

SWEDISH AUTOMOBILE N.V. including SAAB AUTOMOBILE AB REPORTS ITS THIRD-QUARTER RESULTS 2011

Saab Automobile voluntary reorganization process underway, ongoing uncertainty of necessary approvals to complete investments by Youngman and Pang Da to secure long term future for Saab Automobile

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

HIGH-LIGHTS

- Saab Automobile AB (Saab Automobile), Saab Automobile Powertrain AB and Saab Automobile Tools AB entered voluntary reorganization under Swedish law
- Continued discussions underway with key Saab Automobile stakeholders, Zhejiang Youngman Lotus Automobile Co., Ltd. (Youngman) and Pang Da Automobile Trade Company Ltd (Pang Da) about a transaction which will allow for the necessary investments and secure the longer term future and stability for Saab Automobile
- Conditional agreement reached on sale of Spyker Automotive business to North Street Capital, LP with net proceeds for Swan of EUR 32 million
- Filing for administration of Saab GB Ltd in November to give the company the necessary protection against creditors until it secured the necessary funding for the continuation of the company
- Continuing the voluntary reorganization process at Saab Automobile, continue the development of the revised business plan and restarting sustainable production top priorities for Saab Automobile management
- Depending on the outcome of the negotiations to sell Saab Automobile and Spyker Automotive, several possible scenarios for the future of Swan exist, including but not limited to a voluntary liquidation of Swan.

FINANCIAL AND OPERATIONAL DEVELOPMENTS Q3 2011

- Q3 2011 sales of € 75.8 million, Q3 EBIT of € -87.5 million
- Cash generated from operations in Q3 amounts to € -81,1 million
- Sales performance seriously affected by production stoppages and tight liquidity situation during third quarter
- Efficiency improvement initiative launched as part of voluntary reorganization process, in order to create more flexible and competitive cost structure within the Saab Automobile business
- 1,235 cars sold (wholesale) in Q3 2011, compared to 8,540 in Q3 2010, a decrease of 86%
- 2,775 cars sold (retail) in Q3 2011, down 63% compared to 7,430 in Q3 2010
- 130 cars produced in Q3 2011, compared to 9,777 in Q3 2010, a decrease of 99%

Victor R. Muller, CEO of the Group and CEO and Chairman of Saab Automobile, said: "From an operational point of view, the third quarter has been very tough. Since Saab Automobile's production facility in Trollhättan was basically not in operation throughout the whole reporting period, we have been unable to provide dealers and customers with the cars they have ordered and stock levels around the globe continued to fall. As in the second quarter, this situation seriously affected our sales performance and overall operating performance.

"Nevertheless, we are working hard to secure a better future for Saab Automobile. The company is currently in the middle of a voluntary reorganization process under Swedish law, which is aimed to enable us to prepare for a restart of production."

"With regards to the future of Swan, we still face much uncertainty in completing a transaction to structure the investments by Youngman and Pang Da, either through the sale of Saab Automobile and Spyker, or alternative structures

which can secure the necessary approvals. If we manage to finalize such transaction, we will consider all options for the company, including an orderly wind-down.”

THIRD-QUARTER REPORT 2011 OF THE MANAGEMENT BOARD

Introduction

This third-quarter report of the Group for the three months starting on 1 July 2011 and ending on 30 September 2011, consists of the third-quarter report of the Management Board and the condensed consolidated third-quarter financial statements. The information in this third-quarter report is unaudited. The third-quarter report of the Group comprises Swedish Automobile N.V. and its subsidiaries. Where relevant, events which occurred subsequent to September 30 have also been included.

CORPORATE AND OPERATIONAL REVIEW

Saab Sales & production

Both sales and production in the third quarter continued to be seriously hampered by the production stoppages and tight liquidity situation at Saab Automobile. The lack of new cars coming into markets because of the stop in production continued to cause a very challenging business environment for all Saab sales points around the globe, while stock levels around the globe continued to fall as a result of the production stop.

1 Jul – 30 Sep (Saab Automobile)	Q3 2011	Q3 2010	Change %	YTD 2011	YTD 2010	Change %
Wholesale	1,235	8,540	-86%	14,106	18,780	-25%
Retail	2,775	7,430	-63%	17,969	17,965	0%
Production (units)	130	9,777	-99%	13,007	21,628	-40%

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

Saab Automobile entered voluntary reorganization under Swedish law

While work continued throughout the third quarter to secure short-term financing, Saab Automobile concluded in early September that, considering Saab Automobile’s limited financial resources and the time needed to secure the required approvals for the investments by Pang Da and Youngman, a voluntary reorganization would entail the best preconditions for using existing resources in the most efficient way. The purpose of the voluntary reorganization process was to secure short-term stability while simultaneously attracting additional funding, pending the inflow of the equity contributions of Pang Da and Youngman. On 20 September, the Court of Appeal in Gothenburg approved of the reorganization proposal by Saab Automobile. This decision also meant that bankruptcy filings by a number of Swedish labour unions became void, and these filings were shortly after withdrawn by the unions.

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

Other near term Management priorities

Saab Automobile management is currently fully focused on successfully completing the voluntary reorganization process and all related work, such as developing a revised business plan, implementing a more flexible and competitive cost structure for Saab Automobile, and preparing for an orderly and sustainable restart of production. Once the process is completed Saab Automobile aims to exit reorganisation and restart sustainable production as soon as possible, provided that the necessary investments have been received.

Other developments during the third quarter are included in the Trading Update published on 18 November.

GROUP - SUMMARY INCOME STATEMENT

The Q3 2011 report of the Group is significantly impacted by the stop in production that has continued throughout the third quarter. Q3 2010 only reflects the 7 months of Saab Automobile operations from Swan's acquisition of the business in late February 2010.

Group (unaudited), period ended per:	30 September 2011	30 September 2010
	€ ('000)	€ ('000)
Net Sales	434 764	516 306
Costs of Sales	(494 778)	(503 575)
Gross Margin	(60 014)	12 731
EBIT (Operating result)	(289 034)	(78 155)
Financial Result	(55 415)	(19 456)
Share of Result of Associates	(6 554)	-
Income Tax	(351)	(811)
Result after Tax from Discontinued Operations	(15 584)	(5 693)
Net Result	(366 938)	(104 115)
Result per weighted average number of shares	€ (15,26)	€ (6,09)

2011 net sales are 16% lower than what was reported for 2010. The decrease is due to low vehicle sales in the second and third quarter as a result of the stoppage in production. The negative gross margin for the third quarter, as well as for the first nine months of 2011, is also mainly driven by the production stoppage during most of the second quarter and all of the third quarter, whereby the margin is burdened with the full cost of the idle production capacity at Saab Automobile as well as cost for some idle supplier capacity.

On a nine month basis, the operating cost is higher in 2011 compared to last year. This is partly driven by the fact that 2010 cost is only reflecting the seven months of operations from Swan's acquisition of Saab Automobile and partly by the favourable impact of the gain from the bargain purchase in 2010. Although measures have been taken to reduced operating cost during the stoppage, a significant portion of the costs is fixed in the short term. However, in the third quarter, cost has been significantly reduced compared to previous quarters 2011 and compared to third quarter 2010 as a result of the stoppage and cost savings initiatives.

The financial result amount to € (55.4) million for the first 9 months and is impacted by negative currency effects related to financial items. Share of Result of Associates of € (6,6) million relate substantially to Saab Automobile's Joint Venture with American Axle. Result from discontinued operations of € (15.6) million includes the operating losses of the Spyker Automotive business and the effects of the planned divestiture. The latter includes a downward revision in the second quarter of the expected sales price for the Spyker assets. The result also includes an impairment charge recognized in the second quarter related to sale of land as a result of the sale of shares in Saab Automobile Property AB. Should the

planned sale of the Spyker Automotive business be completed during December, this will result in a gain from divestiture in the fourth quarter.

GROUP - SUMMARY BALANCE SHEET

Group (unaudited)	30 September 2011
	€ ('000)
- Tangible fixed assets	275 540
- Intangible fixed assets	270 188
- Other non current assets (excluding reserved cash)	31 500
Non current assets (excluding reserved cash)	577 228
Assets held for sale (net of liabilities associated with the assets)	7 376
Current receivables	101 900
Inventories	210 135
Accounts Payable & Accrued Expense	(742 104)
Net Working Capital (excluding cash)	(430 069)
Other non-current provisions and liabilities	(129 898)
- EIB loan	(215 240)
- Convertible loans	(46 880)
- Other interest bearing debt	(186 432)
- Reserved cash	70 036
- Cash and cash equivalents	13 991
Net debt position	(364 525)
Redeemable preference shares	(186 726)
Equity	(526 614)

The total cash position amounts to € 84 million and comprises € 14 million free available cash and € 70 million reserved cash (e.g. cash held in escrow for pensions and tooling payments).

SHAREHOLDERS EQUITY

The equity position of the Group amounts to €(526.6) million at the end of the third quarter. The Group is in pursuit of improving its equity position as part of finding the overall solution for the Saab Automobile business. During the third quarter, equity in Saab Automobile AB under Swedish Gaap also reduced to below the legally required minimum. The Board of Saab Automobile has taken actions as required by Swedish law and are working on plans to restore equity within the timeframe required. Such plans include the currently negotiated transactions with Pang Da and Youngman.

On 28 January, Swan issued 250,000 shares to GEM Global Yield Fund Limited (GEM) as part of GEM's 1.57 million existing warrants. On 25 March 2011 Swan issued about 5.5 million shares to several shareholders. On 16 May, Swan issued 1 million shares to GEM under the existing EUR 150 million equity facility between Swan and GEM. In addition to the share issues above, Swan issued 8.8 million shares under the GEM facility during August.

NYSE Euronext decided to transfer the ordinary shares issued by Swan to the special segment as per 13 September based on the bankruptcy filing of Saab Automobile by the unions. The objective of this segment is to group together securities whose market and/or financial characteristics are affected by events that might disrupt their situation in an enduring way or threaten the fair, orderly and efficient operations of the market.

WORKING CAPITAL

The Group's net working capital at the end of Q3 2011 was € (430.1) million. The net working capital position has deteriorated during both Q2 and Q3 as a result of the production stoppage and the funding situation. If Saab Automobile is able to secure adequate funding of the business and the overdue payables are settled as part of an agreement with Saab Automobile's creditors upon exit from reorganization, Saab Automobile's management aims to further increase its focus on adequate management of working capital and continue to work on improvement in this area.

PRINCIPAL RISKS AND UNCERTAINTIES

The 2010 Annual Report contains a concise overview of the various risks and uncertainties the group is facing. Presently, securing funding and Saab Automobile's future operation through finalizing the agreements with Pang Da and Youngman is priority number one for Management. Currently, the over-riding risk relates to the realization of the sales transactions regarding the Saab Automobile business. The present status is set out below.

Recent Events, Funding and Going Concern considerations

As has been disclosed in the Semi-Annual Results reported on 31 August 2011, liquidity in the Group remains very tight. In order to successfully divest the Saab Auto Group, it is critical that funding is secured throughout the voluntary reorganization and that the outcome of the reorganization process is successful in terms of being approved by the creditors and the court. Continued funding has been provided by Youngman and Pang Da pending the completion of certain transactions as described below.

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

However, discussions between the parties regarding an alternative agreement continued and on October 28 Swan signed a memorandum of understanding ("MOU") with respect to a EUR 100 million conditional agreement on sale of all shares in Saab Automobile and Saab Great Britain Ltd. (Saab GB) to Youngman and Pang Da. More information about this MOU is included in the Trading Update published on 18 November.

However, it is uncertain that the transaction envisaged under the MOU will be completed as it requires the consent of GM and GM announced that it will not agree to the continuation of the existing technology licenses or the continued supply of 9-4X vehicles to Saab Automobile following the proposed change in ownership. Swan, Saab Automobile and its administrator are currently in negotiations with GM, Youngman, Pang Da and the NDRC to explore alternative transaction and future ownership structures which would allow for the necessary approval from GM. Such may still include a sale of Saab Automobile and Saab GB, or alternative structures. The MOU was extended on November 16, but expired on November 25.

Swan also signed a memorandum of understanding for a conditional agreement for the sale of Spyker Automotive business to North Street Capital with net proceeds for Swan of EUR 32 million.

The future of Swan will depend on the outcome of these negotiations. Should the sales transactions described above still be effectuated, Management of Swan will consider all options for Swan, including an orderly, phased wind-down of the company. The total sales proceeds would then amount to EUR 132 million. The exact use of these proceeds under this scenario depends on the negotiations with the different stakeholders of Swan (i.e. creditors, lenders, etc.). Based on the current situation, the proceeds of the sales will not allow Swan to meet its liabilities in full. A best estimate of the total liabilities of Swan per 31 December 2011 amounts to about EUR 136.5 million plus contingencies as was disclosed on November 11, 2011 during Swan's EGMS. The management of Swan will use its reasonable endeavors to come to a settlement that is acceptable to all its stakeholders, in line with applicable law.

With the negotiations ongoing at the time of releasing the Swan Q3 results the transaction and future ownership structure may change and thus may lead to other scenarios for the future of Swan. All parties are committed to resolve the uncertainty as soon as possible in the interest of Saab Automobile, Saab GB and Swan.

On 29 November 2011 Saab GB filed for administration with the High Court in London. The board of Saab GB is of the opinion that administration gives the company the necessary protection against creditors until it secured the necessary funding for the continuation of the company. The appointment of the administrator is effected by the directors of Saab GB. Once appointed, the administrator will take on the management powers of the directors. Swan received a conditional funding commitment of Youngman for the payment of the wages of the employees of Saab Automobile and for the continuation of the activities of Saab GB. Saab Automobile and Saab GB did not yet receive this funding.

OUTLOOK

If Swan is not able to complete a sale of Saab Automobile or otherwise secure further financing for Saab Automobile and/or Swan, management will likely not be able to safeguard the continuity of Saab Automobile, which may result in the bankruptcy of Saab Automobile and will have negative financial implications for Swan and its stakeholders.

If Swan is not able to complete a sale of the Spyker business, Swan may continue the Spyker business, provided that the necessary funding for that business can be obtained. If Swan were to sell Saab Automobile but continues the activities of the Spyker business, as it did before it acquired Saab Automobile at the beginning of 2010, it will focus exclusively on the Spyker business. If both businesses are sold, Swan will consider all of its options, including an orderly wind down of Swan).

The fact that the required approvals are not yet secured and that there are currently not yet final binding agreements in place with the purchasers of Saab Automobile and the Spyker business leads to uncertainty with respect to the completion of the various transactions described above and thus the future of Swan and any settlement with stakeholders.

The Group foresees a substantial net loss for 2011.

Zeewolde, 30 November 2011

Management Board Swedish Automobile N.V.

Victor R. Muller
Chief Executive Officer

Rob Schuijt
Acting CFO and SVP Corporate Development

Forward-looking Statements

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

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Swedish Automobile N.V.

Interim Consolidated Financial Statements

for the period ended 30 September 2011

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Interim consolidated income statement

for the period ended 30 September 2011

	Unaudited Period 1 July - 30 September 2011 €('000)	Unaudited Period 1 July - 30 September 2010 €('000)	Unaudited Period ended 30 September 2011 €('000)	Unaudited Period ended 30 September 2010 €('000)
Net Sales	75 769	274 676	434 764	516 306
Cost of sales	(116 017)	(261 259)	(494 778)	(503 575)
Gross Margin	(40 248)	13 417	(60 014)	12 731
Other operating income	847	24 888	1 628	37 454
Gain from bargain purchase	-	-	-	77 923
Selling expenses	(24 291)	(56 050)	(113 283)	(94 725)
Administrative expenses	(6 929)	(20 955)	(65 690)	(50 107)
Product development expenses	(15 108)	(15 821)	(35 567)	(57 912)
Other operating expenses	(1 769)	(1 734)	(16 109)	(3 519)
Operating result	(87 497)	(56 255)	(289 034)	(78 155)
Financial income	(14 634)	12 366	14 030	24 026
Financial expenses	(34 608)	(1 263)	(69 445)	(43 482)
Share of result of associates	(4 827)	-	(6 554)	-
Result before taxation	(141 567)	(45 152)	(351 003)	(97 611)
Taxation	(199)	(322)	(351)	(811)
Result from continued operations	(141 766)	(45 474)	(351 354)	(98 422)
Result after tax from discontinued operations	(978)	(2 909)	(15 584)	(5 693)
Result for the period	(142 744)	(48 383)	(366 938)	(104 115)
Attributable to:				
Owners of the parent	(142 743)	(48 383)	(366 938)	(104 115)
Non-controlling interests	-	-	-	-
Result for the period	(142 744)	(48 383)	(366 938)	(104 115)
Result:				
- for the year per weighted average number of shares	€ (4,56)	€ (2,79)	€ (15,26)	€ (6,09)
- for the year per weighted average number of shares diluted *	€	€	€	€

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

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

Interim consolidated statement of comprehensive income

for the period ended 30 September 2011

	Unaudited Period 1 July - 30 September 2011 €('000)	Unaudited Period 1 July - 30 September 2010 €('000)	Unaudited Period ended 30 September 2011 €('000)	Unaudited Period ended 30 September 2010 €('000)
Result for the period	(142 744)	(48 383)	(366 938)	(104 115)
Other comprehensive income:				
Exchange rate differences on translating of foreign operations	4 661	667	11 599	(4 413)
Income tax effect	-	-	-	-
	<u>4 661</u>	<u>667</u>	<u>11 599</u>	<u>(4 413)</u>
Total comprehensive income for the period	<u>(138 083)</u>	<u>(47 716)</u>	<u>(355 339)</u>	<u>(108 528)</u>
Attributable to:				
Owners of the parent	(138 083)	(47 716)	(355 339)	(108 528)
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	<u>(138 083)</u>	<u>(47 716)</u>	<u>(355 339)</u>	<u>(108 528)</u>

Interim consolidated statement of financial position

at 30 September 2011

Assets		Unaudited	Audited
		30 September 2011	31 December 2010
		€('000)	€('000)
Land and buildings		93 207	117 499
Plant and machinery		167 347	148 155
Equipment		14 986	16 710
Trademarks	10	63 737	65 645
Technology	10	34 676	41 359
Rental rights	10	786	854
Capitalized development expenditure	10	162 239	81 254
Proprietary software	10	8 750	10 260
Investments in associates		29 858	6 067
Deferred tax assets		-	394
Reserved cash	11	20 207	24 264
Financial assets		-	1 146
Other non-current assets		1 642	1 829
Non-current assets	9	597 435	515 436
Raw material		53 572	70 743
Work in progress		8 317	8 261
Finished goods		148 246	210 956
Trade receivables	12	60 970	84 807
Other receivables		40 930	32 625
Reserved cash	11	49 829	67 401
Cash and cash equivalents		13 991	70 057
Current assets		375 855	544 850
Assets held for sale	8	10 681	17 396
Total assets		983 971	1 077 682
Equity and liabilities		30 June 2011	31 December 2010
		€('000)	€('000)
Issued capital		1 324	700
Share premium		172 014	137 405
Reserves		(333 014)	(126 330)
Unappropriated net result		(366 938)	(218 283)
Total equity attributable to owners of the parent	14	(526 614)	(206 508)
Redeemable preference shares	15	186 726	171 540
Interest bearing borrowings	15	407 929	323 580
Employee benefit liability		73 769	77 498
Provisions		36 887	41 737
Deferred tax liability		2 501	2 654
Other non-current liabilities		16 741	27 326
Non-current provisions and liabilities		724 553	644 335
Interest bearing borrowings	15	40 623	9 026
Provisions		43 775	48 862
Trade payables	12	308 098	171 657
Prepayments from customers	13	63 363	361
Other payables		326 868	406 651
Current provisions and liabilities		782 727	636 557
Liabilities directly associated with the assets classified as held for sale	8	3 305	3 298
Total equity and liabilities		983 971	1 077 682

Interim consolidated statement of changes in equity

for the period ended 30 September 2011

	Attributed to owners of the parent					Total €('000)
	Issued capital €('000)	Share premium €('000)	Translation reserve €('000)	Other reserves €('000)	Un- appropriated net result €('000)	
Balance at 1 January 2011	700	137 405	(2 720)	(123 610)	(218 283)	(206 508)
Result for the period ended 30 September 2011	-	-	-	-	(366 938)	(366 938)
Other comprehensive income	-	-	11 599	-	-	11 599
Total comprehensive income	-	-	11 599	-	(366 938)	(355 339)
Allocation of net result prior year	-	-	-	(218 283)	218 283	-
Proceeds from new share issues	624	34 610	-	-	-	35 234
	624	34 610	-	(218 283)	218 283	35 234
Balance at 30 September 2011	1 324	172 014	8 879	(341 893)	(366 938)	(526 614)

for the period ended 30 September 2010

	Attributed to owners of the parent					Total €('000)
	Issued capital €('000)	Share premium €('000)	Translation reserve €('000)	Other reserves €('000)	Un- appropriated net result €('000)	
Balance at 1 January 2010	633	135 647	156	(110 870)	(22 953)	2 613
Result for the period ended 30 September 2010	-	-	-	-	(104 115)	(104 115)
Other comprehensive income	-	-	(4 413)	-	-	(4 413)
Total comprehensive income	-	-	(4 413)	-	(104 115)	(108 528)
Allocation of net result prior year	-	-	-	(22 953)	22 953	-
Proceeds from new share issues	67	4 269	-	-	-	4 336
Recognition of equity component of convertible notes	-	5 611	-	-	-	5 611
Warrants	-	1 680	-	-	-	1 680
	67	11 560	-	(22 953)	22 953	11 627
Balance at 30 September 2010	700	147 207	(4 257)	(133 823)	(104 115)	(94 288)

Interim consolidated cash flow statement

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

	Unaudited Period ended 30 September 2011 €('000)	Unaudited Period ended 30 September 2010 €('000)
Cash flows from operating activities		
Result for the period	(366 938)	(104 114)
Adjustments for:		
Depreciation	46 150	24 358
Amortization of intangible assets	11 837	2 135
Impairment charges	8 500	-
Net financing income and expenses	62 630	19 308
Gain / loss on sale of property, plant and equipment	(4 207)	(4 501)
Gain from bargain purchase	-	(77 923)
Equity-settled share-based expenses	-	2 277
Other	7 172	(7 546)
Movements in working capital:		
Change in inventories	63 973	(97 328)
Change in current assets	23 576	(89 406)
Change in current liabilities	13 67 253	199 953
Change in reserved cash	23 354	10 580
Change in provisions, employee benefit liabilities and deferred tax liabilities	(24 387)	7 520
Cash generated from operations	(81 087)	(114 687)
Interest paid	(15 049)	(4 131)
Interest received	1 385	2 282
Income tax paid	(351)	-
Net cash from operating activities	(95 102)	(116 536)
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	-	194 472
Acquisition of property, plant and equipment	(11 045)	(52 819)
Proceeds from sale of property, plant and equipment	9 713	6 244
Changes in other investments	1 724	(352)
Development expenditure and licenses	(77 403)	(46 405)
Net cash used in investing activities	(77 011)	101 140
Cash flows from financing activities		
Proceeds from issue of share capital	21 875	1 824
Proceeds from borrowings	93 270	193 327
Repayment of borrowings	(150)	(1 627)
Net cash from (used in) financing activities	114 995	193 524
Net increase in cash and cash equivalents	(57 117)	178 128
Cash and cash equivalents at 1 January	70 057	1 018
Effect of exchange rate fluctuations	1 051	16 232
Cash and cash equivalents at 30 June	13 991	195 378
For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise of the following at 30 June:		
Cash at banks and on hand	13 991	195 378
Bank overdraft	-	-
Cash and cash equivalents	13 991	195 378

Notes to the interim consolidated financial statements

1. GENERAL INFORMATION

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

The Interim Consolidated Financial Statements at 30 September 2011 comprise of Swan and its subsidiaries (together referred to as the “Group”). The principal activities of the Group are described in Note 5. The Q3 2010 figures include retrospectively the final purchase price allocation of the acquisition of Saab Automobile AB and of Saab Great Britain Ltd. The Management Board and Supervisory Board authorized the Interim Consolidated Financial Statements at 30 September 2011 for issuance on 30 November 2011.

During the third quarter Saab Automobile AB established a new company named Swedish Saab Automobile Development AB with a share capital of 5 k€. Saab then sold 50 % of the shares in the company to Zhejiang Youngman Passenger Car Group Co Ltd. at booked value.

2. BASIS OF PREPARATION

The Interim Consolidated Financial Statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting. As permitted by IAS 34, the Interim Consolidated Financial Statements do not include all the information required for full annual financial statements and should be read in conjunction with the Group’s 2010 Annual Report which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, the Interim Consolidated Statement for the period ending 31 March 2011 and the Interim Consolidated Statement for the period ending 30 June 2011. The interim consolidated financial statements have not been audited.

3. SEASONALITY OF OPERATIONS

Based on experience in the past the Group encounters a seasonal pattern in its operations. New car sales during the first quarter, particularly during January and February are generally lower than in subsequent quarters. However, due to the stop in the production in Q2 and Q3, the seasonal pattern is less relevant for the development to date for the Group during 2011.

4. SIGNIFICANT ACCOUNTING POLICIES

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

New standards and Interpretations:

IAS 24 Related Party Disclosures (Amendment)

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

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

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

IFRIC 14 Prepayments of a minimum funding requirement (Amendment)

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

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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

Improvements to IFRSs (issued in May 2010)

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

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

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

5. SEGMENT INFORMATION

For the purposes of presenting segment information, the activities of the Group are divided into operating segments in accordance with the rules contained in IFRS 8 (Operating Segments). Operating segments are identified on the same basis that is used internally to manage and report on performance and takes account of the organizational structure of the Group based on the various products and services of the reportable segments.

Compared to the Group's annual report of 2010, the operating segments of the Group are changed. Due to Management's intention to sell the activities of the Spyker Automotive business, these discontinued operations are no longer part of the Group's operating segments. Swedish Automobile N.V.'s activities relating to corporate and general financing of group companies will continue. Management reviews these activities now as part of operating segment "Saab Vehicles".

Saab Vehicles

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

Saab Parts

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

Eliminations

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

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

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

Period ended 30 September 2011	Saab Vehicles €('000)	Saab Parts €('000)	Eliminations €('000)	Total €('000)
Total external revenues	285 759	149 005	-	434 764
Inter segment		451	(451)	-
Total segment revenue	285 759	149 456	(451)	434 764
Segment result from operating activities	(329 716)	40 682		(289 034)
Unallocated:				
Net finance costs				(55 415)
Share of result of associates				(6 554)
Income tax expense				(351)
Result from continued operations				(351 354)
Result from discontinued operations				(15 584)
Result for the period				(366 938)
Segment assets	971 917	183 072	(181 699)	973 290
Assets held for sale				10 681
Unallocated assets				-
Total assets				983 971

Period ended 30 September 2010	Saab Vehicles €('000)	Saab Parts €('000)	Eliminations €('000)	Total €('000)
Total external revenues	388 846	127 460	-	516 306
Inter segment	10 028	14 219	(24 247)	-
Total segment revenue	398 874	141 679	(24 247)	516 306
Segment result from operating activities	(186 764)	34 645	(4 107)	(156 226)
Gain from bargain purchase				77 923
Net finance costs				(19 308)
Income tax expense				(81)
Result from continued operations				(98 422)
Result from discontinued operations				(5 693)
Result for the period				(104 115)
Segment assets	1 014 627	136 500	(36 691)	1 114 436
Assets held for sale				59 242
Unallocated assets				-
Total assets				1 173 678

6. RESULT FOR THE REPORTING PERIOD

Net sales amount to €435 million for the first 9 months of 2011, which is 16% lower than what was reported for the same period 2010. The decrease is due to low vehicle sales in the second and third quarter as a result of the stoppage in production. In Q3 of 2011, about 1,200 vehicles were sold, compared to about 8,500 vehicles during the same quarter of last year. A significant portion of net sales in Q3 relate to sale of spare parts and accessories. Swan's consolidated numbers for 2010 only reflect the financials as of the effective date of acquisition, i.e. for Saab Automobile and its subsidiaries from March and for Saab Great Britain from June of that year.

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

The operating result of € (289) million for the first nine months of 2011 is an effect of the significant period of production stoppage.

On a nine month basis, the operating cost is higher in 2011 compared to last year. This is partly driven by the fact that 2010 cost is only reflecting the seven months of operations from Swan's acquisition of Saab and partly by the favourable impact of the gain from the bargain purchase in 2010. Although measures have been taken to reduced operating cost during the stoppage, a significant portion of the costs is fixed in the short term. However, in the third quarter, cost has been significantly reduced compared to previous quarters 2011 and compared to third quarter 2010. The gain from bargain purchase in 2010 of € 77.9 million relates to the acquisition of Saab Automobile at 23 February 2010 resulting in a gain of € 55.9 million and to the acquisition of Saab Great Britain at 31 May 2010 resulting in a gain in Q2 2010 for an amount of € 22.0 million.

Currency effects on financial items were positive during the first six months of 2011 but had a significant negative effect in the third quarter, with the result that Financial Income in the quarter is represented by a significant negative amount. As per September 30, the unrealized currency effect is a net cost of € 4 million.

Share of Result of Associates relate to Saab's Joint Venture with American Axle and to the minority holding in Automobile Property AB (former Saab Automobile Property AB).

Result from discontinued operations of € (15.6) million includes the operating losses of the Spyker Automotive business and the effects of the planned divestiture. The latter includes a downward revision in the second quarter of the expected sales price for the Spyker assets. The result also includes an impairment charge recognized in the second quarter related to sale of land as a result of the sale of shares in Saab Automobile Property AB. Should the planned sale of the Spyker Automotive business to be completed during December this will result in a gain from divestiture during Q4.

The net result for the first nine months of 2011 amounted to € (367) million.

7. RESULT PER SHARE

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

	30 September 2011	30 September 2010
Weighted average number of ordinary shares for basic earnings per share	24 042 714	17 110 021
<i>Effect dilution:</i>		
Share options	83 782	208 128
Convertible loans	7 108 833	7 494 593
Weighted average number of ordinary shares adjusted for the effect of dilution	<u>31 235 329</u>	<u>24 812 742</u>

	30 September 2011	30 September 2010
	€('000)	€('000)
Net profit attributable to ordinary equity holders of the parent for basic earnings	(366 938)	(104 115)
Interest on convertible loans	4 039	3 717
Net profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	<u>(362 899)</u>	<u>(100 398)</u>

Results per share from continued operations	30 September 2011	30 September 2010
	€	€
Result per weighted average number of shares	(14,61)	(5,75)
Result per weighted average number of shares diluted	(14,61)	(5,75)

Results per share from discontinued operations	30 September 2011	30 September 2010
	€	€
Result per weighted average number of shares	(0,65)	(0,33)
Result per weighted average number of shares diluted	(0,65)	(0,33)

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

8. DISCONTINUED OPERATIONS

On February 24, 2011, Swan announced that it had signed a memorandum of understanding to sell the assets of the Spyker Automotive business to the private UK holding CPP Global Holdings Limited (CPP). The sale to CPP has been suspended as of the date of this report. However, on September 29, Swan announced that it had instead reached a conditional agreement on the main terms of the sale of the Spyker Automotive business to North Street Capital, LP (North Street), a US-based private equity firm.

The net cash flow related to the Spyker Automotive business during the first half year 2011 amounts to € (2.9) million. Reference is made to Note 18 Discontinued operations of the Group's annual report 2010 for the major classes of assets and liabilities of Spyker Automotive classified as held for sale.

9. NON-CURRENT ASSETS

Sale of 50.1% of the shares in Saab Automobile Property AB

On 7 July Saab Automobile AB concluded an agreement to sell 50.1% of the shares in Saab Automobile Property AB ("Saab Property"). Saab Property owned operating facilities in Trollhättan with a book value of € 89.3 million at the end of June, 2011. Saab Automobile will continue to lease all facilities from Saab Property AB. The portion of the lease arrangement relating to buildings have been considered a finance lease and has therefore no significant impact on the classification or valuation in the balance sheet of Swan at the end of Q3. The portion of the sales transaction relating to land was considered an operating lease and caused Swan to recognize a write-down of the value of land as of June 30, 2011. The remaining 49.9% of the shares in Saab Property AB held by Saab are classified as shares in associated companies at the end of Q3.

Asset impairment considerations

Management is responsible under IFRS to evaluate, on a periodic basis, whether the value of fixed assets can be maintained in the balance sheet based on the business ability to generate cash from its future operations. Due to the recent events, including the significant production stoppage, management recognizes that the business plan used as the base for the last evaluation is no longer valid and that the assets related to the Saab Automobile business might be impaired.

If Saab Automobile would be sold on the terms reflected in the MoU with Pang Da and Youngman, Swan's net assets related to Saab Automobile would not be impaired. A transaction on such terms would rather result in a gain for Swan.

Due to the significant uncertainties surrounding other scenarios as well as a business plans relevant for such scenarios, Management has deemed such review impossible to perform until further details on the outcome of the negotiations with Youngman and Pang Da are known. Management aims at forming a conclusion on the valuation of assets as soon as the future structure is known and a business plan reflecting such structure in finalized.

10. INTANGIBLE ASSETS

30 September 2011	Development costs	Technology	Trademarks, patents and licences	Proprietary software	Total
	€('000)	€('000)	€('000)	€('000)	€('000)
Cost as at 1 January net of accumulated amortization and impairment	81 254	41 359	66 499	10 260	199 372
Acquisitions through business combination	0	0	0	0	0
Additions - internally developed	89 750	0	0	0	89 750
Amortization charge for the year	-4 024	-5 637	-44	-1 246	-10 951
Impairment charges	0	0	0	0	0
Disposal					0
Disposal as result of discontinued operations					0
Effect of movements in exchange rates	-4 741	-1 046	-1 932	-264	-7 983
At 30 September 2011, net of accumulated amortization and impairment	<u>162 239</u>	<u>34 676</u>	<u>64 524</u>	<u>8 750</u>	<u>270 188</u>
At 1 January :					
Cost	83 353	47 629	66 527	12 197	209 706
Accumulated amortization and impairment	-2 097	-6 271	-29	-1 937	-10 334
Net carrying amount	<u>81 254</u>	<u>41 359</u>	<u>66 499</u>	<u>10 260</u>	<u>199 372</u>
At 30 September :					
Cost	168 299	43 339	64 595	11 944	288 177
Accumulated amortization and impairment	-6 060	-8 663	-73	-3 194	-17 989
Net carrying amount	<u>162 239</u>	<u>34 677</u>	<u>64 523</u>	<u>8 750</u>	<u>270 188</u>

11. RESERVED CASH

The Group has reserved an amount of € 70.0 million of its cash position on separate bank accounts to cover the liabilities of some creditors. This part of the cash is reserved in the sense that the Group can only access the reserved cash under certain circumstances and with approval from the creditor. Of the reserved cash an amount € 20.2 million relates to non-current liabilities and € 49.8 million to current liabilities.

12. TRADE RECEIVABLES AND TRADE PAYABLES

About 46% of the trade receivable balance relate to the after sales business in Saab Parts AB, which operations has been running fully during the year and only been experiencing minor disruptions due to the production stoppage. Most of the trade payables were past due at the end of the third quarter.

13. PRE-PAYMENTS FROM CUSTOMERS

As per September 2011, Saab has received pre-payment from customers amounting to € 65 million. € 61.5 million of this amount relate to prepayments of cars by Chinese companies during the second and third quarter. whereof €45 million were received from Pang Da. These agreements stipulate that the car sales agreement can be terminated by the buyer with not less than six month notice. In the event of termination, the amount should be repaid within six months from termination at 7% interest. The prepayments from Pang Da are secured to Pang Da through a pledge on the shares of Saab Great Britain. In the cash flow statement the amount is included in "Change in current liabilities".

14. EQUITY AND DIVIDENDS

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

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

On 16 May 2011 the Group issued 1 million shares to GEM Global Yield Fund Ltd. within the € 150 million Equity Credit Line Facility.

On 9 – 19 August 2011 the Group issued 8.8 million shares to GEM Global Yield Fund Ltd. within the € 150 million Equity Credit Line Facility.

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

15. INTEREST BEARING BORROWINGS

Interest bearing borrowings	30 September 2011	30 June 2010
	€('000)	€('000)
Non-current	407 929	
Current	40 623	
Interest bearing borrowings	448 552	
EIB Loan	215 240	
Convertible loans	46 880	
Other interest bearing borrowings	186 432	
Interest bearing borrowings	448 552	

As a result of the sale of shares in Saab Automobile Property AB the lease agreement of the property has been classified as a financial lease and the net present value of the future lease payments has been recognized as a liability. The net present value amounts to € 55 million and is, from July, included in “Other interest bearing borrowings”.

The agreements with GM and EIB include certain provisions related to so-called Change of Control and insolvency events which, depending on the outcome of the current negotiations on an alternative transaction and future ownership structure for Saab Automobile could result in an accelerated repayment obligation of these borrowings.

16. RELATED PARTY TRANSACTIONS

The ultimate parent

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

Entities with significant influence over the Group

Tenaci Capital B.V.

On 25 March, Tenaci Capital B.V. converted its € 9.5 million convertible loan into 2,533,333 shares class A at a conversion price of EUR 3.75. This company is partly owned by the CEO of the Group, Mr. V.R. Muller. Furthermore, Mr. Muller holds shares in the Group through Investeringsmaatschappij Helvetia B.V. On 30 September 2011, Mr. Muller, through these companies, had a 20% interest in the Group.

Associate

e-AAM Drive Line Systems AB (e-AAM)

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

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

Automobile Property AB (AP)

Until July 7, 2011, AP was a fully consolidated subsidiary in the Group. After the sale of shares on July 7, the Group has a 49.9% interest in the company but maintains the long-term rental agreement of the land and buildings in Trollhättan holding all production facilities. The Group is the sole customer of the company. As the share sales transaction was based on a condition of a rental free period of 12 months, there has been no significant payment transactions between the entities after July 7.

Swedish Saab Automobile Development AB (SAD)

During the third quarter Saab Automobile AB established SAD and sold 50 % to Youngman Passenger Cars as a part of the July agreement between the companies. As per September 30 Saab Automobile owed million 6.8 € to SAD.

Certain third parties

General Motors

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

During the period ended 30 September 2011 GM companies purchased parts and services from the Group for an amount of € 34.9 million. During this period the Group purchased cars, materials, parts and services from GM companies for an amount of € 100.1 million. As of September 30 2011 the Group owed a net amount of € 320.8 million to GM companies (including RPSs).

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

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

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

Through Dorwing Solution Ltd., Mr. B. O'Toole holds an interest in Swan of less than 10%. Mr. O'Toole is also shareholder and general manager of CPP (Manufacturing) Ltd. ("CPP"). In 2010, Swan entered into an agreement with CPP with respect to the production of tooling for the Spyker C8 Aileron. The share issue and the tooling agreement with Mr. O'Toole are concluded at arm's length basis against normal market conditions.

Terms and conditions of transactions with related parties

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

Remuneration of key management personnel of the Group

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

17. COMMITMENTS NOT INCLUDED IN THE BALANCE SHEET

The Group has entered various agreements on operating leases, commitments of purchase volumes and commitments to reimburse suppliers for development costs on various terms. These are all normal occurrences in the business of vehicle development and manufacturing. Due to the financial distress of Saab Automobile entities and due to the voluntary reorganization process, financial claims related to the production stoppage have been raised against the entities from different stakeholders. There is a potential that further claims may arise during the process.

18. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 23 October, Swan terminated the subscription agreement with Youngman and Pang Da that was signed in July.

However, discussions between the parties regarding an alternative agreement continued and on October 28 Swan signed a memorandum of understanding (“MOU”) with respect to a EUR 100 million conditional agreement on sale of all shares in Saab Automobile and Saab Great Britain Ltd. (Saab GB) to Youngman and Pang Da. More information about this MOU is included in the Trading Update published on 18 November.

However, it is uncertain that the transaction envisaged under the MOU will be completed as it requires the consent of GM and GM announced that it will not agree to the continuation of the existing technology licenses or the continued supply of 9-4X vehicles to Saab Automobile following the proposed change in ownership. Swan, Saab Automobile and its administrator are currently in negotiations with GM, Youngman, Pang Da and the NDRC to explore alternative transaction and future ownership structures which would allow for the necessary approval from GM. Such may still include a sale of Saab Automobile and Saab GB, or alternative structures. The MOU was extended on November 16, but expired on November 25.

Swan also signed a memorandum of understanding for a conditional agreement for the sale of Spyker Automotive business to North Street Capital with net proceeds for Swan of EUR 32 million.

The future of Swan will depend on the outcome of these negotiations. Should the sales transactions described above still be effectuated, Management of Swan will consider all options for Swan, including an orderly, phased wind-down of the company. The total sales proceeds will amount to EUR 132 million. The exact use of these proceeds depends on the negotiations with the different stakeholders of Swan (i.e. creditors, lenders, etc.). Based on the current situation, the proceeds of the sales will not allow Swan to meet its liabilities in full. A best estimate of the total liabilities of Swan per 31 December 2011 amounts to about EUR 136.5 million plus contingencies as was disclosed on November 11, 2011 during Swan’s EGMS. The management of Swan will use its reasonable endeavors to come to a settlement that is acceptable to all its stakeholders, in line with applicable law.

With the negotiations ongoing at the time of releasing the Swan Q3 results the transaction and future ownership structure may change and thus may lead to other scenarios for the future of Swan. All parties are committed to resolve the uncertainty as soon as possible in the interest of Saab Automobile, Saab GB and Swan.

On 29 November 2011 Saab GB filed for administration with the High Court in London. The board of Saab GB is of the opinion that administration gives the company the necessary protection against creditors until it secured the necessary funding for the continuation of the company. The appointment of the administrator is effected by the directors of Saab GB. Once appointed, the administrator will take on the management powers of the directors. Swan received a conditional funding commitment of Youngman for the payment of the wages of the employees of Saab Automobile and for the continuation of the activities of Saab GB. Saab Automobile and Saab GB did not yet receive this funding.

See section “Recent Events, Funding and going concern considerations” in the Management Board Report section of this report and the Trading Update published on 18 November for further details on the above events.

19. RISK MANAGEMENT

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

Liquidity risk

The Group has had a difficult liquidity position throughout the reporting period and the situation has intensified during the period of production stoppage which ultimately resulted in Saab Automobile entering a voluntary reorganization under Swedish law. All efforts within this process are aiming at finding a long term funding solution for Saab Automobile and the best possible outcome for the Swan Group.

Operational risk

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

20. CONTINGENCIES

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

21. GOING CONCERN

This report has been prepared on a going concern basis. For going concern considerations, see section "Recent events, Funding and Going Concern Considerations" in the Management Board Report section of this report.

FORWARD-LOOKING STATEMENTS

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

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