ANNUAL REPORT **2006**

Spyker

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Heritage Design Craftsmanship

Performance Exclusivity

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FOREWORD BY THE CEO

Dear shareholder,

2006 proved to be a milestone year in the history of Spyker Cars N.V. (“Spyker Cars” or the “Company”) both financially and strategically. The first half of the year saw the Company become cash flow positive for the first time in its history and we finished the year with a net profit, a proud moment for all of us.

An important achievement was the increase of our core production from 48 cars in 2005 to 94 cars in 2006, a continuation of our recent history of rapidly increasing production every year. This was achieved with the co-operation of Wilhelm Karmann GmbH, who have produced the bodies and chassis of our C-line product since October 2005 and with the substantial increase of our dedicated workforce in Zeewolde. The demand for our cars comes as a result of increasing brand awareness and appreciation of our sports car range within the target market demographic and this will continue to grow as we become an established rival to other high end premium sports car manufacturers, supported by our entry into the biggest marketing machine on earth, Formula One.

To ensure the continued volume growth of the car line and to reduce our exposure to the super sports car market segment we have continued development of the D12 Peking-to-Paris Super Sports Utility Vehicle (“SSUV”) throughout 2006. We revealed the first pre-production car to universal acclaim at the 2007 Salon d’Automobiles of Geneva and will begin production operations late in 2007. Also at Geneva we unveiled the Spyker C12 Zagato, a limited production run of 24 super sports cars developed in association with the famous Italian design house. This continued our recent tradition of using the annual Salon d’Automobiles of Geneva to showcase the evolving Spyker range and to reveal clues about our future design philosophy.

This expanding product line has made us increasingly attractive to retail partners and in 2006 we added dealers in the USA, Thailand, Ukraine, Czech Republic, United Kingdom and opened new showrooms at our dealers in the United Arab Emirates. More dealer partners will be added throughout 2007.

All of these achievements have been built upon the increasing global awareness and familiarity with the Spyker brand. To further develop this recognition and to underline our sporting credentials the decision was taken in 2006 to enter the world of Formula One. This was achieved through the purchase of the Midland F1 team in September. With an annual global television audience of six billion people this Formula One involvement will lift awareness of the Spyker brand and product line to the next level and form the basis for our co-ordinated global marketing platform for the foreseeable future. My business partner Michiel Mol has taken up the role of Director of Formula One Racing to oversee the growth of the Spyker Formula One Team and we appointed the experienced engineer Mike Gascoyne to the position of Chief Technology Officer. A major step in establishing our credibility was the capture of Ferrari as our F1 engine supplier and we will have the use of their ultra competitive

Monza, 10 September 2006. A new partnership begins.

V8 engine for the next three years plus one option year. Added to the recent announcement of Aldar Properties and Etihad Airways as our title sponsors for the same time period and we clearly have a solid base upon which to build our sporting challenge and global brand awareness expansion.

2006 also saw us continue our extensive GT2 racing activities. Spyker Squadron participated in ten races, including the 12 hours of Sebring, 24 hours of Le Mans, all of the Le Mans endurance races and some FIA GT races, including the famous 24 hours of SPA Francorchamps. We achieved a third place in the FIA GT manufacturers standings, sharing the podium with Ferrari and Porsche, proving our ability to compete with storied rivals both on the track as well as in the showroom.

In summary, 2006 was a true year of milestones. We again doubled car production, posted an operating profit, began to open up our product portfolio with the D12, solidified our racing credentials with our GT2 involvement and entered into the most cost-effective global marketing platform in the world, Formula One. It was a momentous year and an important one in laying the building blocks for the global expansion of the Spyker brand.

I would like to thank our dedicated staff, our key partners, Supervisory Board members, our sponsors and suppliers for all their efforts and support throughout 2006 and look forward to an equally successful future.

Victor R. Muller, CEO

Zeewolde, 4 April 2007

Heritage Design Craftsmanship

Performance Exclusivity

Members of the Supervisory Board

Hessel (J.) H.M. Lindenbergh (1943, male, Dutch), chairman

Hessel Lindenbergh is a former member of the managing board of ING Group N.V.
Currently, Mr. Lindenbergh is a Supervisory Board member of the following companies: DHV Holding N.V., Gamma Holding N.V., chairman of NIBC N.V., Koninklijke Numico N.V., chairman of N.V. Bank voor de Bouwnijverheid, Ortec International B.V., Zeeman Groep B.V., Reggeborgh Groep, DPFS and member of the Board of Trustee of the University of Amsterdam.
Mr. Lindenbergh was appointed chairman of the Supervisory Board per May 27th, 2004 and will retire, according to the rotation plan, in the general meeting of 2008.
Per 4 April 2007, Mr. Lindenbergh held no shares in the Company.

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

Mr. Hugenholtz is chief executive officer and owner of the following companies: (i) Hugenholtz Property Group, a group with affiliated companies in The Netherlands, Belgium (HPG Belgium N.V.) and France (Groupe Franco-Hollandaise) which develop real estate, (ii) Nerons Holding B.V., a holding Company with three affiliated companies that import and distribute helmets, motorcycle clothing, accessories and scooters in Holland, Belgium and Turkey. Mr. Hugenholtz is a member of the Advisory Board of Franco-Hollandaise SA and IC/h Holding Hilversum B.V.
Mr. Hugenholtz, who is vice-chairman, joined the Supervisory Board per May 27, 2004 and will retire according to the rotation plan in the general meeting of 2007.
Before the IPO, Mr. Hugenholtz acquired a share interest in the Company.
Per 4 April 2007, he held 64,767 ordinary shares in Spyker Cars through a personal holding company.

Samir A. Arab (1954, male, Saudi Arabian)

Samir Arab is a former Managing Director of Saudi Group Company (a family owned business, in which he held a position). He was Head of Private Banking, Riyad Bank (London) and Vice-President of Chase Manhattan Private Bank (London), with global responsibility for the Saudi Arabia market. Currently, Mr. Arab is Senior Advisor to Brownwood Holdings Limited, looking after Wealth Management family office for a large group in Saudi Arabia. Furthermore, Mr. Arab is a member of the Board of Directors of MerchantBridge Holdings S.A. and Managing Partner.
Samir Arab was appointed Supervisory Board member on 20 April 2006 for a term of three years and will retire periodically in the general meeting of 2009.
Per 4 April 2007, Mr. Arab held no shares in the Company.

Frans J. M. Liebregts (1946, male, Dutch)

Frans Liebregts is vice-president technology of Cogent-Power Ltd., a company specialized in electrical steel and laminations with its head office in New Port, South Wales, U.K.
Previously, Mr. Liebregts worked at Polynorm N.V., an engineering and production company of car body panels and structures. At Polynorm N.V., Mr. Liebregts held the position of vice-president.
Mr. Liebregts also worked at Steelweld B.V., a designer and manufacturer of automated assembly systems for the production of car bodies and car body components. He has been working in the car industry for more than thirty years and has a broad experience in all areas of car production.
Frans Liebregts holds a Masters degree in mechanical engineering with a specialisation in production technology from the Technical University of Eindhoven.
He was appointed Supervisory Board member of Spyker Cars per May 27, 2004. Frans Liebregts has retired, according to the rotation plan, in the general meeting of 2006 and was reappointed for a term of four years.
Per 4 April 2007, Mr. Liebregts held no shares in the Company.

Alfred (Fred) Johannes Mulder (1941, male, Dutch)

Mr. Mulder, who holds a MBA degree at Harvard Business School, USA (marketing & corporate strategy), worked in several management positions with Xerox Corporation from 1963-1981, the last four years in the position of director International Marketing in London/Xerox Stamford, USA. Having worked afterwards for ten years with the automotive and telecom company Transmark Holding B.V., four years as managing director and six as CEO, he became member of the Board of Management of Pon Holdings B.V. from 1991 – 1993. From 1993-1995 he was senior advisor of HAL Investments N.V. In 1995, Mr. Mulder co-founded Greenfield Capital Partners N.V., became chairman of the investments committees and chairman of the Board in 2000.
Currently, Mr. Mulder is chairman of the Investment Advisory Committee of Greenfield Capital Partners N.V., chairman of the Board of LBI International AB and chairman of Radio Holland N.V. Pension Fund. Furthermore, Mr Mulder is member of the supervisory boards of WAYSIS B.V., Aleri Lab Inc. (Chicago/London) and Duos Technology Inc, USA.
Mr. Mulder, who lives in France, was involved in investments regarding Formula One.
He was appointed Supervisory Board member per 27 September 2006 for a term of four years and will retire periodically in the general meeting of 2010.
Per 4 April 2007, Mr. Mulder held no shares in the Company.

Maurizio La Noce (1957, male, American)

Mr. La Noce, as the Director Energy & Industry Unit of Mubadala Development Company, is responsible to develop viable investment opportunities in the oil & gas, IWPP, petrochemical, industrial and renewable energy sectors; the unit's primary focus is in projects outside of the UAE. Mr. La Noce has 25 years of experience in the energy industry, with the last 10 primarily devoted to the management and development of natural gas and large infrastructure projects in the Middle East; he began his business career in 1981 and held various commercial and managerial positions with Atlantic Richfield Co. and Enron Corp. with on job assignments in Milan, London, Dallas and the UAE. After joining Mubadala Development in June 2001, Mr. La Noce was assigned to the development of the US $4.5 billion Dolphin Energy project which is now under the final phases of construction. Most

recently he led Mubadala's participation in the Mukhaizna EOR project in Oman, the acquisition of exploration blocks in Libya and Algeria, the strategic investment in Spyker Cars and the development of a US $ 5 billion, 1.4 mtpa aluminum smelter in Abu Dhabi in JV with DUBAL. Mr. La Noce is currently representing Mubadala in various boards of directors and steering committees (Emirates Aluminium, Abu Dhabi Future energy Co., Shell, Rolls Royce, Total, Finmeccania).
Mr. La Noce was appointed Supervisory Board member on 20 April 2006 for a term of three years and will retire periodically in the general meeting of 2009.
Per 4 April 2007, Mr. La Noce held no shares in the Company.

Members of the Management Board

Victor R. Muller (1959, male Dutch), Chief Executive Officer
Victor Muller is one of the founders of the Company.
As Chief Executive Officer of the Company he is responsible for implementing the overall strategy of Spyker Cars. Victor 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 the offshore construction company Heerema in Leiden and was involved in several major acquisitions. He became part owner of Wijsmuller Salvage and Towage, IJmuiden, 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. that went public under the name McGregor Fashion Group N.V. in April 1999.
Mr. Muller was appointed Management Board member for an indefinite period of time.
Per 4 April 2007, Mr. Muller held 1.050,924 ordinary shares in Spyker Cars through a personal holding company and a right to acquire 59,782 shares through his management company (2.5% of the issued share capital per 27 May 2004) under the ESOP. *

Richard Borsboom (1966, male, Dutch), Chief Financial Officer
Richard Borsboom joined the Company on 15 October 2005 as Finance Director. Before he started working for Spyker Cars, Richard Borsboom has worked in several management positions. He worked as management information system analyst at an insurance company, finance manager at a finance and leasing company and as Chief Financial Officer at Alcas, one of Europe's major players in background music. Mr. Borsboom obtained a bachelors degree in 1993 (SPD) and graduated in 2001 at the Erasmus University of Rotterdam, master of science in business administration (change management).
Richard Borsboom was appointed Chief Financial Officer by the annual general meeting on 20 April 2006 for a period of four years and will retire in the general meeting of 2010. His main responsibilities are in the areas of finance, organisation, information technology and purchase management.
Per 4 April 2007, Mr. Borsboom held no shares or option rights in the Company.

Oedith N. Jaharia (1966, male, Dutch), Chief Business Development Officer
Oedith Jaharia was the Company's Chief Financial Officer until 20 April 2006. Per that date,

Mr. Jaharia changed his portfolio in the Management Board and became Chief Business Development, which function he fulfils on a part-time basis. During last year, Mr. Jaharia was involved in the start-up of automotive engineering activities in India, which have become operative under the name Tenaci Engineering. Mr. Jaharia has 14 years of senior management experience in several industries such as printing, steel and machinery. He has been Chief Financial Officer of Meyn Food Processing (Oostzaan, The Netherlands) and Nedstaal B.V. (Alblasserdam, The Netherlands). After obtaining a bachelors degree in Business Accounting (SPD) and a Master's degree in Management (TIAS, business school of Tilburg University, Tilburg, The Netherlands), Mr. Jaharia pursues a part time Doctor of Philosophy (PhD) degree in Technology Management at Eindhoven Centre for Innovation Studies (TUE). Mr. Jaharia joined the Company in September 2003. He was appointed Management Board member for an indefinite period of time.
Per 4 April 2007, Mr. Jaharia holds unconditional option rights to acquire 59,782 ordinary shares and a right to acquire 59,782 shares under the ESOP, both through his management company.*

Michiel J. Mol (1969, male, Dutch), Director of Formula One Racing
Michiel Mol is the founder and board member of Lost Boys, an internet company which he presided as CEO from 1993 – 2002. Michiel Mol is founder and shareholder of Media Republic B.V. Lost Boys was active as a sponsor of Formula One racing teams and drivers. Mr. Mol is an indirect shareholder of Lost Boys, Media Republic and Christijan Albers B.V. Mr. Mol obtained a bachelor degree in both computer sciences and artificial intelligence at Leiden University.
Mr. Mol was appointed Management Board member per 27 September 2006 for a period of four years and will retire in the general meeting of 2010.
Per 4 April 2007, Mr. Mol held no shares or option rights in the Company.

* For further details about all option rights, see the "Remuneration" chapter in this annual report.

Michiel Mol: 'We know that we have a long way to go, but we have a long-term view on our involvement in Formula One and are committed to achieving results both on and off the track.'

From left to right: M. La Noce, J.M. Liebregts, S.A. Arab, J.H.M. Lindenbergh, J.B.Th. Hugenholtz, A.J. Mulder,

M.J. Mol, R. Borsboom, V.R. Muller, O.N. Jaharia, C.L. Molewijk (Secretary of the Company).

	2006 Based on IFRS	2005 Based on IFRS	2004 Based on IFRS	2003 Based on Dutch GAAP	2002 Based on Dutch GAAP
	€ (‘000)	€ (‘000)	€ (‘000)	€ (‘000)	€ (‘000)
Results					
Revenues	36,293	8,275	3,819	2,895	1,188
Operating result	3,930	-3,175	-4,912	-4,216	-1,238
Result before taxes	2,695	-3,644	-5,730	-5,143	-1,713
Net result attributable to equity holders of the Company	760	-1,930	-4,986	-4,808	-1,122
Car production and sales					
Production	94	48	31	12	3
Sales	74	26	15	3	2
Average number of employees (in FTE)	351	71	60	34	10
Automotive activities	114	62	55	34	10
Racing activities	237	9	5	0	0
Balance sheet data					
Non-current assets	133,410	31,250	21,403	14,838	9,973
Equity attributable to equity holders of the Company	85,156	28,396	16,453	-4,339	-1,294
Balance sheet total	188,317	48,615	29,819	17,559	11,500
Cash flow from operating activities	-10,907	-7,065	-5,672	-3,965	-1,868
Shares of Spyker Cars N.V.					
Outstanding shares as at 31 December with a par value of € 0.04	6,210,378	3,667,782	2,491,303	708,400	506,000
Weighted average number of shares diluted	4,679,963	2,989,458	1,735,871	671,140	467,814
Weighted average number of shares	4,563,658	2,739,681	1,735,871	671,140	467,814
Group equity per share	€ 18.66	€ 10.36	€ 9.48	€ -6.47	€ -2.77
Net result per share	€ 0.17	€ -0.70	€ -2.87	€ -7.16	€ -2.40
Cash flow from operating activities per share	€ -2.39	€ -2.58	€ -3.27	€ -5.91	€ -3.99

Key financial dates

4 April 2007	Publication Annual Report 2006
19 April 2007	General Meeting of Shareholders, starting 2 p.m.
27 April 2007	Trading update Q1, 2007
31 August 2007	Publication results first half year 2007
26 October 2007	Trading update Q3, 2007

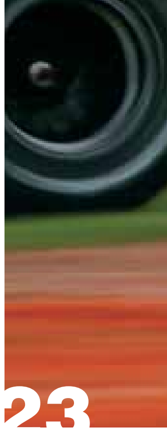
Listing

On 27 May 2004, Spyker Cars was admitted to listing at the Euro.NM Amsterdam segment of the Euronext Amsterdam Stock Exchange. In view of a further harmonisation and transparency of its stock markets, Euronext facilitated the integration of the Official Market and Euro.NM. Spyker Cars opted for a transfer to the Official Market with effect from 4 April 2005 (ticker symbol SPYKR, fund code 38083, ISIN-code NL 0000380830). Although quarterly reports are no longer required, the Management Board decided to continue issuing quarterly trading updates until further notice.

Development share price and trading volumes from 27 May 2004 until 28 March 2007

Increase of share capital during 2006

The Company's issued share capital consists of ordinary shares, shares class A and one priority share. The nominal value of each share in Spyker Cars 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.



	Ordinary shares	Priority shares	Class A shares	Total shares
Issued shares per 1 January	2,877,932	1	789,849	3,667,782
Issued in 2006	0	0	2,275,654	2,275,654
Converted from class A to ordinary shares	656,668	0	-656,668	0
Exercised employee options	2,390	0	0	2,390
Conversions convertible bond 2005	264,552	0	0	264,552
Issued shares per 31 December	**3,801,542**	**1**	**2,408,835**	**6,210,378**

Amsterdams Effectenkantoor B.V. (AEK) acts as the liquidity provider for Spyker Cars and has published analyst reports of the Company. Analyst reports were also published by Theodoor Gilissen and Fortis Bank.

Disclosure of major holdings and capital interests

In the last quarter of 2006 the revised Act on the disclosure of Major Holdings and Capital Interests in Securities-Issuing Institutions (Wmz 2006) came into effect. The aim of the Wmz 2006 is to increase transparency regarding major holdings and capital interests in securities-issuing institutions. The Wmz 2006 imposes a duty to disclose on all parties that acquire or lose shares in a Wmz company, if their percentage holding in the capital and/or voting rights reaches of falls below one of the following thresholds: 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. Disclosures have to be reported to the AFM. The Wmz 1995 only required disclosure in case a threshold of 5%, 10%, 25%, 50% or 66 2/3% was “passed”.

The following shareholdings were reported to the AFM in 2006:

	31.12.2006	31.12.2005
J. Mol*	25-30%	-
V.R. Muller*	15-20%	25-50%
Mubadala Development Company	15-20%	10-25%
MerchantBridge Managers Inc.	5-10%	10-25%
Global Opportunities (GO) Capital Asset Management B.V.**	5-10%	-
De Vries Robbé Groep N.V.	-	10-25%
R.A.C. van de Laar*	-	5-10%

* shareholdings via one or more personal holding companies

** on 8 March 2007, a report was filed to AFM to the effect that this interest has been reduced to below 5%

Registration date

In its Annual General Meeting, held in 2006, the Company for the first time determined a registration date for the exercise of the voting rights and the rights relating to meetings. The Company will continue to do so in the future.

SUPERFUND
SUPERFUND
ALDAR
BASE
Trust
MEDION
MEDIONmobile
Exact software
EC-TECHNOLOGY INSTALLED
ADRIAN SUTIL

Heritage

Design

Craftsmanship

Performance

Exclusivity

Profile

Spyker Cars N.V. is a public limited liability company (hereinafter “the Company” or “Spyker Cars”) incorporated under the laws of The Netherlands with its statutory seat in Zeewolde, The Netherlands. The Company is listed at the Eurolist Euronext Amsterdam stock exchange since 27 May 2004.

Under the Spyker brand the Company operates a Formula One team and designs, engineers, manufactures, markets and distributes high-end sports cars as well as – starting in 2008 - super sports utility vehicles. The Company pursues brand recognition by engagement in active racing in the international race arena and markets personal luxury items, supporting the overall brand image. The Company’s distribution network includes high-end multi franchised dealers and dedicated Spyker dealerships in selected markets.

Spyker Cars N.V. is the top-holding Company of a group of companies, consisting of:

- three wholly owned subsidiaries in The Netherlands (Spyker Automobielen B.V., Spyker Squadron B.V. and Spyker F1 Racing Holding B.V.),
- one 100% subsidiary in the United States of America (Spyker of North America, LLC),
- four 100% subsidiaries in the United Kingdom: Spyker Cars UK Ltd. is directly held by the top-holding, whereas Spyker F1 Ltd., Spyker Brand Ltd. and Spyker F1 Team Ltd. are indirectly held via Spyker F1 Racing Holding B.V., and
- a 51% interest in Spyker of China Ltd., established in the Peoples Republic of China.

Mission statement

The Management Board’s mission, incorporating its ambition and aim for success, is to become a successful contester in the FIA World Championship Formula One, GT2 and a leading and durably successful European sports car and super sports utility vehicle manufacturer in the premium market with a strong brand.

Strategy

The Management Board believes that it can create growth by properly managing the existing businesses and by executing its brand development strategy to build Spyker as an important brand in the premium super sports and super sports utility car industry. The Management Board also believes that proper management of a premium super sports and super sports utility car brand entails among other things assuring a distinct product of outstanding quality, strictly controlled distribution, continuous innovation and consistent investment in marketing and communication.
Accordingly, the strategy of the Company is focussed on the following objectives:

- to position the Spyker brand as a premium brand for exclusive and hand built sports and super sports utility cars and related products in the premium super sports and super sports utility car market with a high-end distribution network to match; and
- to create a distinctive, custom-made, premium product incorporating aviation and (Formula One) racing styling elements derived from both the original Spyker brand in the period 1898-1925 and from the current Spyker Formula One cars in the form of a high-tech package with state-of-the-art underpinnings; and

- to prove reliability and quality, and to create credibility, global brand recognition and business, by engaging in active racing in the international race arena, both in Formula One as well as in GT2.

Products

After having introduced its second product line in February 2006 (a four wheel drive super sports utility vehicle) the Company has started to refer to its products as C-line and D-line products.

C-line products

The C-line concerns the manufacturing of premium super sports cars. Formerly, the Company has referred to each of these models by a different name. In order to simplify the brand communication, the Company now splits its C-line product range into Spyders (open version) and Laviolette (closed version), either with a short wheel base (SWB) or long wheel base (LWB).

The C-line products cover the following models:

- the C8 Spyder SWB (was the C8 Spyder)
- the C8 Spyder LWB (was Double 12 Spyder)
- the C12 Spyder LWB (was the C12 LaTurbie Spyder)
- the C8 Laviolette SWB (was the C8 Laviolette)
- the C8 Laviolette LWB (was the C8 Double 12 Coupe)
- the C12 Laviolette LWB (was C12 LaTurbie Coupe).

The C8 models are equipped with an Audi 4.2 litre all-aluminium V8 engine.

Spyker Cars' newest C-line model, the *Spyker C12 Zagato*, had its world premiere on 6 March 2007 at the Salon d'Automobiles of Geneva. The Company is very proud that the famous Italian styling firm, Carrozeria Zagato of Milano, co-operated on the design for this car. Carrozeria Zagato was established in 1919 and has always stood for advanced design and streamlined aerodynamics using aircraft industry techniques. The Spyker C12 Zagato was designed to celebrate the creation of the Spyker Formula One Team and will be produced in a limited edition of 24 cars as from March 2008.

All C12 models are powered by the 6.0 liter, 12 cylinder, 500 bhp W12 engine from Volkswagen AG. The Spyker C12 Zagato is equipped with a six-speed manual or automatic gear box with F1 style shifting, Chronoswiss instruments and a Zagato designed full leather interior with brushed aluminium instrument panel. The C12 Zagato also features many Formula One derived design details: including the profiled nose section, rear view mirrors and chimney exhausts. It has a distinctive panoramic roof that features the "Double Bubble", a typical Zagato styling element.

D-line products

The D-line refers to the Spyker Super Sports Utility Vehicle (SSUV), the Spyker D12 Peking-to-Paris. This SSUV, which will be taken into production late 2007, is a permanent four-wheel drive, four-door and four-seat sports luxury car. It will be powered by the 6.0 litre, 12 cylinder, 500 bhp W12 engine from Volkswagen. It will weigh a mere 1850 Kgs. Its design is highly inspired by Spyker's aviation history: the remarkable fin tail of the 1919 Spyker Aerococque, produced after the Great War, now forms a functional part of the SSUV's roof.

Colin Kolles: 'The Spyker Formula One Team shares the same aims as its road car parent, to prepare fast, beautiful cars and, ultimately, to be recognised as the best in its industry.'

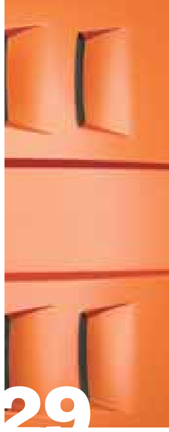
The D12 Peking-to-Paris is built on a Spyker designed all aluminium space frame and has an all aluminium body with rear-hinged coach doors at the back, has a length of 4.95 m and has 24" Spyker Aeroblade™ wheels. The D12 Peking-to-Paris is named after the pioneer overland raid held in 1907, which started in Peking and ended in Paris two months later and in which a Spyker 14/18 HP was one of the five participant vehicles. This journey will be re-enacted in 2007 for the 100th anniversary and a vintage Spyker will again take part.

Formula One and GT2 racing

The Company - through its Formula One race team - designs, engineers and manufactures Formula One race cars that participate in the FIA Formula One World Championship. Furthermore, the Company – through Spyker Squadron – designs, engineers and manufactures GT2 race cars that participate in the Le Mans Endurance Series and FIA GT races. The race activities are self supporting and primarily financed by race related income.

History

At the dawn of motoring, a Dutch car company was building cars that became a benchmark for their foreign counterparts. Combining technological innovation with a drive for engineering perfection and superb quality, Spyker cars won gruelling races, set speed records and became known as the most prestigious cars of their time.



In 1898 two brothers, Jacobus and Hendrik-Jan Spijker, coachbuilders since 1875, built their first Benz-engined motorcar with which they won immediate acclaim for the craftsmanship of their bodywork. In the same year Spijker built the famous golden state coach, still in use today, to commemorate the forthcoming coronation of the Dutch queen, Wilhelmina. This was the turning point in their business career: from that moment on the Spijker brothers committed their company fully to the production of motorcars. The business name was changed from “Spijker” to “Spyker”, for easier recognition in foreign markets.

In 1903 Spyker introduced the extremely advanced 60/80 HP grand prix racer. It was the first car ever with a six-cylinder engine as well as permanent four-wheel drive and four-wheel brakes. In the same period Spyker introduced its patented “dust shield chassis”, a chassis fitted with a streamlined under tray that prevented the car from creating dust clouds on unpaved roads.

Spyker’s image was further enhanced when in 1907 a privately entered standard model Spyker 14/18 HP Tourer became legendary after successfully competing in the gruelling Peking-to-Paris Raid, arriving in second place. It was innovations such as these that characterized the Spyker cars that quickly became famous for their quality and the ruggedness of their engineering.

The Spyker models, with their characteristic circular radiators were especially successful in the Dutch East Indies and in Britain, where Spyker became known as the “Rolls Royce of the continent”.

In the period preceding World War 1, a worldwide slump in the luxury car market meant that Spyker had to diversify its production and merged with the Dutch Aircraft Factory N.V. The company started developing and building fighter aircraft of which it made 100 during the war. 200 aircraft engines were produced as well.

In 1914 the company introduced the slogan still in use today: “Nulla tenaci invia est via” (for the tenacious no road is impassable). Along with the slogan came a new logo, featuring a spoked wheel with a horizontal propeller which adorns every Spyker until this day.

After the war Spyker resumed car production. True to its motto, Spyker continued building record-breaking cars. Most famous of these is the Spyker C4. It had a special engine, built by the famous German engineer Wilhelm Maybach. It had a double ignition system with Bosch high-tension magneto and battery-coil ignition with two spark plugs per cylinder.

The Spyker C4 was a powerful, dependable and luxurious car. In 1921, a standard C4 (chassis number C41, engine number 3201) established a new endurance record, driving continuously for 36 days and covering a distance of 30,000 kilometres. This car was called the “Tenax”. Later on it was bought by the Dutch nobleman Hugh Baron van Pallandt who, with this car, won the first prize in the hill climb of the Mont de la Turbie near Monte Carlo in March 1922. Also in 1922, the famous British driver Selwyn Edge broke the Brookland’s Double Twelve speed record, clocking an average speed of 119 km/h.

In 1925, Spyker ceased trading, but its name has never been forgotten. Spyker became an icon, a brand name that stands for technologically advanced, exotic and dependable cars. That heritage has been passed over to the new Spyker Company and its cars.

Since October 2000 when the Spyker C8 Spyder was unveiled at the Birmingham Motor Show, Spyker has established a strong foothold in the super sports car market niche. The contemporary cars are hand-built in the best tradition of the original Spykers by dedicated craftsmen, using the very best materials available. Spykers are crafted with passion for the most discerning individuals.

Heritage Design Craftsmanship

Performance Exclusivity

Dear shareholders,

The financial statements prepared by the Management Board for the annual report 2006 have been audited by Ernst & Young Accountants. The auditors discussed their findings on the financial statements with our Board. We concur with the financial statements and recommend to the General Meeting of Shareholders:

1 to accordingly adopt the 2006 financial statements
2 to allocate the profit for 2006 to the other reserves
3 not to pay any dividend.

The supervision of the policies and actions of the Management Board is entrusted to us. Major management decisions, including the determination of the annual budget, require our approval. We also supervise the operational and financial targets of the Company, the strategy and the internal risk management and control systems.

Corporate Governance developments

In 2006, we discussed developments in the area of corporate governance. We studied the recommendations of the Monitoring Committee with regard to the provision of the Code on internal risk management and control systems (II.1.4.). Following the "comply or explain" requirements of the Code it was decided to add some more detailed explanations in this Annual Report. In conformity with earlier statements we appointed two permanent Supervisory Board committees, since the Supervisory Board expanded from three to six members in 2006. While retaining overall responsibility, the Supervisory Board has assigned certain of its tasks to these committees. The committees appointed are the Audit Committee, chaired by Mr. Hans Hugenholtz and the Remuneration & Nomination Committee, chaired by Mr. Frans Liebregts. The committees started meeting in 2007.

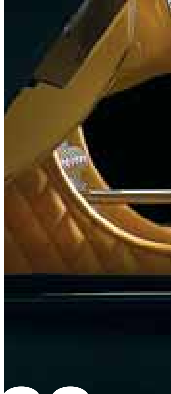
In the General Meeting of Shareholders, held on 20 April 2006, we explained to the shareholders that we deemed the representation of the expertise of Mr. Maurizio La Noce and Mr. Samir Arab on important aspects of the Middle East market necessary in our Board, although both would qualify as dependent supervisory board members according to the Dutch Corporate Governance Code: both Mr La Noce and Arab were appointed by the General Meeting.

The Spyker Code of Conduct, which was prepared by the Management Board, was approved by us and came into force in March 2006.

The application by Spyker Cars of the Corporate Governance Code is addressed in a separate chapter on "Corporate Governance" in this Annual Report.

Meetings of the Supervisory Board and topics discussed

During 2006, our Board met eight times and attended two General Meetings of Shareholders of the



Company, held in April and September 2006. Six Supervisory Board meetings were attended by all members. We discussed, without the members of the Management Board being present, the performance of the Management Board, the individual Board members, the remuneration of the members and we set the targets for 2006 under the Employee Share Option Plan (“ESOP”).
We reviewed and approved the budget and investment program for 2006. We concurred with the corporate strategy, which aims for an expansion of the distribution network, expansion of the racing program and which focuses on becoming a dual product line manufacturer. We studied the instruments for further cost reduction and cash flow forecasts.

After consultation with the Management Board, we decided to assess the quality and the costs of the external auditor in a tender procedure. The General Meeting of Shareholders, in their meeting of 20 April 2006, delegated the power to appoint the external auditor for the audit of the financial statements for 2006 to our Board. Based on the presentations of and the discussions with the invited auditors, we decided to appoint Ernst & Young Accountants. Our decision was supported by the Management Board. This appointment will be submitted for approval to the shareholders in the General Meeting of Shareholders in 2007.

Over the past year our Board was frequently informed about the ongoing business of the Company. In view of the increase of the C-line production and the newly hired employees, the Company acquired a new hall and rented an additional production facility, all at the same industrial estate in Zeewolde. We took notice of the fact that the order increase for the C-line was overtaken by the order increase for the SSUV.
Friesland Bank offered a tailor made credit facility and became the Company’s new bank in July 2006. The 2005 subordinated convertible loan of € 4 million was converted into shares for an amount of € 3.5 million.
In none of the Supervisory Board meetings, members had to abstain from voting in view of a (possible) conflict of interest.

Formula One

Of strategic importance was the opportunity to purchase the Formula One team Midland F1 Limited. After extensive discussions and having reviewed the outcome of due diligence research reports, we fully supported the acquisition of this team.
An Extraordinary Meeting of Shareholders was convened on 27 September 2006; the Meeting approved of the proposition to acquire Midland and to amend the Company’s articles of association. The amendment concerned an increase of the authorized share capital and an addition to the statutory object of the Company. The acquisition was financed on a stand-alone basis by the proceeds of 2.65 million new shares A at € 20 per share and a vendor loan.

Audit subjects

Our Board reviewed the Company’s annual and semi-annual financial statements.
With regard to the external audit and the auditor transition in 2006, we reviewed the proposed audit scope of Ernst & Young, their approach, the audit team and the fees.
The Company’s financial reporting process, the system of internal business controls and risk

management, the potential impact of internal and external forces and the monitoring system were investigated after the acquisition of the Midland F1 Ltd. We rendered advice about the appropriate actions to be taken in order to improve the risk management and control systems. A description of the Company's risk management can be found in the separate chapter on Risk Management in this Annual Report.

Nomination subjects

In the course of 2006, we advised the Meeting of Shareholders about candidates for appointment and reappointment.
With regard to the Management Board, we advised to appoint Mr. Richard Borsboom as CFO and to appoint Mr. Michiel Mol as Director of Formula One Racing.
With regard to the Supervisory Board, we advised to reappoint Mr. Frans Liebregts and to appoint Mr. Maurizio la Noce, Mr. Samir Arab and Mr. Fred Mulder as new members.
All our advices were supported by the holder of the Priority Share ("Stichting Prioriteit Spyker Cars").
The General Meeting of Shareholders (re)appointed Mr. Borsboom, Mr. Liebregts, Mr. La Noce and Mr. Arab on 20 April 2006 and Mr. Mol and Mr. Mulder on 27 September 2006.

Principle points of remuneration

Spyker Cars' remuneration policy concerns the following principle aspects.
The remuneration which the Management Board members receive from Spyker Cars shall be such that qualified and expert managers can be recruited and retained. According to the policy, the remuneration consists of a fixed and a variable part. The importance of the variable remuneration component is to strengthen the Board members' commitment to the Company and its objectives.
Recently, the Remuneration & Nomination Committee has sought support from an external advisor to determine benchmarks for the remuneration of Spyker Cars' managers. In order to do so, a peer group must be chosen. The Committee will report next year about the outcome.
Early 2007, our Board decided to propose to make a cash bonus for the Management Board members part of the remuneration policy. The variable part then will consist of option rights and a cash bonus.
The full remuneration report can be found in a separate chapter in this Annual Report.

Composition of the Supervisory Board

In 2006, our Board has twice amended the Supervisory Board's profile in view of the Company's expanding activities, especially regarding the growing importance of the Middle East market and of the racing activities after the acquisition of the Formula One team. Consequently, we deemed a wider range of expertise necessary in the Board. Our Board expanded from three to six members.
The required expertise concerns the following fields: financial expertise, know how on production and/or assembly processes, marketing expertise, expertise on all aspects of the Middle East market and expertise on financing and sponsoring of worldwide race events (Formula One).

Supervisory Board members retire periodically in accordance with a rotation plan drawn up by our Board, which last has been amended in September 2006. Each Supervisory Board member thus retiring may be re-appointed. The remuneration of the Supervisory Board members was determined

by the General Meeting in 2004. The personalia of the Supervisory Board members can be found under the heading “Board members of Spyker Cars N.V.” in this Annual Report.

Zeewolde, 4 April 2007

J.H.M. Lindenbergh, chairman
J.B.Th. Hugenholtz, vice-chairman
S.A. Arab
F.J.M. Liebregts
A.J. Mulder
M. La Noce

Composition committees:

Remuneration & Nomination committee
Frans Liebregts
Samir Arab
Fred Mulder
Hessel Lindenbergh

Audit Committee
Hans Hugenholtz
Maurizio La Noce
Hessel Lindenbergh

Victor Muller: ‘First and foremost I want the Spyker name to be associated with success. We want to be competitive, it’s our mission.’

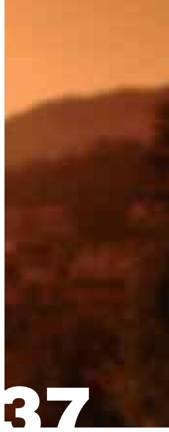
Global automotive market in super car segment

Spyker Cars' main assignment is to establish itself as a brand among the super sports car manufacturers and seize the opportunities in this market segment.
The market for premium sports cars is small in comparison to total car sales worldwide. Premium consumer goods sectors are subject to volatility in demand corresponding to economic cycles. According to a study conducted in 2006 by the German Institute for Automotive Business at Nurtingen College, the global demand for luxury cars will continue to increase significantly. Thus, last year's expectations as published in Spyker Cars annual report of 2005 are confirmed, stating that the major growth in demand of super sport cars is expected to continue for several more years.
The United States is the largest and wealthiest market in the world for high-end vehicles. It has experienced major growth in the ultra-luxury automobile markets. Sports car manufacturers have posted record sales in the past few years and industry analysts predict market growth to almost double over the next five years. In anticipation of greater demand, manufacturers have stepped up production and introduced new models.
Other markets than the United States also showed growth curves. The luxury car industry in Europe is described to be in healthy shape and particularly vibrant in its top segment; the "new economies" such as China and India look very promising from a growth point of view.

In order to widen Spyker Cars' product proposition to the market and to address a second market segment, the Board has decided to introduce a second product line.
This second product line meets the demand of a new and growing group, looking for high performance combined with practical use: the high powered Sports Utility Vehicle (SUV). The basis for this development is the success of the luxury SUV, such as Porsche Cayenne and Range Rover Sport. Spyker Cars has anticipated the high potential of this new peer group of customers and has introduced a Super Sports Utility Vehicle ("SSUV") as its second product line. The focus of Spyker Cars is aimed at the high-end of this SUV market.
The Management Board firmly believes that there will be sufficient demand for very exclusive luxury sports and sports utility cars in those parts of the world, in which Spyker Cars is active.

Branding and marketing

As stated before, Spyker Cars' main ambition is to establish itself as a premium brand among the super sports car manufacturers and seize the opportunities in this market segment.
Since its start in 2000, the Company has consistently underpinned five main characteristics of the Spyker brand: heritage, design, craftsmanship, performance and exclusivity. The brochures of the Spyker cars highlight the representation of each of these elements in the Spyker products. Heritage, for example, is passed on to the contemporary cars by using aviation and racing elements of the early cars.



The Management Board is convinced that, in order to realise continuous growth of the sales volume in the future, further establishment of the Spyker brand on a worldwide scale is required. Generally, this would require a very large marketing budget.
However, a unique opportunity occurred to market the Spyker brand on a global scale: the Formula One team Midland F1 Ltd. came up for sale. The Management Board expects that the acquisition of this race team, now bearing the team name Etihad Aldar Spyker Formula One Team, will have a significant impact on Spyker's global brand awareness. The Grand Prix races belong to the most broadcasted sports events in the world. With an audience of about 380 million viewers per race, Formula One is said to reach six billion eyeballs annually.

The five characteristics of the Spyker brand do not only apply to the manufacturing of the products, but also to the way the cars are presented to the market. It means choosing high profile events and selected premium dealers.
Spyker cars are marketed via face-to-face presentations at high profile events, including selected motor shows, concourses d'elegance, GT2 endurance racing events and now also Grand Prix races. In 2006, Spyker Cars attended motor show exhibitions in New York, Geneva, Shanghai, Abu Dhabi and Monaco.
The Company participated at the Concours d'Elegance of West Palm Beach (USA), Amelia Island (USA), the 64th F1 Grand Prix of Monaco, the Historic Grand Prix of Monte Carlo, the Goodwood Festival of Speed (UK), Pebble Beach Concours d'Elegance (USA), the BullRun (USA), Salon Privée (UK) and the Millionaire Fair in Amsterdam (NL).

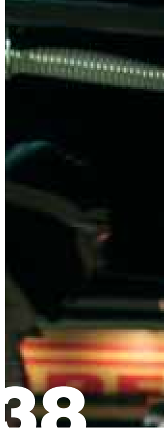
Investment policy

Spyker Cars' investment policy is primarily focussed on a further production increase of existing and new Spyker models and modifying them to various international standards and continuously applying technological improvements. Further extension of the Company's C-line production capacity has been secured by renting a new production hall, close to the existing facility in Zeewolde. The development of the street models, such as the D12 Peking-to-Paris and C12 will require additional investments by the Company: inventories (parts) have to be built up and cars need to be tested.
It is the Company's policy that development costs in racing as well as the race expenses have to be financed on a stand-alone basis. This includes the Spyker Formula One race activities.

Product development and research

Manufacturing cars requires ongoing research and development. Automotive regulations in those markets, in which Spyker Cars is active, are closely followed. There is a constant need to modify the product to various (new) international standards and to apply technological improvements.
The general trend in the industry is that a model continues to remain in production for a minimum of 7 years. However, the Management expects the lifespan of its C-line models to run without major modifications to the end of 2012.
The D12 Peking-to-Paris will be taken into production in late 2007.

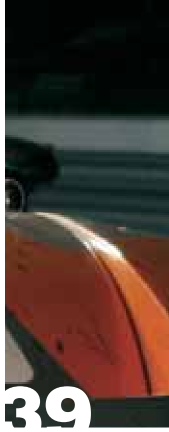
As a result of the on-going development of new models, Spyker Cars' necessity for high-end



engineering capacity has grown significantly. Therefore, the Company has decided to develop an engineering centre in 2007 in Gurgaon in the state of Haryana, India. In a joint venture with a local partner, Tenaci Engineering has been created. The Management Board expects that Tenaci Engineering will contribute to cost savings. Through Tenaci Engineering, Spyker Cars will considerably expand its research & development capacities.
For future training of engineers, Spyker Cars has signed a memorandum of understanding with an Indian university in the state of Haryana, by which a two year master of science program, specialized in automotive engineering, has been set up. Apart from the Indian university, faculties from European universities will participate, as well as practitioners of the European car industry.

Financial results and funding

The Company passed a number of financial milestones in 2006. It became operationally cash flow positive (excluding Formula One) in the first half of 2006 and moreover, it closed the year for the first time ever with a net profit, amounting to € 828,000. The arrival at break-even earlier than foreseen was related to the acquisition of the Midland Formula One race team, which included a one-off payment.
The Company's total revenues rose substantially from € 8.3 million in 2005 to € 36.3 million in 2006. Automotive contributed with € 16.4 million to the revenues, the racing activities added up € 18.8 million and "Merchandise and Events" contributed € 1.1 million (respectively in 2005 €5.8 million, € 2.2 million and € 0.2 million)
The operating result went up from € 3.2 million negative in 2005 to € 3.9 million positive in 2006.
The inventories at year end 2006 amounted to € 17.3 million compared to € 5.1 at year end 2005.
The balance sheet total grew from € 48.6 million per 31 December 2005 to € 188.3 million at year end 2006.
In the course of 2006, a total of 923,610 ordinary shares was issued: hereof, 656,668 shares were issued in exchange for shares class A, 2,390 shares concerned the exercise of employee options and 264,552 shares were issued upon the conversion of the 7% subordinated convertible bond 2005-2009. Of the original loan amount of € 4 million, a sum of € 0.5 million is still outstanding. The conversion price is set at € 13.50. Apart from its contribution to the group equity, the bond conversion will contribute to a reduction of interest charges in 2006 and beyond.
Furthermore, 2,650,000 shares class A were paid up in relation to the acquisition of Midland F1 Limited and its two subsidiaries Midland Brand Ltd. and Midland F1 Team Ltd. Midland was purchased for a price of USD 106.6 million. The acquisition was financed on a stand-alone basis and partly by means of a fully underwritten share issue of 2,650,000 shares class A at € 20 per share, totalling to an amount of € 53 million, equalling USD 68 million. An amount of USD 0.6 million was paid to the vendor by way of delivery of two Spyker C8 Double12S cars.
For the remaining USD 38 million an interest free vendor loan was granted, to be paid in two instalments. The first instalment of USD 15 million is due on 28 September 2007, the second instalment of USD 23 million on 28 September 2008.
Of the issued shares class A, 1,855,000 shares were placed with Strongwind, a holding company of Mr. J. Mol, who acquired a 29.87% interest in the Company. Mubadala Development Company took 420,654 shares class A and thus secured its 16.84% interest percentage in the Company.
In July 2006, the Company's bank overdraft facility with ABN AMRO Bank N.V. was replaced by a



tailor made facility of Friesland Bank N.V. to fund the Company's working capital. With regard to the purchase of the Formula One activities, ABN AMRO Bank N.V. granted a bank facility of USD 18 million to Spyker F1 Ltd.
The results of 2006 lead to an increase of the net result per share in one year from € -0.70 to € 0.17.

Production
In 2006 Spyker Cars increased its production output by 96% in comparison to 2005. Production reached 94 cars (48 in 2005), just shy of the target of 100 cars.
Of the delivered cars, 53% went to clients in the USA, 31% to clients in Europe (including Russia), 12% to China and 4% to clients in the Middle East. Of the remaining cars, 21 were used for internal purposes like test vehicles, crash cars, demonstrators and prototypes. Also production capacity was used to rebuild, convert or repair severely damaged cars such as 2 Basic Instinct stunt cars .

In order to be able to realise the production increase, the Company rented a new production hall at the same industrial estate as the main plant. The relocation caused minor production disruption and manufacturing conditions improved considerably. The main plant now is used as production centre for "specials" (exclusive high-end editions, like the C12 and GT2 models) and also houses the company's headquarters and exhibition room. The bodies and chassis of the C8 cars are produced at Wilhelm Karmann GmbH and of the other car models at Coventry Prototype Panels Ltd. Final assembly is executed at the Companies premises.

The new production facility is split between sub-assembly and final-assembly. Sub-assembly is part of the in-house warehousing and executed by a separate team of skilled mechanics. Examples of sub-assemblies are the fuel system, the suspension system and the power-train. The final assembly production line is split over ten assembly phases, each with a fixed team of skilled mechanics. This new production process generates major improvements with regard to build efficiency and also regarding warehousing and logistics.

Orders received
The order backlog, which concerns the number of ordered cars that still have to be produced, rose from 191 per 31 December 2005 to 327 per ultimo 2006. The order backlog for the C-line slightly decreased from 161 orders per 31 December 2005 to 145 per 31 December 2006. The number of ordered SSUVs rose considerably from 30 to 182 per year end 2006.
The order increase does not alarm the Management Board; its expects that after the start-up of the deliveries of the SSUV in early 2008, production will keep pace with the order back-log.

Suppliers
The Company has a wide range of suppliers, which varies from minor to key suppliers. A Spyker car is approximately built from 1,100 purchased components, which are delivered from all over the world. The production increase enables the Company to order larger quantities at a time and to negotiate price reductions.
Spyker Cars' key suppliers are the Volkswagen/Audi Group for the engines, and both Wilhelm Karmann GmbH ("Karmann") and Coventry Prototype Panels Ltd. ("CPP") for the bodies and

chassis. Karmann mainly supplies bodies and chassis for the Spyker C8 Spyder, whereas CPP builds the other models, the prototypes and pre-production cars. New important suppliers are Heggemann Aerospace AG for the supply of the new fuel system and Rimstock Ltd. for the supply of the aluminium Aeroblade wheels. Both suppliers have contributed to quality improvements and cost reductions.

Distribution

Spyker Cars distributes cars directly from the factory, through dedicated Spyker dealers and through an ever increasing number of high-end dealers in designated markets. Dealers are usually multibrand distributors with a customer base similar to or overlapping the Spyker target client group. This group of customers drives Rolls-Royce, Bentley, Ferrari, Lamborghini and Aston Martin motor cars.

In 2006, the dealer network saw the appointment of for example new dealers in Kiev (Ukraine), Prague (Czech Republic), Pangbourne (UK), Bangkok (Thailand) and four in the USA: in Dallas, Texas, in Miami, Florida, Atlanta, Georgia and in Scottsdale, Arizona. Dealer showrooms were officially opened in Frankfurt (Germany), Antwerp (Belgium), Pangbourne (UK) and Dubai.

Racing

One of the three pillars of Spyker Cars' strategy (see "Strategy" under the heading "The Company") is engagement in active racing in the international race arena, to prove reliability and quality and to create credibility and brand recognition. In 2006, the Company encountered a unique opportunity for a substantive increase of brand exposure, while at the same time underlining Spyker Cars' commitment to racing: Midland F1 Ltd., based in Silverstone, came up for sale. Only eleven Formula One teams have a license to participate in Grand Prix races, increasing to twelve per 2008. With the support of the Extraordinary Meeting of Shareholders, convened on 27 September 2006, Midland F1 Ltd. (formerly known as Jordan Grand Prix) was acquired and now bears the team name Etihad Aldar Spyker Formula One Team.

According to the Management Board, it is necessary to create a large aspirational group with a wide interest in the Spyker brand, in order to achieve a steady growth of the sales volume. The aspirational group consists of people who are interested in the Spyker brand, but do not (yet) form a purchasing group. Formula One races, which are watched by six billion people per year, form probably the largest marketing machine in the world.

Also, Formula 1 racing transmits values which are fully in line with the Company's five brand values of heritage, design, craftsmanship, performance and exclusivity. It is expected that the Spyker road cars will benefit from F1 technology in due course.

A firm grip on the team costs is the most important challenge for the Company. The Fédération International d'Automobile (FIA), the leading organisation behind all Grand Prix, has introduced cost saving measures in order to create a more level playing field between the competing Formula One teams, which are implemented as from 2007. Income is expected to go up because the FIA allows the participating teams a higher percentage of the television revenues as from 2008.

It is the Company's policy that racing activities have to be financed on a stand alone basis by racing related revenues. The Formula One racing activities fall under Spyker F1 Ltd., the GT2 activities under Spyker Squadron B.V. Both limited liability companies are subsidiaries of the top holding Spyker Cars N.V. A firm grip on income and expenditures is required.
With regard to Formula One, this will be the main assignment of Michiel Mol, who has been appointed Director of Formula One Racing. Colin Kolles acts as Team Principal of Spyker F1 Team.

It is the ambition of the Spyker Formula One Team to collect world championship points for constructors in 2007 by finishing in some Grand Prix races within the top eight. Mike Gascoyne, who has a proven track-record in Formula One, was contracted in September 2006 as Chief Technology Officer, starting per 1 November 2006. Also in September 2006, an engine supply agreement was concluded with Ferrari SpA for the delivery of V8 engines for a term of three years plus one option year.

Lease Plan (financial services) became Spyker F1's first official sponsor for 2007, followed by Trust International (computer hardware), McGregor Fashion Group (fashion), Quick (shoe fashion), Exact Holding (computer software), Dremel Europe (professional tools), Mingya (real estate), Rofil Medical Nederland (cosmetic surgery) and Medion (consumer electronics retailer). On 14 March 2007, the Company unveiled the names of the two title sponsors for its team: Etihad Airways from Abu Dhabi and Aldar Properties, a real estate development firm also from Abu Dhabi.

Other contributions come from the driver sponsors. Christijan Albers (The Netherlands) and Adrian Sutil (Germany) will drive for the Spyker Formula One Team in 2007. The list of test drivers includes Fairuz Fauzy (Malaysia), Giedo van der Garde (The Netherlands), Adrian Valles (Spain) and Markus Winkelhock (Germany).

The purchase of Midland F1 Ltd. became effective per 28 September 2006. Thereafter, this F1 team had still three races to drive in 2006: the Grand Prix of China, Japan and Brazil. The drivers Christijan Albers and Tiago Monteiro produced two 16th places, a 15th and a 14th. The all new Etihad Aldar Spyker Formula One Team, in a new distinctive orange and silver livery, returned to the Formula One arena at the Grand Prix of Melbourne in March 2007.

The GT2 race program was expanded in 2006 by entering two factory Spyker C8 Spyder GT2Rs in ten races, including the 12 hours of Sebring, 24-hours of Le Mans, all Le Mans endurance series races and some FIA GT races.
The Company feels it is on the right track in view of the GT2 race results achieved during 2006.
The first 1000 km race of the season (Le Mans Series) was held in Istanbul and resulted in a fifth and seventh place. Regretfully, both retired in the 24 hours of Le Mans. The 1,000 Km of Nürburgring in July produced a third place on the podium. That same month Spyker finished fourth at the 24hours of Spa-Francorchamps. The 1,000 km of in Jarama, Spain produced again a third podium place. Spyker was awarded a third place in the FIA GT Manufacturers standings.
For 2007, as in 2006, Spyker Squadron received two entries for the 24 hours of Le Mans in advance.

Merchandise, accessories & market supporting activities

With regard to merchandise and accessories, the Management Board expects that the entry into the Formula One will lift the Spyker brand to a new level. License contracts were signed with McGregor for the launch of a Spyker F1 fashion line in April 2007 and with Quick sport shoes to introduce Spyker F1 shoes.

Before acquiring the Formula One team, the Company already had set up a complete line of licensed products, ranging from watches (Chronoswiss) and bikes (Koga Myata) to casual sportswear with McGregor, based on the Le Mans 24 hours series of the Squadron racing team. The McGregor Spyker Squadron collection was extended in 2006 with a junior line.

Spyker Cars continued to sign license agreements for the use of a Spyker car in play games. One of the licenses concerned the driving game Test Drive® Unlimited by Atari, featuring the C8 Laviolette; This game, which was released in September 2006, is for the Microsoft Xbox 360 ™ video game. Profits from merchandise and accessories are expected to go up further from 2007 and onwards.

The Aeroblade® bicycle by Spyker and Koga won the prestigious international Red Dot Award for best production design 2006.

The motion picture Basic Instinct 2, in which the Spyker C8 Laviolette, chassis number 015, played a leading role, was released in London on 15 March, 2006, starring Sharon Stone and David Morissey. Spyker also plays a prominent role in the Lionsgate action thriller Rogue, starring Jet Li and Jason Statham. Rogue will be released in the summer of 2007. Furthermore, the C8 Spyder played a stationary role in the movie The Pink Panter (with Steve Martin).

The Company felt supported in its strategy to build a premium brand when the Spyder was voted best new exotic car 2006 by duPont Registry's Exotic Car Buyers Guide 2006, chosen from well over 100 cars.

Spyker also was awarded "Luxury Sports Car of the Year" by the members of China's third largest portal and Asia's leading instant messenger QQ.com. The leading Chinese publication Hurun Report awarded Spyker with a second place on its list of "favourite Sports Cars" in Beijing.

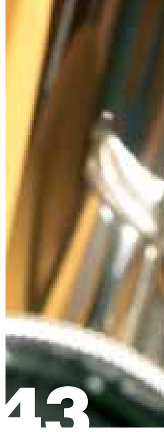
Human resources

The year under review was characterized by a significant increase in Spyker Cars' workforce. In order to realise the targeted production, Spyker Automobielen B.V. started to hire new employees early in 2006. By mid 2006, the Spyker Group employed 118 full time equivalent (fte's) employees, compared to 77 fte's per 31 December 2005.

By the end of 2006, the aggregate workforce jumped to 417 fte's, the increase coming primarily from the acquisition of the Spyker Formula One team.

Terence Barry (1970, Belfast) was appointed International Sales & Marketing Director of the Company per 1 January 2007. Mr Barry has wide experience in car sales and was Regional Team Leader of Bentley Motors USA.

The division of the personnel per 31 December 2006 (between brackets the figures per ultimo 2005) is as follows:



	31.12.2006	21.12.2005
Spyker Cars N.V.	21	14
Spyker Automobielen B.V.	93	53
Spyker Squadron B.V.	12	10
Spyker F1 Racing Holding B.V.	0	0
Spyker F1 Team	225	0
	351	77

According to the collective labour agreement for the metal industry sector, pension schemes ("Pensioenfonds Metaal en Techniek") have been set up for those employees who are employed by Spyker Automobielen B.V. and Spyker Squadron B.V. This pension scheme is set up by the principle of defined benefit. For the employees in Spyker Car N.V. a pension scheme is set up by the principle of defined contribution and is externally insured at "Centraal Beheer".

Insider trading rules

The Company has amended its insider trading rules on 3 January 2006, following the Market Abuse Directive ("Wet Marktmisbruik") which was incorporated in Dutch law per 1 October 2005. The Spyker Insider Trading Code contains general rules for all Spyker employees and prohibitions for Supervisory Board members, members of the Board of Management and executives of the Company.

Recent Events

The following post balance sheet events have occurred since year-end 2006.
Spyker Cars' newest model, the Spyker C12 Zagato, had its world premiere on 6 March 2007 at the Salon d'Automobiles of Geneva. The Company is very proud that the famous Italian styling firm, Carrozeria Zagato of Milano, co-operated in the design of this car. Carrozzeria Zagato was established in 1919 and since its foundation has stood for advanced design and streamlined aerodynamics using aircraft industry techniques. The Spyker C12 Zagato was designed to celebrate the creation of the Spyker Formula One Team and will be produced in a limited edition of 24 cars. Production is foreseen to start in Q1, 2008.

In March 2007, Spyker Cars and Trafalgar Capital, a specialized investment fund situated in Luxembourg, agreed upon a committed equity facility of € 25 million. Under this facility, Trafalgar Capital committed to purchase up to € 25 million common stock of Spyker through a facility with a term of 3 years. The shares are purchased by way of an advance if so requested by Spyker Cars, with a maximum amount per advance of € 250,000. The shares will be purchase at the volume weighted average price over a period of 5 days after an advance has been requested.

On 14 March 2007, the Company unveiled the names of the two main sponsors for its Formula One team: Etihad Airways and Aldar Properties, both from Abu Dhabi.

Outlook for 2007

For 2007, the Company expects an increase in global brand awareness through active participation

in the 2007 Formula One World Championship. A push for points scoring finishes is expected from the introduction of a revised chassis at the mid-point of the season.
Spyker Cars furthermore expects a further increase of the total car production in 2007 compared to 2006. The announcement that the Spyker D12 Peking-to-Paris will be taken into production at the end of 2007 is maintained.
The factory's GT2 race team will enter the Le Mans Series and the 24 hours of Le Mans; it will be joined by a privateer team for the first time entering a customer C8 Spyder GT2R.
A further expansion of the global dealer network is envisaged.
The implementation of the Enterprise Resource Planning (ERP) software as supplied by Exact is expected to further contribute to cross-division synergy and efficiency gains.

Zeewolde, 4 April 2007

Spyker Cars N.V.

The Management Board:

Victor R. Muller, Chief Executive Officer
Richard Borsboom, Chief Financial Officer
Oedith N. Jaharia, Chief Business Development
Michiel J. Mol, Director of Formula One Racing


LeasePlan
MEDION
SUPERFUND
ETIHAD
Exact software

Calendar April - Year end 2007 FIA Formula One World Championship

08 April 2007	FIA Formula One World Championship, Malaysia
15 April 2007	FIA Formula One World Championship, Bahrain
13 May 2007	FIA Formula One World Championship, Spain
27 May 2007	FIA Formula One World Championship, Monaco
10 June 2007	FIA Formula One World Championship, Canada
17 June 2007	FIA Formula One World Championship, U.S.A
01 July 2007	FIA Formula One World Championship, France
08 July 2007	FIA Formula One World Championship, UK
22 July 2007	FIA Formula One World Championship, Germany
05 August 2007	FIA Formula One World Championship, Hungary
26 August 2007	FIA Formula One World Championship, Turkey
09 September 2007	FIA Formula One World Championship, Italy
16 September 2007	FIA Formula One World Championship, Belgium
30 September 2007	FIA Formula One World Championship, China
07 October 2007	FIA Formula One World Championship, Japan
21 October 2007	FIA Formula One World Championship, Brazil

This section presents an overview of Spyker Cars' approach to risk management and business control and a description of the nature and the extent of its exposure to risks.

As reported last year, further improvement of Spyker Cars' risk management and control systems was one of the Management Board's tasks for 2006 and onwards. The Management Board observed that Dutch listed companies asked the Corporate Governance Monitoring Committee (the Committee) for more guidance on measures that management boards should introduce in order to obtain sufficient substantiation for the statements by the management, prescribed in provision II.1.4. (This provision is explained under the heading "Corporate Governance"). The Committee produced good practice recommendations in its first report of December 2005 and did not regard it desirable to produce further guidelines in its second report of December 2006. The 2005 recommendations are all part of the Management Board's risk management investigation.

Another reason to further investigate the Company's risk management and control system was the acquisition per September 2006 of Midland F1 Ltd and its two subsidiaries. This acquisition meant that a new organisation with a more than 200 employee workforce had to be integrated in the Spyker group.
The Management Board has classified the different risk categories related to Spyker Cars' business as follows: financial risks, financial reporting risks, compliance risks, operational risks, market environment (including legislative) risks and strategic business risks.

The Management Board has designed an enterprise risk management system (ERM) for Spyker Cars and its subsidiaries, which focuses on the environment of the Company, objective setting, risk assessment, risk response, control activities and information and communication.
In the process of risk assessment and management, managers of the Company were interviewed, objectives were defined and the potential impact of internal and external forces was investigated. The Management Board discussed the findings of its preliminary report with the Supervisory Board's Audit Committee in their meeting of January 2007. They decided together on the appropriate actions to be taken in order to improve the risk management and control systems, on a priority action list and on a time schedule.
Spyker Cars for example has started to implement an Enterprise Resource Planning system by which contracts are managed and necessary follow-up is automatically indicated. This program replaces time-consuming manual controls.

This risk overview described hereunder is not exhaustive. It should be noted that some risks may not yet be known to Spyker Cars or may currently not believed to be material, but which can turn out later to have a major impact on the Company's business, revenues, income, assets, liquidity or capital resources. Therefore, the description hereunder of the nature and the extent of Spyker Cars' exposure to risks is not intended to be exhaustive and there may be other considerations that may affect the Company's business.

Spyker Cars' capacity to produce cars is limited and will remain so in the foreseeable future.
Demand for Spyker Cars' products has exceeded, and may exceed in the future, Spyker Cars' production capacity and/or the capacity of contracted suppliers, resulting in temporary constraints on Spyker Cars' ability to produce the quantities or models necessary to fulfill orders in a timely manner. A prolonged delay in Spyker Cars' ability to fulfill orders on a timely basis at a time when Spyker Cars' competitors are not experiencing the same difficulty, could adversely affect Spyker Cars' market share in its markets. The Company's future growth and results of operations will depend on Spyker Cars successfully increasing its production capacity and/or successfully prolonging of suppliers contracts. Spyker Cars' inability to fulfill customer's demand could have a material adverse effect on Spyker Cars' business, financial condition and/or results of operations.

The Company may not be able to obtain all necessary licenses and permits for the sale, delivery and permanent registration of its products in several markets including the U.S.
Although Spyker until now has secured all permits required for the USA market, there is no certainty that future licenses or permits will be obtained. In case these licenses and permits are not obtained or obtained on a timely basis, the lack thereof could have a material adverse effect on Spyker Cars' business, financial condition and/or results of operations.

Spyker Cars relies on external manufacturing facilities for production and assembly, and on independent third party suppliers for the provision of certain raw materials, parts and components, craftsmanship, skills and technology.
Although the Company is intensively involved in all aspects of the design and manufacture of its products, it does not control all of the manufacturing facilities used. Therefore, the Company is dependent upon independent third parties for the production of key parts and components and the assembly of certain products. Spyker Cars purchases raw materials, parts and components from several independent third party suppliers and relies upon some suppliers for a substantial number of components for its products.
Some of Spyker Cars' requirements for raw materials and supplies are filled by single-source suppliers, such as Wilhelm Karmann GmbH, Coventry Prototype Panels Ltd. and the Volkswagen/Audi Group.
Spyker Cars' ability to continue to obtain these supplies in an efficient and cost-effective manner is subject to a number of factors, some of which are not within Spyker Cars' control. The impact of an interruption in supply will vary by part or component. Some parts are generic to the industry while others are of a proprietary design requiring unique tooling, which would require time and resources to recreate. The inability of a supplier to deliver or to timely deliver could have an adverse effect on production and consequently could have a material adverse effect on Spyker Cars' business, financial condition and/or results of operations.

The premium sports car and sports utility car market is sensitive to adverse economic conditions, consumer sentiment and demand is limited.
The markets in which Spyker Cars operates or competes, have been subject to considerable volatility in demand corresponding to cycles in the overall business and economic environment in general and in the automotive and high-end consumer goods sectors in particular. Since the

Company distributes and intends to further distribute its products internationally, a significant decline in the general economy or in consumer sentiment in Europe, North America and certain markets in the Middle East and Asia also could have a material adverse effect on the Company. There can be no assurance as to the future performance of the high-end sports and sports utility car industry or the timing or severity of changes in economic conditions affecting the high-end car industry. The demand for high-end cars is limited in comparison to the worldwide vehicle market and may affect the prices Spyker Cars can demand for its products and the Company's sales volume. In this competitive environment the Spyker brand positioning is linked to the design and quality of its products, its brand image and reputation.

The Company is well aware of these challenges and actively pursues its strategy, focused on the positioning of Spyker as a premium brand and a product of high quality. Of strategic importance is the acquisition of the Formula One team in 2006 and the reduction of the Company's sensitivity as a one product manufacturer per Q4, 2007, when the SSUV comes into production.

However, there can be no assurance that Spyker Cars is or will continue to position itself successfully in these market segments. Failure to do so could have a material adverse effect on Spyker Cars' business, financial condition and/or results of operations.

Spyker Cars operations are exposed to currency fluctuations.

As an internationally operating company, the Company is subject to currency and translation risk. The flow of money, related to the Spyker F1 activities, is in US Dollars. A majority of the Company's car sales are to countries other than Euro-zone countries. As Spyker Cars' sales prices are currently quoted in Euros, exchange rate fluctuations have a direct effect on Spyker Cars' competitiveness, which may over time affect Spyker Cars' results. Currency movements may affect Spyker Cars' pricing of products sold and materials purchased in foreign currencies, including the currencies of its competitors, which may be affected differently by such movements.

The Company's financial statements are reported in Euros. Certain cost prices and the results of the Company are or will be subject to fluctuations in exchange rates between the Euro and other currencies. Also, it is expected that sales prices will be quoted in U.S. Dollars in U.S. Dollar markets in the near future. Currently, the most significant exchange rate risks to which the Company is exposed is a weakening of the U.S. Dollar, to which a significant portion of its revenues are related, and strengthening of the English Pound, in which a significant portion of its component purchases are denominated, compared to the Euro.

Currently, Spyker Cars uses (financial) instruments to hedge currency risks. However, there can be no assurance that exchange rate fluctuations will not have a material adverse effect on the Company's business, cash flow, financial condition, results of operations and/or relative price competitiveness.

The Company relies upon certain key personnel and upon its ability to find and retain skilled personnel.

The Company's success depends to a significant degree upon the efforts and abilities of certain members of the Management Board.

In addition, the Company relies on its ability (i) to hire, train and retain skilled personnel for the design, engineering, manufacturing, marketing, and distribution of its road cars and (ii) to run its

Formula One team. Although the Company so far has attracted skilled personnel, both for its road car and Formula One activities, no assurance can be given that the Company will be able to continue to attract and retain a sufficient number of such skilled personnel. Any inability to hire, train and retain such personnel could adversely affect the Company’s growth and could have a material adverse effect on Spyker Cars’ business, financial condition and/or results of operations.

Spyker Cars’ profitability is dependent upon the successful introduction of new products and anticipation of changing consumer preferences.
Spyker Cars’ long-term growth and profitability depends upon its ability to successfully introduce and market new products, to define product and fashion trends as well as anticipate and respond to changing consumer preferences and market trends. The success of Spyker Cars’ product development is crucial to meet and exceed customer demand for new innovative products. An inability by the Company to introduce new innovative products in a timely fashion or any sustained failure to identify and respond to such trends could result in significant excess inventories for some products and missed opportunities with others and a material adverse effect on Spyker Cars’ business, financial condition and/or results of operations.

Increased safety, environmental, emission or other regulation resulting in higher costs.
The automotive industry is subject to extensive and significant governmental and legal regulations worldwide. Laws in various jurisdictions regulate numerous aspects of the Company’s business, including but not limited to employment, relations with dealers, the protection of consumers, automobile design, licensing, import, engineering and performance, occupant safety and the environmental impact of vehicles, including emission levels, fuel economy and noise. In addition, regulations affect the levels of pollutants or waste products generated by the facilities where the Company’s production takes place. All of these regulations affecting the Company are subject to change, often making them more restrictive.

In the United States and Europe, for example, governmental regulations have arisen primarily out of concern for the environment, for greater vehicle safety, and for improved fuel economy. These regulations are subject to change, usually making them more restrictive. The costs of complying with these requirements can be substantial. New legislation, such as the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act in the United States, will also subject Spyker Cars to additional expense, which could be significant. Also the Company cannot assure that its compliance with the regulations will not be challenged. There is risk of environmental or safety liability inherent to the Company’s business and there can be no assurance that material environmental, emission level, safety or other requirements will not arise in the future. Various legal actions, governmental investigations and proceedings and claims may be instituted or asserted in the future against Spyker, including those arising out of, inter alia, alleged defects in Spyker Cars’ products and governmental regulations covering safety, emission level, and fuel economy. Such potential liabilities, future governmental requirements or legal actions, governmental investigations and proceedings or claims could have a material adverse effect on Spyker Cars’ business, financial condition and/or results of operations.

The discovery of defects in vehicles or non-compliance with safety standards may result in recall campaigns, increased warranty costs and litigation.

Government safety standards in certain jurisdictions such as the United States, require that defects related to motor vehicle safety be remedied through safety recall campaigns. A manufacturer may also be obligated to recall vehicles if they do not comply with a safety standard. Should Spyker Cars or the relevant government safety regulators determine that either a safety defect or a non-compliance exists with respect to certain of Spyker Cars' vehicles, the costs of such recall campaigns could be substantial and could influence purchasing decisions of potential purchasers of Spyker Cars' vehicles, thereby negatively affecting Spyker Cars' future sales and profitability.

The Company, its distributors and/or its dealers presently provide purchasers of Spyker cars with a separate warranty coverage for defects in factory-supplied materials and workmanship on all vehicles. This warranty coverage extends for 24 months, unlimited mileage, and – for some territories - for 90 days replacement of parts of the vehicle. For the U.S. market the warranty on tires is excluded. For the compliance of Spyker Cars' warranty obligations Spyker Cars relies on its limited warranties and availability of resources of its suppliers to meet warranty claims.

Various legal actions, governmental investigations and proceedings and claims may be instituted or asserted in the future against Spyker Cars, arising out of alleged defects in Spyker Cars' products or non-compliance with governmental safety standards. In addition to these risks, doing business in the United States may further aggravate these risks due, inter alia, to higher exposure and higher costs or damages in the United States in relation to claims made under warranties or (alleged) liabilities under governmental regulations or otherwise.

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 Cars' business, financial condition and/or results of operations.

The Company has limited insurance coverage for product liability and negligence claims in the United States and Canada.

The Company may become subject to product liability and/or negligence claims in the United States and has taken out limited insurance coverage for such possible claims. As a result the Company may be subject to liability, costs or expenses in relation to such claims. In addition, the Company has taken out limited insurance to cover any potential costs of litigation including but not limited to legal fees and other costs in connection with any product liability and/or negligence claims in the United States. Costs of product liability and/or negligence claims and the costs of litigation in connection therewith can be substantial and could have a material adverse effect on Spyker Cars' business, financial condition and/or results of operations. Moreover, such claims and/or costs of litigation could potentially lead to the bankruptcy or financial impairment of the Company.

The Company's business highly depends on its ability to protect, preserve, promote and obtain trademarks and other intellectual property rights.

The Company's business is highly dependent on its ability to protect, preserve, promote and obtain trademarks and other intellectual property rights. In some jurisdictions Spyker owns or otherwise has rights to a number of trademarks relating to the products it manufactures, which rights have been obtained over a period of years. These trademarks have been of value to the growth of Spyker Cars' business and may continue to be of value in the future. Not all car models of the Company are registered as designs and are therefore as such design protected. Registration of designs is only possible within a twelve month period after the primary disclosure of the design.

The Company cannot exclude the possibility that its intellectual property rights may be substantially challenged by others or that the Company may be unable to register its trademarks or other intellectual property rights or otherwise adequately protect them in some jurisdictions. An inability to protect, preserve, promote or obtain these trademarks or other intellectual property rights could have a material adverse effect on the Company's business, financial condition and/or results of operations.
Furthermore, the high-end sports cars market is subject to numerous instances of product counterfeiting and other intellectual property infringements. The presence of counterfeit Spyker branded products on the market can negatively impact both Spyker Cars' sales volumes and its brand image and could have a material adverse effect on Spyker Cars' business, financial condition and/or results of operations.

Work stoppages or failing technical equipment at Spyker Cars or supplier facilities.
A work stoppage could occur as a result of disputes under collective bargaining agreements with labor unions or in connection with negotiations of new collective bargaining agreements at Spyker or its suppliers, which, if protracted, could substantially affect Spyker Cars' business. Work stoppages at supplier facilities for labor or other reasons could have similar consequences if alternate sources of components are not readily available. Equally, failing technical equipment at Spyker or its suppliers such as not functioning robots or specialized machinery could substantially affect Spyker Cars' business. As such, work stoppages and/or failing technical equipment could have a material adverse effect on Spyker Cars' business, financial condition and/or results of operations.

The Company is subject to various legal regimes.
As the Company is engaged in the distribution of its products in an increasing number of countries, the Company's business may be affected by facts and events beyond its control, such as changes in local laws and policies (relating among others to trade, foreign investment, taxation and environmental regulations) and the instability of foreign economies and governments. The Company has taken applicable laws and regulations into account in seeking to structure its business. Changes in such laws or regulations could, however, have a material adverse effect on Spyker Cars' business, financial condition and/or results of operations.

Enterprise risk management (ERM) systems.
The Company is growing and further developing its business and changing its internal control structure from an entrepreneurial control system to a formal management risk and control system according to the Dutch Corporate Governance requirements.
The failure to successfully finalize the implementation of the ERM could have a material adverse

effect on Spyker Cars' business, financial condition and/or results of operations.

The Company is subject to potential tax audits.
The Company operates or will operate in various countries and is therefore subject to the risk of tax audits and assessments in these countries. The Company 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 Company, and consequently the Company 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 Spyker Cars' business, financial condition and/or results of operations.

The Company has a large amount of intangible assets in the form of development costs and goodwill.
Spyker has a large amount of intangible assets in the form of development costs and goodwill, all of which are capitalized. The Company's accounting policy is to amortize the capitalized development costs by a fixed amount for each car. It executes impairment tests for development costs and goodwill every year. If the Company's envisaged production schedule is not met within that period, (substantial) impairment of capitalized development costs might be considered necessary. Such impairment could have a material adverse effect on Spyker Cars' business, financial condition and results of operations.

The Company has capitalized a part of its carry forward tax losses.
If the Company is not able to generate sufficient profits in the future which can be offset against its tax losses, a write-off may be necessary which could have a material adverse effect on Spyker Cars' financial condition and net results.

The Management Board and the Supervisory Board are responsible for the corporate governance structure of the Company and compliance with the Dutch Corporate Governance Code. They are accountable for this to the General Meeting of Shareholders.
Spyker Cars has reported about its compliance with and deviations from the Code in the annual report of 2004. Further implementations and planned improvements were described in the annual report of 2005. Hereunder, Spyker Cars will give a brief overview of its present managerial structure and will report about certain deviations from the Code and about changes in comparison to last year. Deviations are also accounted under the heading “Remuneration Report” in this Annual Report.

Spyker Cars N.V. has a two-tier governance structure with a Supervisory Board and a Management Board. Each board is a separate body. In the year 2006, the Supervisory Board grew from three to six members whereas the Management Board expanded from two to four members. Both increases are directly related to the growth of activities of the Company. In conformity with last year’s announcement, the Supervisory Board appointed an Audit and a Remuneration & Nomination committee.
Spyker Cars’ Articles of Association do not prescribe compulsory retirement of Supervisory Board members due to their age or due to the duration of their membership. Nevertheless, the Board has adopted recommendation III.3.5 of the Code, which recommends limiting Supervisory Board membership to three times four years.
The Management Board is accountable for the daily management, the pursue of the Company policies, the corporate strategy and product development. The main elements of the contracts with each Management Board member are posted on the Company’s website, www.spykercars.com.
The Supervisory Board advises and supervises the Management Board. The annual report is presented to the Supervisory Board and then submitted by this Board to the General Meeting of Shareholders to be adopted. In the General Meeting, the Management Board has to account for its policies pursued and the Supervisory Board for the supervision hereof.

The following rules and regulations are posted on the Company’s website (www.spykercars.com under the heading “Investors”): (i) rules of procedure for the Management Board (Reglement voor de Directie), (ii) rules of procedure for the Supervisory Board (Reglement voor de Raad van Commissarissen) - this procedure does not contain rules about the relationship between the Supervisory Board and the works council, since Spyker Cars does not have a works council - (iii) the Spyker Insider Trading Code, (iv) rules of procedure for private investments in securities by Supervisory Board and Management Board members (Regeling Privé beleggingen), (v) a whistleblower policy and (vi) the Spyker Code of Conduct.
In 2006, the Supervisory Board has amended its profile commensurate with its size.
In view of the increased size of the Supervisory Board, this Board appointed an Audit Committee and the Remuneration & Nomination Committee and drew up regulations for these committees.

Spyker Cars acknowledges the importance of good corporate governance and has closely followed the developments regarding the Code. The company complies with the principles and the best practices of the Code, either by applying its provisions or by explaining how it derogates from the Code. In some instances, deviations can be attributed to the situation as it was when the Code came into effect. In some other cases, the Code's principles and best practices do not apply. Deviations and further implementations are accounted for in the overview mentioned hereafter. The Code's provisions are printed in italics.

Best practice provision II.1.3
The Company shall have an internal risk management and control system that is suitable for the company. It shall, in any event, employ as instruments of the internal risk management and control system: (a) risk analyses of the operational and financial objectives of the company; (b) a code of conduct which should, in any event, be published on the company's website; (c) guides for the layout of the financial reports and the procedures to be followed in drawing up the report; and (d) a system of monitoring and reporting.
Caused by the enormous growth of the company, the monitoring and reporting systems fell slightly behind compared to the size of the Company. In 2006 the Company entered into an improvement process of the monitoring and the reporting systems which will be furthermore develop up in 2007. For example the implementation of an ERP system.

Best practice provision II.1.4
The management board shall declare in the annual report that the internal risk management and control systems are adequate and effective and shall provide clear substantiation of this. In the annual report, the management board shall report on the operation of the internal risk management and control system during the year under review. In doing so, it shall describe any significant changes that have been made and any major improvements that are planned, and shall confirm that they have been discussed with the audit committee and the supervisory board.
In 2006, the Spyker Code of Conduct was posted on the Company's website.
Under the heading "Risk Management" the Company reports about its risk management and control system.

Best practice provision II.2.1
Options to acquire shares are a conditional remuneration component, and become unconditional only when the management board members have fulfilled predetermined performance criteria after a period of at least three years from the grant date.
Spyker Cars' share option plan has a different set-up. Options, granted under the ESOP do not have a three year, but a five year term. However, each year one fifth of the granted option rights can be exercised if the targets for that year are met.

Best practice provision II.2.2
If the company (....) grants unconditional option rights to management board members, it shall apply performance criteria when doing so and the options should, in any event, not be exercised in the first three years after they have been granted.

Unconditional option rights were granted to Mr. Jaharia's management company as of the first listing date of Spyker Cars. Performance criteria have not been made applicable. Mr. Jaharia received these options as remuneration for already performed services, leading up to the IPO and listing of the Company's shares.

Best practice provision II.2.7.
The maximum remuneration in the event of dismissal is one year's salary (the "fixed" remuneration component). If the maximum of one year's salary would be manifestly unreasonable for a management board member who is dismissed during his first term of office, such board member shall be eligible for a severance pay not exceeding twice the annual salary.
The Company has started to apply this provision in 2006 with regard to the last appointed Management Board member.

Best practice provision III.2.1. and III.2.2f)
All supervisory board members, with the exception of not more than one person, shall be independent within the meaning of best practice provision III.2.2.
A supervisory board member shall be deemed to be independent if the following criteria of dependence do not apply to him. The said criteria are that the supervisory board member (.....) is (2.2.f) a member of the management board – or is a representative in some other way – of a legal entity which holds at least 10 percent of the shares of the company, unless such entity is a member of the same group of the company.
In 2006, Spyker Cars' Supervisory Board made several amendments to its profile in view of the Company's expanding activities. One of the amendments regarded the growing importance of the Middle East markets, accelerated by the introduction of the SSUV on 28 February 2006. The Board deemed a wider range of expertise on all aspects of the Middle East necessary in the Board. The two Supervisory Board members, who were consequently appointed by the General Meeting of Shareholders, have the required expertise. At the time of their appointment each member held an executive function at a company, holding more than 10% of Spyker Cars shares. However, since the share issue on 28 September 2006 for the acquisition of the Midland Formula 1 team, the shareholding of one of the companies has fallen below 10% and therefore this best practice provision was only temporarily not applied. It should be noted that Spyker Cars' Supervisory Board always takes great care that its members are able to act critically and independently towards each other. In case a conflict of interest may arise when decisions have to be made, the relevant member will abstain from voting.

Principle III.5
If the supervisory board consists of more than four members, it shall appoint from among its members an audit committee, a remuneration committee and a selection and appointment committee.
(This principle further states that in case the board decides not to appoint these committees, the applicable best practice provisions shall apply to the whole board.)
In 2006, Spyker Cars' Supervisory Board grew from three to six members. The Board decided to appoint two committees, an audit committee and a remuneration & nomination committee. The last committee shall fulfil the tasks of the remuneration and the selection and appointment committee.

The Board is confident that it can thus fulfil its supervising duties adequately. Composition of the committees is explained in the Supervisory Board's Report.

Best practice provision IV.3.1
Meetings with analysts, presentations to analysts, presentations to investors and institutional investors and press conferences shall be announced in advance on the company's website and by means of press releases.
Provision shall be made for all shareholders to follow these meetings and presentations in real time, for example by means of webcasting or telephone lines. After the meetings, the presentations shall be posted on the company's website.
Due to its limited size, Spyker Cars is not able to provide for the means to enable all shareholders to follow these meetings and presentations in real time. However, all press releases are posted on the Company's website immediately following their publication.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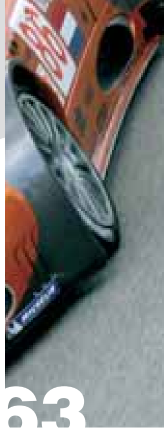

Calendar April - Year end 2007 Spyker GT2 Team

14 April 2007 – 15 April 2007	1000 km Monza, Italy LMS (1)
04 May 2007 – 05 May 2007	1000 km Valencia, Spain LMS (2)
01 June 2007 – 17 June 2007	24 Hours of Le Mans, France, Qualification & Race
29 June 2007 – 01 July 2007	1000 km Nürburgring, Germany LMS (3)
25 July 2007 – 29 July 2007	Spa-Francorchamps, Belgium, 24 Hours FIA GT
17 August 2007 – 19 August 2007	1000 km Spa-Francorchamps, Belgium LMS (4)
14 September 2007 – 16 September 2007	1000 km Silverstone, United Kingdom LMS (5)
09 November 2007 – 11 November 2007	1000 miles, Interlagos, Brazil, LMS (6)

REMUNERATION POLICY, GENERAL

Spyker Cars' remuneration policy was approved by the general Meeting of Shareholders in 2005. The remuneration policy concerns the following aspects.
The remuneration which the Management Board members receive from Spyker Cars shall be such that qualified and expert managers can be recruited and retained. According to the policy, the remuneration consists of a fixed and a variable part. The variable part is linked to previously determined, measurable and influenceable targets, and are, among other things, related to the Company's results and performance.

The importance of the variable remuneration component is to strengthen the Board members' commitment to the Company and its objectives. Options to acquire shares in Spyker Cars in principle (i) shall be granted to members of the Management Board and key employees and (ii) are a conditional remuneration component.
Shares in Spyker Cars, held by members of the Management Board, are long term investments.

The Company shall not grant its Management Board members any personal loans and guarantees unless in the normal course of business and on terms applicable to the personnel as a whole and after approval of the Supervisory Board.
Severance payments will not exceed one year's salary, unless this would be manifestly unreasonable in the circumstances.

REMUNERATION IN THE PAST FINANCIAL YEAR

Mr. Muller, Mr. Jaharia and Mr. Mol are statutory director of Spyker Cars, but work with Spyker Cars pursuant to a management contract between the Company and each of their management companies. The fourth member, Mr. Borsboom, has concluded an employment contract with the Company. The base remuneration for Mr. Muller and Mr. Mol amounts to € 180,000 per year.
Mr. Jaharia, who switched from CFO to Chief Business Development Officer per 20 April 2006 and who started to work part-time as from that date, received 60% of his former remuneration, being € 180,000 on a yearly basis. The basic remuneration Mr. Borsboom receives concerns an gross amount of € 140,000 per year. The contract of Mr. Muller and Mr. Mol can be terminated with a prior notice period of two months, the contract of Mr. Jaharia and Mr. Borsboom with a period of one month. Management contracts in principle will have a termination period of two months, employment contracts a period of one month.

On May 24, 2004, Spyker Car's General Meeting of Shareholders approved to grant Mr. Jaharia 's management company, as of the first listing date of 27 May 2004, unconditional option rights to acquire 59,782 shares, representing 2.5 per cent of the outstanding shares as per the first listing date. Mr. Jaharia received these unconditional option rights, which are not linked to performance criteria, as remuneration for his activities performed leading up to the IPO of Spyker Cars and the listing of shares. The exercise price for these options is equal to the issue price of €15.50. These options can be exercised for a period of five years.

No personal loans or guarantees were granted to the members of the Management Board. No severance payments were agreed with Mr. Muller, Mr. Jaharia or Mr. Borsboom. Mr. Mol's management contract contains the provision that severance payments will not exceed one year's salary, unless this would be manifestly unreasonable in the circumstances.
In 2006, an incidental bonus of € 30,000 was paid to both Mr. Muller and Mr. Jaharia for their management efforts in 2005, related to the reduction in that year of the number of management board members from three to two.
No pension schemes have been set up for the members of the Management Board who concluded a management contract; Mr. Borsboom receives a contribution from the Company to build up a pension.

Board of Management	Base salary end of 2006	Paid salary 2006	Bonus 2005, paid in 2006	Vested stock options 2006	As a % of base salary
V.R. Muller	€ 180,000	€ 180,000	€ 30,000	11,957	15.7%
M.J. Mol	€ 180,000	€ 180,000	€ -	none	-
R. Borsboom	€ 140,000	€ 140,000	€ -	none	-
O.N. Jaharia	€ 180,000	€ 132,000	€ 30,000	11,957	15.7%

ESOP
Spyker has an Employee Share Option Plan (ESOP), which came into force in 2005 and was amended in 2006. Under the five year duration of the ESOP, option rights may be granted to acquire newly issued shares up to a maximum aggregate amount of 10% of the issued share capital per the option date. Per 5 July 2005, 203,257 option rights were granted to the members of the Management Board and a number of (key) employees at an exercise price of € 9.30. During 2006, 2,390 option rights were exercised. 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 prior to 1 March of that year.
The performance criteria for 2005 were related to car homologation requirements in the US and to the budget for 2005. We investigated whether the targets were met and concluded that both criteria were fulfilled.
The targets, set for 2006, are related to the car production in 2006 and the Company's cash flow in 2006 and are partially met.
The Board partially revised the ESOP in 2006. In the initial ESOP, the issue of option rights was limited to 10% of the outstanding share capital at Spyker Cars' IPO during a period of five years. As explained in the Prospectus of May 2004, it was meant to allocate nearly all option rights directly after the IPO. However, in the light of the business developments in 2004, we decided to start granting option rights from 2005 onwards. By then, tax advantages still valid in 2004 no longer applied and it was not longer advantageous to grant all option rights at the same time. By revising

the ESOP we brought it in line with the existing common practice in the Netherlands for option plans, i.e. to limit the yearly share dilution (as a consequence of executed option rights) to 2% of the share capital, issued at the granting time of the option right.

REMUNERATION POLICY FOR THE COMING YEARS

Spyker Cars intends to continue the present remuneration policy: the remuneration which the Management Board members receive from Spyker Cars has a fixed and a variable part and shall be such that qualified and expert managers can be recruited and retained.
Recently, the Remuneration & Nomination Committee has sought support from an external advisor to determine benchmarks for the remuneration of Spyker Cars' managers. In order to do so, a peer group must be chosen. The Committee will report next year about the outcome.

According to the present remuneration policy, the variable part concerns option rights under the ESOP. The targets for 2007 set by the Board relate to car production, the Company's financial results and the performance of the Formula One division.
Early 2007, the Supervisory Board decided to propose to make a cash bonus for the Management Board members part of the remuneration policy. The amount of this bonus is to be determined by the Supervisory Board.
The Supervisory Board is of the opinion that the chosen performance criteria are linked to the most important challenges for the Company in the coming year.

When the Corporate Governance Code came into effect, Spyker Cars had a Management Board of two members, who were each in person statutory director and worked with the Company pursuant to a management contract for an indefinite period of time. The Supervisory Board deemed it unfair to break into already signed contracts. In 2006, the number of Management Board members grew from two to four. In conformity with Spyker Cars' previous statements, the term of employment for both newly appointed management board members is set at four years.
Mr. Mol's contract contains the provision that the severance payments will not exceed one year's salary, unless this would be manifestly unreasonable.

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Calendar April - Year end 2007 Spyker Cars

27 March 2007 – 09 April 2007	AutoRAI, The Netherlands
04 April 2007 – 15 April 2007	New York International Motor Show
18 April 2007 – 27 April 2007	Shanghai Motor Show, China
25 May 2007 – 27 May 2007	Spyker Grand Prix Ride & Drive Event, Monaco
10 June 2007 – 10 August 2007	Peking-to-Paris 1907 – 2007 Rally
22 June 2007 – 24 June 2007	Goodwood: Festival of Speed, United Kingdom
22 June 2007 – 24 June 2007	Salon Privé London, United Kingdom
16 August 2007 – 20 August 2007	Pebble Beach Concours d’Elegance, USA
28 November 2007 – 10 December 2007	Los Angeles Auto Show, USA
01 December 2007 – 10 December 2007	Middle East Motor Show UAE

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Financial Statements 2006

Consolidated balance sheet

at 31 December 2006

Assets	Note	31.12.2006 € ('000)	31.12.2005* € ('000)
Non-current assets			
Property, plant and equipment	5	24,838	7,036
Intangible assets	6	103,820	19,814
Deferred tax assets	7	4,752	4,400
Total non-current assets		**133,410**	**31,250**
Current assets			
Inventories	8	17,264	5,122
Trade and other receivables	9	35,847	11,554
Receivables from participants	10	359	467
Cash and cash equivalents		1,437	222
Total current assets		**54,907**	**17,365**
Total assets		**188,317**	**48,615**

Equity and liabilities	Note	31.12.2006 € ('000)	31.12.2005* € ('000)
Equity			
Issued capital	11	248	147
Share premium	11	89,832	41,993
Reserves	11	-5,684	-11,814
Unappropriated net result		760	-1,930
Total equity attributable to equity holders of the Company		**85,156**	**28,396**
Minority interest		-66	-146
Total equity		**85,090**	**28,250**
Non-current liabilities			
Interest-bearing borrowings	14	22,685	6,902
Provisions	15	165	35
Total non-current liabilities		**22,850**	**6,937**
Current liabilities			
Bank overdraft	16	25,052	1,413
Trade and other payables	17	41,282	9,698
Payables to participants	10	195	0
Interest-bearing borrowings	14	13,818	2,230
Provisions	15	30	87
Total current liabilities		**80,377**	**13,428**
Total liabilities		**103,227**	**20,365**
Total equity and liabilities		**188,317**	**48,615**

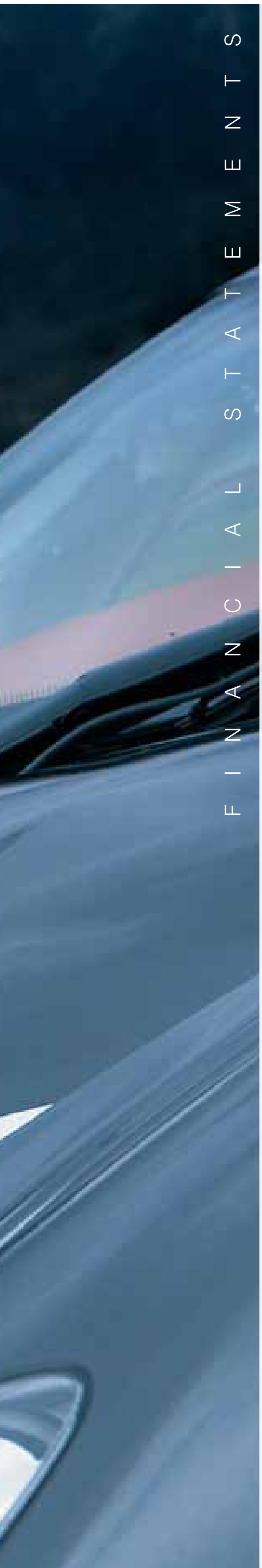
* The comparative figures are restated

Consolidated income statement

for the year ended 31 December 2006

	Note	2006	2005*
		€ ('000)	€ ('000)
Revenues	20	**36,293**	**8,275**
Other income		659	348
Changes in inventories of finished goods and work in progress		1,573	-589
Work performed by the entity and capitalized		4,940	1,120
Raw materials and consumables		-19,068	-3,748
Employee benefits	21	-10,539	-3,697
Amortization and depreciation	22	-3,107	-1,621
Other operating expenses	23	-6,821	-3,263
Operating result		**3,930**	**-3,175**
Financial income	24	1,185	61
Financial expenses	24	-2,420	-530
Result before taxation		**2,695**	**-3,644**
Taxation	25	-1,867	1,679
Result for the year		**828**	**-1,965**
Attributable to:			
Equity holders of the Company	12	760	-1,930
Minority interests	12	68	-35
Result for the year		**828**	**-1,965**
Net result per share (weighted average)	12	€ 0.17	€ -0.70
Net result per share on fully diluted basis (weighted average)	12	€ 0.16	€ -0.70

* The comparative figures are restated



Consolidated statement of changes in equity

	Note	Issued capital	Share premium	Translation reserve	Other reserves	Un-appropriated net result	Total	Minority interest	Total equity
		€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)
Balance at 1 January 2005		**100**	**28,240**	**0**	**-6,901**	**-4,986**	**16,453**	**-111**	**16,342**
Allocation of net result prior year		0	0	0	-4,986	4,986	0	0	0
Net result		0	0	0	0	-1,930	-1,930	-35	-1,965
Proceeds from new share issues		47	14,071	0	0	0	14,118	0	14,118
Costs of share issues		0	-917	0	-2	0	-919	0	-919
Tax calculated for costs of share issues and change in tax rate		0	367	0	0	0	367	0	367
Recognition of equity component of convertible notes		0	232	0	0	0	232	0	232
Share based payments		0	0	0	75	0	75	0	75
Balance at 31 December 2005		**147**	**41,993**	**0**	**-11,814**	**-1,930**	**28,396**	**-146**	**28,250**

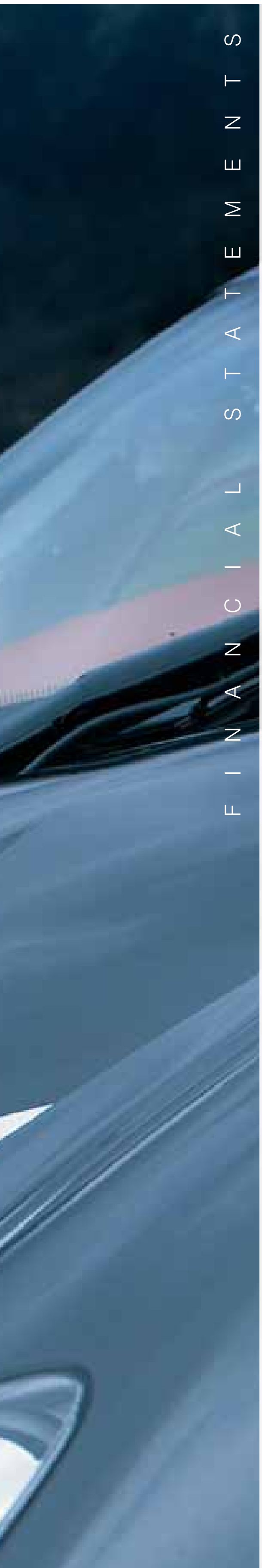
	Note	Issued capital	Share premium	Translation reserve	Other reserves	Un-appropriated net result	Total	Minority interest	Total equity
		€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)	€ ('000)
Balance at 1 January 2006		**147**	**41,993**	**0**	**-11,814**	**-1,930**	**28,396**	**-146**	**28,250**
Allocation of net result prior year		0	0	0	-1,930	1,930	0	0	0
Net result		0	0	0	0	760	760	68	828
Proceeds from new share issues	11	101	49,006	0	7,487	0	56,594	0	56,594
Costs of share issues		0	-1,191	0	0	0	-1,191	0	-1,191
Tax calculated for costs of share issues and change in tax rate		0	227	0	0	0	227	0	227
Recognition of equity component of convertible notes		0	-203	0	0	0	-203	0	-203
Foreign currency translations	11	0	0	392	0	0	392	12	404
Share based payments	13	0	0	0	181	0	181	0	181
Balance at 31 December 2006		**248**	**89,832**	**392**	**-6,076**	**760**	**85,156**	**-66**	**85,090**

Consolidated cash flow statement

for the year ended 31 December 2006

(under the indirect method)

	2006	2005
	€ (‘000)	€ (‘000)
Cash flows from operating activities		
Result for the year	828	-1,965
Adjustments for:		
Depreciation	1,307	962
Amortization of intangible assets	1,800	659
Net financing costs	1,235	469
Gain on sale of property, plant and equipment	-218	-45
Equity-settled share-based expenses	181	75
Income tax expense	1,639	-2,046
Movements in working capital:		
Change in inventories	-10,500	-1,346
Change in trade and other receivables	-17,781	-7,624
Change in trade and other payables	12,049	4,282
Change in provisions and employee benefits	130	-17
Cash generated from operations	-9,330	-6,596
Interest paid	-1,932	-530
Interest received	355	61
Income tax paid	0	0
Net cash from operating activities	-10,907	-7,065
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	798	182
Acquisition of subsidiary, net of cash acquired	-53,679	0
Acquisition of property, plant and equipment	-4,830	-5,051
Acquisition of other investments	-176	-58
Development expenditure	-8,949	-4,450
Net cash used in investing activities	-66,836	-9,377
Cash flows from financing activities		
Proceeds from issue of share capital	53,231	17,943
Proceeds from exercise of share options	22	0
Payment of transaction costs	-964	-552
Proceeds from borrowings	6,440	4,639
Repayment of borrowings	-3,388	-3,193
Net cash from (used in) financing activities	55,341	18,837
Net decrease in cash and cash equivalents	-22,402	2,395
Cash and cash equivalents at 1 January	-1,191	-3,586
Effect of exchange rate fluctuations	-22	0
Cash and cash equivalents at 31 December	-23,615	-1,191
For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following ad 31 December:		
Cash at banks and on hand	1,437	222
Bank overdraft	-25,052	-1,413
Cash and cash equivalents	-23,615	-1,191



Notes to the consolidated financial statements

at 31 December 2006

1. General information

Spyker Cars N.V. (“the Company”) is a public limited liability company incorporated under the laws of The Netherlands with its statutory seat in Zeewolde, The Netherlands. The Company is listed at the Euronext Amsterdam Stock Exchange since 27 May 2004.

The consolidated financial statements of the Company as at and for the year ended 31 December 2006 comprise the Company and its subsidiaries (together referred to as the “Group”). The principal activities of the Group are described in note 3.

The financial statements were authorized for issue by the Management Board and Supervisory Board on 4 April 2007.

2. Significant accounting policies

Continuity

The Company has shown negative operating results and cash flows in the preceding years, due to the start-up stage of its activities. In view of the anticipated growth of the Company’s operations and related working capital requirements, as well as further investments in development and payment of the deferred purchase consideration, additional financing needs to be attracted. The Company is closely monitoring its cash flow development and is expecting to improve the cash flow generated from operations as from the year 2007.

In 2007, the Company entered into an agreement with Trafalgar to have a standby equity facility up to € 25 million for the coming three years. In addition, the Company’s management is in negotiation with certain banks for additional financing and is confident that it will be able to raise sufficient funds to fulfil the Company’s cash requirements. Accordingly, the accounting principles applied are based on the assumption that the Company will be able to continue as a going concern.

In the event that management would not be successful in raising funds or in generating sufficient cash flow, the continuity of the Company could be uncertain.

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis. The financial statements are presented in Euros, rounded to the nearest thousand, unless stated otherwise.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other resources. Actual results may differ from these estimates. See also note 28 “Accounting estimates and judgements”.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

The accounting policies have been applied consistently by Group entities.

Changes in accounting policies

The following comparative amounts have been reclassified to conform with the current year's presentation:

Revenues:
The Company modified the income statement classification of GT2 income from Other income to Revenues to reflect more appropriately the way in which racing activities leads to revenues. Furthermore Work in process is excluded from the Revenues and presented separately in the income statement. Comparative amounts were reclassified for consistency, which resulted in € 2.4 million being reclassified from Other income to Revenues and € 0.6 million movement in Work in progress being presented separately in the income statement.

Installments invoiced:
During the current year the Company modified the classification of installments invoiced from Inventories to Other payables. Comparative amounts were reclassified for consistency, which resulted in € 2.8 million being reclassified from Inventories to Other payables in the balance sheet.

Standards issued, but not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2006, and have not been applied in preparing these consolidated financial statements:

IFRS 7 Financial Instruments: Disclosures and the Amendment to IAS 1 Presentation of Financial Statements: Capital Disclosures require extensive disclosures about the significance of financial instruments for an entity's financial position and performance, and qualitative and quantitative disclosures on the nature and extent of risks. IFRS 7 and amended IAS 1, which become mandatory for the Company's 2007 financial statements, will require extensive additional disclosures with respect to Company's financial instruments and share capital.

IFRIC 7 Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies addresses the application of IAS 29 when an economy first becomes hyperinflationary and in particular the accounting for deferred tax. IFRIC 7, which becomes mandatory for the Company's 2007 financial statements, is not expected to have any impact on the consolidated financial statements.

IFRIC 8 Scope of IFRS 2 Share-based Payment addresses the accounting for share-based payment transactions in which some or all of goods or services received cannot be specifically identified. IFRIC 8 will become mandatory for the Company's 2007 financial statements, with retrospective application required. The Company has not yet determined the potential effect of the interpretation.

IFRIC 9 Reassessment of Embedded Derivatives requires that a reassessment of whether embedded derivative should be separated from the underlying host contract should be made only when there are changes to the

contract. IFRIC 9, which becomes mandatory for the Company's 2007 financial statements, is not expected to have any impact on the consolidated financial statements.
IFRIC 10 Interim Financial Reporting and Impairment prohibits the reversal of an impairment loss recognized in a previous interim period in respect of goodwill, an investment in an equity instrument or a financial asset carried at cost. IFRIC 10 will become mandatory for the Company's 2007 financial statements, and will apply to goodwill, investments in equity instruments, and financial assets carried at cost prospectively from the date that the Company first applied the measurement criteria of IAS 36 and IAS 39 respectively (i.e., 1 January 2005). The Company has not yet determined the potential effect of the interpretation.

Basis of consolidation
The consolidated financial statements include the financial information of Spyker Cars N.V. and its subsidiaries. Subsidiaries are fully included in the consolidation. Interests held by third parties are recognized as minority interests.

Subsidiaries
Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting year during which Spyker Cars N.V. had control.

Joint ventures
Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement.
The Group's interest in its joint venture is accounted for by proportionate consolidation, which involves recognising a proportionate share of the joint venture's assets, liabilities, income and expenses with similar items in the consolidated financial statements on a line-by-line basis.

Transactions eliminated on consolidation
All intercompany balances and transactions, including unrealized results arising from intra-group transactions, have been eliminated in full. Unrealized losses are eliminated unless such losses cannot be recovered.

Foreign currency
The functional and presentation currency of Spyker Cars N.V. is the Euro (€).

Foreign currency transactions
Transactions in foreign currencies are recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the consolidated income statement.
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transaction.

Financial statements of foreign operations
The financial statements of consolidated companies which are drawn up in a foreign currency are:

Functional currencies	Country of incorporation	Functional currency
Spyker F1 Ltd.	United Kingdom	GBP
Spyker Brand Ltd.	United Kingdom	GBP
Spyker F1 Team Ltd.	United Kingdom	GBP
Spyker Cars UK Ltd.	United Kingdom	GBP
Spyker of North America LLC	United States of America	USD
Spyker of China Ltd.	Hong Kong	RMB

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to euro at exchange rates at the reporting date. The income statements are translated at the appropriate average exchange rates for the year. The exchange differences arising on the translation, if applicable, are taken directly to a separate component of equity. On disposal of a foreign operation, the deferred cumulative amount recognized in equity relating to that particular foreign operation shall be recognized in the income statement.

The exchange rates of those currencies which have a material impact on the Group financial statements are as follows:

Closing rate	31.12.2006	31.12.2005
British Pound (GBP)	0.67	0.69
US Dollar (USD)	1.32	1.18
Chinese Yuan Renminbi (RMB)	10.28	9.52

Derivative financial instruments

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Property, plant and equipment

Owned assets

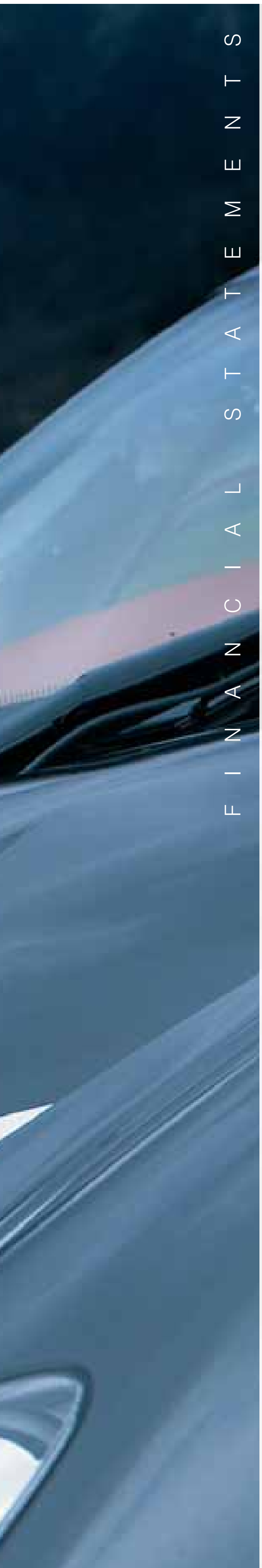
Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy ‘impairment’ below). The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. The property, plant and equipment acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (see below) and impairment losses (see accounting policy ‘impairment’ below). Lease payments are accounted for as described in accounting policy ‘expenses’.

Subsequent costs

The Group recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other cost are recognized in the income statement as an expense as incurred.



Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.
The estimated useful lives are as follows:

- Buildings	25 years
- Building improvements	10 years
- Plant and equipment	3-10 years
- Prototypes, test models (residual value 50%)	5 years
- Le Mans racing cars	5 years
- Furniture, fixtures and equipment	3-5 years

The residual value and the useful lives, if not insignificant, is reassessed annually.

Intangible assets

Research and development

The capitalized expenditure includes the costs of materials, direct labour and an appropriate proportion of production overheads as well as interest costs for related financing. Research costs are expensed as incurred.

The development costs relate to the design, innovation and improvement of new or substantially improved motorcars, car parts and product lines.

Development costs incurred on an individual project are carried forward when future recoverability can reasonably be regarded as assured. Following the initial recognition of the development expenditure the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. The capitalized development costs are amortized by a fixed amount for each car sold, based on expected sales over the estimated remaining useful life.
The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets, liabilities and contingent liabilities acquired. Following initial recognition goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing goodwill will be allocated to each of the Company's cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Company are assigned to those units or groups of units. Each unit of groups of units to which the goodwill will be allocated represents the lowest level within the Company at which the goodwill is monitored for internal management purposes and is not larger than a segment.

Licences and other intangible assets

Spyker Cars has applied for registration of several model rights and licences. The costs are capitalized and amortized under the straight-line method over the estimated useful life (of 10 years).

Expenditure on internally generated goodwill and brands is recognized in the income statement as an expense as incurred.

Subsequent expenditure
Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates to. All other expenditure is expensed as incurred.

Government grants
Government grants are recognized where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants received relating to research and development costs are deducted from the intangible assets.

Inventories
Raw materials
Raw materials are stated at acquisition cost less any provisions for obsolescence deemed necessary.

Work in process and finished goods
Work in process is stated at cost less a provision for foreseeable losses whereas finished goods are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost includes all expenditure related directly to the manufacturing of the specific cars and an allocation of fixed and variable overheads incurred in the Group's manufacturing activities based on normal operating capacity.

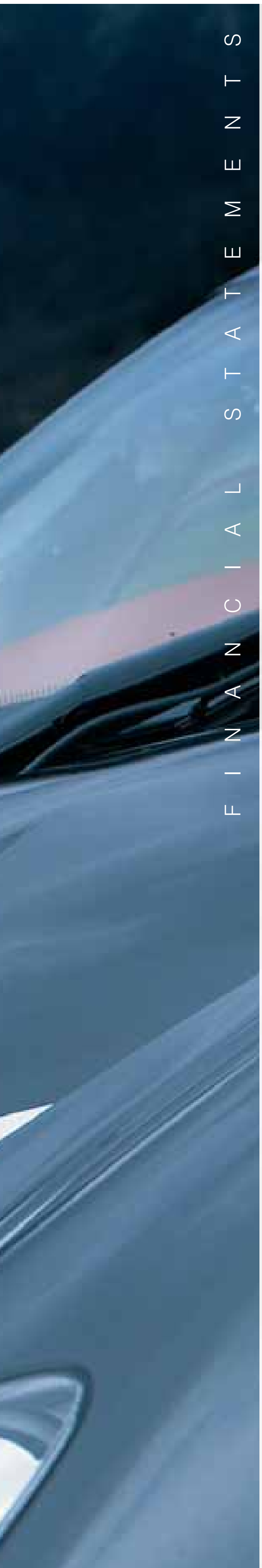
Trade and other receivables
Trade and other receivables are stated at their nominal value less a provision for doubtful debt if deemed necessary.

Cash and cash equivalents
Cash and cash equivalents in the balance sheet comprise cash at bank and in hand.

Impairment
The carrying amounts of the Group's assets other than deferred tax assets (see accounting policy income tax and deferred tax), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below). For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date. Goodwill that has not been allocated to (groups of) cash generating units, is not yet tested for impairment.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. Impairment losses are recognized in the income statement.

Calculation of recoverable amount
The recoverable amount of the Group's assets is the greater of their fair value less cost to sell and value in use. 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.



Reversals of impairment

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Interest-bearing borrowings

Interest-bearing borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortized cost, using the effective interest method.

Convertible notes

Convertible notes that can be converted to share capital at the option of the holder, where the number of shares issued does not vary with changes in their fair value, are accounted for as compound financial instruments. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds. The equity component of the convertible notes is calculated as the excess of the issue proceeds over the present value of the future interest and principal payments, discounted at the market rate of interest applicable to similar liabilities that do not have a conversion option. The convertible loan has been attracted to further finance the development costs. Therefore, the related interest expenses have been capitalized.

Employee benefits

Defined contribution plans

The Company has only a defined contribution plan.

Obligations for contributions to defined contribution pension plans are recognized as an expense in the income statement as incurred.

Share-based payment transactions

The share option programme allows Group employees to acquire shares of the Company. The fair value of options granted is recognized as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of share options is measured using a Black-Scholes option pricing model.

Provisions

Warranties

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on estimated future cost, using historical warranty data.

Trade and other payables

Trade and other payables are stated at cost.

Revenues

Car sales

Revenue from the sale of cars are recognized in the income statement when significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of cars.

Net sales comprise the revenues from goods and services supplied during the year, net of discounts, VAT and other sales taxes. The applicable “Belasting Personenwagens en Motorvoertuigen” (BPM) for cars registered in The Netherlands is accounted for by the Company’s customers.

Racing activities

Racing revenues arise from the rendering of advertisement, sponsoring and TV income, and are recognized only when the related event takes place.

Merchandise and events

Revenue from the merchandise sales are recognized in the income statement when significant risks and rewards of ownership have been transferred to the buyer. Revenues from events are recognized when the related event takes place.

Expenses

Operating lease payments

Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognized in the income statement as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method and foreign exchange gains and losses.

Interest income is recognized in the income statement as it accrues, using the effective interest method. The interest expense component of finance lease payments is recognized in the income statement using the effective interest method.

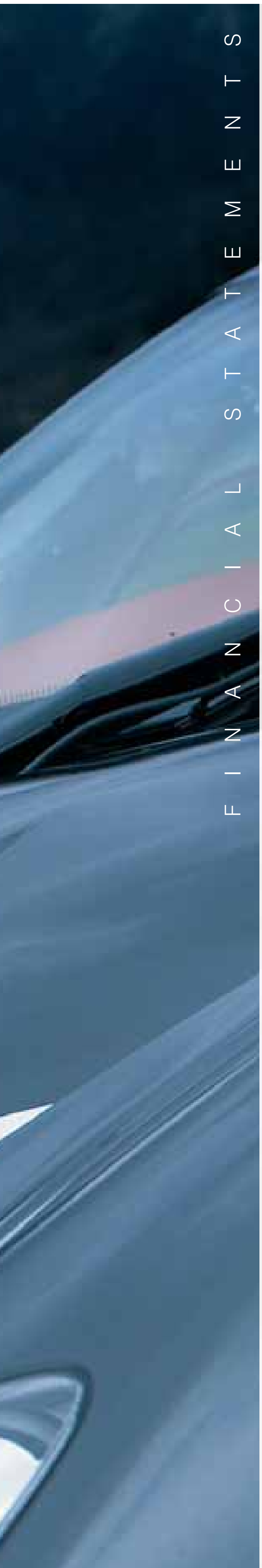
Income tax and deferred tax

Income tax on the result for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet. Deferred income tax assets are also recognized for carry-forward of unused tax assets and tax losses.

A deferred tax asset is recognized only to the extent that it is probable that future taxable results will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.



Segment reporting

A segment is a distinguishable component of the Group that is engaged either providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from those of other segments.

Notes to the consolidated cash flow statement

The cash flow statement has been prepared according to the indirect method. The funds stated in the cash flow statement are comprised of cash and bankoverdraft. Cash flows in foreign currencies are translated at average exchange rates for the year. Interest received, interest paid and income tax paid are included in cash flow from operating activities.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Property, plant and equipment

The fair value of property, plant and equipment recognized as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items.

Intangible assets

The fair value of patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the parent or trademark being owned. The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

Inventory

The fair value of inventory acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventory.

Trade and other receivables

The fair value of trade and other receivables, excluding construction work in progress, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

Share-based payment transactions

The fair value of share appreciation rights is measured using the Black-Scholes formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

3. Segment information

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Inter-segment pricing is determined on an at arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly investments and related revenue, loans and borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses, and income tax assets and liabilities. It also includes goodwill that has not yet been allocated.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Business segments

The activities of Spyker Cars N.V. and its subsidiaries comprises the following main business segments:

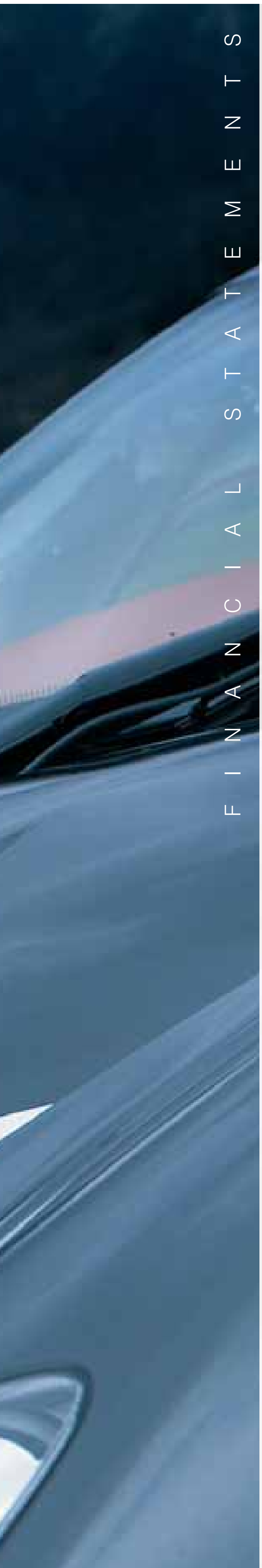
- Automotive: relates to the design, production, purchase and sale of motorcars in the broadest sense of the word including GT2 racing.
- F1 Racing: relates to Formula One racing

Geographical segments

The automotive segment is managed on a worldwide basis, but operate in three principal geographical areas, EMEA (Europe, Middle East and Africa), America and Asia. The main manufacturing facilities are operated in The Netherlands.

The Formula One racing activities are managed on a worldwide basis, but operates from one principal geographical area, United Kingdom. The testing, research and development facilities are operated from the United Kingdom.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.



Primary segmentation by business segment

Segmentation 2006	Automotive	F1 Racing	Eliminations	Consolidated
	€ ('000)	€ ('000)	€ ('000)	€ ('000)
Total external revenues	19,692	16,601	0	36,293
Intersegment revenue	2,022	0	-2,022	0
Total segment revenue	**21,714**	**16,601**	**-2,022**	**36,293**
Segment result from operating activities	**-3,620**	**7,550**	**0**	**3,930**
Net finance costs				-1,235
Income tax expense				-1,867
Profit for the period				**828**

	Automotive	F1 Racing	Consolidated
Segment assets	67,957	42,671	110,628
Unallocated assets			77,689
Total assets			**188,317**
Segment liabilities	23,637	15,045	38,682
Unallocated liabilities			64,545
Total liabilities			**103,227**
Capital expenditure	12,245	1,710	13,955
Depreciation	733	574	1,307
Amortization of intangible assets	1,675	125	1,800

The F1 Racing activities started as from 28 September 2006. In 2005 the Company activity consisted of one business segment: automotive. Intersegment revenue relates to intercompany charges from Automotive to F1 Racing of approximately € 2.0 million for costs incurred in respect of F1 Racing (€ 0.5 million) as well as a commission fee for obtaining F1 sponsors (€ 1.5 million).

Secondary segmentation by geographical segment

Segmentation 2006	EMEA	USA	Asia	Total
	€ ('000)	€ ('000)	€ ('000)	€ ('000)
Revenue from external customers	26,359	7,806	2,128	36,293
Segments assets	176,986	5,457	4,140	186,583
Capital expenditure	13,939	11	5	13,955

Segmentation 2005	EMEA	USA	Asia	Total
	€ ('000)	€ ('000)	€ ('000)	€ ('000)
Revenue from external customers	5,838	1,307	1,130	8,275
Segment assets	42,678	1,333	1,748	45,759
Capital expenditure	9,559	0	0	9,559

Segment investment in non-current assets is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

EMEA comprises Europe, the Middle-East and Africa.

4. Business combinations

On 28 September 2006 Spyker Events Partner B.V. acquired all the shares in Midland F1 Ltd., one of the 11 racing teams having a license to race in Formula One. After the acquisition date the name of Midland F1 Ltd. changed to Spyker F1 Ltd. and the name of Spyker Events Partner B.V. changed to Spyker F1 Racing Holding B.V.
In the three months to 31 December 2006 the acquired business contributed revenues of € 16,8 million and a net profit of € 4,8 million.
It is impracticable for the company to determine the consolidated revenue and net result for the period had the acquisition occurred on 1 January 2006, due to interaction with the purchase price allocation as well as the changes in management of the F1 Racing team initiated by the Company.

Due to amongst other the specific nature of F1 Racing the purchase price allocation ("PPA") has proven to be complex. The management has used several fair values methods to calculate on the best of their knowledge the right PPA values. This is the first PPA of a Formula One team under IFRS regulations and therefore no comparable information was found for some fair value calculations and management had to estimate the value to their best knowledge using common business sense.
Due to these complicating factors the management decided to keep the initial accounting of the business combination provisionally. The accounting for the business combination will be finalised within the 12-month period following the date of acquisition. Besides the finalization of the valuation of the Formula One license, which at this moment can not be measured reliably, the following items demonstrate the complex nature of the PPA.
The Company has renegotiated one of the contracts of the F1 Racing team after the acquisition, which resulted in an unconditional settlement, and entered into certain sponsorship agreements with the previous owner. The settled contract and the sponsoring by the previous owner are included in the 2006 result for a total amount of € 11.2 million (before tax). This income is based upon management's best estimate of the fair values of these contracts as at the acquisition date.
At the date of acquisition Midland F1 Ltd had tax losses available of € 43.2 million. Of this amount only € 2.0 million was recognized as a deferred tax asset, based on the result of the F1 team for the period up to 31 December 2006. For the periods thereafter there was no sufficient evidence, according to the recognition criteria set out in IAS 12, of future taxable profits to recognize any further deferred tax assets. When such evidence comes available in future years the respective deferred tax asset will be recognized at that time, together with a reduction of the goodwill to the amount that would have been recognised if the deferred tax asset had been recognised from the acquisition date.

The completion of the accounting for the business combination during 2007 may result in changes to the 2006 result, to be included in the comparative figures in the 2007 consolidated financial statements.

Since the business combination is still accounted for provisionally, the goodwill has not been allocated yet to the respective segments. Therefore no impairment test was performed for the goodwill at year-end.

The acquisition had the following provisional effect on the Group's assets and liabilities on acquisition date:

	Note	Pre-Acquisition Carrying Amounts	Fair value Adjustments	Recognized values on Acquisition
		€ ('000)	€ ('000)	€ ('000)
Property, plant and equipment	5	14,734	0	14,734
Intangible assets	6	0	226	226
Work in process		0	1,149	1,149
Deferred tax assets	7	0	1,991	1,991
Inventories		493	0	493
Trade and other receivables		5,603	0	5,603
Taxes and social security contributions		257	0	257
Prepayments		544	0	544
Cash and cash equivalents		63	0	63
Bank overdraft		-253	0	-253
Taxes and social security contributions		-722	0	-722
Trade and other payables		-14,600	0	-14,600
Net identifiable assets and liabilities		6,119	3,366	9,485
Goodwill on acquisition	6			75,812
Purchase consideration				85,297

Pre-acquisition carrying amounts were determined based on applicable local GAAP immediately before the acquisition. The values of assets, liabilities, and contingent liabilities recognised on acquisition are their estimated fair values. The fair value of the acquired assets and liabilities of the business combination is determined by the respective carrying amount taken into account recent market transactions for similar assets and liabilities.

The provisional goodwill recognised on the acquisition is attributable to intangibles that could not be separately recognized and to the significant mutual synergies expected to arise after the acquisition between Spyker Cars and Spyker F1.

	€ ('000)	€ ('000)
Purchase consideration on acquisition date:		
Cash paid:		
- Down payment 29 September 2006	53,489	
- First deferred installment 28 September 2007	11,051	
- Second deferred installment 28 September 2008	15,869	
		80,409
Value of additional vendor benefits		1,213
		81,622
Direct costs relating to the acquisition		3,675
Total purchase consideration		85,297

	€ ('000)
The cash outflow due to the acquisition is:	
Purchase consideration settled in cash:	53,489
Bank overdraft acquired	253
Cash acquired	-63
Cash outflow on acquisition	53,679

5. Property, plant and equipment

31 December 2006	Note	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	3,069	1,990	933	549	7,036
Additions		2,526	695	0	0	1,609	4,830
Acquisitions through business combination	4	5,561	4,071	0	0	5,102	14,734
Disposals		0	-1	-574	0	-6	-581
Depreciation charge for the year	22	-183	-299	-125	-70	-630	-1,307
Effect of movements in exchange rates		47	35	0	0	44	126
At 31 December, net of accumulated depreciation		8,446	7,570	1,291	863	6,668	24,838
At 1 January 2006:							
Cost		592	3,204	2,841	1,293	2,249	10,179
Accumulated depreciation and impairment		-97	-135	-851	-360	-1,700	-3,143
Net carrying amount		495	3,069	1,990	933	549	7,036
At 31 December 2006:							
Cost		8,726	8,004	2,267	1,293	8,998	29,288
Accumulated depreciation and impairment		-280	-434	-976	-430	-2,330	-4,450
Net carrying amount		8,446	7,570	1,291	863	6,668	24,838

The capitalized buildings relate to buildings and building improvement cost in the UK and The Netherlands. The operational lease contracts for two buildings in The Netherlands both expire 31 December 2008 subject to a five year extension.

Repair costs of the property, plant and equipment are charged to the income statement.

Plant and equipment and furniture, fixtures and equipment are subject to a first charge to secure the bank credit facility (see note 16). Leased assets and assets under hire purchase contracts are pledged as security for the related finance lease and hire purchase liabilities.

The disposals of prototypes, test models and demo's relate to four cars sold. Financial lease contracts are arranged for most of the prototypes, test models and racing cars.

Furniture, fixtures and equipment comprise investments in hard- and software and trade fair stands and promotion material.

Major additions in 2006:

Buildings:	Purchase of a 1,200 m2 production hall for an amount of € 0.7 million, improvement of Wind tunnel € 1.2 million and building improvements amounting to € 0.5 million.
Furniture, fixtures and equipement	Investments in ERP and CAD software and related hardware improvements € 1 million. Trade fare stands € 0.3 million.

31 December 2005	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	532	113	1,406	357	676	3,084
Additions	21	3,011	1,079	703	237	5,051
Disposals	0	-3	-132	0	-2	-137
Depreciation charge for the year	-58	-52	-363	-127	-362	-962
At 31 December, net of accumulated depreciation	495	3,069	1,990	933	549	7,036
At 1 January 2005:						
Cost	571	196	1,962	590	2,016	5,335
Accumulated depreciation and impairment	-39	-83	-556	-233	-1,340	-2,251
Net carrying amount	532	113	1,406	357	676	3,084
At 31 December 2005:						
Cost	592	3,204	2,841	1,293	2,249	10,179
Accumulated depreciation and impairment	-97	-135	-851	-360	-1,700	-3,143
Net carrying amount	495	3,069	1,990	933	549	7,036

Major additions in 2005:

Plant and equipment:	Tooling with a value of € 3 million placed with Wilhelm Karmann GmbH for the production of chassis and bodies.
Prototypes and test models:	Cars used for promotion activities and developments.
Racing cars:	Due to increasing racing activities, the number of racing cars was increased by three cars.

6. Intangible assets

31 December 2006	Note	Goodwill	Development costs	Patents and licenses	Total
		€ ('000)	€ ('000)	€ ('000)	€ ('000)
Cost as at 1 January net of accumulated amortization and impairment		0	19,715	99	19,814
Additions - internally developed		0	8,949	176	9,125
Acquisitions through business combination	4	75,812	226	0	76,038
Amortization	22	0	-1,775	-25	-1,800
Impairment losses		0	0	0	0
Effect of movements in exchange rates		643	0	0	643
At 31 December, net of accumulated amortization and impairment		76,455	27,115	250	103,820
At 1 January 2006:					
Cost		0	21,715	133	21,848
Accumulated amortization and impairment		0	-2,000	-34	-2,034
Net carrying amount		0	19,715	99	19,814
At 31 December 2006:					
Cost		76,455	30,890	309	107,654
Accumulated amortization and impairment		0	-3,775	-59	-3,834
Net carrying amount		76,455	27,115	250	103,820

Goodwill

The provisional goodwill recognized during 2006 relates to the acquisition of Midland F1 Ltd. and is attributable to intangibles that could not (yet) be separately recognized (such as license, technology and workforce) and the significant mutual synergies between Spyker Cars and Spyker F1 Team, expected to arise after the acquisition. As disclosed in note 4 the goodwill has not yet been allocated to the Company's cash-generating units (CGUs) identified in both business segments F1 Racing and automotive due to the provisional nature of the accounting for the business combination. Therefore no impairment test was performed for the goodwill at year-end.

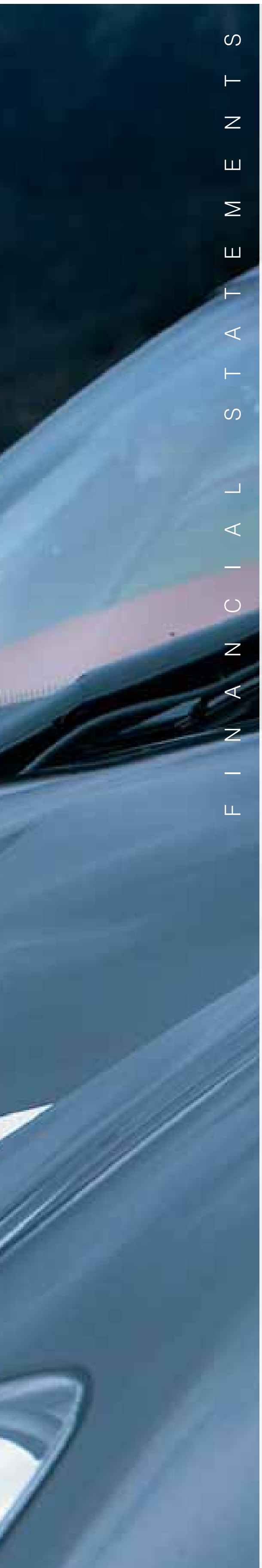
Development costs

The development costs in 2006 mainly relate to the following subjects:

- Development of the models Spyker D12 Peking-to-Paris, and C–line models, other than the C8 Spyder SWB;
- Airbag system.

Impairment testing did not result in an impairment loss. The impairment test is performed based on expectations regarding future revenues, results, cash flows and investments including amortization cost.

The capitalized development costs are amortized over their estimated useful lives by a fixed amount for each sold car based on expected sales over that period.



31 December 2005	Development costs	Patents and licenses	Total
	€ (‘000)	€ (‘000)	€ (‘000)
Cost as at 1 January net of accumulated amortization and impairment	15,915	50	15,965
Additions - internally developed	4,450	58	4,508
Amortization	-650	-9	-659
At 31 December, net of accumulated amortization and impairment	19,715	99	19,814
At 1 January 2005:			
Cost	17,265	75	17,340
Accumulated amortization and impairment	-1,350	-25	-1,375
Net carrying amount	15,915	50	15,965
At 31 December 2005:			
Cost	21,715	133	21,848
Accumulated amortization and impairment	-2,000	-34	-2,034
Net carrying amount	19,715	99	19,814

The development costs in 2005 mainly relate to the following subjects:

- Start of the development of the Spyker SSUV Peking-to-Paris
- Development cost for subsequent expenditure related to increased future economic benefits
- Further development and innovation Spyker Squadron
- Certification (LEV-II and others)

Impairment testing did not result in an impairment loss. The impairment test is performed based on expectations regarding future revenues, results, cash flows and investments including amortization cost.

The capitalized development costs are amortized over their estimated useful lives by a fixed amount for each sold car based on expected sales over that period.

Patents and licenses

Patents and licences are being amortized over their useful economic lives of 10 years.

7. Deferred tax assets

Recognized deferred tax assets

	2006	2005
	€ ('000)	€ ('000)
Losses carried forward at 1 January	19,822	15,687
Add: costs of IPO and share issues	1,191	842
Less: share based payments (2005 corrected in 2006)	-256	0
Add: loss carried forward for the year	4,049	3,293
Total loss carried forward at 31 December	24,806	19,822
Calculated deferred tax	6,326	5,867
Provisions	-1,574	-1,467
Recognized deferred tax asset	4,752	4,400
Tax percentage	25.50	29.60

The carry-forward tax losses only relate to The Netherlands. For The Netherlands the carry forward has a nine years limitation, the carry back one year. The deferred tax assets relate to carry forward losses in corporate income tax. The deferred tax is calculated based on the expected future taxable result of the Company, 25% provision is made for uncertainty in respect of realization (2005: 25%). The amount is calculated with the anticipated tax rate in the expected realization period.

For the United Kingdom there is no carry forward limitation. The amount available losses at the end of 2006 in the United Kingdom is € 43.2 million. No deferred tax asset has been recognized for the UK carry forward losses at year-end, since, according the recognition criteria set out in IAS 12 there is not sufficient evidence for future taxable profits in the UK.

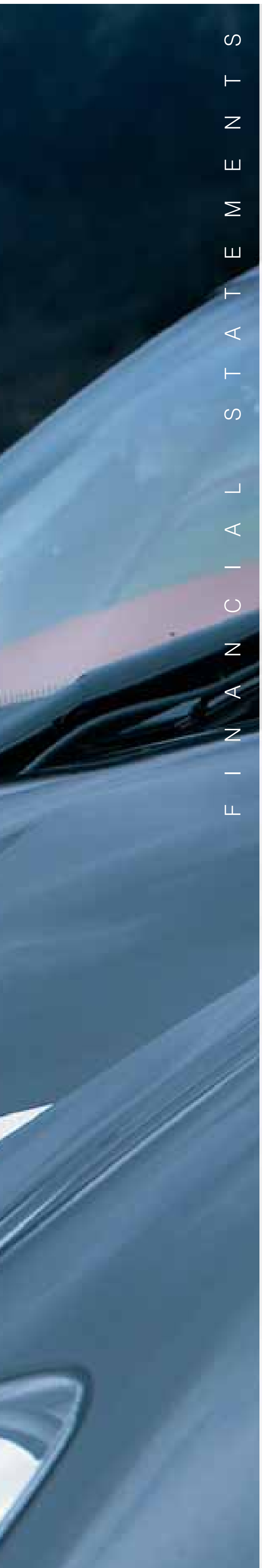
Some minor tax losses in other foreign countries have not been recognized since future usage is depending on, among other things, profit-earning capacity.

Tax group liability

Spyker Cars N.V. has applied for group tax treatment for VAT and corporate income tax. The group companies are:

- Spyker Automobielen B.V.
- Spyker Squadron B.V.

The group companies are jointly and severally liable for the tax payable by the Group. In the financial statements of Spyker Cars N.V. any tax liability has been determined on the consolidated result for reporting purposes.



8. Inventories

	2006	2005
	€ ('000)	€ ('000)
Raw materials	3,554	634
Work in progress	8,745	686
Finished goods	4,965	3,802
	17,264	5,122

At year-end 29 (2005: 21) finished cars were held in stock.

9. Trade and other receivables

	2006	2005
	€ ('000)	€ ('000)
Trade receivables	22,640	7,774
Taxes and social security contributions	1,234	425
Other receivables and pre payments	11,973	3,355
	35,847	11,554

Other receivables and pre payments:

	2006	2005
	€ ('000)	€ ('000)
Sponsor income to receive	0	1,500
Pre payments	10,154	1,529
Others	1,819	326
	11,973	3,355

Pre payments mainly relate to the racing activities.

10. Receivables from and payables to participants

At 31 December 2006, the receivables include receivables on two Management Board members. Both amounts regard delivered cars not fully paid.

The amount payable regards outstanding payables to the statutory director of China.

11. Total equity

Issued capital

Issued number of shares

	Ordinary shares	Priority shares	Class A shares	Total shares
Issued shares per 1 January	2,877,932	1	789,849	3,667,782
Issued in 2006	0	0	2,275,654	2,275,654
Converted from class A to ordinary shares	656,668	0	-656,668	0
Exercised employee options	2,390	0	0	2,390
Conversions convertible bond 2005	264,552	0	0	264,552
Issued shares per 31 December	3,801,542	1	2,408,835	6,210,378

The Company's issued share capital consists of ordinary shares, shares class A and one priority share. The nominal value of each share in Spyker Cars 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.

At 31 December 2006, the authorized share capital of the Company amounts to a sum of € 640 thousand (2005: € 400 thousand), divided into 11,999,999 (2005: 7,499,999) ordinary shares, 4,000,000 shares class A (2005: 2,500,000) and one priority share, with a nominal value of € 0.04 each.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the operations of the Company. Until year-end 2005, the translation reserve is nil.

Reserves

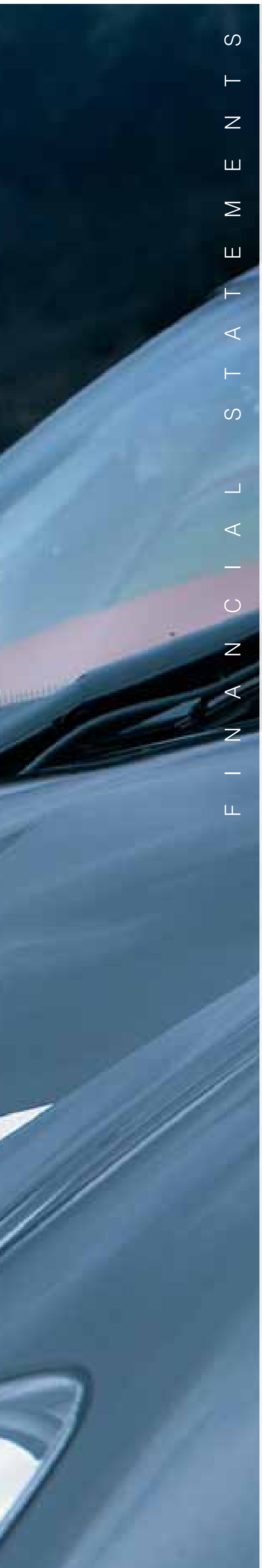
The Company received an amount of € 7.5 million in cash as consideration for the obligation to supply in the future 374.346 of the Company's ordinary shares at a fixed price of € 20 each.

Dividends

The Group did not issue any dividend in 2006 and 2005.

12. Earnings per share

Result attributable to Equity holders of the Company	2006	2005
	€ ('000)	€ ('000)
Result for the year	828	-1,965
Attributable to minority interests	-68	35
Result attributable to Equity holders of the Company	760	-1,930



Weighted average number of shares	2006	2005
Issued shares at 1 January	3,667,782	2,491,303
Effect of shares issued	895,876	248,378
Weighted average number of shares at 31 December	4,563,658	2,739,681

Weighted average number of shares (diluted)	2006	2005
Weighted average number of shares at 31 December	4,563,658	2,739,681
Effect of conversion of convertible notes	15,872	148,148
Effect of share options on issue	100,434	101,629
Weighted average number of shares (diluted) at 31 December	4,679,963	2,989,458

Results per share	2006	2005
	€	€
Net result per weighted average number of shares	0.17	-0.70
Net result per weighted average number of shares diluted	0.16	-0.70

Since the company was in a loss in 2005 the net result per weighted average number of shares diluted is determined on € -0.70 (calculated: € -0.65) in 2005.

13. Employee benefits

The expense recognized in the income statement is disclosed in note 21.

Share-based payments

On 24 May 2004, Spyker Cars' General Meeting of Shareholders approved to grant Mr. Jaharia's management company, as of the first listing date of 27 May 2004, unconditional option rights to acquire 59,782 shares, representing 2.5 per cent of the outstanding shares as per the first listing date. The exercise price for these options is the same as the issue price of € 15.50 at the IPO.

As at 27 May 2004, the Employee Share Option Plan (ESOP) was established. In the light of the business developments of 2004, the Supervisory Board decided to postpone the duration of effectiveness, which was from 2004 up to and including 2008, from 2005 up to and including 2009. The other terms remained unchanged, but in 2006 the number of option rights that can be granted under the ESOP was revised from 10% of the issued share capital per the date of the IPO to 10% of the issued share capital at the granting time of the option right. The first option rights under the ESOP were granted on 5 July 2005. During 2006 no new option rights were granted.

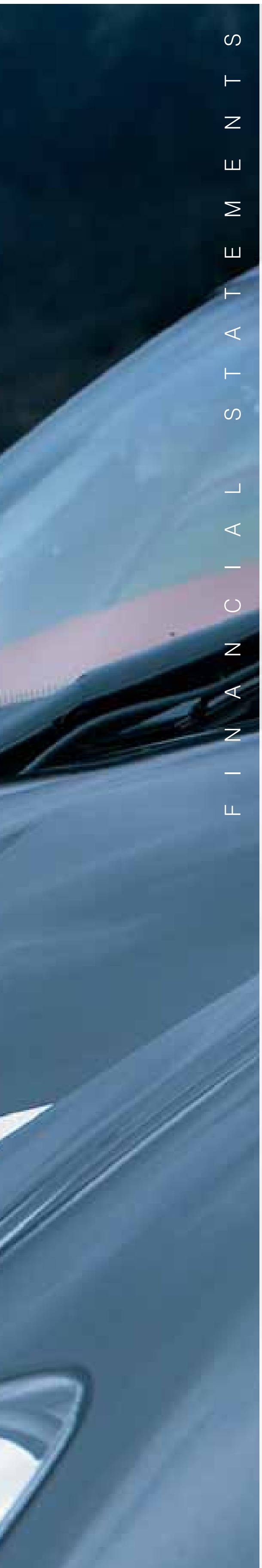
The terms and conditions are as follows, whereby all options are settled by physical delivery of shares.

Grant date / employee entitled	Number of instruments	Vesting conditions	Contractual life of options
Options grant to key management at 31 December 2004	59,782	Completion of IPO of Spyker Cars N.V.	5 years
Options grant to key management at 31 December 2005	143,477	Yearly, max 20% can vest if performance criteria set by Supervisory Board are met. Employee has to be in service at moment of vesting	5 years + 1 month
Option grant to other employees at 31 December 2005	59,780	Yearly, max 20% can vest if performance criteria set by Supervisory Board are met. Employee has to be in service at moment of vesting	5 years + 1 month
	263,039		

The performance criteria set by the Supervisory Board for 2006, are partially met.

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

	Options exercise price € 15.50		Options exercise price € 9.30	
	2006	2005	2006	2005
As per 1 January	59,782	59,782	203,257	0
Granted during period	0	0	0	203,257
As per 31 December	59,782	59,782	203,257	203,257
Exercisable as per 1 January	59,782	59,782	0	0
Exercisable during period	0	0	40,651	0
Exercised during period	0	0	-2,390	0
Exercisable as per 31 December	59,782	59,782	38,261	0



The fair values for the granted options during 2006 and 2005 were calculated using the Black-Scholes option pricing model. The inputs into the model were as follows:

	2005
Weighted average fair value of share options at measurement date	€ 2.37
Weighted average exercise price	€ 9.30
Expected volatility	20%
Expected life	3.25 years
Risk free rate	3.498%
Expected dividend yield	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 its existing is to be expected higher than in the coming years.

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

In 2006 the Group recognized total expenses of € 181 thousand (2005: € 75 thousand) related to equity-settled share-based payment transactions during the year.

Pension benefits

As of 31 December 2006 the pension plan for employees of Spyker Cars N.V. changed from a defined benefit to a defined contribution plan. Under this plan a fixed agreed amount is paid to the insurance company. As there is no commitment either enforceable by law or otherwise to pay additional contributions, pension benefits and related investments have no longer been included in the balance sheet.

The pension benefits of the employees of Spyker Automobielen B.V. and Spyker Squadron B.V. are insured in Pensioenfonds Metaal en Techniek (PMT). This pension plan qualifies as a defined benefit plan. However the 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.

14. Interest bearing borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings.

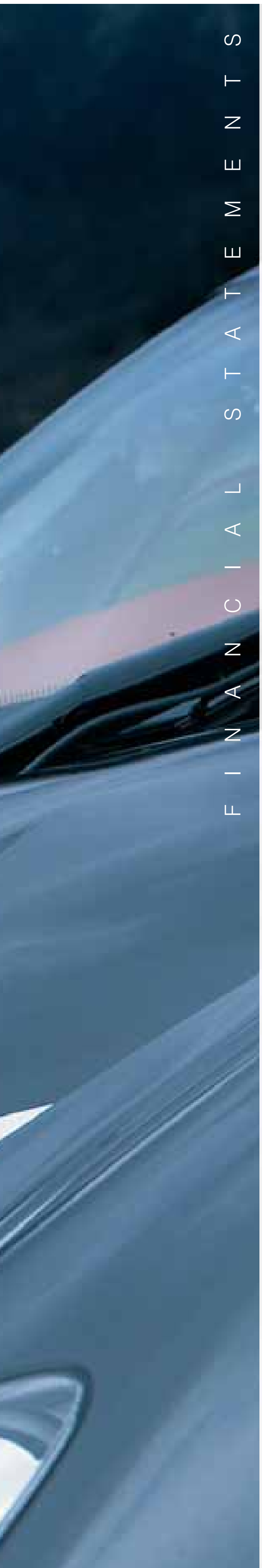
Non-current liabilities	2006	2005
	€ ('000)	€ ('000)
Vendor loan	15,469	0
Convertible notes	455	3,593
Finance lease liabilities	6,761	3,309
	22,685	6,902

Current liabilities	2006	2005
	€ ('000)	€ ('000)
Vendor loan	10,789	0
Finance lease liabilities	3,029	2,230
	13,818	2,230

Convertible notes

	2006	2005
	€ ('000)	€ ('000)
Proceeds from issue of 400 convertible notes	4,000	4,000
Transaction cost	-47	-200
Net proceeds	3,953	3,800
Conversion	-3,298	0
Recognition of equity component of convertible notes	-232	-232
Amortization transaction costs	32	25
Carrying amount of liability at 31 December	455	3,593

The interest payment on the convertible notes is 7.0%. This rate was deemed to be below the interest rate that would be due in case no conversion right was granted to the note holders, therefore an equity component was recognized.
Notes were issued in denominations of € 10 thousand. Each note can be converted in 740 shares at a conversion rate of € 13.50. Notes that are not converted to ordinary shares will be redeemed at face value before 16 June 2009. At 16 June 2005, the convertible loan has been attracted to further finance the development costs. Therefore, the related interest expenses have been capitalized.
The interest charged and interest paid amounts to € 140 thousand in 2005. In 2006, the interest charged and paid amounts to € 135 thousand (2005: € 140 thousand). The difference between the fair value and the nominal value of the convertible notes is not considered material.



Finance lease liabilities

Finance lease liabilities are payable as follows

	Minimum lease payments 2006	Present value 2006	Interest payable 2006	Principal 2006
Less than one year	3,029	2,839	401	3,240
Between two and five years	6,761	5,402	767	6,169
	9,790	8,241	1,168	9,409

	Minimum lease payments 2005	Present value 2005	Interest payable 2005	Principal 2005
Less than one year	2,230	2,090	230	2,320
Between two and five years	3,309	2,644	287	2,931
	5,539	4,734	517	5,251

Interest elements are not included in the minimum lease payments and the present value.

The lease commitments relate to the financial lease of mainly test models with a varying duration up to 25 September 2008. The interest payments vary from 5.5% to 7.9% per year. The Company has provided the following collateral for these lease commitments: a right of pledge on transport vehicles (partly), prototypes, test models and a part of the trade fair stands.

15. Provisions

	2006 € ('000)	2005 € ('000)
Balance as at 1 January	35	52
Additions	165	70
Recognized as current liability	-29	-87
Used	-6	0
Balance as at 31 December	165	35
Non-current	165	35
Current	29	87
	194	122

Provisions relate to the 2 years warranty period.

16. Bank overdraft

The Company entered in 2006 into a current account facility for a total amount of € 8.7 million. This facility needs to be redeemed in full in 2009. The redemptions are based upon a certain scheme, which factors in Spyker's projected Cash Flows (facility at year-end: € 7.8 million).

Inventories (including work-in-process), fixtures and fittings, intangible assets and receivables are pledged as collateral, in addition a letter of comfort has been issued by one of the Company's directors, V.R. Muller. Furthermore, various covenants have been agreed upon, including an equity and leverage ratio. No dividends may be distributed until the equity ratio is being met. The leverage ratio determines the uplift on Euribor (2006: 2.25%). The facility is payable on demand in case the required leverage ratio has not been met.

Spyker Cars' Group companies Spyker Automobielen B.V. and Spyker Squadron B.V. are jointly and severally liable for the outstanding amounts under the credit facility.

The Company has at year-end taken up € 10.9 million under the facility and has not complied with all relevant covenants.

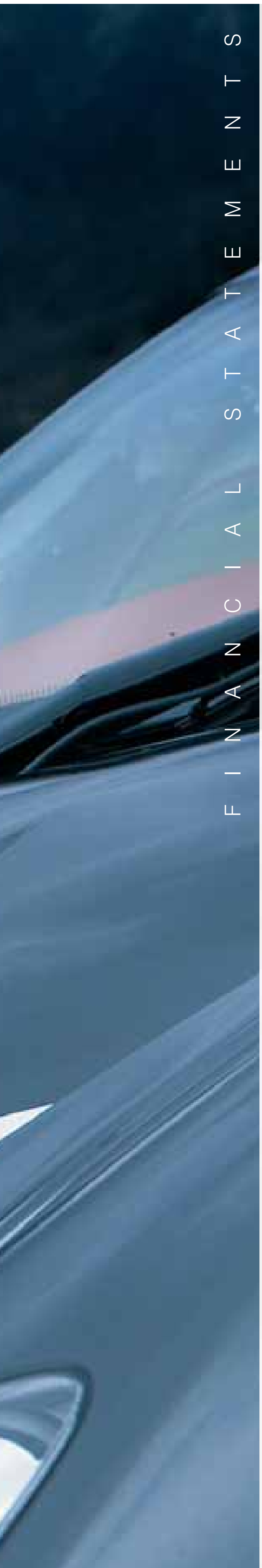
Spyker F1 team limited has a current account facility for which the TV revenues and dedicated sponsorship are pledged as collateral. The facility, $ 18 million, which is totally outstanding at year end, has to be repaid in line with received TV revenues and dedicated sponsorship, at the first of November 2007. For this credit facility an additional collateral is pledged on a depot of Green Dessert N.V. amounting to $ 8 million.

17. Trade and other payables

	2006	2005
	€ ('000)	€ ('000)
Trade payables	20,595	2,796
Taxes and social security contributions	1,462	87
Installments invoiced	2,776	2,856
Non trade payables and accrued expenses	16,449	3,959
	41,282	9,698

	2006	2005
	€ ('000)	€ ('000)
Deferred income	9,265	0
Others	7,184	3,959
	16,449	3,959

Deferred income relates to received sponsorships and TV revenues for Spyker F1 team and Spyker Squadron for racing season 2007.



18. Contingencies

The group has contingent liabilities in respect of bank and other guarantees arising in the ordinary course of business amounting to € 121 thousand for lease liabilities.

The Company 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 Company 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 Company, and consequently the Company 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 Spyker Cars' business, financial condition and/or results of operations.
For certain tax exposures relating to the Spyker F1 team, the Company has tax guarantees from the vendor.

19. Commitments not included in the balance sheet

Leases as lessee
Non-cancellable operating lease rentals are payable as follows:

	2006	2005
	€ (‘000)	€ (‘000)
Less than one year	0	114
Between one and less than five years	235	151
	235	265

The Company has leased accommodations in Zeewolde for an amount of € 235 thousand a year in 2006 (2005: € 165 thousand for one accommodation). The lease contracts will expire on 31 December 2008 subject to a five year extension. The annual operational lease commitments amount to € 45 thousand (2005: € 42 thousand). The total financial commitments for the period 2007 up to 2011 amounts to € 428 thousand.

20. Revenues

	2006	2005
	€ (‘000)	€ (‘000)
Car sales	16,378	5,848
Racing activities	18,803	2,183
Merchandise and events	1,112	244
	36,293	8,275

Revenues from the car sales comprise sales to external customers, namely the dealer network and end-users. Racing activities comprise racing income of GT2 racing and F1 racing. Racing activities includes specific items which have been disclosed in note 4. Merchandise and events consist out of events at the factory, merchandise GT2 racing and merchandise F1 racing.

21. Employee benefits

	2006	2005
	€ ('000)	€ ('000)
Wages and salaries	7,280	2,130
Social security contributions	875	289
Contributions to defined contribution plans	280	110
Management fee	274	472
Hired personnel and other personnel costs	1,649	621
Equity settled share based payments	181	75
	10,539	3,697

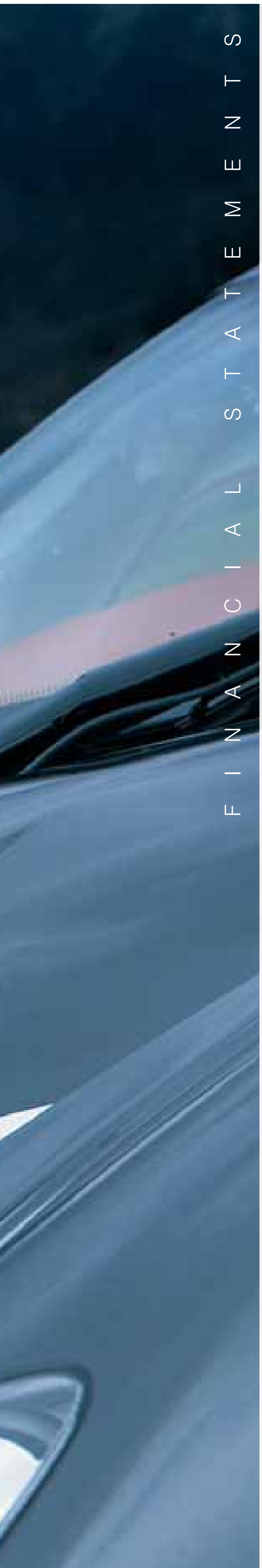
Increase in employee benefits relate to the acquisition of Formula One Racing team (cost for three month's) and increase of personnel in Car manufacturing.

22. Amortization and depreciation

	2006	2005
	€ ('000)	€ ('000)
Amortization development costs	1,775	650
Amortization intellectual property rights	25	9
Depreciation of property, plant and equipment	1,307	962
	3,107	1,621

23. Other operating expenses

	2006	2005
	€ ('000)	€ ('000)
PR and marketing costs	2,037	923
Travel expenses and costs of company cars	1,176	547
Freight and transportation costs	946	201
Advisory costs	690	345
Rent and housing costs	604	260
Insurance	410	239
Office costs	406	226
Other	552	522
	6,821	3,263



24. Financial income and expenses

Financial income	2006	2005
	€ ('000)	€ ('000)
Interest received	6	0
Foreign exchange results	1,179	61
	1,185	61

Financial expenses	2006	2005
	€ ('000)	€ ('000)
Interest paid	1,729	529
Foreign exchange results	691	1
	2,420	530

25. Taxation

The Company has recorded an estimated value of carry-forward losses in Dutch corporate income tax. This item has been included as a deferred tax asset under the non-current assets in the balance sheet. The taxation has been calculated as follows:

Consolidated income statement	2006	2005
	€ ('000)	€ ('000)
Current income tax	-799	1,148
Deferred income tax	-1,867	1,679
Deferred tax charge UK	-1,991	0
Deferred tax benefit NL	124	1,679
	-1,867	1,679

Consolidated statement of changes in equity	2006	2005
	€ ('000)	€ ('000)
Deferred income tax related to items directly charged to equity		
- In respect of transaction costs	227	367
	227	367

Tax reconciliation	2006	2005
	€ (‘000)	€ (‘000)
Accounting profit before income tax	2,695	-3,644
Statutory tax rate (29,6%; 31,5%)	-799	1,148
Elimination of tax on result of participating interests, not taxable	32	-110
Higher tax rate UK	-26	0
Valuation allowance NL	-165	-307
Change valuation allowance (2005: 50% to 25%)	0	1,177
Loss on deferred tax asset due to decrease tax tariff NL	-874	-229
Elimination of tax on share based payments (75% of 25,5% tax)	-35	0
	-1,867	1,679
Effective tax rate	69%	46%

The deferred tax assets are calculated based on the expected future taxable result of the Company, less a provision of 25% for uncertainty in respect of realization (2005: 25%). The amount is calculated with the anticipated tax rate in expected realization period and the forecast for the coming seven years.

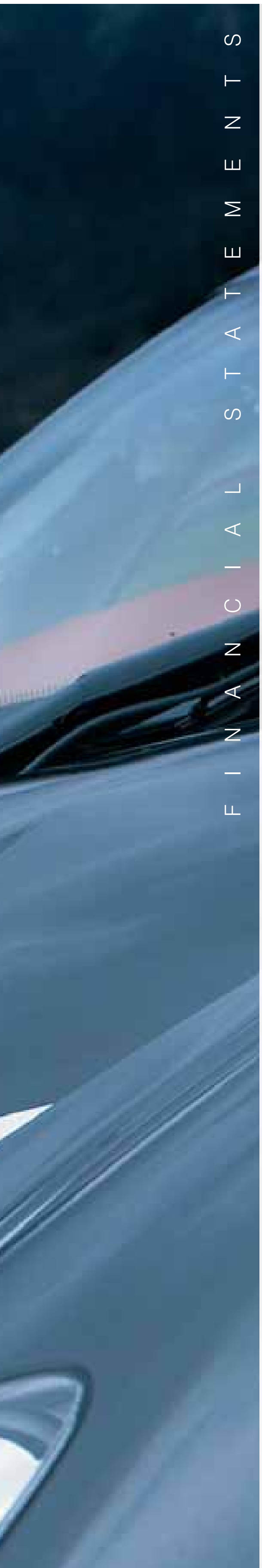
26. Staff and remuneration

The Group employed at average 351 full-time equivalents in 2006 (2005: 71).

Mr. Muller, Mr. Jaharia and Mr. Mol are statutory director of Spyker Cars, but work with Spyker Cars pursuant to a management contract between the Company and each of their management companies. The fourth member, Mr. Borsboom, has concluded an employment contract with the Company. The base remuneration for Mr. Muller and Mr. Mol amounts to € 180,000 per year. Mr. Jaharia, who switched from CFO to Chief Business Development per 20 April 2006 and who started to work part-time as from this date, received 60% of his former remuneration, being € 180,000 on a yearly basis. The basic remuneration Mr. Borsboom receives concerns a gross amount of € 140,000 per year. Mr. Muller and Mr. Mol’s contract can be terminated with a prior notice period of two months, the contract of Mr. Jaharia and Mr. Borsboom with a period of one month. Management contracts in principle will have a termination period of two months, employment contracts a period of one month.

On May 24, 2004, Spyker Car’s General Meeting of Shareholders approved to grant Mr. Jaharia ‘s management company, as of the first listing date of 27 May 2004, unconditional option rights to acquire 59,782 shares, representing 2.5 per cent of the outstanding shares as per the first listing date. Mr. Jaharia received these unconditional option rights, which are not linked to performance criteria, as remuneration for his activities performed leading up to the IPO of Spyker Cars and the listing of shares. The exercise price for these options is equal to the issue price of €15.50. These options can be exercised for a period of five years.

No personal loans or guarantees were granted to the members of the Management Board. No severance payments were agreed with Mr. Muller, Mr. Jaharia or Mr. Borsboom. Mr. Mol’s management contract contains the provision that severance payments will not exceed one year’s salary, unless this would be manifestly unreasonable in the circumstances.



In 2006, an incidental bonus of EUR 30,000 was paid to both Mr. Muller and Mr. Jaharia for their management efforts in 2005, related to the reduction in that year of the number of management board members from three to two.
No pension schemes have been set up for the members of the Management Board who concluded a management contract; Mr. Borsboom receives a contribution from the Company to build up a pension.

The Supervisory Board was established on 27 May 2004. According to a resolution of the General Meeting of Shareholders, the chairman is entitled to a remuneration of € 20 thousand per year and each of the members to a remuneration of € 15 thousand per year. No other compensations, bonuses or options have been agreed upon with the members of the Supervisory Board.

Board of Management	Base salary end of 2006	Paid salary 2006	Paid in 2006 bonus 2005	Vested stock options 2006	As a % of base salary
V.R. Muller	€ 180,000	€ 180,000	€ 30,000	11,957	15.7%
M.J. Mol	€ 180,000	€ 180,000	€ -	none	-
R. Borsboom	€ 140,000	€ 140,000	€ -	none	-
O.N. Jaharia	€ 180,000	€ 132,000	€ 30,000	11,957	15.7%

Spyker has an Employee Share Option Plan (ESOP), which came into force in 2005 and was amended in 2006. Under the five year duration of the ESOP, option rights may be granted to acquire newly issued shares up to a maximum aggregate amount of 10% of the issued share capital per the option date. Per 5 July 2005, 203,257 option rights were granted to the members of the Management Board and a number of (key) employees at an exercise price of € 9.30. During 2006, 2,390 option rights were exercised. 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 our Supervisory Board prior to 1 March of that year.

The performance criteria for 2005 were related to car homologation requirements in the US and to the budget for 2005. We investigated whether the targets were met and concluded that both criteria were fulfilled.
The targets, set for 2006, are related to the car production in 2006 and the Company's cash flow in 2006.
Our Board partially revised the ESOP in 2006. In the initial ESOP, the issue of option rights was limited to 10% of the outstanding share capital at Spyker Cars' IPO during a period of five years. As explained in the Prospectus of May 2004, it was meant to allocate nearly all option rights directly after the IPO. However, in the light of the business developments in 2004, we decided to start granting option rights from 2005 onwards. By then, tax advantages still valid in 2004 no longer applied and it was not longer advantageous to grant all option rights at the same time. By revising the ESOP we brought it in line with the existing common practice in The Netherlands for option plans, i.e. to limit the yearly share dilution (as a consequence of executed option rights) to 2% of the share capital, issued at the granting time of the option right.

27. Group entities

	Country of incorporation	Ownership	Interest
Subsidiairies:			
Spyker Automobielen B.V.	Netherlands	100%	100%
Spyker Squadron B.V.	Netherlands	100%	100%
Spyker F1 Racing Holding B.V.*	Netherlands	100%	100%
Spyker F1 Ltd.	United Kingdom	100%	100%
Spyker Brand Ltd.	United Kingdom	100%	100%
Spyker F1 Team Ltd.	United Kingdom	100%	100%
Spyker of North America LLC, USA	United States	100%	100%
Spyker Cars UK Ltd.	United Kingdom	100%	100%
Spyker of China Ltd.**	Hong Kong	51%	51%
Joint ventures:			
Spyker Events VOF	Netherlands	dissolved	50%

* formerly named Spyker Events Partner B.V.

** 49% owned indirectly by Mr. Martijn Schilte, see related parties

28. Subsequent event

No subsequent events took place.

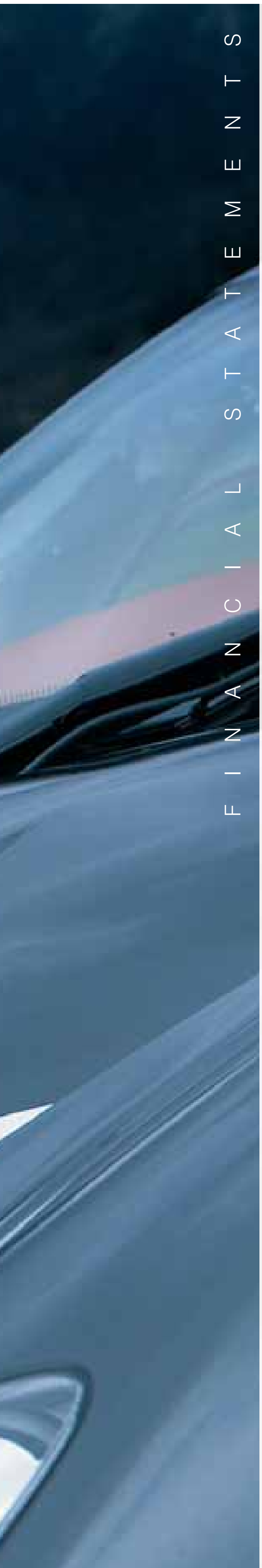
29. Accounting estimates and judgements

Management Board members discussed the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates.

Critical accounting judgements in applying the Group's accounting policies
Certain critical accounting judgements in applying the Group's accounting policies are described below.

Development cost:
All qualifying expenses related to development cost are capitalized in certain categories. Amortization of these development cost are charged to the income statement with a fixed amount per sold car. At this moment the fixed amount is based on the estimated sales of cars over a ten year period. See also note 6.

Impairment of intangible assets and property, plant and equipment:
The Company reviews assets for impairment annually. Assets subject to this review include intangible assets and property, plant and equipment totalling € 53.1 million at balance sheet date. Goodwill for the provisional amount of € 76.0 million was not tested for impairment since the accounting for the business combination is still provisional and the goodwill has not yet been allocated to segments. In determing impairments, management makes significant judgements and estimates to determine if future cash flows expected to be generated by those assets are less than their carrying value. Determing cash flows requires the use of judgements and estimates that have been included in the Company'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. Assets are written down to their recoverable amount if applicable. This recoverable amount of impaired assets is determined by taking into account these estimated cash flows and using a net present value technique based on discounting these cash flows with discount rates.

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.

Deferred tax assets:
In The Netherlands management decided to keep the provision to 25% on the deferred tax assets. In 2005 the provision was 25% and up to and including 2004 the provision was 50%. See also note 7. In the United Kingdom we did not recognize any deferred tax assets at year-end. According the recognition criteria set out in IAS 12 there is not sufficient evidence for future taxable profits in the UK.

Provisional Purchase Price Allocation Midland F1 Racing Ltd:
The management has used several fair values methods to calculate on the best of their knowledge the right PPA values. This is the first PPA of a Formula One team under IFRS regulations and therefore no comparable information was found for some fair value calculations and management had to estimate the value to their best knowledge using common business sense.

30. Financial risk management objectives and policies

The Company's principal financial instruments, other than derivatives, comprise bank loans and overdrafts, convertible notes, finance leases and trade payables. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables and cash, which arise directly from its operations.
The Company also enters into derivative transactions, primarily forward currency contracts. The purpose is to manage the currency risks arising from the Company's operations and its sources of finance. It is, and has been throughout 2006 and 2005 the Company's policy that no trading in derivatives shall be undertaken.
The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The management of the Company reviews and agrees policies for managing each of these risks which are summarised below.

Interest rate risk
The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.
The Company's policy is to manage its interest cost using a mix of fixed and variable rate debts.

Foreign currency risk
As a result of significant investments in foreign operations, the Company's balance sheet can be affected significantly by movements in exchange rates.
The Company also has transactional currency exposures. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's functional currency. The Company uses forward currency contracts to eliminate the currency exposures on significant transactions for which payment is anticipated after the Company has entered into a firm commitment for a sale or purchase.

Credit risk

The Company trades only with recognised, creditworthy third parties. It is the Company policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Company does not offer credit terms without the approval of the management.
With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents and certain derivative instruments, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk

The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (eg accounts receivables, other financial assets) and projected cash flows from operations.
The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares.

31. Related parties

Identity of related parties

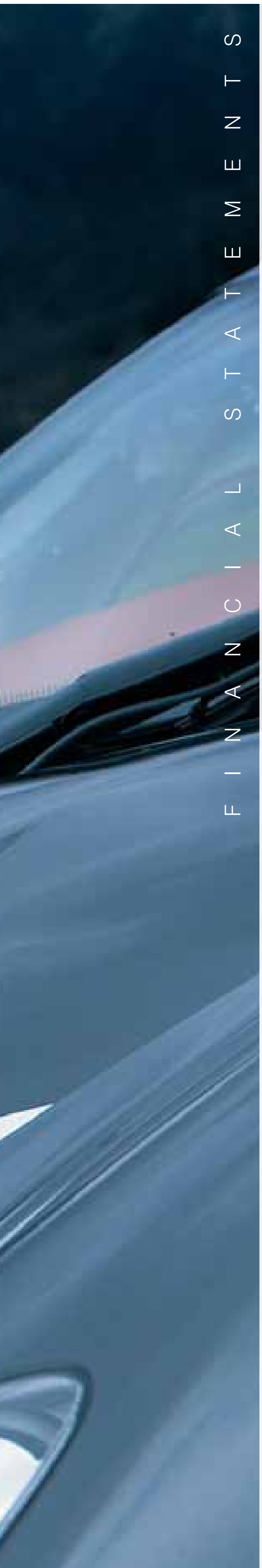
The Group has a related party relationship with:
- its subsidiaries (group companies)
- its directors, executive officers and supervisory board members (individuals)
- certain third parties.

Transactions with group companies

Spyker Cars N.V. is the parent company of a group of companies. The interests in all group companies are directly and indirectly held. Spyker Cars has four statutory directors, a CEO, a CFO, a Chief Business Development officer and a Director of Formula One Racing. The CEO is the sole director of Spyker Automobielen B.V. and Spyker Squadron B.V.; he is one of the two directors of Spyker F1 Racing Holding B.V. and of Spyker Cars UK Ltd. The sole director of Spyker of North America LLC is an UK citizen, residing in the USA.
The transactions between group companies are eliminated from the consolidated financial statements.

Transactions with individuals

Mr. V.R. Muller, CEO of the Company, through a personal holding company, has purchased a Spyker C8 Spyder SWB in 2006. The personal holding company of Mr. V.R. Muller contributed in the financing of the acquisition of Midland F1 Ltd. in 2006 by means of an advance payment. An accounting employee of the personal holding company occasionally delivers accounting support to the finance department of the Company.
Mr. M. Mol has purchased a Spyker C8 Spyder SWB in 2006 and is director of Spyker F1 Ltd. Mr. M. Mol has a share interest in Media Republic, which is an internet service provider of the company. Mr. M. Mol has a share



interest in Christijan Albers B.V., the management company of Mr. C. Albers who is one of the racing drivers for Spyker F1 Ltd. In 2006 Mr. J. Mol (relative) held a 29,87% share interest in the Company. Mr. J. Mol has a share interest in Green Desert N.V. On a depot a collateral is pledged related to a credit facility of Spyker F1 Team Ltd.
Mr. A.J. Mulder, member of the Supervisory Board of the Company, has a share interest in Christijan Albers B.V., the management company of Mr. C. Albers who is one of the racing drivers for Spyker F1 Ltd.
Mr. M. Schilte, shareholder (indirect) and director of Spyker of China Ltd., has purchased a Spyker C8 Spider in 2006.
Mr. Martin E. Button, managing director of Spyker of North America LLC, owns a transport company in the USA. This transport company executed several transportations for the Company in the USA, for example for auto shows.

Transactions with third parties
Spyker Cars has obtained most of its insurances from or via AHC Nederland B.V., an insurance broker company. Mr. R.A.C. van de Laar, managing director of this insurance company, holds a share interest in Spyker Cars.

All transactions, described above, were concluded at arms length basis against normal market conditions.

The total sum of the transactions involved amounts to € 2,240 thousand (2005: € 989 thousand) and can be specified as follows:

	2006	**2005**
Sales of cars	€ 409 thousand	€ 658 thousand
Sponsor income	€ 775 thousand	€ 150 thousand
Other expenses	€ 1,056 thousand	€ 181 thousand

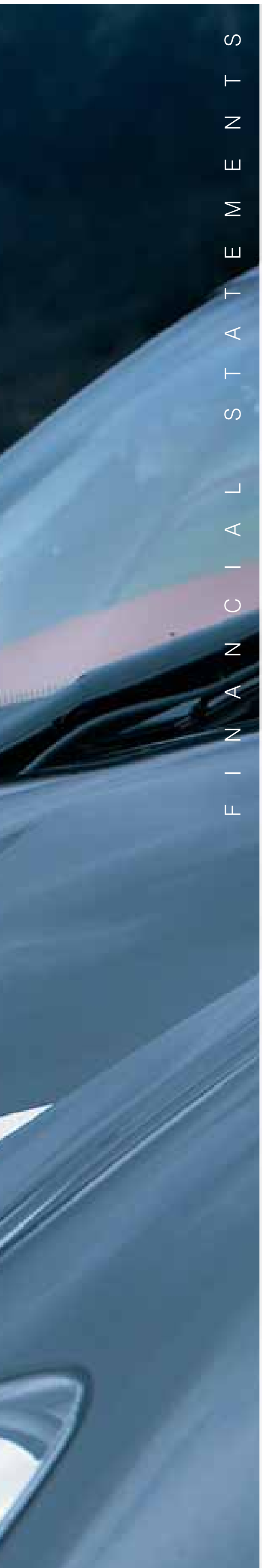
Company balance sheet

at 31 December 2006

(before appropriation of the net result)

Assets	Note	31,12,2006	31,12,2005*
		€ ('000)	€ ('000)
Non-current assets			
Property, plant and equipment	1	8,827	7,033
Intangible assets	2	27,264	19,814
Investments in subsidiaries	3	7,015	1,100
Deferred tax assets		4,752	4,400
Total non-current assets		**47,858**	**32,347**
Current assets			
Trade and other receivables		2,750	655
Receivables from participants		113	0
Receivable from group companies		61,003	6,819
Cash and cash equivalents		6,289	0
Total current assets		**70,155**	**7,474**
Total assets		**118,013**	**39,821**

Shareholders' equity and liabilities	Note	31,12,2006	31,12,2005*
		€ ('000)	€ ('000)
Shareholders' equity			
Issued capital	4	248	147
Share premium	4	62,818	22,278
Legal reserves	4	27,406	19,715
Other reserves	4	-6,076	-11,814
Unappropriated net result	4	760	-1,930
Total shareholders' equity		**85,156**	**28,396**
Provisions	3	**8,544**	**433**
Non-current liabilities			
Interest-bearing borrowings		6,624	6,902
Total non-current liabilities		**6,624**	**6,902**
Short-term liabilities			
Bank overdraft		48	90
Interest-bearing borrowings		3,029	2,230
Trade and other payables		10,084	1,652
Payables to participants		0	118
Receivable from group companies		4,528	0
Total current liabilities		**17,689**	**4,090**
Total liabilities		**24,313**	**10,992**
Total shareholders' equity and liabilities		**118,013**	**39,821**



Company income statement

for the year ended 31 December 2006

	2006	2005
	€ ('000)	€ ('000)
Result after taxation	-1,921	-1,455
Income from investments in subsidiaries after taxation	2,681	-475
Net result	**760**	**-1,930**

Notes to the Company financial statements

General

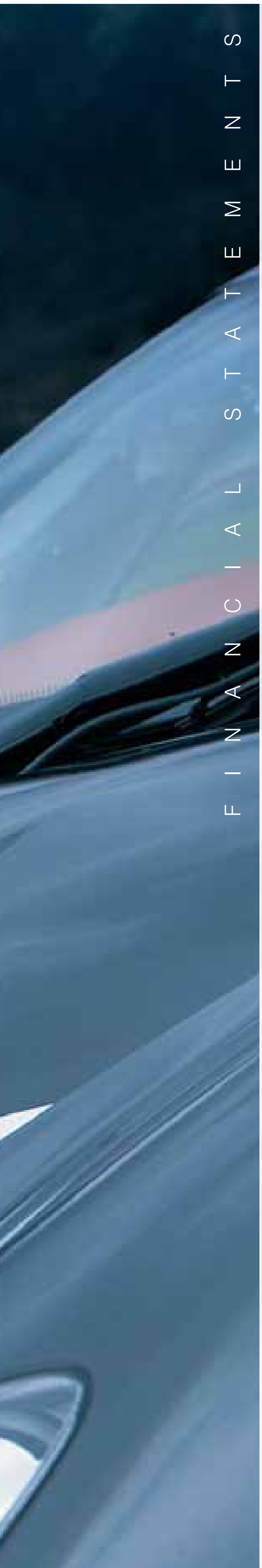
The Company financial statements comprise the financial statement of the Company only.

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 the Dutch Civil Code, Book 2, Title 9, the Company has drawn up its company financial statements according to the same accounting 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 Accounting principles reference is made to the notes to the consolidated financial statements on page 76. Investments in subsidiaries are carried at net asset value.

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.

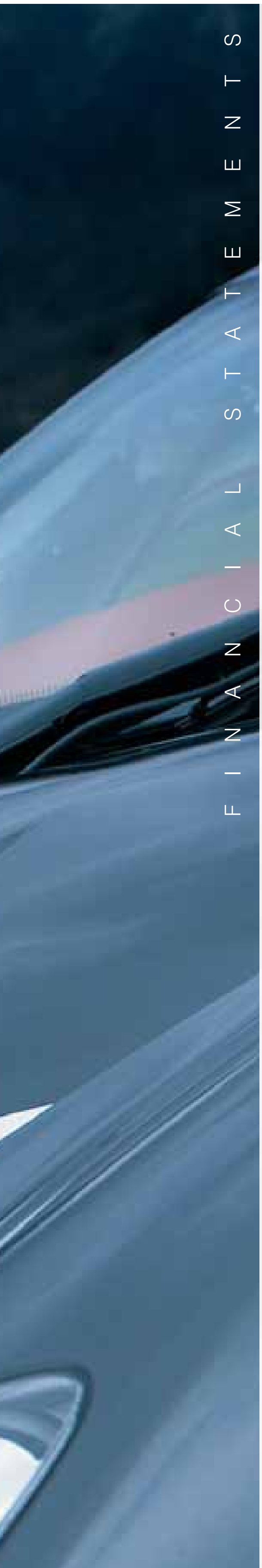
The Company financial statements are presented in Euros, rounded to the nearest thousand, unless stated otherwise.



1. Property, plant and equipment

31 December 2006	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	3,121	1,990	933	494	7,033
Additions	1,217	409	0	0	1,480	3,106
Disposals	0	-1	-574	0	-6	-581
Depreciation charge for the year	-92	-105	-125	-70	-339	-731
At 31 December, net of accumulated depreciation	**1,620**	**3,424**	**1,291**	**863**	**1,629**	**8,827**
At 1 January 2006:						
Cost	592	3,204	2,841	1,293	2,246	10,176
Accumulated depreciation and impairment	-97	-135	-851	-360	-1,700	-3,143
Net carrying amount	**495**	**3,069**	**1,990**	**933**	**546**	**7,033**
At 31 December 2006:						
Cost	1,809	3,664	2,267	1,293	3,668	12,701
Accumulated depreciation and impairment	-189	-240	-976	-430	-2,039	-3,874
Net carrying amount	**1,620**	**3,424**	**1,291**	**863**	**1,629**	**8,827**

31 December 2005	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	532	113	1.406	357	673	3.081
Additions	21	3.011	1.079	703	237	5.051
Disposals	0	-3	-132	0	-2	-137
Depreciation charge for the year	-58	-52	-363	-127	-362	-962
At 31 December, net of accumulated depreciation	**495**	**3.069**	**1.990**	**933**	**546**	**7.033**
At 1 January 2005:						
Cost	571	196	1.962	590	2.013	5.332
Accumulated depreciation and impairment	-39	-83	-556	-233	-1.340	-2.251
Net carrying amount	**532**	**113**	**1.406**	**357**	**673**	**3.081**
At 31 December 2005:						
Cost	592	3.204	2.841	1.293	2.246	10.176
Accumulated depreciation and impairment	-97	-135	-851	-360	-1.700	-3.143
Net carrying amount	**495**	**3.069**	**1.990**	**933**	**546**	**7.033**



2. Intangible assets

31 December 2006	Development costs	Patents and licenses	Total
	€ (‘000)	€ (‘000)	€ (‘000)
Cost as at 1 January net of accumulated amortization and impairment	19,715	99	19,814
Additions - internally developed	8,949	176	9,125
Amortization	-1,650	-25	-1,675
Impairment losses	0	0	0
At 31 December, net of accumulated amortization and impairment	27,014	250	27,264
At 1 January 2006:			
Cost	21,715	133	21,848
Accumulated amortization and impairment	-2,000	-34	-2,034
Net carrying amount	19,715	99	19,814
At 31 December 2006:			
Cost	30,664	309	30,973
Accumulated amortization and impairment	-3,650	-59	-3,709
Net carrying amount	27,014	250	27,264

31 December 2005	Development costs	Patents and licenses	Total
	€ (‘000)	€ (‘000)	€ (‘000)
Cost as at 1 January net of accumulated amortization and impairment	15,915	50	15,965
Additions - internally developed	4,450	58	4,508
Amortization	-650	-9	-659
At 31 December, net of accumulated amortization and impairment	19,715	99	19,814
At 1 January 2005:			
Cost	17,265	75	17,340
Accumulated amortization and impairment	-1,350	-25	-1,375
Net carrying amount	15,915	50	15,965
At 31 December 2005:			
Cost	21,715	133	21,848
Accumulated amortization and impairment	-2,000	-34	-2,034
Net carrying amount	19,715	99	19,814

3. Investments in subsidiaries

The item investments in subsidiaries includes the following companies:

	Share in issued capital	2006	2005
		€ ('000)	€ ('000)
Spyker Automobielen B.V.	100%	0	0
Spyker Squadron B.V.	100%	2,000	1,082
Spyker F1 Racing Holding B.V.	100%	5,015	18
Spyker of North America LLC, USA	100%	0	0
Spyker Cars UK Ltd.	100%	0	0
Spyker of China Ltd.	51%	0	0
		7,015	1,100

Some investments in subsidiaries have a negative net asset value, due to negative results up and until 2006. For this reason, these investments in subsidiaries and loans receivable are provided and a provision for the remaining deficit has been recorded.

	Share in issued capital	Net Equity value as at 31-dec-05	Translation reserve	Results from participating interests	Net Equity value as at 31-dec-06	Loans receivable	Provision	Book-value as at 31-dec-06
Spyker Automobielen B.V.	100%	-5,292	0	-2,922	-8,214	0	8,214	0
Spyker Squadron B.V.	100%	1,082	0	918	2,000	0	0	2,000
Spyker F1 Racing Holding B.V.	100%	18	351	4,646	5,015	0	0	5,015
Spyker of North America LLC, USA	100%	-290	29	1	-260	0	260	0
Spyker Cars UK Ltd.	100%	-25	0	-32	-57	57	0	0
Spyker of China Ltd.	51%	-152	12	70	-70	0	70	0
		-4,659	392	2,681	-1,586	57	8,544	7,015

4. Shareholders' equity

	Issued capital € ('000)	Share premium € ('000)	Legal reserve € ('000)	Other reserves € ('000)	Un-appropriated net result € ('000)	Total € ('000)
Balance at 1 January 2005	**100**	**12,325**	**15,915**	**-6,901**	**-4,986**	**16,453**
Allocation of net result prior year	0	0	0	-4,986	4,986	0
Net result	0	0	0	0	-1,930	-1,930
Proceeds from new share issues	47	14,071	0	0	0	14,118
Costs of share issues	0	-917	0	-2	0	-919
Tax calculated for costs of share issues and change in tax rate	0	367	0	0	0	367
Legal reserve	0	-3,800	3,800	0	0	0
Recognition of equity component of convertible notes	0	232	0	0	0	232
Share based payments	0	0	0	75	0	75
Balance at 31 December 2005	**147**	**22,278**	**19,715**	**-11,814**	**-1,930**	**28,396**

	Issued capital € ('000)	Share premium € ('000)	Legal reserve € ('000)	Other reserves € ('000)	Un-appropriated net result € ('000)	Total € ('000)
Balance at 1 January 2006	**147**	**22,278**	**19,715**	**-11,814**	**-1,930**	**28,396**
Allocation of net result prior year	0	0	0	-1,930	1,930	0
Net result	0	0	0	0	760	760
Proceeds from new share issues	101	49,006	0	7,487	0	56,594
Costs of share issues	0	-1,191	0	0	0	-1,191
Tax calculated for costs of share issues and change in tax rate	0	227	0	0	0	227
Legal reserve	0	-7,299	7,299	0	0	0
Recognition of equity component of convertible notes	0	-203	0	0	0	-203
Foreign currency translations	0	0	392	0	0	392
Share based payments	0	0	0	181	0	181
Balance at 31 December 2006	**248**	**62,818**	**27,406**	**-6,076**	**760**	**85,156**

Issued share capital

At 31 December 2006, the authorized share capital of the Company amounts to a sum of € 640 thousand (2005: € 400 thousand), divided into 11,999,999 (2005: 7,499,999) ordinary shares, 4,000,000 shares class A (2005: 2,500,000) and one priority share, with a nominal value of € 0.04 each.

Per 31 December 2006, 3,801,542 ordinary shares (2005:2,877,932), 2,408,835 shares class A (2005: 789,849) and one priority share were issued and paid in full. During the year 2006, several share conversions took place, all as described in the "Information for Shareholders" chapter.

Share premium reserve
In 2006, the new issue of 264,552 ordinary shares and 2,275,654 shares class A, at an issue price of € 13.50 and € 20.00, resulted in a share premium reserve addition of € 49.0 million. 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.

Legal reserve
Pursuant to Section 365(2) of Book 2 of The Netherlands Civil Code, a legally-required reserve is formed for capitalized development costs to the amount of € 27.4 million (2005: € 19.7 million).

5. Staff and remuneration of Supervisory Board and Management Board

During 2006, Spyker Cars N.V. employed at average 21 full-time equivalents (2005: 14)

See note 26 of the notes to the consolidated financial statements for the remuneration of the Supervisory Board and Management Board.

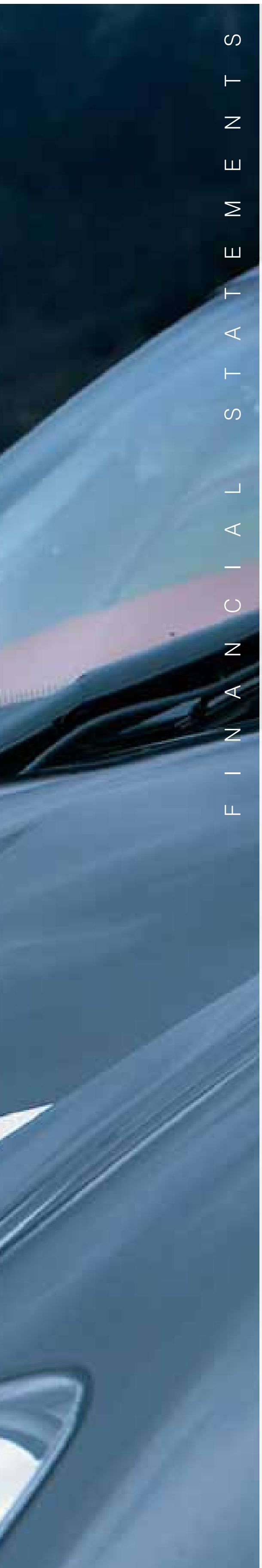
6. Guarantees

Guarantees
Spyker Cars N.V. together with its subsidiaries Spyker Automobielen B.V., Spyker Squadron B.V., Spyker and F1 Racing Holding B.V., constitutes a single tax entity for corporate tax and a single tax entity for VAT purposes. 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.

Signing of the financial statements

Zeewolde, 4 April 2007

Management Board:	Supervisory Board:
V.R. Muller	J.H.M. Lindenbergh
R. Borsboom	J.B.Th. Hugenholtz
M. J. Mol	S.A. Arab
O.N. Jaharia	F.J.M. Liebregts
	A.J. Mulder
	M. La Noce



Additional information

Statutory rules concerning appropriation of result

Article 29 of the Company's articles of association includes the following provisions regarding result appropriation:

1. The Management Board shall annually, with the approval of the Supervisory Board, determine which part of the result - the positive balance on the income statement - is added to the reserves.
2. From the results remaining after transfer to the reserves in accordance with the previous paragraph, a dividend is distributed on the priority share of six percent (6%) of the nominal paid up amount.
3. Any remaining result after application of paragraph 1 and 2 of this article is available to the general meeting.

Proposed allocation of the result for the financial year 2006

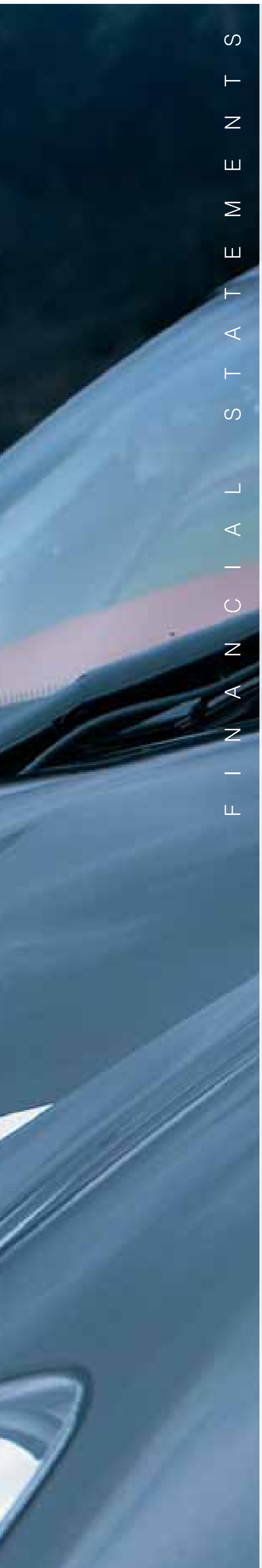
A proposal will be made to allocate the profit for 2006 to the other reserves (deficit).
This proposal has not yet been reflected in the balance sheet.

Priority Share

The Priority Share is held by the foundation Stichting Prioriteit Spyker Cars ("Stichting Prioriteit" or "Priority Shareholder"). When the Priority Share was issued to the Stichting Prioriteit, the latter granted Spyker Cars a call option right to buy the Priority share for a price equal to its nominal value of € 0.04. This right may be exercised by Spyker Cars after a period of three years as of the issue date of 27 May 2004.
The board of the Stichting Prioriteit consists of (i) the members of the Management Board appointed by the General Meeting of Shareholders of Spyker Cars either on the nomination of the Priority Shareholder or with the recommendation or consent of the Priority Shareholder, (ii) the members of the Supervisory Board appointed by the General Meeting of Shareholders of Spyker Cars either on the nomination of the Priority Shareholder or with the recommendation or consent of the Priority Shareholder, and (iii) a representative of each shareholder, holding five per cent, or more or the issued capital of Spyker Cars for a consecutive period of at least three months.

The Priority Shareholder has the following rights and privileges: (i) the right to make a proposal to nominate members of the Management Board and the Supervisory Board; (ii) the right to make a proposal to suspend or dismiss members of the Management Board and the Supervisory Board; (iii) the right to propose to amend the Articles of Association and to dissolve Spyker Cars; (iv) the right to convene an extraordinary meeting of shareholders; (v) prior approval of whole or partial transfer of control over Company activities and the entering into or amendment of agreements between the Company on the one hand, and shareholders, members of the Management Board or members of the Supervisory Board, as individuals, on the other hand, or between the Company and legal entities over which the aforementioned persons have direct or indirect control; (vi) the right to receive, before any other shareholders, a dividend of 6% of the nominal amount of the Priority Share of € 0.04.

The board of Stichting Prioriteit consists of three categories of members: (i) board members who are also members of the Management Board, (ii) board members who are also members of the Supervisory Board and (iii) board members who are shareholders holding five per cent, or more of the Company's issued share capital for a consecutive period of at least three months. Each category of board members has an equal vote in the Stichting Prioriteit 's board meeting (33 1/3 per cent).



To the shareholders of Spyker Cars N.V.

Auditors' report

We have audited the accompanying financial statements 2006 of Spyker Cars N.V., Zeewolde. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2006, the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The company financial statements comprise the company balance sheet as at 31 December 2006, the company profit and loss account for the year then ended and the notes.

Management's responsibility
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of The Netherlands Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of The Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 audit opinion.

Opinion with respect to the consolidated financial statements
In our opinion, the consolidated financial statements give a true and fair view of the financial position of Spyker Cars N.V. as at 31 December 2006, and of its result and its cash flows 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 Netherlands 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 Cars N.V. as at 31 December 2006, and of its result for the year then ended in accordance with Part 9 of Book 2 of The Netherlands Civil Code.

Emphasis of Matters

We draw attention to note 2 ‘Continuity’ to the financial statements which indicates that the company has shown negative operating results and cash flows in the preceding years. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company’s ability to continue as a going concern. We further note, as disclosed in note 4 ‘Business Combinations’, that the initial accounting of the business combination is still provisional.

Our opinion is not qualified in respect of these matters.

Report on other legal and regulatory requirements

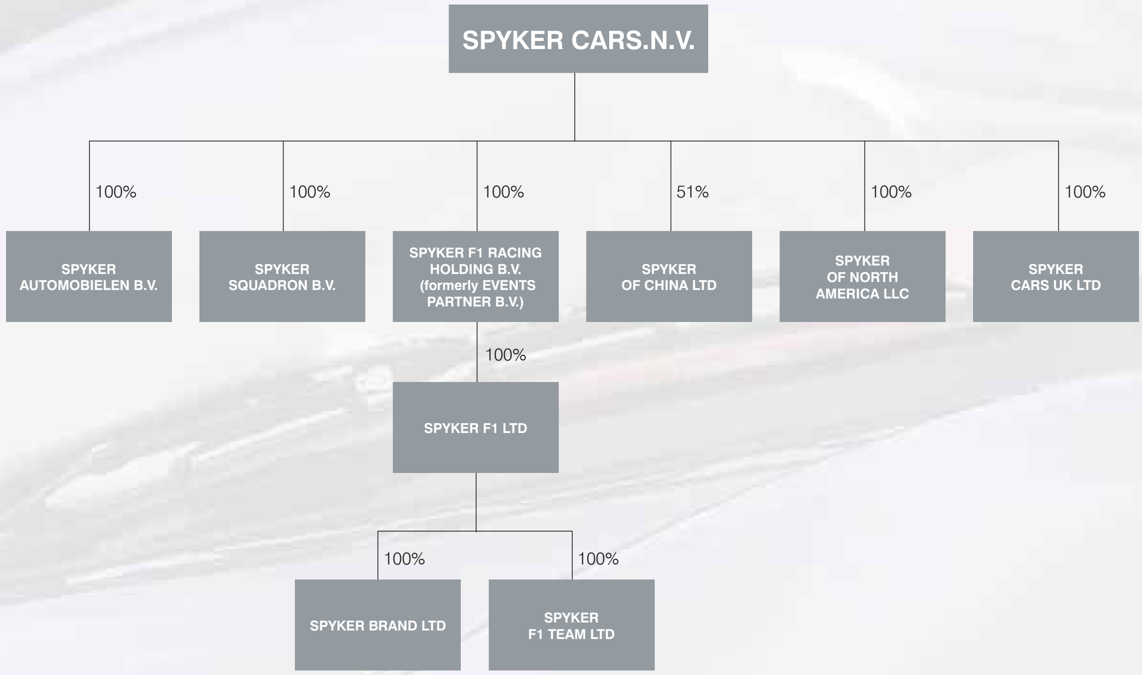
Pursuant to the legal requirement under 2:393 sub 5 part e of The Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of The Netherlands Civil Code.

Rotterdam, 4 April 2007

for Ernst & Young Accountants

Signed by J.J.J. Sluijter

Organisation Chart



Forward-looking statements

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of Spyker Cars, in particular in the Outlook section of the chapter Management Board's Report.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause actual future results and events to differ materially from that expressed in the forward-looking statement.

Fair value information

In presenting Spyker Cars' financial position, fair values are used for the measurement of various items in accordance with the applicable accounting standards. Readers are cautioned that these values are subject to changes over time and are only valid at balance sheet date.

This Annual Report is available online at www.spykercars.com under Investors, Financial.


ETIHAD

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Design: Studiobas.com   Photography: Stefan Ammerlaan, Peter van Egmond a.o.   Printing: Reproka Visuele Communicatie