



## Press release 2007 full year results

### SPYKER CARS N.V. READY FOR ITS NEXT PHASE

**Zeewolde, the Netherlands, March 28<sup>th</sup>, 2008 – Spyker Cars N.V. ("Spyker" or the "Company"), manufacturer of exclusive premium sports cars, has reported its results for the financial year 2007.**

As reported in the press release of March 3, 2007, results were marked by heavy losses in (the sale of) the Formula One business and Car business as well as in the GT racing activities. Total revenue (from which discontinued operations of F1 were eliminated) dropped from € 20 million in 2006 to € 5 million in 2007. Total losses accumulated over the year amounted to € 72 million.

Spyker is listed on Eurolist by Euronext Amsterdam (ticker symbol SPYKR).

**Victor R. Muller, CEO Spyker Cars N.V. says:** "2007 was a dramatic year, the likes of which the Company had never seen before and which we would like to leave behind us as soon as possible. It is positive, however, that the Company managed to survive the 2007 crisis and rose from its ashes stronger than ever. Although the Formula One performance was a far cry from what we had in mind, the bottom line is that the worldwide recognition of the Spyker brand has increased."

"Now that the Company has successfully been recapitalised, through loans and a capital contribution from Snoras Bank from Vilnius, Lithuania, we have seen a remarkable turnaround in a matter of just 3 months. Production is virtually back on track, the development of our new models on schedule and worldwide sales are picking up again. With lots of lessons learned, a strengthened Management Team, a solid financial foundation and the best partners one could wish for, the Company is better positioned than ever before and ready for its next phase: controlled growth leading to profitability."

#### **Key developments 2007**

- 2007 saw severe losses in all of Spyker Cars' entities. On a full year basis the following breakdown sets forth where these losses were made:

- Spyker F1	- € 36 million <sup>1)</sup>
- Spyker Automobielen, North America, China and UK	- € 16 million
- Spyker Squadron	- € 3 million
- Spyker Cars N.V. (holding)	- € 13 million
- Deferred Tax write-off per 30/06/2007	- € 4 million <sup>2)</sup>
- Spyker Cars N.V. Consolidated	- € 72 million
- The breakdown of the total loss of Spyker Cars N.V. over the period is as follows:

- Loss F1 (both operational and result of sale)	- € 36 million <sup>1)</sup>
- Deferred Tax write-off per 30/06/2007	- € 4 million <sup>2)</sup>
- One-off expenses	- € 16 million
- Operational loss	- € 16 million
	- € 72 million

<sup>1)</sup> In the press release, issued on March 3 last, an update was provided on the sale of the Spyker F1 Team, effective September 30, 2007, including Profit & Loss Account as per the update, as well as Consolidated Balance Sheets.

<sup>2)</sup> The write off of the Deferred Tax amounts to € 4.8 million, of which € 4.0 million was expensed and € 0.8 million was recognised directly in equity.



- **Impairment Test**

The Company performed an impairment test on the capitalized development costs at year-end. The book value of the cash flow generating units was compared to the calculated recoverable amount. The recoverable amount of a cash flow generating entity is determined by value-in-use calculations. These calculations did not result in any value adjustments.

- **Development of C-line Sports Car Range**

The introduction of the Spyker C8 Long Wheel Base, with the optional automatic gearbox, was delayed in 2007, for obvious reasons. However, the car, named Spyker C8 Aileron, was launched successfully at the Salon D'Automobiles in Geneva on March 6, last. The car is scheduled to go in production in Q3 2008 and was very well received by the dealer body.

- **Development of D-line SSUV**

The D-line also suffered from the Company's 2007 "credit crunch" in terms of delayed development. Development is now in full progress and the car will be going into production in 2009. Market demand for this model is undiminished and remains strong.

- **Production and Order back log**

As a direct consequence of the severe financial condition of the Company, as experienced as from the second quarter of 2007, suppliers refused to deliver ordered parts and demanded payment in advance. Manufacturing had to be cut back to a heavily reduced level from Q2 onward. As a result a mere 26 cars were produced (2006: 94) of which just 2 in the last quarter. Spyker Cars N.V.'s tight liquidity position changed dramatically in the fourth quarter when fresh capital, provided by Snoras Bank, flowed into the Company as from December 21st. However, with lead times of between 3 and 4 months for critical components and parts, it will take until early Q2 2008 for production to gain full steam. Production in Q1 amounted to 12 cars and will rise very substantially in Q2, when production will, for the first time in 12 months be free from any supplier restraints.

In its Fourth Quarter Trading Update of January 25 last, Spyker spelled out the Ordering- and Sales processes as well as the consequences of the negative publicity in 2007 on its order book. The Company, as a consequence, decided to report just its production and sales numbers on a quarterly basis. Moreover, it has become increasingly clear that the publication of the order book is too sensitive from a competitive point of view.

- **Renewed expansion of Dealer network**

After virtually no growth in the dealer body in 2007, Spyker has managed to revitalize its relationship with the existing dealers, as well as appoint some new dealers in Q1 2008. The C8 Aileron and the D8 Peking-to-Paris SSUV generate a lot of interest among potential dealers worldwide.

- **GT Racing**

Participation in professional motor sports events remains important for the Spyker brand, because of the direct impact it has on its road cars being accepted as high performance sports cars by its target audience. In spite of the difficulties in 2007, the factory GT race team – Spyker Squadron – continued its activities, save that it lost a number of its sponsors to the F1 Team. In 2007 Spyker Squadron participated in all endurance races in the Le Mans Series, as well as at Le Mans and Sebring. For 2008 Spyker Squadron will – again - enter the Le Mans Series and Le Mans and its aim to achieve podium places is unabated supported by its title sponsor Snoras Bank and various sponsors who returned from F1 to it.



- **Strategic Review**

Spyker conducted an internal strategic review between May 2007 and early October 2007 and, in that process, consulted several operational and strategic experts in the automotive market. Management and the Supervisory Board decided upon a renewed strategy for the Cars division, based also on the findings of the above experts. In summary the strategy is as follows:

- Focus on a limited model range
  - o C-line Long Wheel Base (with automatic gearbox option)
  - o D-line Super Sports Utility Vehicle (Peking-to-Paris)
- Increase of sales volume
  - o Strengthening sales and after sales organisation
  - o Introduction of the automatic gearbox
  - o Introduction worldwide retail lease concept
  - o Expansion dealer network and geographic range
  - o More competitive pricing
- Cost down
  - o More cost efficient assembly of cars
  - o Target costing and cost down programs

With the participation of Snoras Bank in Spyker, the Company has secured its short to mid-term financing requirements to achieve the objectives as laid down in the renewed strategy.

- **Control system and processes**

Spyker, as a relatively young enterprise, was confronted with the fact that, the administrative organisation and internal control systems could not keep pace with the rapid growth of the Company, particularly because of a lack of available resources in qualitative manpower, financial resources and a very time consuming integration process of F1.

It was concluded that the organisation needed to be strengthened in certain areas and an executive search for a CFO was initiated. Many decisions to improve the organisation were taken at the time, including the replacement of information systems. However, the unforeseen developments as from the second quarter of 2007 delayed the implementation of the measures to improve the situation as described above. Currently, with amongst others the appointments of a CFO and a COO in place and the implementation of Exact software underway, the required structural improvements of systems and procedures will be made during the course of this year.

- **Purchase Price Allocation (PPA)**

On 10 October 2007, Spyker published the results of its final Purchase Price Allocation ("PPA") in connection with the acquisition of the Midland Formula 1 Team in September 2006. The final PPA showed variances compared to the provisional PPA, as incorporated in the Financial Statements 2006 and had a negative impact of € 3.1 million on the 2006 operating results. The difference between the provisional PPA, as included in the Financial Statements 2006 and the final PPA, will be properly disclosed in the Financial Statements 2007.



- **Ondernemingskamer (Enterprise Section of the Court of Appeal)**

On August 29, 2007, the Netherlands Authority for the Financial Markets, AFM, indicated to Spyker that it had doubts whether Spykers 2006 Financial Statements complied with the relevant regulations, i.e. IFRS and that they would start legal proceedings with the Ondernemingskamer (Enterprise Section of the Court of Appeal), ex article 447 book 2 of the Dutch Civil Code and would seek a judicial order to restate the Financial Statements 2006. On December 28, 2007, the Enterprise Chamber ruled in favour of Spyker, stating that the 2006 Financial Statements provided a true and fair view in all material aspects in accordance with IFRS, as adopted by the European Union. Recently the AFM announced that it shall appeal the ruling of the Enterprise Chamber with the Dutch Supreme Court (Hoge Raad).

- **Refinancing**

On December 21, 2007, Spyker reached agreement with a wholly owned subsidiary of Snoras Bank of Vilnius, Lithuania, to invest in the Company. The transaction resulted in a two tier deal for a total amount of € 34,5 million, consisting of:

- The issue of a total number of 4,643,750 shares A to Snoras at € 4 each;
- A loan in the amount of € 6,340,000 granted to Spyker, secured by collateral. Part of this loan was used to redeem the Friesland Bank loan. The bank guarantee issued on behalf of Strongwind in favour of Friesland Bank was returned;
- A 7% convertible loan in the amount of € 9,560,000 under the terms of which the loan may be converted (in whole or in part) into 2,390,000 shares at € 4 each during a term of 3 years;
- Conversion of the existing € 14,000,000 shareholders' loan into shares A at a price of € 4 per share (Mubadala 2.5 million shares A, Helvetia 750,000 shares A and Milestone 250,000 shares A);
- Transfer of the priority share to Snoras.

Compared to the position as at 31 December 2007, this transaction resulted in a further increase of equity by € 23.3 million (excluding the equity component of the convertible loan), a net reduction of shareholder loans by € 4.4 million (excluding the equity component of the convertible loan) and an additional available cash of € 18.9 million.

After the closing of the Snoras transaction on 21 January 2008, the share interest of the majority shareholders of the Company is divided as follows:

Snoras:	4,643,750 shares	(29.8%)
Mubadala:	3,545,654 shares	(22.8%)
Strongwind:	1,896,250 shares	(12.2%)*
Helvetia:	1,455,711 shares	(9.3%)

\* Strongwind sold its entire shareholding in February 2008.



### **Outlook 2008**

Now that Spyker has successfully refinanced its business, the Company can execute the business strategy as set forth above. The intended strengthening of the Management Team is almost completed with the appointments of Messrs Lex Roukens, CFO, and Frans Liebrechts, COO. The final vacancy is that of the Chief Commercial Officer, the appointment of whom is to be expected before summer.

Production and sales rose sharply in Q1 2008 (12 cars produced and 18 cars sold) and will again rise sharply in Q2 2008, particularly because the flow of parts and components is restored. The Spyker C8 Aileron (Long Wheel Base with automatic gearbox) will go in production in Q3 2008. It is expected that 80% of the Ailerons sold will have the automatic gearbox installed. The Spyder version of the C8 Aileron will be unveiled at Pebble Beach Concours d'Elegance on August 17<sup>th</sup>, 2008. By introducing the C8 Aileron, Spyker will now cater for approximately a four times increased customer base than thus far.

An aggressive expansion is sought of the dealer base worldwide, so as to prepare the distribution for the advent of the Spyker D8 Peking-to-Paris, which will go into production in 2009.

### **Note for the press, not for publication**

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## Key Figures

	UNAUDITED Pro forma 2007 after recapitalisation per 21 January 2008 € ('000)	UNAUDITED 2007 Based on IFRS € ('000)	UNAUDITED 2006 <sup>1)</sup> Based on IFRS € ('000)	UNAUDITED 2005 Based on IFRS € ('000)
<b>Results</b>				
Revenues		5,141	19,692	8,275
Operating result		-29,689	-3,620	-3,175
Result before taxes		-32,332	-3,942	-3,644
Result from continued operations		-36,337	-3,818	-1,930
Result from discontinued operations <sup>2)</sup>		-35,738	2,477	0
Result for the year		-72,075	-1,341	-1,930
<b>Production and sales (in units)</b>				
Production output		26	94	48
Sales		21	74	26
<b>Average number of employees (in FTE) <sup>3)</sup></b>				
		166	126	71
<b>Balance sheet data</b>				
Non-current assets	43,273	43,273	131,241	31,250
Total Equity <sup>4)</sup>	48,148	24,848	82,921	28,250
Balance sheet total	86,872	68,012	186,148	48,615
Working capital (current assets -/- current liabilities)	17,751	-15,109	-25,470	3,937
<b>Shares of Spyker Cars N.V.</b>				
Outstanding shares end of period with a par value of € 0.04	15,572,476	9,747,476	6,210,378	3,667,782
Weighted average number of shares		6,929,401	4,563,658	2,739,681

<sup>1)</sup> Figures 2006 comparatives have been adjusted due to the finalisation of the PPA and the presentation of F1 Racing as discontinued operations.

<sup>2)</sup> Discontinued operations relates to Formula One activities.

<sup>3)</sup> Only relates to the continued operations.

<sup>4)</sup> Total equity after recapitalisation per 21 January 2008 does not include the effect of the equity component of the convertible loan.