to be appropriate to recognize the deferred tax asset again once these expected developments have been sufficiently realized.

Tax losses available for offset against future taxable profits in The Netherlands amounts to € 207.1 million (2010: € 169.7 million).

The total tax-deductible net operating losses in The Netherlands can be carried forward for a period of nine years. This implies that the carry forward losses will expire between 2012 and 2019 depending on the year during which these losses were created.

Some minor tax losses in other foreign countries have not been recognized since future usage is depending on, among other things, profit-earning capacity.

Tax company liability

Spyker together with its subsidiaries Spyker Automobielen B.V., Spyker Squadron B.V. and Spyker Events & Branding B.V., constitutes a single tax entity for corporate tax. With respect to the VAT purposes, Spyker together with its subsidiaries Spyker Automobielen B.V. and Spyker Squadron B.V. constitute a single tax entity. All companies within this single tax entity are jointly and severally liable for corporate tax debts and VAT debts stemming from the relevant tax entities.

17. Discontinued operations

Spyker announced on 24 February 2011 that it had signed a memorandum of understanding to sell the assets of the Spyker sports car business to the private UK holding CPP Global Holdings Limited. This company was in part owned by Vladimir Antonov, a former investor and shareholder of Spyker.

The initial decision to sell the Spyker sports car business was taken to concentrate all financial and management resources on Saab Automobile AB. However, the sales process with the original buyer, CPP Global Holdings Ltd, was hampered by legal obstacles primarily caused by the deteriorating situation at Saab Automobile AB. Subsequently discussions with other prospective buyers were entered into, but these also stalled. As a result the sale of Spyker was at the end of 2011 no longer highly probable. Subsequently it has been decided to continue the Spyker business as a 100 percent subsidiary of the Company. Therefore Spyker is in 2011 no longer a discontinued operation but a continued operation. The comparative figures in the consolidated income statement have been adjusted accordingly. The assets held for sale and associated liabilities as at 31 December 2010 fully related to the Spyker activities and consisted of intangibles, tangibles and inventories in the amount of €17.4 million and related liabilities in the amount of €3.3 million. In accordance with IFRS the comparative figures in the balance sheet have not been adjusted.

On 19 December 2011 Spyker N.V. announced that Saab Automobile AB, Saab Automobile Tools AB and Saab Powertrain AB filed for bankruptcy with the District Court in Vänersborg, Sweden. On 29 November 2011 Saab GB filed for administration with the High Court in London, United Kingdom. As a result Spyker lost control over these entities and their respective subsidiaries. As per 31 December

2011, results of the Saab activities are accordingly presented as "Results after tax from discontinued operations". The comparative figures in the consolidated income statement have been adjusted accordingly.

It should be noted that these figures are based upon the 9 month period ended 30 September 2011, being the last period for which a proper and full consolidation has taken place. Since the Company can no longer access Saab's books, certain of the information is not available and could therefore not be provided. The inclusion of the result from 1 October 2011 until bankruptcy and administration would only have resulted in a reclassification between the result of discontinued operations and the result on the loss of control, both presented in the single line time "Result after tax from discontinued operations" in the consolidated income statement. In certain respects the Group has made estimates in presenting the information on Saab or has not included full movement schedules during the year.

The results of Saab Automobile are presented below:

Consolidated Income Statement Saab Automobile AB	30/09/2011	31/12/2010
	€ ('000)	€ ('000)
Revenue	405.563	854.261
Expenses	-699.888	-1.072.211
Operating result	-294.325	-217.950
Financial income	21.033	30.085
Financial expenses	-58.836	-38.061
Share of result of associates	-6.554	-578
Result before taxation from a discontinued operation	-338.682	-226.504
Taxation	-424	208
Result for the period from a discontinued operation	-339.106	-226.296
Gain on discontinued operations upon loss of control	415.440	0
	76.334	-226.296

The gain from the loss of control over Saab Automobile results from fact that Saab's negative net equity position is no longer consolidated by the Group.

Consolidated statement of financial position Saab Automobile AB	30/09/2011	31/12/2010
	€ ('000)	€ ('000)
Assets		
Non-current assets		
Tangible assets	274.355	281.205
Intangible assets	270.188	204.402
Other non-current assets	51.697	9.421
	596.240	495.028
Current assets		
Inventories	175.772	244.328
Current receivables	99.035	118.089
Cash and cash equivalents	64.879	150.932
	339.686	513.349
Total assets	935.926	1.008.377
Liabilities		
Non-current provisions and liabilities	648.565	559.439
Current liabilities	702.801	566.324
Total liabilities	1.351.366	1.125.763

The results of Saab GB are as follows:

Consolidated Income Statement Saab Great Britain Ltd.	30/09/2011	31/12/2010
	€ ('000)	€ ('000)
Revenue	75.323	76.304
Expenses	-74.346	-86.004
Operating result	977	-9.700
Financial income	1.908	1.043
Financial expenses	-938	-299
Share of result of associates	0	0
Result before taxation from a discontinued operation	1.947	-8.956
Taxation	72	0
Result for the period from a discontinued operation	2.019	-8.956
Loss from discontinued operations upon loss of control	-24.681	0
	-22.662	-8.956

Consolidated statement of financial position Saab Great Britain Ltd.	30/09/2011	31/12/2010
	€ ('000)	€ ('000)
Assets		
Non-current assets		
Property, plant and equipment	785	759
Intangible assets	0	0
	785	759
Current assets		
Inventories	32.058	41.267
Current receivables	49.324	38.828
Cash and cash equivalents	359	9.023
	81.741	89.118
Total assets	82.526	89.877
Liabilities		
Non-current provisions and liabilities	5.178	5.225
Current liabilities	52.668	70.477
Total liabilities	57.845	75.702

The result from discontinued operations in 2011 (Saab AB and Saab GB) was in total € 53.7 million positive (2010: € 144.7 million negative, including gain from bargain purchase of € 77.923).

Earnings per share from discontinued operations	2011	2010
	€	€
Result per weighted average number of shares	2,02	-8,41
Result per weighted average number of shares diluted	2,02	-8,41

Spyker does not expect to realize any value from its shares in Saab Automobile and Saab GB due to the bankruptcy and has written off its interest in both companies completely.

Saab Automobile was in principle contractually ring-fenced and there are accordingly no other material balances between Spyker and Saab Automobile or Saab GB remaining, other than already disclosed in note 2.1a. The bankruptcy of Saab Automobile is presently under review by its liquidators. Management is at this stage not aware of any other matters which could, directly or indirectly, have a material impact on Spyker.

The net cash flows incurred by Spyker are as follows:

	2011			2010		
	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)
Net cash flows from:	Total	Discontinued	Continued	Total	Discontinued	Continued
operating activities	-96.285	-88.274	-8.011	-123.025	-103.225	-19.800
investing activities	-91.002	-91.002	0	-45.550	-130.343	84.793
(used in) finacing activities	116.434	73.558	42.876	229.267	192.525	36.742
Net cash (outflow)/inflow	-70.853	-105.718	34.865	60.692	-41.043	101.735

In the investing cash flow from discontinued operations the cash balance of the subsidiairies amounting to € 14.0 million as at 30 September 2011 is presented. The regular investing cash flow from discontinued operations is € 77.0 million.

In 2011 the Group obtained financing which is used to fund the operations of Saab. The funding that has been used to fund the operations of Saab amounts to € 34.6 million. The financing cash flow of continued operations amounts to € 8.3 million.

In 2010 as part of the investing cash flow from continued operations the acquisition of a subsidiary, net of cash acquired is presented for an amount of € 91.4 million.

Also in 2010 as part of the financing cash flow from continued operations the additional funding for the Saab acquisition amounting to € 18.0 million is included. The regular financing cash flow from continued operations is € 18.7 million.

18. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the potentially dilutive ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2011	2010
	€ ('000)	€ ('000)
Net profit attributable to ordinary equity holders of the parent for basic earnings	16.159	-218.283
Interest on convertible loans	5.257	4.156
Net profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	21.416	-214.127

	2011	2010
Weighted average number of ordinary shares for basic earnings per share	26.566.402	17.207.306
Effect dilution:		
Share options	24.000	83.782
Convertible loans	25.467.623	8.445.731
Weighted average number of ordinary shares adjusted for the effect of dilution	52.058.025	25.736.819

In 2011 the result per weighted average number of shares diluted is determined on € 0.41. Since the potentially dilutive instruments decrease the loss per share of continued operations they qualify as anti dilutive. As a result the diluted result per share equals basic results per share.

On 17 April 2012 all loans of Tenaci Capital, Epcote and Gemini Investment Fund were converted into shares Class A at a fixed price of € 0.50 per share. After 31 December 2011 a significant additional number of shares were issued, for further information we refer to Note 29 Issued capital and reserves.

19. Property, plant and equipment

	2011	2010
	€ ('000)	€ ('000)
Property, plant and equipment comprises:		
Land and buildings	396	117.500
Plant and machinery	1.192	148.154
Equipment	667	16.710
	2.255	282.364

31 December 2011	Land and buildings	Plant and machinery	Equipment	Total
	€ ('000)	€ ('000)	€ ('000)	€ ('000)
At 1 January, net of accumulated depreciation	117.500	148.154	16.710	282.364
Disposals as result of discontinued operations	-117.100	-148.154	-16.710	-281.964
Additions as a result of continued operations	95	0	3.000	3.095
Additions	0	0	7	7
Depreciation charge for the year	-100	0	-220	-320
Impairment charges	0	0	-894	-894
Disposals and retirements	0	0	-33	-33
Effect of movements in exchange rates	0	0	0	0
At 31 December, net of accumulated depreciation	395	0	1.860	2.255
At 1 January:				
Cost	130.736	174.176	24.618	329.530
Accumulated depreciation and impairment	-13.236	-26.022	-7.908	-47.166
Net carrying amount	117.500	148.154	16.710	282.364
At 31 December:				
Cost	1.900	0	11.142	13.042
Accumulated depreciation and impairment	-1.505	0	-9.282	-10.787
Net carrying amount	395	0	1.860	2.255

All property plant and equipment at 31 December 2011 relates to the Spyker Automotive business. For information on the impairment test performed we refer to Note 20 Intangible Assets.

All of the property, plant and equipment as at 31 December 2010 related to Saab, which were derecognized in 2011 upon the loss of control over Saab Automobile and Saab GB, see Note 17. Discontinued operations.

Property, plant and equipment pledged as security for liabilities 2010

Almost all fixed assets of the Saab entities were held by three direct subsidiaries of Saab Automobile, namely Saab Automobile Tools AB, Saab Automobile Property AB and Saab Automobile Parts AB. The shares in these three subsidiaries were pledged in favor of the Swedish National Debt Office ("NDO") as security for the guarantee NDO provided to EIB in relation to the € 400 million loan from EIB to Saab Automobile. Saab Automobile had also provided a business mortgage in the amount of $ 75 million in favor of GMAC Financial Services AB ("GMAC") in relation to the wholesale financing provided by GMAC.

As of 4 January 2011 Saab Automobile Powertrain AB ("Powertrain") had provided a share pledge over its shares in Saab Automobile Powertrain and Tools AB ("Powertrain Tools") in favor of Vicura AB. Vicura AB also has an option to purchase certain assets transferred from Powertrain to Powertrain Tools.

Up to 31 December 2010, the group was committed to acquire equipment for the amount of € 30.6 million.

31 December 2010	Land and buildings	Plant and machinery	Equipment	Total
	€ ('000)	€ ('000)	€ ('000)	€ ('000)
At 1 January, net of accumulated depreciation	1.005	0	3.653	4.658
Acquisitions through business combination	117.338	118.158	13.544	249.040
Additions	1.620	48.340	13.680	63.640
Depreciation charge for the year	-12.035	-25.511	-8.262	-45.808
Impairment charges	-409	-316	0	-725
Disposals and retirements	0	-4.467	-4.443	-8.910
Disposals as result of discontinued operations	-95	0	-3.000	-3.095
Effect of movements in exchange rates	10.076	11.950	1.538	23.564
At 31 December, net of accumulated depreciation	117.500	148.154	16.710	282.364
At 1 January:				
Cost	1.900	0	11.428	13.328
Accumulated depreciation and impairment	-895	0	-7.775	-8.670
Net carrying amount	1.005	0	3.653	4.658
At 31 December:				
Cost	130.736	174.176	24.618	329.530
Accumulated depreciation and impairment	-13.236	-26.022	-7.908	-47.166

20. Intangible assets

	2011	2010
	€ ('000)	€ ('000)
Intangible assets comprises:		
Development costs	8.766	81.256
Technology	0	41.358
Trademarks, patents and licenses	200	66.498
Proprietary software	0	10.260
	8.966	199.372

31 December 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	81.256	41.358	66.498	10.260	199.372
Disposal as result of discontinued operations	-81.256	-41.358	-66.498	-10.260	-199.372
Additions as a result of continued operations	10.616	0	244	0	10.860
Additions - internally developed	0	0	0	0	0
Amortization charge for the year	-50	0	-44	0	-94
Impairment charges	-1.800	0	0	0	-1.800
Disposal	0	0	0	0	0
Effect of movements in exchange rates	0	0	0	0	0
At 31 December , net of accumulated amortization and impairment	8.766	0	200	0	8.966
At 1 January :					
Cost	83.353	47.629	66.527	12.197	209.706
Accumulated amortization and impairment	-2.097	-6.271	-29	-1.937	-10.334
Net carrying amount	81.256	41.358	66.498	10.260	199.372
At 31 December :					
Cost	58.945	0	461	0	59.406
Accumulated amortization and impairment	-50.179	0	-261	0	-50.440
Net carrying amount	8.766	0	200	0	8.966

Development costs relating to Spyker Sports Car Business

The developments costs at the end of 2011 in the amount of € 9.0 million only relate to previously capitalized developments costs of the Spyker Automotive business. Upon the assessment at the end of 2011 that the sale of the Spyker sports car business was no longer highly probable these assets have been reclassified from assets held for sale to intangible assets. No additional developments costs were capitalized during the year in respect of these assets as the capitalization criteria were not met, most notably the requirement that sufficient funding is in place. Management has performed an impairment test to determine whether any impairment or reversal thereof would need to be recognized at year-end. In determining the recoverable amount, management has assessed both the fair value less cost to sell and the value in use (pre-tax discount rate: 14 to 18%), which resulted in similar outcomes. Based on this analysis an additional impairment of € 1.8 million has been recognized.

This impairment analysis considered the valuations performed in respect of the originally planned sale of the Spyker sports car business and the respective offers received from CPP Global Holdings Ltd. and North Street Capital. Additionally, an initial business plan has been prepared based on the restart of the production. Both in respect of determining the fair value and the value in use there is a significant estimation uncertainty. Management believes that the current valuation is appropriate in light of the Group’s current circumstances.

Management carried out further sensitivity analyses which shows that the recoverable amount is sensitive to the success of the revitalization of the Spyker sports car activities, which is still in an early phase, as well as the uncertainties with regard to the Group's level and timing of additional funding (see note 2.1a and note 2.1b).

The additional impairment recognized was mainly related to the short-wheel base model as the Group's focus going forward will be mainly on the Aileron (C-line), and the SUV (D-line) at a later stage.

2010 Impairment

As at the end of 2010 an impairment loss of € 41.8 million was recognized to reduce the carrying amount of the Spyker sports car to the fair value less costs to sell. Since the Spyker sports car business no longer qualifies as discontinued operations this loss is presented in the line cost of sales. An independent valuation was obtained to determine the fair value of the assets and liabilities of Spyker sports car business, which was used as the basis for the transaction consideration in the memorandum of understanding. The loss had been determined based on the fair value of the expected proceeds as agreed in the memorandum of understanding, which include a best estimate of the future earn-out proceeds discounted at a pre-tax rate of 21.8%, as well as the expected license proceeds from the D-line, and the costs for Spyker to conduct the Spyker sports car business until the transaction is completed. The loss was mainly the result of the fact that management had to devote all of its resources to Saab's rejuvenation and the delays that have arisen in executing the Spyker Automotive business plan as a result thereof.

Development costs relating to Saab

The development costs in 2010 related to the development of the new generation Saab models "9-5", "9-4x" and "9-3".Technology related to engine and power train calibration and special technologies of Saab Automobile. Trademarks related to the trademark "Saab" and the product-specific trademarks "9-5" and "9-3". Proprietary software related to Saab's internally developed series of software applications and platforms. Borrowing costs attributable to development costs is capitalized for an amount of € 1.5 million in 2010. The rate used to determine the amount of borrowing costs eligible for capitalization was 10% (2009: 10%), which is the effective interest rate of the specific borrowing.

All of these assets were derecognized in 2011 upon the loss of control over Saab Automobile and Saab GB upon their filings for bankruptcy and administration and the resulting classification as discontinued operations, as further disclosed in Note 17. Discontinued operations.

31 December 2010	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	45.094	0	285	0	45.379
Acquisitions through business combination	4.767	43.973	60.875	11.277	120.892
Additions - internally developed	81.817	0	5	0	81.822
Amortization charge for the year	-2.322	-3.162	-75	-1.937	-7.496
Impairment charges	-41.833	0	0	0	-41.833
Disposal	0	-3.109	0	0	-3.109
Disposal as result of discontinued operations	-10.616	0	-244	0	-10.860
Effect of movements in exchange rates	4.349	3.656	5.652	920	14.577
At 31 December , net of accumulated amortization and impairment	81.256	41.358	66.498	10.260	199.372
At 1 January :					
Cost	49.669	0	456	0	50.125
Accumulated amortization and impairment	-4.575	0	-171	0	-4.746
Net carrying amount	45.094	0	285	0	45.379
At 31 December :					
Cost	83.353	47.629	66.527	12.197	209.706
Accumulated amortization and impairment	-2.097	-6.271	-29	-1.937	-10.334
Net carrying amount	81.256	41.358	66.498	10.260	199.372

Intangibles with indefinite lives or not yet in use at the end of 2011 only relates to the previously capitalized developments in respect of the D-line in the amount of € 1.8 million. As at the end of 2011 these assets were included in the impairment test of Spyker Automotive and resulted in an impairment.

As at the end of 2010 these assets also included the capitalized development costs not yet in use and the trademarks of Saab. These assets were derecognized upon the loss of control over Saab Automobile and Saab GB in 2011.

21. Impairment testing of intangibles with indefinite lives or not yet in use

Intangibles with indefinite lives or not yet in use at the end of 2011 only relates to the previously capitalized development costs in respect of the D-line in the amount of € 1.6 million. As at the end of 2011 these assets were included in the impairment test of Spyker Automotive and resulted in an impairment. At 31 December 2011 there are no intangible assets with indefinite useful lives.

As at the end of 2010 these assets also included the capitalized development costs not yet in use and the trademarks of Saab. These assets were derecognized upon the loss of control over Saab Automobile and Saab GB in 2011.

Reference is made to Note 20. Intangible assets on impairment considerations.

22. Other non current assets

	2011 € ('000)	2010 € ('000)
Other non current assets:		
Deposits	0	413
Favorable contracts	0	1.416
	0	1.829
Other non current liabilties:		
Other liabilities	0	0
	0	0

23. Other financial assets

	2011 € ('000)	2010 € ('000)
Loans and receivables		
Non current receivable from GM	0	1.131
Loans receivable	0	15
Total loans and receivables	0	1.146
Total other financial assets	0	1.146
Total current	0	0
Total non-current	0	1.146

24. Inventories

	2011 € ('000)	2010 € ('000)
Inventories comprises:		
Raw materials	3.119	70.743
Work in progress	0	8.261
Finished goods (including company cars)	585	210.956
	3.704	289.960

The amount of write-down of inventories recognized as an expense amounts to € 0.2 million (2010:

€ 13.1 million), which is recognized in cost of sales. Inventories in the amount of approximately € 1.0 million have been pledged to the Dutch tax authorities after year-end in the contact of the VAT and wage tax claims.

Inventories in 2010 include a carrying value of € 49.2 million relating to vehicles that are financed by a financing company by means of a sale and lease back arrangement. Due to the nature of the arrangements (financial lease), economic ownership of these assets is attributable to the Group. Minimum lease payments of the relevant leases are as follows:

	31-dec-11		31-dec-10	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
	€ ('000)	€ ('000)	€ ('000)	€ ('000)
Within one year	0	0	50.561	49.192
Between one and five years	0	0	0	0
Later than five years	0	0	0	0
Total minimum lease payments	0	0	50.561	49.192
Less amounts representing finance charges	0	0	1.369	0
Present value of minimum lease payments	0	0	49.192	49.192

25. Trade receivable and other assets

	2011	2010
	€ ('000)	€ ('000)
Trade receivable and other assets comprises:		
Trade receivables	227	84.807
VAT receivables	9	11.273
Deposits	33	3.071
Other receivables	2	7.335
Government grants	0	1.259
Prepaid material	46	3.464
Prepaid expenses	122	6.223
	439	117.432

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

The trade and other receivables contain a provision for impaired assets. The movement of this provision is as follows:

	2011	2010
	€ ('000)	€ ('000)
Provision for bad debts per 1 January	3.296	155
Disposal as a result of discontinued operations	-3.296	0
Addition as a result of continued operations	78	0
Acquisitions through business combination	0	6.731
Additions	1.005	2.711
Utilization	0	-7.362
FX change	0	1.061
Provision for bad debts per 31 December	1.082	3.296

The provision for bad debts in 2011 relates to amounts receivable from Saab entities.

As at 31 December the ageing of the trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired			
			Past due < 30 days	Past due 30-120	Past due 120-360	Past due >360 days
	€ ('000	€ ('000	€ ('000	€ ('000	€ ('000	€ ('000
2011:						
Trade receivables	227	186	35	6	0	0
of which related parties	94	84	10	0	0	0
2010:						
Trade receivables	84.807	76.578	6.324	1.301	278	326
of which related parties	367	234	1			132

For explanations on the Group's credit risk management processes, reference is made to Note 38.2 Financial risks.

26. Government grants

	2011	2010
	€ ('000)	€ ('000)
At 1 January	0	0
Acquisitions through business combination	0	-329
Received during the year	0	-5.279
Released to the income statement	0	6.867
At 31 December	0	1.259
Current	0	1.259
Non-current	0	0
	0	1.259

Saab received grants from the Swedish government for advanced technology research & development programs. There are no unfulfilled conditions or contingencies related to the grants received.

The government grants as per 31 December 2010 were included in the other receivables, as part of the other assets (Note 25. Trade receivable and other assets).

This balance fully related to Saab and was derecognized upon the loss of control over Saab.

27. Reserved cash

At the end of 2010 the Group had reserved an amount of € 91.7 million of its cash position on separate bank accounts for covering the liabilities of some creditors. This part of the cash was 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 € 20.8 million relates to non-current liabilities and € 70.9 million to current liabilities. This balance fully related to Saab and was derecognized upon the loss of control over Saab.

28. Cash and cash equivalents

This comprises free available cash at bank of € 256 thousand (2010: € 39.6 million) and € 0 (2010: € 30.4 million) on short term deposit accounts.

29. Issued capital and reserves

	Ordinary shares	Priority shares	Class A shares	Total shares
Issued shares per 1 January 2011	17.232.657	0	263.334	17.495.991
Shares issued during 2011	1.901.961	0	16.586.592	18.488.553
Converted from class A to ordinary shares	8.393.374	0	-8.393.374	0
Issued shares per 31 December 2011	27.527.992	0	8.456.552	35.984.544

	Ordinary shares	Priority shares	Class A shares	Total shares
Issued shares per 1 January 2010	15.559.476	1	266.515	15.825.992
Shares issued during 2010	1.540.000	0	130.000	1.670.000
Cancelled in 2010	0	-1	0	-1
Converted from class A to ordinary shares	133.181	0	-133.181	0
Issued shares per 31 December 2010	17.232.657	0	263.334	17.495.991

Spyker issued share capital consists of ordinary shares and shares class A. The priority share was cancelled on 22 April 2010 during the Annual General Meeting of Shareholders. The nominal value of each share in Spyker is € 0.04. Shares class A are registered shares and cannot be listed. Shares class A can, however, be converted into ordinary shares if the shareholder so requires by means of an application to that effect to the Management Board.

As per 31 December 2011, the authorized share capital of the Company amounts to a sum of € 1,760,000 (2010: € 1,760,000), divided into 32,999,999 (2010: 32,999,999) ordinary shares and 11,000,000 shares class A (2010: 11,000,000), with a nominal value of € 0.04 each.

Per 31 December 2011, 27,527,992 ordinary shares (2010: 17,232,657) and 8,456,552 shares class A (2010: 263,334) were issued and paid in full.

During the year 2011, 1,901,961 ordinary shares and 16,586,592 shares class A were issued, 8,393,374 shares class A were converted to ordinary shares, all as described in the "Information for Shareholders" chapter of the Annual Report.

During the year 2010, 1,540,000 ordinary shares and 130,000 shares class A were issued, 133,181 shares class A were converted to ordinary shares and one priority share was cancelled.

On 17 April 2012 agreement has been reached between the Company and its major lenders, Tenaci Capital B.V. (Tenaci), Epcote SA (Epcote) and Gemini Investment Fund Ltd. All three lenders have agreed to convert the outstanding amounts under these loans into shares Class A at a fixed price of € 0.50 per share. The following conversions were made.

- Tenaci: principal amount € 64.5 million, accrued interest € 15,7 million, number of shares Class A to be issued 150.4 million;
- LAT Management N.V.: principal amount € 30.0 million, accrued interest € 2.0 million, number of shares Class A to be issued 64.0 million;
- Epcote: principal amount € 18,2 million, accrued interest € 4.6 million, number of shares Class A to be issued 45.6 million

Priority share

The priority share was transferred to Spyker on 22 February 2010. The priority share was cancelled during the Annual General Meeting of Shareholders held on 22 April 2010.

On 24 February 2010, Spyker' articles of association were amended and a new article 42 was introduced, stating: "If, and as long the voting rights attached to the priority share cannot be exercised, the rights attributed to the priority in these articles of association, will be exercised by the Supervisory Board."

Share premium reserve

In 2011, the new issue of 1,901,961 ordinary shares and 16,586,592 shares class A resulted in a share premium reserve addition of € 35.5 million.

In 2010, the new issue of 1,540,000 ordinary shares and 130,000 shares class A resulted in a share premium reserve addition of € 1,758 thousand.

Shares class A are registered shares; these shares are not to be listed. Shares class A can, however, be converted into ordinary shares if the shareholder so requires by means of an application to that effect to the Management Board.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations having a functional currency other than the Euro. The translation reserve mainly related to the Saab entities, which part was recognized in P&L upon the loss of control over Saab.

Other reserves

The other reserve comprises allocated net result of prior years and share based payments.

Dividends

The Company did not issue any dividend in 2011 and 2010.

For further details on the share capital reference is made to the Company financial statements, which are a part of this Annual Report.

GEM facility

At 16 January 2010, Spyker and Global Yield Fund Ltd ("GEM") entered into a € 150 million Equity Credit Line Facility for a term of 3 years. According to this facility, Spyker can issue shares to GEM at 90% of the average of the closing bid prices of the shares over a period of 15 days following a draw down notice sent to GEM by Spyker. In relation to this GEM facility, Spyker issued share warrants to GEM in respect of 1,570,000 ordinary shares at an exercise price of € 4 per share. The warrants have a 5 year term. Up to 1 May 2012, GEM exercised 250,000 warrants.

30. Financial liabilities

30.1 Interest-bearing loans and borrowings

	Maturity	Interest rate %	2011 ('000)	2010 ('000)
Current interest-bearing loans and borrowings:				
GMAC revolving credit facility	7-1-2011	Libor + 7.35%	0	8.825
Gemini Investment Fund	17-4-2012	7,0%	30.000	0
Tenaci loan	23-2-2015	Euribor+ 6 - 10%	64.500	0
Epcote loan	29-2-2012	Euribor+ 10%	18.195	0
LKB Lizings, financial lease	28/12/2013 - 28/1/2015	10,6% - 11,0%	720	0
ABN AMRO lease N.V., financial lease	21-11-2011	4.6% - 7.0%	0	201
Swedish Automobile Cooperatief U.A.	13/10/2012 - 1/4/2013	8,0%	307	0
SAAB Great Britain Ltd, current account loan	-	7,0%	24.961	0
Total current interest-bearing loans and borrowings			138.683	9.026
Non-current interest-bearing loans and borrowings:				
Redeemable preference shares	31-12-2016	7,3%	0	171.540
EIB loan	31-12-2017	9.0% - 10.0%	0	188.331
GPSC, deferred accounts payable	2-1-2013	0,0%	0	27.019
Adam Opel GmbH deferred accounts payable	2-1-2013	0,0%	0	25.216
Tenaci loan	23-2-2015	Euribor+ 6 - 10%	0	67.060
Epcote loan	29-2-2012	Euribor+ 10%	0	15.953
LKB Lizings, financial lease	28-12-2013 / 28-1-2015	10,6% - 11,0%	1.106	0
Total non-current interest-bearing loans and borrowings			1.106	495.119

Gemini Investment Fund

On 28 June 2011 Spyker entered into a € 30 million convertible bridge loan agreement with Gemini Investment Fund Limited (Gemini) with a 6 months maturity. The interest rate of the loan is 7% per annum and the conversion price is € 1.38 per share (the volume weighted average price over the past 10 trading days). Spyker may at any time during the loan's term redeem it without penalty in which case no dilution as a result of this bridge loan will occur. On 17 April 2012 the convertible bridge loan was transferred to LAT Management N.V. and converted into shares Class A at a fixed price of € 0.50 per share. Reference is made to Note 29.

As at 31 December 2011 the loans from Epcote, Tenaci and Gemini are all presented as current liabilities. The filing of bankruptcy of Saab Automobile is an event of default under the respective loan agreements. As a result the lenders had the right, by notice to Spyker, to declare that all amounts were immediately due.

Tenaci

In relation to the Saab acquisition Tenaci granted Spyker on 23 February 2010 a loan for an amount of € 57 million for repayment of all of Spyker' existing pre Closing outstanding loans to banks and other financial institutions controlled directly, or indirectly by Mr. V. Antonov as well as the financial lease between Spyker, SIA LKB Lîzings and CPP (Manufacturing) Limited. In general the terms and conditions of the Tenaci loan are comparable to those of the Snoras loans which the Tenaci loan replaces, including the right to convert € 9.5 million into ordinary shares at € 3.75 per share. The term of the loan is 5 years and the interest 10 percent above 6 months Euribor.

In addition, as part of financing Saab's purchase price, Spyker borrowed at Closing $ 25 million from Tenaci at an interest rate of 6 percent above Euribor. As collateral Spyker granted a security right in Spyker' intellectual property rights, cash deposits, moveable assets, trade and inter company receivables, insurances and real property. The security only relates to the Spyker Automotive business and excludes Saab.

In 2011, Tenaci converted its € 9.5 million loan into 2,533,333 shares at a conversion price of € 3.75 per share, in accordance with the terms of that loan agreement. The conversion of the € 9.5 million convertible loan by Tenaci reduced the principle amount of the existing € 74 million loan and the interest thereon. In 2012 Spyker and Tenaci agreed to convert the remaining loan and accumulated interest into shares at an ordinary share price of € 0.50. Reference is made to Note 29.

Epcote

As part of financing Saab's purchase price, Spyker entered on 8 February 2010 into a $ 25 million convertible loan agreement with Epcote SA ("Epcote"), an investment company owned by Heerema Holding Company Inc. This loan has a 2 year term, an interest of 6 months Euribor +10% and is convertible into shares at an ordinary share price of € 4.88 (2010: € 3.75). After the loan was provided, Spyker and Epcote agreed to convert the loan from $ 25 million into € 18.2 million. In 2012 Spyker and Epcote agreed to convert the loan and accumulated interest into shares at an ordinary share price of € 0.50. Reference is made to Note 29.

SIA LKB Lîzings and CPP (Manufacturing) Limited

On 12 February 2010 and 17 December 2010 Spyker (as lessee) entered into financial lease agreements with SIA LKB Lîzings (as lessor) and CPP (Manufacturing) Limited (as seller) in respect of the sale and lease of the tooling for the production the Spyker C8 Aileron. The total purchase price of the tooling amounts to € 2,3 million and is financed by financial lease agreements with a maturity date of 28 January 2015. The floating annual interest rates consist of a fixed part of 10.0% and a floating part of 6-month interbank credit interest rate index LIBOR EUR.

The Group has provided the tooling as collateral for the lease commitments. The carrying amount of the collateral approximate the carrying amounts of the respective lease liabilities.

ABN AMRO lease N.V.

Spyker entered into financial lease agreements with ABN AMRO lease N.V. ("ABN AMRO Lease") in respect of produced but unsold cars, including test models and finished cars held in stock including sale and lease back transactions. At the end of 2011, the total amount owed to ABN AMRO Lease was redeemed (2010: € 201 thousand). The interest payments vary from 4.6% to 7.0% per year.

Swedish Automobile Cooperatief U.A.

Spyker entered into loan agreements with Swedish Automobile Cooperatief U.A. for an amount of € 0.2 million and € 0.1 million respectively. Interest rate for both loans is 8% per year and will be paid on the same date of repayment of the loan. The loans are subordinated in full to all existing claims and obligations. Repayment shall be made no later than 1 April 2013 and 13 October 2012 respectively.

Saab Great Britain Ltd.

As a result of the loss of control over Saab GB the intercompany loan from Saab GB in the amount of €24.9 million (GBP 20.9 million), being remaining principal and accrued interest, was no longer eliminated upon consolidation.

In 2012 an agreement is reached with the administrators of Saab GB in terms of which Spyker shall pay in full and final settlement for its debt and accrued interest an amount of € 500,000 in cash and € 250,000 in the form of shares.

30.2 Fair values

As at 31 December 2011 the carrying amount of the financial assets was approximately equal to the fair values. In respect of the financial liabilities the fair value was significantly below their carrying amounts, due to the difficult financial position the Company is at. The conversion into shares of the loans from Epcote, Tenaci and Gemini and the settlement of the loan from GB may be the best indication of fair value.

As at 31 December 2010 the carrying amount of all financial assets and liabilities was approximately equal to their fair value.

	Carrying amount		Fair value	
	2011	2010	2011	2010
	€ ('000)	€ ('000)	€ ('000)	€ ('000)
Financial assets				
Non-current financial assets	0	1.146	0	1.020
Trade receivables and other assets	439	96.472	439	96.472
Reserved cash	0	91.665	0	91.665
Cash and cash equivalents	256	70.057	256	70.057
	695	259.340	695	259.214
Financial liabilities				
Redeemable preference shares	0	171.540	0	171.540
Non-current interest bearing borrowings	1.106	332.606	1.106	332.606
Current interest bearing borrowings	138.683	0	31.078	0
Trade and other payables	27.156	171.657	16.879	171.657
Lease liability (inventory)	0	49.192	0	49.192
	166.945	724.995	49.063	724.995

The fair value of the current interest bearing borrowings (including accrued interest) have been calculatedbased on the settlement agreement and the stocjk price of the Spyker share as per 18 April 2012 amounting to € 0,13.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term fixed-rate and variable-rate receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at 31 December 2011, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values.
- The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. As at 31 December 2011 the fair values have been assessed based on the subsequent conversion and settlements in 2012, as set out above.

Fair value hierarchy

As at 31 December 2011 and 31 December 2010, the Group held no financial instruments carried at fair value on the statement of financial position.

31. Employee benefits

The expense recognized in the income statement is disclosed in Note 14. Other information by nature.

ESOP

Spyker has an Employee Share Option Plan (ESOP), which came into force in 2005 and was amended in 2006 and 2008 with respect to the definition of some words and expressions in the plan. Under the five-year duration of the ESOP, option rights may be granted to acquire newly issued shares up to an aggregate amount of 10% of the issued share capital per the option date. Per 31 December 2011, 24,000 option rights (2010: 83,782 option rights) were outstanding of the granted to and accepted by an employee. The exercise price for these options is € 17.00 . An employee is only allowed to convert its option rights into shares if it is still an employee of the Group. Each year 20% of the option rights will vest if the performance criteria for that year are met. These performance criteria are determined each year by the Supervisory Board. The Supervisory Board has postponed to set the targets for 2011 in view of the bankruptcy of Saab Automobile and Saab GB. The appointment of key employee Mr. Schuijt came into force per 1 June 2010. As a part of his remuneration package, Spyker granted him the rights and obligation to subscribe for 300,000 ordinary shares, to be issued in separate tranches of 100,000 each over the next 3 years..The subscription price amounted to € 2.71. Mr. Schuijt had the right to postpone the first tranche to subsequent tranches. The granting of the remuneration (including these subscription shares) was approved by the General Meeting of Shareholders at 19 May 2011. Up to the resignation of Mr. Schuijt no shares were issued to him and the agreement was cancelled and Mr Schuijt was released from his obligation to buy these shares.

As at 27 May 2004, the ESOP was established. The first option rights under the ESOP were granted on 5 July 2005. The amount of the share-based payment is determined based on the increase in the share price of Spyker from grant date until vesting time. All options are settled by physical delivery of shares.

The terms and conditions of the current options at 31 December 2011 are as follows:

Grant date / employee entitled	Exercise price	Number of options	Vesting conditions	Contractual life of options
Option granted to key management at 31 December 2007	€ 17,00	24.000	Yearly, max 20% can vest if performance criteria set by the Supervisory Board are met. Employee has to be in service at moment of vesting. The performance criteria are set annually.	5 years + 1 month
		24.000		

The number and weighted average exercise prices of share options are as follows:

	As per 1 January	Granted during period	Exercised	Expired / lapsed during period	As per 31 December
2011					
Exercise price € 17.00	24.000	0	0	0	24.000
Exercise price € 2.37	59.782	0	0	59.782	0
2010					
Exercise price € 17.00	24.000	0	0	0	24.000
Exercise price € 9.30	124.346	0	0	124.346	0
Exercise price € 2.37	59.782	0	0	0	59.782

The fair values for the granted options in the respective years were calculated using the Black-Scholes option-pricing model. The inputs into the model were as follows (in 2011, 2010 and 2006 no options were granted):

	2009	2008	2007
Weighted average fair value of share options at measurement date	€ 1,15	€ 2,80	€ 2,13
Weighted average exercise price	€ 2,37	€ 5,79	€ 17,00
Expected volatility	77%	67%	40%
Risk free rate	3,498%	3,498%	3,498%
Expected dividend yield	0%	0%	0%

Expected volatility was determined by calculating the historical volatility of the Company's share price over the period it was listed on the stock exchange adjusted for the fact that the Company's volatility in the first years of existing is to be expected higher than in the coming years.

Based on management's best estimate the expected duration of these option rights used in the model has been adjusted for the effects of non-transferability between employees, exercise restrictions and resignations.

In 2010, 160,000 shares were issued to employees as a bonus. An amount of € 510 thousand is recognized as share based payment in the consolidated statement of changes in equity.

In 2011 the Group recognized as employee benefits a total expense of € 0 (2010: € 0) related to equity-settled share-based payment transactions during the year.

Pension benefits

Group companies provide post-employment benefits for their active employees and for retirees, either directly or by contributing to independently administered funds. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country in which the Group operates, the benefits generally being based on the employees' remuneration and years of service.

The Group provides post-employment benefits both under defined benefit plans and defined contribution plans.

Spyker

The pension plan for employees of parent company Spyker qualifies as a defined contribution plan. Under this plan a fixed agreed amount is paid to the insurance company. There is no commitment either enforceable by law or otherwise to pay additional contributions, pension benefits and related investments.

The pension plans for employees of Spyker Automobielen B.V. and Spyker Squadron B.V qualify as a defined benefit plan. However the respective pension fund, Pensioenfonds Metaal & Techniek (PMT), is unable to calculate the pension commitments and related investments on the basis of required IAS 19 accounting principles. Therefore these pension commitments are accounted for as a defined contribution plan. As at 31 December 2011 coverage ratio was 89% (December 2010: 96%). The deficit of the plan and plan to increase coverage ratio may result in higher contributions in the coming years.

Saab

Due to the loss of control over Saab Automobile and Saab GB the Group derecognized all related pension obligations, and does not have any further obligations in this respect. For further details on these pensions plans as at the end of 2010 we refer to the 2010 financial statements.

32. Provisions

	2011	2010
	€ ('000)	€ ('000)
Provisions comprises:		
Warranty provisions	81	69.223
Provisions for legal proceedings	0	12.097
Other	0	9.279
	81	90.599

The following table illustrates the movements in the provisions:

	Warranty	Legal	Other	Total
	€ ('000)	€ ('000)	€ ('000)	€ ('000)
As per 1 January 2011	69.223	12.097	9.279	90.599
Disposal as a result of discontinued operations	-69.223	-12.097	-9.279	-90.599
Addition as a result of continued operations	81	0	0	81
Utilization	0	0	0	0
Fx change	0	0	0	0
As per 31 December 2011	81	0	0	81
Non-current	28	0	0	28
Current	53	0	0	53
	81	0	0	81

	Warranty	Legal	Other	Total
	€ ('000)	€ ('000)	€ ('000)	€ ('000)
As per 1 January 2010	196	0	50	246
Acquisition of a subsidiary	57.033	10.200	11.220	78.453
Additions	33.854	934	8.754	43.542
Utilization	-27.317	0	-11.594	-38.911
Fx change	5.457	963	849	7.269
As per 31 December 2010	69.223	12.097	9.279	90.599
Non-current	36.147	1.667	3.923	41.737
Current	33.076	10.430	5.356	48.862
	69.223	12.097	9.279	90.599

Warranty

The warranty provision represents management's best estimate of commitments given by the Group for contractual, legal or constructive obligations arising from product warranties given for a specified period of time which begins at the date of delivery to the customer. This estimate has been calculated considering past experience and specific contractual terms. This provision also includes management's best estimate of the costs that are expected to be incurred in connection with product defects. This provision for risks is developed through an assessment of reported damages or returns on a case-by-case basis.

Legal proceedings

This provision represents management's best estimate of the liability to be recognized by the Group with regard to legal proceedings arising in the ordinary course of business with (ex) dealers, customers, suppliers or regulators.

Each Group company recognizes a provision for legal proceedings when it is deemed probable that the proceedings will result in an outflow of resources. In determining their best estimate of the probable liability, each Group company evaluates their legal proceedings on a case-by-case basis to estimate the probable losses that typically arise from events of the type giving rise to the liability. Their estimate takes into account, as applicable, the views of legal counsel and other experts, the experience of the Group and others in similar situations and the Group's intentions with regard to further action in each proceeding. The Group's consolidated provision aggregates these individual provisions established by each of the Group's companies.

The provision in 2010 for legal proceedings comprises the following significant claim:

During the restructuring of Saab Automobile the Swedish County Administrative Board paid wage guarantees in a total of approximately € 30 million. The County Administrative Board is of the opinion that since the reconstruction has been finalized, wage guarantees paid after the reconstruction decision shall be repaid. Such wage guarantees corresponds to one months wages, amounting to € 12,3 million plus accrued interest. Saab paid the amount corresponding to the composition (25% of the claimed amount). The dispute will be settled at the Swedish the Court of Law.

Other

The provision for other risks represents the amounts set aside by the individual companies of the Group principally in connection with risks and disputes and for restructuring. The most significant balance as at 31 December 2010 relate to the provision for restructuring. This provision relates to the direct expenditures caused by the restructuring of Saab Automobile's engineering department.

33. Trade and other payables

	2011 € ('000)	2010 € ('000)
Trade payables	5.962	171.657
Accrued interest	13.899	8.276
Corporate income tax	0	681
Other taxes and social security contributions	121	13.298
Installments invoiced	0	365
Lease liability (inventory)	0	49.192
Non trade payables and accrued expenses	7.174	335.173
At 31 December	27.156	578.642

Terms and conditions of the above financial liabilities:

- Trade payables and other payables are non-interest bearing and are settled when the liquidity position of the Group is sufficent.

- For terms and conditions relating to related parties, reference is made to Note 39. Related parties.

For explanations on the Group's credit risk management processes, reference is made to Note 38.2 Financial risks.

Included in non trade payables and accrued expenses is an accrual for Dutch VAT and wage tax claims as well as the expected settlement with Orange India regarding the F1 (see for further information Note 34. Contingencies).

34. Contingencies

The Group is exposed to various legal risks, particularly in the areas of product liability, environmental risks and tax matters. The outcome of the current (see captions legal proceedings above) or future proceedings cannot be predicted with certainty. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect the Group financial position and results. At 31 December 2011 contingent liabilities estimated by the Group is insignificant. At 31 December 2010, contingent liabilities estimated by the Group amount to approximately € 10.2 million relating to Swedish pension commitments and the transfer of a rental agreement, for which no provisions have been recognized since an outflow of resources is not considered to be probable.

Instead, when it is probable that an outflow of resources embodying economic benefits will be required to settle obligations and this amount can be reliably estimated, the Group recognizes specific provision for this purpose.

Tax exposure

The Group operates or will operate in various countries and is therefore subject to the risk of tax audits and assessments in these countries for various taxes like value added taxes, wage taxes and corporate income taxes. The Group seeks to manage its tax affairs in compliance with all applicable laws. However, it is possible that authorities may disagree with positions taken by the Group, and consequently the Group may be exposed to tax assessments in excess of those provided in the financial statements for tax assets or liabilities, which could have a material adverse effect on the Group's business, financial condition and/or results of operations.

End 2011, Spyker received a claim from the Dutch Tax authorities for wage and VAT taxes of the years 2005-2009, which the authorities assessed at an amount of nearly € 3 million. Spyker has submitted evidence contesting various elements and is confident that the final claim will be brought down considerably. An amount of € 2 million is recognized in other payables for the wage and VAT tax claim.

Warranties and escrow account

In the share purchase agreement between the Spyker, Spyker Events & Branding B.V. (formerly: Spyker F1 Racing Holding B.V.) and Orange India Holdings Sarl ("OIH"), Spyker has given certain warranties. Notice of a warranty claim must be given by or on behalf of OIH to Spyker in the case of a claim relating to:

- the environment: on or before 5 October 2010;
- taxation: on or before 5 October 2014;

- a matter other than environment or taxation: on or before 5 October 2009.

On 2 October 2008 Spyker received from OIH a notice of a claim relating to taxation. The exposure for Spyker is finally determined at £ 130,000 which amount has been paid.

In addition, Spyker received various notices of claims from OIH in the total amount of about € 8.5 million. OIH did not start any proceedings. The aggregate liability of Spyker in respect of any claim relating to the share purchase agreement shall not exceed € 16.7 million.

In September 2011, Spyker reached agreement with Orange India Holdings S.a.r.l. ("OIH") for the full and final settlement of several potential claims related to the sale of the Formula One team by Spyker and its subsidiary Spyker Events & Branding to OIH in 2007. According to the settlement agreement, Spyker Events & Branding and Spyker will pay OIH an amount of £ 2.5 million of which € 1.45 million was released from an escrow account in 2011. Spyker has started discussions with OIH about payment of the remainder in shares. The remainder amount is included other payables

Legal proceedings

The settlement with OIH excludes the existing indemnity given by Spyker to OIH for an alleged claim of the former manager of the Spyker Formula One team in the amount of € 1.2 million, which OIH disputes. Parties are preparing an exchange of witness statements. The Group does not expect any material payments.

Corporate guarantee

At the time of, and in connection with, the acquisition of Saab Automobile, Spyker granted a $ 10 million parent company guarantee to Saab Automobile's financier GMAC. In an agreement reached on 2 March 2012, that exposure has been reduced to $ 1 million to be placed in escrow for the duration of GMAC's recovery process, which may take up several years. As a result of the agreement the recognized obligation in the balance sheet at year-end is recorded at € 0.8 million.

35. Notes to the consolidated statement of cash flows

The consolidated statement of cash flows is adjusted for non cash items.

In 2011 the proceeds from new share issues include a total non-cash amount of € 12.9 million consisting of a share issue to Tenaci Capital for an amount of € 9.5 million by means of converting a convertible loan into equity and a share issue of € 3.4 million to Dorwing by means of a current account settlement.

In 2010 the non cash items mainly relate to unpaid interest on loans, commitment fee GEM, conversion of accounts payables of GM to long term liability.

36. Commitments not included in the statement of financial position

Operating leases – Group as lessee

The Group enters into operating lease contracts for the right to use industrial buildings and equipment. The total future minimum lease payments under non- cancelable lease contracts are as follows:

	2011	2010
	€ ('000)	€ ('000)
Less than 1 year	187	11.067
Between 1 and 5 years	149	10.685
More than 5 years	0	6.845
	336	28.597

37. Subsidiaries and associates

The financial statements include the financial statements of the Group and the subsidiaries listed in the following table:

Subsidiaries and associates	Country of incorporation	% equity interest 2011	2010
Continued operations			
Spyker Cars N.V.	Netherlands		
-Spyker Automobielen B.V.	Netherlands	100,0%	100,0%
-Spyker Squadron B.V.	Netherlands	100,0%	100,0%
-Spyker Events & Branding B.V.	Netherlands	100,0%	100,0%
-Spyker Holding B.V.	Netherlands	100,0%	0,0%
-Spyker of North America LLc	United States	100,0%	100,0%
-Spyker Cars UK Ltd	United Kingdom	100,0%	100,0%
-Spyker of China Ltd	Hong Kong	51,0%	51,0%
-Spyker Beijing Automobile Sales Co. Ltd	China	49,0%	49,0%
-Tenaci Engineering Pvt. Ltd	India	45,0%	45,0%
Discontinued operations (not controlled by the Group)			
-Saab Automobile Holding I S.a.r.l.	Luxembourg	100,0%	100,0%
-Saab Automobile AB	Sweden	100,0%	100,0%
-Saab Automobile Distribution AB (*)	Sweden	100,0%	100,0%
-Saab Automobile Parts AB	Sweden	100,0%	100,0%
-Saab Automobile Powertrain AB	Sweden	100,0%	100,0%
-Saab Automobile Powertrain Tools AB (*)	Sweden	100,0%	100,0%
-Saab Automobile Transmission AB(sold in 2011) (*)	Sweden	100,0%	100,0%
-Saab Automobile Property AB	Sweden	100,0%	100,0%
-Saab Automobile Tools AB	Sweden	100,0%	100,0%
-Saab Cars Australia Pty. Ltd	Australia	100,0%	100,0%
-Saab Canada Inc(dormant)	Canada	100,0%	100,0%
-Ilde de France Automobile	France	100,0%	100,0%
-SAAB Deutschland GmbH	Germany	100,0%	100,0%
-Autohaus SAAB GmbH	Germany	100,0%	100,0%
-Saab Automobile Italy SRL	Italy	100,0%	100,0%
-General Motors Nordiska AB(dormant)	Norway	100,0%	100,0%
-Saab Automobile Spain SL	Spain	100,0%	100,0%
-Saab Cars North America, Inc.	United States	100,0%	100,0%
-e-AAM Driveline Systems AB	Sweden	33,0%	33,0%
-SAAB Great Britain Ltd	United Kingdom	100,0%	100,0%
-Saab City	United Kingdom	100,0%	100,0%

(*) The statutory names of these companies have changed in 2011

The control over the discontinued operations was lost upon the filing for bankruptcy for Saab Automobile and for administration for Saab GB. For further information see Note 17 Discontinued operations.

38. Risk management

38.1 General

Although management continuously assessed the various risks related to the business, the economic climate and financial outlook of the Saab and Spyker businesses, Saab Automobile, Saab Automobile Tools and Saab Powertrain had to file for bankruptcy and Saab GB for administration due to a lack of funding.

The purpose of risk management is to reduce the uncertainty regarding the achievement of corporate, divisional and subsidiaries' objectives. The risk management process identifies the most significant and emerging risks and focuses management attention on the action plans to mitigate risk and maximize opportunities.

After the bankruptcy risk management at Spyker as a stand-alone company is a trade off due to the small size of the organization, between realization of certain segregation of duties and economic efficiencies. Also the dependence on a few individuals entailed a risk when these persons are absent or would resign.

The most significant financial risks related to the business of the Group are explained hereunder. This risk overview is not exhaustive. It should be noted that some risks may not yet be known to management, or may currently not believed to be material, but at a later date could potentially turn out to have a major impact on the Group's business. The information on strategic and operational risks can be found in the Management Board's report.

38.2 Financial risks

The Group has assets and liabilities such as trade receivables, trade payables and cash, which arise directly from its operations. Accordingly the Group is exposed to the following financial risks connected with its operations:

- Liquidity risk, with particular reference to the availability of funds and access to the credit market and to financial instruments in general;
- Market risk relating to changes in foreign currency and interest rates, since the Group operates at an international level in different currencies and markets and therefore uses financial instruments which generate interest;
- Credit risk, regarding its normal business relations with customers and dealers and its related financing activities.

The financial risks of the Group are monitored on a centralized basis. The Group constantly monitors the financial risks to which it is exposed, in order to detect those risks in advance, assess them properly and take the necessary actions to mitigate them.

The following section provides qualitative and quantitative disclosures on the effect that these risks may have upon the Group.

Liquidity risk

The Group is exposed to funding risk if there is difficulty in obtaining finance for operations at any given point in time. During the year the Group monitors its risk to a shortage of funds using a liquidity planning tool.

The bankruptcy of Saab Automobile and filing for administration by Saab GB left Spyker with a serious financial deficit, mainly caused by the loans entered into to finance the Saab acquisition. Reference is made to Note 2.1 regarding the recapitalization and continuity of the Group.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date.

	Less then 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	€ ('000)	€ ('000)	€ ('000)	€ ('000)
At 31 December 2011:				
Redeemable preference shares	0	0	0	0
Interest bearing borrowings	138.456	1.106	0	0
Interest	13.899	378	0	0
Trade payables	5.962	0	0	0
	158.317	1.484	0	0
At 31 December 2010:				
Redeemable preference shares	0	0	0	245.371
Interest bearing borrowings	8.825	39.026	195.533	125.534
Interest	6.286	31.010	111.830	35.438
Trade payables	585.169	0	0	0
	600.280	70.036	307.363	406.343

Foreign currency risk

The Group is exposed to risk resulting from changes in foreign exchange rates, which can affect its earnings and equity. In particular the following situations.

- Where a Group company incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the operating profit/(loss) of that company.
- Group companies may find themselves with trade receivables or payables denominated in a currency different from the functional currency of the Company itself. In addition, in a limited number of cases, it may be convenient from an economic point of view for companies to obtain finance or use funds in a currency different from the Company's functional currency. Changes in exchange rates may result in exchange gains or losses arising from these situations.
- Certain Group's subsidiaries are located in countries which are not members of the European monetary union, in particular the United States and China. As the Group's functional currency is the Euro, the income statements of those countries are converted into Euros using the average exchange rate for the period, and while revenues and margins are unchanged in local currency, changes in exchange rates may lead to effects on the converted balances of revenues, costs and the result in Euros.
- The assets and liabilities of consolidated companies whose functional currency is different from the Euros, may acquire converted values in Euros which differ as a function of the variations in exchange rates. The effects of these changes are recognized directly in the item Exchange rate differences on translating of foreign operations, included in Equity.

The Group monitors its principal exposure to exchange risk, although there was no specific hedging in this respect at the balance sheet date.

After the loss of control of Saab, the Group is mainly exposed to the USD and the GBP, due its operations and amounts owed to or from (former) subsidiaries.

At year end 2011, the Group carried a Euro liability exposure in its US subsidiary of USD 7.4 million. At year end 2011, the Group also carried a GBP liability exposure relating to Saab GB of € 24.9 million.

Continued weakening of the Euro against the USD would result in foreign exchange gains, whereas a strengthening of the Euro against the USD would result in foreign exchange losses. A 10% depreciation / appreciation of the USD would therefore result in exchange gains / losses of approximately € 740 thousand, and would positively / negatively impact equity for a similar amount.

Continued weakening of the Euro against the GBP would result in foreign exchange gains, whereas a strengthening of the Euro against the GBP would result in foreign exchange losses. A 10% depreciation / appreciation of the GBP would therefore result in exchange gains / losses of approximately € 2.5 million, and would positively / negatively impact equity for a similar amount. Due to the settlement of this debt subsequent to year-end this exposure has been significantly reduced.

Sensitivity analysis

The potential loss in fair value of financial instruments held by the Group at 31 December 2011, which would arise in the case of a hypothetical, unfavorable and instantaneous change of 10% in the exchange rates of the major foreign currencies against the USD and of GBP against the EUR, amounts to approximately € 0.7 million and € 2.5 million respectively.

Interest rate risk

The Group makes use of external funds obtained in the form of financing. Changes in market interest rates can affect the cost of the various forms of financing, including the employment of funds, causing an impact on the level of net financial expenses incurred by the Group. Interest rate risk is defined as the risk that financial costs and financial assets and liabilities are negatively affected by fluctuations in interest rate levels.

Sensitivity analysis

In assessing the potential impact of changes in interest rates, the Group separates out fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).

Floating rate financial instruments include principally cash and cash equivalents, loans provided by the financial services companies to the sales network and part of debt.

A hypothetical, unfavorable and instantaneous change of 50 basis points in short term interest rates at 31 December 2011, applied to floating rate financial assets and liabilities and operations for the sale of receivables, would have caused increased net expenses before taxes, on an annual basis, of approximately € 0.4 million. After the recapitalization in April 2012 (reference is made to Note 2.1 on recapitalization) the sensitivity risk to interest is reduced to almost nil.

This analysis is based on the assumption that there is a parallel shift on the interest rate curve of 50 basis points in interest rates across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

Credit Risk

Financial assets are recognized in the statement of financial position net of write-downs for the risk that counterparties will be unable to fulfill their contractual obligations, determined on the basis of the available information as to the creditworthiness of the customer and historical data.

Given the nature of its products, the Group normally trades only with well recognized, wealthy parties. It is nevertheless the Group’s policy that all customers are subject to credit verification procedures. The Group’s exposure to bad debts is accordingly, under normal market conditions, minimal.

Capital management

The primary objective of the Group's capital management is to ensure that it obtains sufficient solvency in order to support its business and maximize shareholder value. As a result of the present funding situation the Group has issued and expects to issue further new shares in 2012 (see Note 2.1).

39. Related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

		Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
		€ ('000)	€ ('000)	€ ('000)	€ ('000)
Transactions					
Entities with significant influence over the Group:					
Companies controlled by Mr. V. Antonov	2011	0	0	0	0
	2010	382	156	230	59
Discontinued operations					
Saab Automobile AB	2011	3.364	0	0	0
	2010	1.067	0	0	0
Saab Great Britain Ltd	2011	93	0	0	0
	2010	0	0	0	0
e-AAM Drive Line Systems AB	2011	0	259	0	0
	2010	308	0	376	0
Key management personnel of the Group:					
Companies related to Mr. V. Muller	2011	16	0	0	0
(others then Tenaci Capital B.V.)	2010	229	702	708	0
Epcote	2011	0	0	78	0
	2010	0	0	0	0
Certain third parties:					
General Motors	2011	39.412	116.663	41.119	0
	2010	138.571	246.747	17.989	99.214
CATC	2011	1.739	0	0	58
	2010	1.024	0	0	0

		Interest received	Amounts owed by related parties	Interest Accrued	Amounts owed to related parties
		€ ('000)	€ ('000)	€ ('000)	€ ('000)
Loans from/to related parties					
Entities with significant influence over the Group:					
Tenaci Capital B.V.	2011	0	5.093	7.135	78.165
	2010	0	0	6.530	67.060
Certain third parties:					
General Motors	2011	0	0	0	0
	2010	0	1.131	0	223.778
Certain related parties					
Epcote	2011	0	0	2.155	22.123
	2010	0	0	1.773	15.953
Swedish Automobile Cooperatief U.A.	2011	0	0	0	307
	2010	0	0	0	0

The ultimate parent

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

Entities with significant influence over the Group

Tenaci Capital B.V.

At Closing Tenaci Capital B.V. had a significant interest in the Group. This company is partly owned by the CEO of the Group, Mr. V.R. Muller.

Discontinued operations

Saab Automobile AB

Management fee

Due to the bankruptcy in 2011 of Saab Automobile AB this company is no longer consolidated into the Group. The transactions to Saab Automobile AB relate to monthly charged management fees by Spyker N.V. In 2011 a part of the outstanding management fees have been settled with short-term loan from Saab Automobile AB for an amount of € 2.0 million.

Saab Great Britain Ltd

Management fee

Due to the bankruptcy in 2011 of Saab Great Britain Ltd this company is no longer consolidated into the Group. The transactions to Saab Great Britain Ltd relate to monthly charged management fees by Spyker N.V. See also Note 30. Financial liabilities in respect of the loan payable to Saab GB.

e-AAM Drive Line Systems AB

Via Saab Automobile 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.

Certain third parties

General Motors

At 23 February 2010, GM converted $ 326 million of pre-closing receivables on Saab Automobile into RPSs in Saab Automobile. The voting rights attaching to these RPSs constitute 0.0005% of the total voting rights in Saab. See Note 23. Other financial assets for further details.

Besides above transactions the Group conducts regular business with GM relating to material purchases, services, engineering development and sales activities.

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. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. Except for Tenaci (see Note 23. Other financial assets) there have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2011, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2010: € 0). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The financial liabilities to Tenaci have, including interest, been converted into capital in the first quarter of 2012 (see for further information Note 2.1 and Note 30).

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.

Remuneration Supervisory Board	2011	2010
	€	€
V. Antonov	0	3.333
J.B.Th. Hugenholtz	62.475	95.000
M. La Noce	0	62.333
P.H. Heerema	17.500	50.666
A. Roepers	0	50.666
M. Bondars	0	2.500
N. Stancikas	0	2.500
	79.975	266.998

In 2012 Mr. J.B.Th. Hugenholtz refrained from 50 percent of his remuneration as chairman of the supervisory board as from 2010. Furthermore Mr. A. Roepers and Mr. M. La Noce decided to refrain from their remuneration as supervisory board member for the entire period of their Supervisory Board membership, being for Mr. La Noce since 2006 and for Mr. Roepers since 2010. This has been included in the note above.

Remuneration Management Board 2011	Base salary	Bonus	Management fee	Total cash compensation	Vested stock options	As a % of base salary
	€	€	€	€		
V.R. Muller	0	0	600.000	600.000	none	-
R. Schuijt (*)	0	0	400.000	400.000	none	-
D.J.C.Y.S. Go	222.962	0	0	222.962	none	-
	222.962	0	1.000.000	1.222.962		-

(*) Mr. R. Schuijt received a bonus in 2010 which was paid in 2011 (€ 160.000)

Remuneration Management Board 2010	Base salary	Bonus	Management fee	Total cash compensation	Vested stock options	As a % of base salary
	€	€	€	€		
V.R. Muller	0	508.571	550.000	1.058.571	none	-
D.J.C.Y.S. Go	282.000	52.000	0	334.000	none	-
	282.000	560.571	550.000	1.392.571		-

Remuneration key management personnel of the group	2011	2010
	€ ('000)	€ ('000)
Short-term employee benefits	1.705	2.055
Post-employment pension benefits	76	188
Bonus:		
- paid in cash	160	371
- share-based payments	0	364
Total compensation paid to key management personnel	1.941	2.978

40. Events after the reporting date

On 18 January 2012 Mr. Hans Hugenholtz, Mr Maurizio La Noce and Mr. Alex Roepers stepped down as members of the Supervisory Board and Mr. Rob Schuijt resigned as member of the Management Board.

On 6 March 2012 Spyker N.V. (Spyker) settled its debt with the administrators of Saab Great Britain Ltd (Saab GB). An agreement was reached with the administrators of Saab GB in terms of which Spyker shall pay in full and final settlement for its debt of £ 20.9 million (€ 24.9 million) an amount of € 500.000 in cash and € 250.000 in the form of shares, to be issued after the extraordinary general meeting of 17 April 2012.

On 17 April 2012 Mr. Martin E. Button was appointed as new member and chairman of the Supervisory Board for a term of four years.

Agreement has been reached between the Company and its major lenders, Tenaci Capital B.V. (Tenaci), Epcote SA (Epcote) and Gemini Investment Fund Ltd. All three lenders have agreed to convert the outstanding amounts under these loans into shares Class A at a fixed price of € 0.50 per share. On 17 April 2012 the following conversions were made into non-listed Class A shares.

- Tenaci: principal amount € 64.5 million, accrued interest € 15.7 million, number of shares Class A to be issued 160.4 million;
- LAT Management N.V.: principal amount € 30.0 million, accrued interest € 2.0 million, number of shares Class A to be issued 64.0 million;
- Epcote: principal amount € 18,2 million, accrued interest € 4.6 million, number of shares Class A to be issued 45.6 million.

The Company's articles of association were amended on 17 April 2012. It concerned:

- increase of the authorized share capital of the Company to make the share conversions possible. The authorized capital was increased from € 3,000,000 to € 20,000,000 divided into 150,000,000 ordinary shares and 350,000,000 shares Class A with a nominal value of € 0.04 each;
- annulment of the references to a priority share. The rights attributed to the priority share shall be assigned to the Supervisory Board;
- determine that the Supervisory Board may consist of at least one or more members rather than two or more members;
- change of the Company's name. After the acquisition of Saab Automobile AB, the name of the Company was changed from Spyker N.V. into Spyker N.V. Now that a bankruptcy petition was filed for Saab Automobile AB, the Company wishes to change its name to Spyker N.V.

On 5 March ,2012 Spyker signed a term sheet for the issue of in aggregate € 9.99 million Convertible Debentures to GEM. The issue of the convertible debentures is subject to execution of definitive transaction documents. The key terms and conditions of the convertible debentures will include the following:

- An initial convertible debenture of € 1 million, followed by four further convertible debentures. The issue of each of the four further convertible debentures is contingent on the volume weighted average price (VWAP) of Spyker's listed shares exceeding the Initial Fixed Conversion Price (as defined below) for each day during any 30 consecutive trading days.
- Each debenture is convertible into class A shares at the option of the holder. Each debenture will be convertible at the lesser of (i) € 0.30 or the VWAP for 5 trading days before closing of the first tranche (the Initial Fixed Conversion Price), and (ii) 100% of the average of the 3 lowest VWAP prices in the 40 consecutive trading days immediately preceding conversion. For each of tranches two through five, the fixed conversion price is 135% of the previous fixed conversion price.

- A coupon of 1%, payable in cash or shares at the time of conversion. For each tranche (if and when advanced) a closing fee of 3% of the par value of the debenture is payable. The closing fee will be settled in further convertible debentures.
- A Term of 5 years. During the term, Spyker may not issue other convertible securities with terms similar to those of this agreement. At maturity, all outstanding debentures will be converted into shares. Spyker is entitled to redeem the debentures at any time at 135% of their par value plus accrued dividends.
- Spyker will grant warrants to GEM in respect of 20 million shares at a price per share of € 0.50. The warrants will be exercisable at any time during a four year period after they are granted.

Company income statement

For the year ended 31 December 2011

	Note	2011	2010
		€ ('000)	€ ('000)
Result after taxation		-34.163	13.769
Result from investments in subidiaries after taxation		-64.753	-116.977
Net result		**-98.916**	**-103.208**

	2011	2010
	€ ('000)	€ ('000)
Net result 2011 in the consolidated income statement	16.159	-218.283
(Reversal of) losses incurred by subsidairy not recognized	-115.075	115.075
Net result 2011 in the statutory Company income statement	-98.916	-103.208

Company statement of financial position

As at 31 December 2011

(Before appropriation of the net result)

Assets	Note	2011 € ('000)	2010 € ('000)
Property, plant and equipment	2	2.255	3.495
Intangible assets	3	8.966	10.860
Investments in subsidiairies and associates	4	13	22.697
Other non-current assets		0	15
Non-current assets		**11.234**	**37.067**
Trade receivables		3	0
Receivable from related companies		84	5.344
Other assets		196	1.684
Cash and cash equivalents		3	74
Current assets		**286**	**7.102**
Total assets		**11.520**	**44.169**

Equity and liabilities	Note	2011 € ('000)	2010 € ('000)
Issued capital	5	1.439	700
Share premium	5	164.130	126.789
Legal reserve	5	8.922	7.895
Other reserves	5	-226.816	-123.609
Unappropriated net result	5	-98.916	-103.208
Equity of the company		**-151.241**	**-91.433**
Interest bearing borrowings		1.826	85.198
Provisions		889	1.129
Non-current provisions and liabilities		**2.715**	**86.327**
Interest bearing borrowings		137.963	201
Trade payables		2.610	1.265
Payable to related companies		10	33.054
Other liabilities		19.463	14.755
Current provisions and liabilities		**160.046**	**49.275**
Total equity and liabilities		**11.520**	**44.169**

Notes to the Company financial statements

1. General

The company financial statements comprise the financial statement of the Company only.

The company has prepared its company financial statements based in accordance with Dutch GAAP and the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code. Based on the opportunity offered in section 362-8 of the Dutch Civil Code, Book 2, Title 9, the Company has drawn up its company financial statements according to the same recognition and measurement principles as used in the consolidated financial statements. The company has prepared its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. For those recognition and measurement principles reference is made to Note 2.4 Summary of significant accounting policies to the consolidated financial statements. Investments in subsidiaries are carried at net asset value.

When the share of losses exceeds the interest in the investment, the carrying value is eliminated and recognition of further losses is discontinued, unless the Company has incurred legal or constructive obligations on behalf of the investment.

For additional information on items not explained further in the notes to the Company balance sheet, reference is made to the notes to the consolidated balance sheet.

In accordance with Section 402, Book 2 of the Dutch Civil Code, in the income statement the result on subsidiaries after taxation is the only item shown separately.

The company's financial statements are presented in Euros, rounded to the nearest thousand, unless stated otherwise.

2. Property, plant and equipment

31 December 2011	Buildings	Plant and equipment	Prototypes, test models and demo's	Racing cars	Furniture, fixtures and equipment	Total
	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)
At 1 January, net of accumulated depreciation	495	2.110	252	345	293	3.495
Additions	0	7	0	0	0	7
Depreciation charge for the year	-100	-214	-2	0	-4	-320
Impairment charges	0	-759	0	-135	0	-894
Disposals and retirements	0	-33	0	0	0	-33
At 31 December, net of accumulated depreciation	395	1.111	250	210	289	2.255
At 1 January:						
Cost	1.900	3.615	1.729	1.382	4.408	13.034
Accumulated depreciation and impairment	-1.404	-1.505	-1.477	-1.037	-4.116	-9.539
Net carrying amount	496	2.110	252	345	292	3.495
At 31 December:						
Cost	1.900	3.564	1.729	1.382	4.467	13.042
Accumulated depreciation and impairment	-1.505	-2.452	-1.479	-1.172	-4.179	-10.787
Net carrying amount	395	1.112	250	210	288	2.255

31 December 2010	Buildings	Plant and equipment	Prototypes, test models and demo's	Racing cars	Furniture, fixtures and equipment	Total
	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)
At 1 January, net of accumulated depreciation	1.005	2.314	265	424	621	4.629
Additions	0	24	0	0	11	35
Depreciation charge for the year	-100	-152	-13	-79	-339	-683
Impairment charges	-409	0	0	0	0	-409
Disposals and retirements	0	-76	0	0	-1	-77
At 31 December, net of accumulated depreciation	496	2.110	252	345	292	3.495
At 1 January:						
Cost	1.900	3.828	1.729	1.382	4.445	13.284
Accumulated depreciation and impairment	-895	-1.514	-1.464	-958	-3.824	-8.655
Net carrying amount	1.005	2.314	265	424	621	4.629
At 31 December:						
Cost	1.900	3.615	1.729	1.382	4.408	13.034
Accumulated depreciation and impairment	-1.404	-1.505	-1.477	-1.037	-4.116	-9.539
Net carrying amount	496	2.110	252	345	292	3.495

3. Intangible assets

31 December 2011	Development costs	Patents and licenses	Total
	€ ('000)	€ ('000)	€ ('000)
Cost as at 1 January net of accumulated amortization and impairment	10.616	244	10.860
Additions - internally developed	0	0	0
Disposals as result of discontinued operations	0	0	0
Amortization	-50	-44	-94
Impairment charges	-1.800	0	-1.800
At 31 December, net of accumulated amortization and impairment	8.766	200	8.966
At 1 January:			
Cost	58.945	461	59.406
Accumulated amortization and impairment	-48.329	-217	-48.546
Net carrying amount	10.616	244	10.860
At 31 December:			
Cost	58.945	461	59.406
Accumulated amortization and impairment	-50.179	-261	-50.440
Net carrying amount	8.766	200	8.966

31 December 2010	costs	licenses	Total
	€ ('000)	€ ('000)	€ ('000)
Cost as at 1 January net of accumulated amortization and impairment	45.094	285	45.379
Additions - internally developed	7.580	5	7.585
Disposals as result of discontinued operations	0	0	0
Amortization	-225	-46	-271
Impairment charges	-41.833	0	-41.833
At 31 December, net of accumulated amortization and impairment	10.616	244	10.860
At 1 January:			
Cost	49.669	465	50.134
Accumulated amortization and impairment	-4.575	-180	-4.755
Net carrying amount	45.094	285	45.379
At 31 December:			
Cost	18.480	470	18.950
Accumulated amortization and impairment	-7.864	-226	-8.090
Net carrying amount	10.616	244	10.860

4. Investments in subsidiaries and associates

The item investments in subsidiaries and associates includes the following companies:

	Share in issued capital	2011	2010
		€ ('000)	€ ('000)
Spyker Automobielen B.V.	100%	0	0
Spyker Squadron B.V.	100%	0	0
Spyker Events & Branding B.V.	100%	0	0
Spyker of North America LLC, USA	100%	0	0
Spyker Cars UK Ltd	100%	0	0
Spyker of China Ltd	51%	0	0
Tenaci Engineering Pvt. Ltd. (associate)	45%	0	0
Spyker Holding B.V.	100%	13	13
Saab Automobile AB	100%	0	0
Saab Great Britain Ltd	100%	0	22.662
Saab Automobile Holding I S.a.r.l.	100%	0	22
Swedish Automobile Holding II B.V.	100%	0	22
		13	22.697

Except for Spyker Holding B.V., all the other investments in subsidiaries have a negative net asset value, due to negative results up and until 2011.

Up untill the bankruptcy of Saab Automobile AB the redeemable preference shares held by GM had precedence over all other shares in relation to the equity of Saab Automobile. The redeemable preference shares were also subject to dividend according to the terms in the agreement. All other dividend payments or other transfer of value to shareholders outside the group headed by Saab Automobile were not allowed for as long as the agreement with the NDO was in effect (i.e. until the loan to EIB was fully repaid). Reference is made to Note 30.1 Interest-bearing loans and borrowings.

	Net Equity value as at 31-dec-10	Translation reserve	Investment	Discontinued operations	Results from participating interests	Net Equity value as at 31-dec-11	Loans receivable	Provision	Book-value as at 31-dec-11
Spyker Automobielen B.V.	-4.314	0	0	0	-7.200	-11.514	10.984	530	0
Spyker Squadron B.V.	-6.306	0	0	0	-987	-7.293	7.293	0	0
Spyker Events & Branding B.V.	-36.885	0	0	0	-571	-37.456	37.434	22	0
Spyker of North America LLC	-7.258	127	0	0	-311	-7.442	7.442	0	0
Spyker Cars UK Ltd	-110	0	0	0	-3	-113	111	2	0
Spyker of China Ltd	-2.993	0	0	0	2.870	-123	123	0	0
Tenaci Engineering Pvt. Ltd	-162	0	0	0	0	-162	162	0	0
Spyker Holding B.V.	13	0	0	0	0	13	0	0	13
Saab Automobile AB	0	0	35.864	-35.864	0	0	0	0	0
Saab Great Britain Ltd	22.662	0	0	-22.662	0	0	0	0	0
Saab Automobile Holding I S.a.r.l.	22	0	0	0	-25	-3	3	0	0
Swedish Automobile Holding II B.V.	0	0	0	0	0	0	0	0	0
	-35.331	127	35.864	-58.526	-6.227	-64.093	63.552	554	13

5. Shareholders' equity

	Issued capital	Share premium	Legal reserve	Other reserves	Un-appropriated net result	Total
	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)
Balance at 1 January 2011	**700**	**126.789**	**7.895**	**-123.609**	**-103.208**	**-91.433**
Result for the year	0	0	0	0	-98.916	-98.916
Other comprehensive income	0	0	2.876	0	0	2.876
Total comprehensive income	**0**	**0**	**2.876**	**0**	**-98.916**	**-96.040**
Allocation of net result prior year	0	0	0	-103.208	103.208	0
Proceeds from new share issues	740	35.492	0	0	0	36.232
Legal reserve	0	1.849	-1.849	0	0	0
	740	**37.341**	**-1.849**	**-103.208**	**103.208**	**36.232**
Balance at 31 December 2011	**1.440**	**164.130**	**8.922**	**-226.817**	**-98.916**	**-151.241**

	Issued capital	Share premium	Legal reserve	Other reserves	Un-appropriated net result	Total
	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)
Balance at 1 January 2010	**633**	**90.552**	**45.250**	**-110.869**	**-22.953**	**2.613**
Result for the year	0	0	0	0	-103.208	-103.208
Other comprehensive income	0	0	-2.876	0	0	-2.876
Total comprehensive income	**0**	**0**	**-2.876**	**0**	**-103.208**	**-106.084**
Allocation of net result prior year	0	0	0	-22.953	22.953	0
Proceeds from new share issues	67	1.758	0	2.268	0	4.093
Recognition of equity component						0
of convertible notes	0	0	0	5.755	0	5.755
Warrants	0	0	0	1.680	0	1.680
Legal reserve	0	34.479	-34.479	0	0	0
Share based payments	0	0	0	510	0	510
	67	**36.237**	**-34.479**	**-12.740**	**22.953**	**12.038**
Balance at 31 December 2010	**700**	**126.789**	**7.895**	**-123.609**	**-103.208**	**-91.433**

Result 2011 in the statutory statement of changes in equity	-151.241
Losses incured by subsidiary not recognized (zero net equity value of Saab Automobile)	0
Result 2011 in the consolidated statement of changes in equity	-151.241

The 2010 result and equity position was € 115.1 million less negative (losses incurred by subsidiary not recognized - zero net equity value of Saab Automobile) in the Company financial statements. Due to the fact that Saab is no longer consolidated as at 31 December 2011 these differences have reversed. As a result the 2011 result is €115.1 million more negative in the Company financial statements. As at 31 December 2011 there is no further difference between the equity in the Company and the consolidated financial statements.

Issued share capital

The Company's issued share capital consists of ordinary shares and shares class A. On 22 April 2010 the priority share was cancelled during the Annual General Meeting of Shareholders. The nominal value of each share in Spyker is € 0.04. Shares class A are registered shares and cannot be listed. Shares class A can, however, be converted into ordinary shares if the shareholder so requires by means of an application to that effect to the Management Board.

As per 31 December 2011, the authorized share capital of Spyker amounts to a sum of € 1,760,000 (2010: € 1,760,000), divided into 32,999,999 (2010: 32,999,999) ordinary shares and 11,000,000 shares class A (2010: 11,000,000), with a nominal value of € 0.04 each.

Per 31 December 2011, 27,527,992 ordinary shares (2010: 17,232,657) and 8,456,552 shares class A (2010: 263,334) were issued and paid in full.

During the year 2011, 1,901,961 ordinary shares and 16,586,592 shares class A were issued, 8,393,374 shares class A were converted to ordinary shares, all as described in the "Information for Shareholders" chapter of the Annual Report.

During the year 2010, 1,540,000 ordinary shares and 130,000 shares class A were issued. 133,181 shares class A were converted to ordinary shares and one priority share was cancelled.

On 17 April 2012 agreement has been reached between the Company and its major lenders, Tenaci Capital B.V. (Tenaci), Epcote SA (Epcote) and Gemini Investment Fund Ltd. All three lenders have agreed to convert the outstanding amounts under these loans into shares Class A at a fixed price of € 0.50 per share. The following conversions were made.

- Tenaci: principal amount € 64.5 million, accrued interest € 15,7 million, number of shares Class A to be issued 150.4 million;
- LAT Management N.V.: principal amount € 30.0 million, accrued interest € 2.0 million, number of shares Class A to be issued 64.0 million;
- Epcote: principal amount € 18,2 million, accrued interest € 4.6 million, number of shares Class A to be issued 45.6 million

Share premium reserve

Shares class A are registered shares; these shares are not to be listed. Shares class A can, however, be converted into ordinary shares if the shareholder so requires by means of an application to that effect to the Management Board. The legal reserve has been charged against share premium reserve as other reserves were not sufficient.

Legal reserve

Pursuant to Section 365(2) of Book 2 of the Netherlands Civil Code, a legally-required reserve of € 8.9 million is formed for capitalized development costs to the amount of € 8.8 million (2010: € 10.6 million) and for foreign currency translations to the amount of € 156 thousand (2010: - € 2.7 million).

6. Staff and remuneration of Supervisory Board and Management Board

During 2011, the Spyker employed at average 14 full-time equivalents (2009: 19).
The remuneration of the individual members of the Management Board and the members of the Supervisory Board of Spyker is explained in Note 39. Related parties.

7. Guarantees

Guarantees

Spyker N.V. together with its subsidiaries Spyker Automobielen B.V., Spyker Squadron B.V. and Spyker Events & Branding B.V., constitutes a single tax entity for Dutch corporate tax.
With respect to the VAT purposes, Spyker N.V. together with its subsidiaries Spyker Automobielen B.V. and Spyker Squadron B.V. constitute a single tax entity. All companies within this single tax entity are jointly and severally liable for corporate tax debts and VAT debts stemming from the relevant tax entities.

8. Audit fees

In the financial year, the following fees of the audit firm Ernst & Young Accountants LLP, the Netherlands, were invoiced to the Company and its subsidiaries, all this as referred to in Book 2, Section 382a of the Dutch Civil Code:

31 December 2011	Ernst & Young
	€ ('000)
Statutory audit of the annual accounts, including the audit of the financial statements and other statutory audits of subsidiaries and other consolidated entities:	
- 2011	0
- 2010	310
Other non-audit services	0
Total	310

31 December 2010	Ernst & Young
	€ ('000)
Statutory audit of the annual accounts, including the audit of the financial statements and other statutory audits of subsidiaries and other consolidated entities:	
- 2010	400
- 2009	151
- 2008	51
Other non-audit services	
Total	602

9. Subsequent events

Subsequent events are indicated in Note 40 of the consolidated financial statements.

Signing of the financial statements

The member of the Management Board has signed the financial statements in this annual report pursuant to their statutory obligations under art. 2:101(2) Dutch Civil Code and art. 5:25c(2) (c) Financial Markets Supervision Act. To the best of their knowledge, the financial statements give a true and fair value of the assets, liabilities, financial position and profit or loss of the Company and its subsidiaries in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union as well as in accordance with Title 9 Book 2 of the Dutch Civil Code, and the management board's report gives a true and fair view of the position and performance of the business of the Company and its subsidiaries, and reflects the significant risks related to the business.

The member of our Supervisory Board has signed the financial statements in this annual report pursuant to their statutory obligations under art 2:101(2) Dutch Civil Code.

Zeewolde, 1 May 2012

Management Board:	Supervisory Board:
V.R. Muller	M.E. Button
Chief Executive Officer	Chairman Supervisory Board

Additional information

Statutory rules concerning appropriation of result

Article 29 of Spyker's articles of association includes the following provisions regarding result appropriation:

- The Management Board shall annually, with the approval of the Supervisory Board, determine which part of the profits - the positive balance on the income statement - is added to the reserves.
- From the profits remaining after transfer to the reserves in accordance with the previous paragraph, a dividend is distributed on the priority charge of six percent (6%) of the nominally paid up amount.
- Any remaining profits after application of paragraph 1 and 2 of this article is available to the general meeting, with the understanding that no further distribution shall take place on the priority share. All distributions on the ordinary shares as well as on the shares class A occur pro rata to the amount of shares held by each shareholder.

Statutory rules concerning issue of new shares and acquisition by Spyker of its shares.

New shares may be issued pursuant to a resolution of the Management Board. The authority to issue new shares and to grant rights to subscribe for shares, has been delegated to the Management Board by resolution of the General Meeting of Shareholders for a period of 18 months, and ends on 20 November 2012. A resolution to issue new shares, whether by the General Meeting of Shareholders or by the Management Board upon delegation, can only be taken upon proposal of the Management Board with approval of the Supervisory Board. The resolution by the General Meeting of Shareholders to delegate the issue-authority to a different body than the Management Board can only be taken upon proposal of the Management Board with approval of the Supervisory Board.

Subject to approval from the Supervisory Board, the Management Board of Spyker may acquire fully paid shares at any time for no consideration, or, subject to certain provisions of Dutch law and the Articles of Association, if (i) Spyker's shareholders equity less the payment required to make the acquisition, does not fall below the sum of called-up and paid-up share capital and any statutory reserves, and (ii) Spyker and its subsidiaries would thereafter not hold shares or hold a pledge with an aggregate nominal value exceeding 10% of its issued share capital.

An acquisition of shares may be effected by a resolution of the Management Board, subject to approval of the Supervisory Board. Other than for no consideration, shares including the Priority Share may only be acquired subject to a resolution of the Management Board, authorized thereto by the General Meeting of Shareholders. Such authorization may apply for a maximum period of 18 months and must specify the number of shares that may be acquired, the manner in which shares may be acquired and the price limits within which shares may be acquired.

On 19 May 2011, the General Meeting of Shareholders has authorized the Management Board to acquire shares in the Company for a total nominal number of shares, regardless of class, that equals not more than 10 per cent of the issued share capital of Spyker as per the date of acquisition, against a purchase price between the nominal value per share, as a minimum, and 110 per cent of the share price at the NYSE Euronext Amsterdam Stock Exchange, as a maximum. The latter price has been defined as the average of the relevant closing prices of the shares on the three trading days prior to the day of acquisition, as listed by Eurolist at Euronext Amsterdam. No such authority is required for the acquisition by Spyker of fully paid shares for the purpose of transferring these shares to Spyker's employees or employees of a group company.

Any shares held by Spyker may not be voted on or counted for quorum purposes.

Proposed allocation of the result for the financial year 2011

A proposal will be made to allocate the loss for 2011 to the other reserves (deficit). This proposal has not yet been reflected in the balance sheet.

Appointment of members of the Management Board and Supervisory Board

Members of the Management board and members of the Supervisory board are appointed by the General Meeting of Shareholders.

Subsequent events

Subsequent events are indicated in Note 40 of the consolidated financial statements.

Independent auditor's report

To: the General Meeting of Shareholders of Spyker N.V.

Report on the financial statements

We have audited the accompanying financial statements 2011 of Spyker N.V., Zeewolde. The financial statements include the consolidated financial statements and the Company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2011, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the Company balance sheet as at 31 December 2011, the Company income statement for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion with respect to the consolidated financial statements
We draw attention to note 17 to the financial statements, which describes the discontinued operations of Saab Automobile AB and Saab Great Britain Ltd ("Saab") as a result of the bankruptcy and filing for administration respectively. Management has, as explained in this note, no longer access to the financial information of Saab and as a result we could not audit the 2011 information pertaining to Saab in the underlying financial statements, other than the net amount of "Result after tax from discontinued operations".

Qualified opinion with respect to the consolidated financial statements
In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the consolidated financial statements give a true and fair view of the financial position of Spyker N.V. as at 31 December 2011 and of its result for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Opinion with respect to the Company financial statements
In our opinion, the Company financial statements give a true and fair view of the financial position of Spyker N.V. as at 31 December 2011 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Emphasis of matter with regard to the continuity of the Group
We draw attention to note 2.1. to the financial statements which describes a number of material uncertainties regarding, amongst others, the funding of the Group. In case management is not successful in finding the necessary additional funding in time, or other adverse developments occur, the Group's ability to continue as a going concern will be highly uncertain.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under section 2:393 sub 5 at e and f of the Dutch Civil Code, we have examined the management board report. Based on the circumstances as described in the basis for qualified opinion paragraph, we were not able to assess the content of the management board report related to the discontinued operations of SAAB. Relating to the other content, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under section 2:392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by section 2:391 sub 4 of the Dutch Civil Code.

Rotterdam, 1 May 2012

Ernst & Young Accountants LLP

signed by J.J.J. Sluijter