

# **SPYKER N.V. REPORTS ITS INTERIM ANNUAL REPORT 2012**

## **FOREWORD BY THE CEO**

**Victor R. Muller**, Spyker's CEO said: "The first half of 2012 was dedicated solely to stabilizing the Company after the devastating loss of Saab Automobile AB in December 2011. We restructured our large debts to our shareholders by converting them into equity, we made deals with many of our creditors and appointed a new Supervisory Board. The result of these efforts are reflected in this H1 2012 report and the Company is now basically debt free with the exception of € 0.6 million for of a convertible debenture and a € 2 million loan related to the Spyker C8 Aileron tooling. We also managed to deal with the negative effects of the bankruptcy of one of our main suppliers, CPP Manufacturing, which had supplied us with the aluminum bodies-in-white for over a decade. Having reached agreement with virtually all of our suppliers, the production of the Spyker C8 Aileron resumed in H1 2012 be it at a slow pace initially since it will take a lot of time for the supply chain to be fully restored.

Since Spyker executed a drastic cost down exercise, the operational costs were reduced to a bare minimum and hence the operational losses are manageable until production reaches a cash generating level.

After the successful elimination of our debt, we embarked on a mission to attract new investment in the Company. Discussions with investors took several months but earlier this week we announced the partnership with Youngman with whom we secured a € 10 million capital injection in the Company and entered into two joint-ventures: Spyker P2P B.V. for the production of the Spyker D8 Peking-to-Paris SSUV and Spyker Phoenix B.V. to develop and produce a range of new products based on the so-called Phoenix platform to which Youngman obtained a license in 2011.

With a new partner on board and having restructured the Company financially, we are looking forward to grow the Spyker business from hereon forward and will keep an open eye to investment opportunities which come our way."

## **INTERIM ANNUAL REPORT 2012 OF THE MANAGEMENT BOARD**

**Zeewolde, the Netherlands, 31 August 2012** – Spyker N.V., a holding company that owns subsidiaries which produce and sell premium automobiles under the Spyker brand, today publishes its interim annual report 2012 period ended 30 June 2012. Spyker N.V. is listed on NYSE Euronext Amsterdam (ticker symbol SPYKR).

### **Introduction**

This Interim Annual Report 2012 of Spyker N.V., for the six months starting on 1 January 2012 and ending on 30 June 2012, consists of the Interim Report of the Management Board, the condensed consolidated Interim Financial Statements and a Management Board's declaration. The information in this Interim Annual Report 2012 is unaudited.

The Interim Annual Report 2012 of Group comprises the Spyker N.V. and its subsidiaries (together referred to as "the Group", "Group", "Spyker" or "the Company").

## Financial Developments H1 2012

- H1 2012 result amounts to € 126.2 million profit, as a consequence of among others a € 131.0 million gain resulting from financial restructuring and recapitalization;
- Operating result amounts to € 1.4 million loss;
- Positive equity amounts to € 4.1 million.

Spyker managed to improve its financial position in the first 6 months of 2012 by means of the following events:

- All of Spyker's loans in the aggregate amount of € 130 million (including accrued interest up to April 2012) were converted on 18 April 2012 to 260 million non-listed shares A at a share price of € 0.50 each on 18 April, last;
- Spyker reached a settlement with the administrators of Saab Great Britain Ltd. to reduce Spyker's debt of € 24,9 million (including accrued interest up to April 2012) to € 0,5 million in cash and the equivalent of € 0,25 million in the form of shares A;
- Spyker reached a settlement with certain of its creditors to reduce its trade payables by a total amount of € 1.2 million;
- The issue of subscription notices for a total of 13.7 million shares under the € 150 million equity facility between Spyker and GEM Global Yield Fund Limited;
- The issue of the first tranche of € 0.5 million convertible debenture loan from GEM Global Yield Fund Limited of which € 0.4 million was converted into shares A.

Furthermore Spyker reached an agreement to reduce its \$ 10 million parent company guarantee to Saab Automobile's financier GMAC. The exposure was reduced to \$ 1 million to be placed in escrow for the duration of GMAC's recovery process.

## Corporate Developments H1 2012

- On 18 April 2012 the company's name was changed from Swedish Automobile N.V. into Spyker N.V.;
- The Company's articles of association were amended on 17 April 2012. 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;
- 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 17 April 2012 Mr. Martin E. Button was appointed as new member and chairman of the Supervisory Board for a term of four years.

## Recent Developments

- On 6 August 2012 Spyker announced that it has filed a complaint against General Motors Company ("GM"). This lawsuit seeks redress for the unlawful actions GM took to avoid competition with Saab Automobile in the Chinese market. The monetary value of the claim amounts to US\$ 3 billion (three billion US dollars). On 24 August 2012 Spyker agreed to GM's request for a 30-day extension of the deadline to respond to the Complaint, which response is now due on 28 September 2012;
- On 27 August 2012 Spyker N.V. signed a Framework Agreement with the Chinese car manufacturer Zhejiang Youngman Passenger Car Group Co, Ltd ("Youngman"). The Framework Agreement entails the following:
  - Youngman will invest € 10,000,000 in Spyker of which approximately € 6,700,000 as subscription for such number of Class A shares in Spyker as will constitute 29.9% of the issued and outstanding share capital of Spyker on a fully diluted basis for a price of € 0.05 per share, and the remaining approximately € 3,300,000 shall be provided to Spyker in the form of a shareholder loan. Youngman

undertakes to not exceed the 29.9 percent threshold and therefore has no ambition to make a mandatory offer on all outstanding shares in Spyker.

- Youngman and Spyker will jointly invest in a Joint Venture to be called Spyker P2P B.V. ("Spyker P2P") in which Youngman will make a cash contribution in the amount of € 25,000,000 and will hold 75% of the shares whilst Spyker will make its contribution by transferring the technology it developed for the Spyker D8 Peking-to-Paris ("SSUV"), as well as the Spyker trademarks and will hold 25% of Spyker P2P's shares. Additional models on the SSUV technology are being contemplated.
- Youngman and Spyker will jointly incorporate a second Joint Venture to be called Spyker Phoenix B.V. ("Spyker Phoenix") in which Youngman will contribute the rights to the Phoenix platform as developed by Saab Automobile AB in 2010/2011 to which Youngman acquired a license in 2011 as well as provide all required funding. Youngman will hold 80% of Spyker Phoenix' shares whilst Spyker will hold 20% of Spyker Phoenix' shares which shareholding will be exempt from dilution. Spyker Phoenix shall develop and manufacture a new full range of premium car models based on the Phoenix platform which models will be positioned higher than the comparable Saab models were. Spyker Phoenix products may be manufactured in Europe and China as the case may be. Youngman and Spyker agree to provide all the (manufacturing) technologies owned by each of them to Spyker Phoenix for its use free of charge.

## **Outlook**

By signing the Framework Agreement of 27 August 2012 with Youngman, Management secured funding in order to strengthen the Company's financial position, meets its agreements with all suppliers on payment and delivery terms and restart production.

Now the funding is found to stabilize the business and enable a sustainable restart of production, the Group's goal is to establish Spyker as a premium sports car manufacturer.

## **STATEMENT OF THE MANAGEMENT BOARD**

This Interim Annual Report 2012 of the Group, for the six months starting on 1 January 2012 and ending on 30 June 2012, consists of the Interim Report of the Management Board, condensed consolidated Interim Financial Statements and a Management Board's declaration.

The information in this Interim Annual Report 2012 is unaudited.

This Interim Report 2012 of the Management Board contains a selection of some of the main developments in the first six months of the financial year and should not be considered as exhaustive. This Interim Report 2012 of the Management Board also contains the current expectations of the Management Board for the second half of the financial year. With respect to these expectations, reference is made to the disclaimer about Forward-looking Statements.

## Declaration

In conjunction with the EU Transparency Directive as incorporated in the Dutch Financial Markets Supervision acts (Wet op het financieel toezicht), the Management Board declares that, to the best of their knowledge:

The Interim Financial Statements 2012 as at 30 June 2012 and for the six months ended at 30 June 2012 have been prepared in accordance with IFRS (IAS 34) as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss of Spyker Cars N.V and its consolidated Group companies taken as a whole; and

The Interim Report 2012 of the Management Board gives a fair review of the information required pursuant to section 5:25d (8)/(9) of the Dutch Financial Market Supervision Act.

Zeewolde, 31 August 2012

Management Board Spyker N.V.

**Victor R. Muller**

Chief Executive Officer

## ***Forward-looking Statements***

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

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# Spyker N.V.

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*Interim Consolidated Financial Statements  
for the period ended 30 June 2012*

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## Interim consolidated income statement

for the period ended 30 June 2012

	Unaudited Period ended 30 June 2012 € ('000)	Unaudited Period ended 30 June 2011 € ('000)
Revenues	104	876
	<b>104</b>	<b>876</b>
Other income	100	426
Changes in inventories of finished goods and work in progress	0	0
Work performed by the entity and capitalized	0	0
Raw materials and consumables	-143	-4.013
Employee benefits	-1.657	-2.363
Amortization and depreciation	-97	-207
Other operating expenses	263	-2.516
<b>Operating result</b>	<b>-1.429</b>	<b>-7.797</b>
Gains on financial restructuring (recapitalization)	131.013	0
Financial income	1	1.331
Financial expenses	-3.252	-7.426
Share of result of associates	-92	0
<b>Result before taxation</b>	<b>126.242</b>	<b>-13.892</b>
Taxation	0	0
<b>Result from continued operations</b>	<b>126.242</b>	<b>-13.892</b>
Result after tax from discontinued operations	0	-210.303
<b>Result for the period</b>	<b>126.242</b>	<b>-224.195</b>
<b>Attributable to:</b>		
Owners of the parent	126.242	-218.283
Non-controlling interests	0	0
<b>Result for the period</b>	<b>126.242</b>	<b>-224.195</b>
Result:		
- for the year per weighted average number of shares	€ 0,84 €	-10,75
- for the year per weighted average number of shares diluted	€ 0,86 €	-10,75
Result from continued operations		
- for the year per weighted average number of shares	€ 0,84 €	-0,70
- for the year per weighted average number of shares diluted	€ 0,86 €	-0,70

\* The presentation of the Interim consolidated income statement has changed from the functional presentation to the nature of expenses. Reference is made to note 2.

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

## Interim consolidated statement of comprehensive income

*for the period ended 30 June 2012*

	2012 € ('000)	2011 € ('000)
<b>Result for the period</b>	<b>126.242</b>	<b>-218.283</b>
Other comprehensive income:		
Exchange rate differences on translating of foreign operations	0	2.876
Income tax effect	0	0
	0	-2.876
<b>Total comprehensive income for the period</b>	<b>126.242</b>	<b>-221.159</b>
<b>Attributable to:</b>		
Owners of the parent	126.242	-221.159
Non-controlling interest	0	0
<b>Total comprehensive income for the period</b>	<b>126.242</b>	<b>-221.159</b>

## Interim consolidated statement of financial position

*At period ended 30 June 2012*

<b>Assets</b>	Unaudited 30 June 2012 € ('000)	Audited 31 December 2011 € ('000)
Property, plant and equipment	2.233	2.255
Intangible assets	8.943	8.966
Investments in associates	90	165
Deferred tax assets	0	0
Reserved cash	0	0
Financial assets	0	0
Other non-current assets	0	0
<b>Non-current assets</b>	<b>11.266</b>	<b>11.386</b>
Inventories	3.681	3.704
Trade and other receivables	740	439
Reserved cash	0	0
Cash and cash equivalents	233	256
<b>Current assets</b>	<b>4.655</b>	<b>4.399</b>
Assets held for sale	0	0
<b>Total assets</b>	<b>15.920</b>	<b>15.785</b>
<b>Equity and liabilities</b>	<b>2012 € ('000)</b>	<b>2011 € ('000)</b>
Issued capital	12.935	1.440
Share premium	190.534	172.897
Reserves	-325.575	-341.737
Unappropriated net result	126.242	16.162
<b>Total equity attributable to owners of the parent</b>	<b>4.136</b>	<b>-151.238</b>
Redeemable preference shares	0	0
Interest bearing borrowings	1.206	1.106
Employee benefit liability	0	0
Provisions	3	28
Deferred tax liability	0	0
Other non-current liabilities	0	0
<b>Non-current provisions and liabilities</b>	<b>1.208</b>	<b>1.134</b>
Interest bearing borrowings	1.080	138.683
Provisions	28	53
Trade and other payables	9.469	27.153
<b>Current provisions and liabilities</b>	<b>10.576</b>	<b>165.889</b>
Liabilities associated with the assets classified as held for sale	0	0
<b>Total equity and liabilities</b>	<b>15.920</b>	<b>15.785</b>

## Interim consolidated statement of changes in equity

for the half year ended 30 June 2012

	Attributed to owners of the parent					Total
	Issued capital € ('000)	Share premium € ('000)	Translation reserve € ('000)	Other reserves € ('000)	Un-appropriated net result € ('000)	
<b>Balance at 1 January 2012</b>	<b>1.440</b>	<b>172.897</b>	<b>156</b>	<b>-341.893</b>	<b>16.162</b>	<b>-151.238</b>
Result for the period ended 30 June 2012					126.242	126.242
Other comprehensive income						
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>126.242</b>	<b>126.242</b>
Allocation of net result prior year	11.495	17.637		16.162	-16.162	0
Proceeds from new share issues	<b>11.495</b>	<b>17.637</b>	<b>0</b>	<b>16.162</b>	<b>-16.162</b>	<b>29.132</b>
<b>Balance at 30 June 2012</b>	<b>12.935</b>	<b>190.534</b>	<b>156</b>	<b>-325.731</b>	<b>126.242</b>	<b>4.136</b>

## Interim consolidated statement of changes in equity

for the half year ended 30 June 2011

	Attributed to owners of the parent					Total
	Issued capital € ('000)	Share premium € ('000)	Translation reserve € ('000)	Other reserves € ('000)	Un-appropriated net result € ('000)	
<b>Balance at 1 January 2011</b>	<b>700</b>	<b>137.405</b>	<b>-2.720</b>	<b>-123.610</b>	<b>-218.283</b>	<b>-206.508</b>
Result for the period ended 30 June 2011					-224.195	-224.195
Other comprehensive income			6.938			6.938
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>6.938</b>	<b>0</b>	<b>-224.195</b>	<b>-217.257</b>
Allocation of net result prior year	272	26.927		-218.283	218.283	0
Proceeds from new share issues	<b>272</b>	<b>26.927</b>	<b>0</b>	<b>-218.283</b>	<b>218.283</b>	<b>27.199</b>
<b>Balance at 30 June 2011</b>	<b>972</b>	<b>164.332</b>	<b>4.218</b>	<b>-341.893</b>	<b>-224.195</b>	<b>-396.567</b>

## Interim consolidated cash flow statement

*for the half year ended 30 June 2012 under the indirect method*

	Unaudited Half year ended 30 June 2012 € ('000)	Unaudited Half year ended 30 June 2011 € ('000)
<b>Cash flows from operating activities</b>		
Result for the period	126.242	-224.195
Adjustments for:		
Depreciation	49	58.263
Amortization of intangible assets	23	7.362
Impairment charges	0	8.500
Net financing costs	3.251	6.173
Gain / loss on sale of property, plant and equipment	0	-647
Gain from financial restructuring	-131.013	0
Other	0	1.320
Movements in working capital:		
Change in inventories	23	36.832
Change in current assets	-314	20.305
Change in current liabilities	-504	45.167
Change in reserved cash	0	16.009
Change in provisions, employee benefit liabilities and deferred tax liabilities	-26	-19.974
<b>Cash generated from operations</b>	<b>-2.269</b>	<b>-44.885</b>
Interest paid	0	-14.065
Interest received	1	1.823
Income tax paid	0	0
<b>Net cash from operating activities</b>	<b>-2.268</b>	<b>-57.127</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	-27	-8.811
Proceeds from sale of property, plant and equipment	0	3.442
Changes in other investments	0	1.817
Development expenditure	0	-67.849
<b>Net cash used in investing activities</b>	<b>-27</b>	<b>-71.401</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	1.772	13.840
Proceeds from borrowings	500	68.724
Repayment of borrowings	0	-150
<b>Net cash from (used in) financing activities</b>	<b>2.272</b>	<b>82.414</b>
<b>Net increase in cash and cash equivalents</b>	<b>-23</b>	<b>-46.114</b>
Cash and cash equivalents at 1 January	256	70.057
Effect of exchange rate fluctuations	0	-441
<b>Cash and cash equivalents at end of the period</b>	<b>233</b>	<b>23.502</b>
<b>For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise of the following at end of the period</b>		
Cash at banks and on hand	233	23.502
Bank overdraft	0	0
<b>Cash and cash equivalents</b>	<b>233</b>	<b>23.502</b>

# Notes to the Interim Consolidated Financial Statements

at 30 June 2012

## 1. General information

Spyker N.V. is a public limited liability company incorporated under the laws of the Netherlands with its statutory seat in Zeewolde, the Netherlands. The Group is listed on NYSE Euronext Amsterdam (ticker symbol SPYKR).

The Interim Annual Report 2012 of the Group as at and for the period ended 30 June 2012 comprise Spyker N.V. and its subsidiaries. The principal activities of the Group are described in Note 7.

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.

The Management Board and Supervisory Board authorized the Interim Annual Report 2012 for issuance on 31 August 2012.

## 2. Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2012 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2011.

Spyker N.V. has changed its analysis of its expenses in the income statement from a classification based on the function of expenses to a classification based on the nature of expenses. Spyker N.V. made this change as its activities are in a start-up phase and the previous methodology would lead to costs of sales relatively high compared to the net sales. The reconciliation from the function of expense presentation to the nature of expense presentation can be summarized as follows:

	Cost of sales	Selling expenses	Administrative expenses	Product development expenses	Other operating expenses	Total
Raw materials and consumables	-3.210	0	0	-803	0	-4.013
Employee benefits	-1.110	-780	-473	0	0	-2.363
Amortization and depreciation	-207	0	0	0	0	-207
Other operating expense	0	-1.233	-1.258	0	-25	-2.516
<b>Total</b>	<b>-4.527</b>	<b>-2.013</b>	<b>-1.731</b>	<b>-803</b>	<b>-25</b>	

## 3. Seasonality of operations

Based on the experience in the past Spyker N.V. considers no specific pattern in sales caused by seasonality.

#### ***4. 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 half year 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 half year 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.

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.

After the above Spyker is free from (bank) loans with the exception of a financial lease agreement for Spyker C8 Aileron tooling (residual amount is € 2.0 million) and a GEM convertible debenture loan of € 0.1 million.

#### ***5. Going concern***

By signing the Framework Agreement of 27 August 2012 with Youngman, Management secured funding in order to strengthen the Company's financial position, meets its agreements with all suppliers on payment and delivery terms and restart production.

Even with above mentioned funding secured, the liquidity position will remain a top priority for Management.

#### ***6. Significant accounting policies***

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011.

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

### **IAS 12 Deferred Tax: Recovery of Underlying Assets (Amendment)**

This amendment to IAS 12 includes a rebuttable presumption that the carrying amount of investment property measured using the fair value model in IAS 40 will be recovered through sale and, accordingly, that any related deferred tax should be measured on a sale basis. The presumption is rebuttable if the investment property is depreciable and it is held within a business model whose objective is to consume substantially all of the economic benefits in the investment property over time, rather than through sale. Specifically, IAS 12 will require that deferred tax arising from a non-depreciable asset measured using the revaluation model in IAS 16 should always reflect the tax consequences of recovering the carrying amount of the underlying asset through sale. Effective implementation date is for annual periods beginning on or after 1 January 2012.

### **IFRS 7 Disclosures – Transfers of financial assets (Amendment)**

The IASB issued an amendment to IFRS 7 that enhances disclosures for financial assets. These disclosures relate to assets transferred (as defined under IAS 39). If the assets transferred are not derecognised entirely in the financial statements, an entity has to disclose information that enables users of financial statements to understand the relationship between those assets which are not derecognised and their associated liabilities. If those assets are derecognised entirely, but the entity retains a continuing involvement, disclosures have to be provided that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. Effective implementation date is for annual periods beginning on or after 1 July 2011 with no comparative requirements.

### **IFRS 1 Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendment)**

When an entity's date of transition to IFRS is on or after the functional currency normalisation date, the entity may elect to measure all assets and liabilities held before the functional currency normalisation date, at fair value on the date of transition to IFRS. This fair value may be used as deemed costs of those assets and liabilities in the opening IFRS statement of financial position. However, this exemption may only be applied to assets and liabilities that were subject to severe hyperinflation. Effective implementation date is for annual periods beginning on or after 1 July 2011 with early adoption permitted.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### **Change in classification of expenses**

Spyker N.V. has changed its analysis of its expenses in the income statement from a classification based on the function of expenses to a classification based on the nature of expenses. Spyker N.V. made this change as its activities are in a start-up phase and the previous methodology would lead to costs of sales relatively high compared to the net sales. Reference is made to Note 2 for reconciliation from the function of expenses presentation to the nature of expenses presentation.

## ***7. 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 interim financial statements of 2011, the operating segments of the Group are changed. As result of the bankruptcy of Saab subsidiaries the only segment which remains is Spyker Sports Car Business.

## Spyker Sports Car Business

The Spyker sports car operating segment comprises the design, development, production, purchase and sale of motorcars in the broadest sense of the word including GT racing under the brand Spyker.

## 8. Results and results per share

The profit for 2011 is allocated to the other reserves, as proposed in the Annual Report 2011.

	30-6-2012	30-6-2011
Weighted average number of ordinary shares for basic earnings per share	149.975.500	20.945.408
<i>Effect dilution:</i>		
Share options	0	83.782
Convertible loans	1.250.000	5.559.316
Weighted average number of ordinary shares adjusted for the effect of dilution	<u>151.225.500</u>	<u>26.588.506</u>
	30-6-2012	30-6-2011
	€ ('000)	€ ('000)
Net profit attributable to ordinary equity holders of the parent for basic earnings	126.242	-224.195
Interest on convertible loans	3.252	3.034
Net profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	<u>129.494</u>	<u>-221.161</u>
<b>Results per share from continued operations</b>	30-6-2012	30-6-2011
	€	€
Result per weighted average number of shares	0,84	-0,70
Result per weighted average number of shares diluted	0,86	-0,70
<b>Earnings per share from discontinued operations</b>	30-6-2012	30-6-2011
	€	€
Result per weighted average number of shares	0,00	-10,01
Result per weighted average number of shares diluted	0,00	-10,01

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. As a result a significant additional number of shares were issued. Reference is made to Note 12 Equity.

Diluted earnings per share as per 30 June 2011 equals basic earnings per share as the potentially ordinary shares are anti-dilutive as they would decrease the loss per share.

## 9. Dividends

No dividends were paid during the first half year of 2012.

## 10. Intangible assets

	2012	2011
	€ ('000)	€ ('000)
Intangible assets comprises:		
Development costs	8.766	8.766
Technology	0	0
Trademarks, patents and licences	177	200
Proprietary software	0	0
	<b>8.943</b>	<b>8.966</b>

	Development costs	Technology	Trademarks, patents and licences	Proprietary software	Total
	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)
<b>30 June 2012</b>					
Cost as at 1 January net of accumulated amortization and impairment	8.766	0	200	0	8.966
Disposal as result of discontinued operations	0	0	0	0	0
Additions as a result of continued operations	0	0	0	0	0
Additions - internally developed	0	0	0	0	0
Amortization charge for the year	0	0	-23	0	-23
Impairment charges	0	0	0	0	0
Disposal	0	0	0	0	0
Effect of movements in exchange rates	0	0	0	0	0
At 30 June , net of accumulated amortization and impairment	<b>8.766</b>	<b>0</b>	<b>177</b>	<b>0</b>	<b>8.943</b>
At 1 January :					
Cost	58.945	0	461	0	59.406
Accumulated amortization and impairment	-50.179	0	-261	0	-50.440
Net carrying amount	<b>8.766</b>	<b>0</b>	<b>200</b>	<b>0</b>	<b>8.966</b>
At 30 June , net of					
Cost	58.945	0	461		59.406
Accumulated amortization and impairment	-50.179	0	-284		-50.463
Net carrying amount	<b>8.766</b>	<b>0</b>	<b>177</b>	<b>0</b>	<b>8.943</b>

## 11. Interest bearing borrowings

### *Saab GB*

In the first half year of 2012 the Company reached an agreement with the administrators of Saab GB in terms of which the Company shall pay in full and final settlement for its debt and accrued interest of £ 20.9 million (€ 24.9 million) an amount of € 500,000 in cash and € 250,000 in the form of shares.

### *GEM Convertible Debenture loan*

Following signing of the term sheet per 5 March 2012, definitive transaction documents were executed on 23 May 2012. The somewhat changed key terms and conditions of the convertible debentures include the following:

- An initial convertible debenture of € 0.5 million of which € 0.4 million was converted into shares and the issue of another convertible debenture of € 0.5 million on 3 August 2012;
- The issue of 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;
- The advance of each tranche is subject to various conditions, including certain key terms;
- Each debenture is convertible into class A shares at the option of the holder. Each debenture will be convertible at the lesser of (i) € 0.18 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;
- 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 has granted warrants to GEM in respect of 20 million shares at a price per share of € 0.25. The warrants will be exercisable at any time during a four year period after they are granted.

## 12. Equity

### *Authorized capital*

The Company's articles of association were amended on 17 April 2012. 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;

### *Conversion outstanding loans into equity*

On 17 April 2012 agreement was reached between the Company and its major lenders, Tenaci Capital B.V. (Tenaci), Epcote SA (Epcote) and Gemini Investment Fund Ltd. All three lenders 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 issued 150.4 million;
- LAT Management N.V.: principal amount € 30.0 million, accrued interest € 2.0 million, number of shares Class A issued 64.0 million;
- Epcote: principal amount € 18.2 million, accrued interest € 4.6 million, number of shares Class A issued 45.6 million.

### ***13. Related party transactions***

The Group has a related party relationship with its subsidiaries, certain individuals (directors, executive officers and supervisory board members) and certain third parties and shareholders. A detailed description of the Group's related parties is included in the Group's Annual Report 2011.

As a result of the conversion of loans into equity (see Note 12 Equity) and the discontinued operations of Saab, the related party transactions during the six months ending 30 June 2012, as well as balances with related parties as of 30 June 2012 are minimal.

### ***14. Commitments not included in the balance sheet***

The Group has entered into operating lease contracts for the right to use industrial buildings and equipment. Further details on the Group's operational lease contracts are included in the Annual Report 2011.

### ***15. Events after the end of the reporting period***

#### *Complaint against General Motors Company*

On 6 August 2012 Spyker announced that it has filed a complaint against General Motors Company ("GM") in the United States District Court of the Eastern District of Michigan today at 08.00 AM EST. Spyker filed the complaint in its own right and on behalf of its 100 percent subsidiary Saab Automobile A.B., which was declared bankrupt on December 19, 2011.

This lawsuit seeks redress for the unlawful actions GM took to avoid competition with Saab Automobile in the Chinese market. GM's actions had the direct and intended objective of driving Saab Automobile into bankruptcy, a result of GM's tortiously interfering with a transaction between Saab Automobile, Spyker and Chinese investor Youngman that would have permitted Saab Automobile to restructure and remain a solvent, going concern. The monetary value of the claim amounts to US\$ 3 billion (three billion US dollars).

Since Saab Automobile is in receivership and hence incapable to contribute to the costs of litigation, Spyker and Saab Automobile have entered into an agreement pursuant to which Spyker will bear the costs of such litigation in exchange for a very substantial share of Saab Automobile's award when the proceedings are successful. Spyker has secured the financial backing required to see the lawsuit through to the end from a third party investor.

#### *Framework Agreement with Youngman*

On 27 August 2012 Spyker N.V signed a Framework Agreement with the Chinese car manufacturer Zhejiang Youngman Passenger Car Group Co, Ltd ("Youngman").

The Framework Agreement entails the following:

- Subject to satisfactory completion by Youngman of a due diligence on Spyker and the satisfaction of relevant conditions to be set forth in the definitive transaction documentation, Youngman will invest €10,000,000 in Spyker of which approximately € 6,700,000 as subscription for such number of Class A shares in Spyker as will constitute 29.9% of the issued and outstanding share capital of Spyker on a fully diluted basis for a price of € 0.05 per share, and the remaining approximately € 3,300,000 shall be provided to Spyker in the form of a shareholder loan. Youngman undertakes to not exceed the 29.9 percent threshold and therefore has no ambition to make a mandatory offer on all outstanding shares in Spyker.
- Youngman shall pay the first tranche of the share subscription in an amount of € 2,300,000 to Spyker within 7 days as of today.

- Youngman shall pay the remaining € 7,700,000 no later than 45 days after the execution of the definitive transaction documentation.
- Youngman and Spyker will jointly invest in a Joint Venture to be called Spyker P2P B.V. ("Spyker P2P") in which Youngman will make a cash contribution in the amount of € 25,000,000 and will hold 75% of the shares whilst Spyker will make its contribution by transferring the technology it developed for the Spyker D8 Peking-to-Paris, a \$ 250,000 four door Super Sports Utility Vehicle ("SSUV") ,as well as the Spyker trademarks and will hold 25% of Spyker P2P's shares. Youngman's contribution shall be paid in installments in accordance with the development and manufacturing plan of the SSUV with the objective of launching that car by the end of 2014. Additional models on the SSUV technology are being contemplated.
- Youngman and Spyker will jointly incorporate a second Joint Venture to be called Spyker Phoenix B.V. ("Spyker Phoenix") in which Youngman will contribute the rights to the Phoenix platform as developed by Saab Automobile AB in 2010/2011 to which Youngman acquired a license in 2011 as well as provide all required funding. Youngman will hold 80% of Spyker Phoenix' shares whilst Spyker will hold 20% of Spyker Phoenix' shares which shareholding will be exempt from dilution.

Spyker Phoenix shall develop and manufacture a new full range of premium car models based on the Phoenix platform which models will be positioned higher than the comparable Saab models were. Spyker Phoenix products may be manufactured in Europe and China as the case may be.

Youngman and Spyker agree to provide all the (manufacturing) technologies owned by each of them to Spyker Phoenix for its use free of charge.

## ***16. Risk Management***

A detailed description of the Group's risk exposure and risk management is included in the Group's Annual Report 2011. During the first half year of 2012, Management's attention was particularly focused on managing the Group's liquidity risk.

### *Liquidity risk*

The Group has had a difficult liquidity position throughout the reporting period. However on 27 August 2012 the Group announced it had signed a Framework Agreement with Youngman (see Note 15 Events after the balance sheet date). With this funding secured, the liquidity situation of the Company is improved substantially. Even with this funding secured, the liquidity position will remain a top priority for Management.

## ***17. Contingencies***

A detailed description of the Group's contingencies is included in the Group's Annual Report 2011.

### ***Forward-looking Statements***

This Press Release contains forward-looking statements. These statements may be identified by words such as "expect", "should", "could", "shall", and similar expressions. The Group cautions that such forward-looking statements are qualified by certain risks and uncertainties that could cause actual results and events to differ materially from what is contemplated by the forward-looking statements. Factors which could cause actual results to differ from these forward-looking statements may include, without limitation, general economic conditions; conditions in the markets in which the Group is engaged; behaviour of customers, suppliers, and competitors; technological developments; the implementation and execution of new ICT systems or outsourcing; and legal,

tax, and regulatory rules affecting the Groups's businesses. In addition, financial risks such as currency movements, interest rate fluctuations, liquidity, and credit risks could influence future results. The foregoing list of factors should not be construed as exhaustive. The Group disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.