

## SHAREHOLDER CIRCULAR

**On 12 February 2010, an Extraordinary General Meeting of Shareholders ("EGMS") of Spyker Cars N.V. ("Spyker") will be held. This shareholders circular provides further strategic and financial details regarding item 2 of the EGMS agenda: Approval by the General Meeting of Shareholders of Spyker of the purchase of Saab Automobile AB of Trollhättan, Sweden ("Saab"). This circular explains hereunder the acquisition, why the acquisition is pursued, the new ownership structure of Spyker, the highlights of Saab's Business Plan, the way Saab, Spyker and Tenaci will be funded and an indicative closing balance sheet.**

### 1. THE ACQUISITION

On 26 January 2010, General Motors Company ("GM") and Spyker reached agreement over the transfer of ownership of Saab. The transaction is expected to close in February provided that the conditions precedent under the share purchase agreement ("Share Purchase Agreement") are fulfilled. Saab Automobile will exit the orderly wind down process in line with that timetable. Spyker acquires from Saab Automobile Investering AB, a subsidiary of GM, all the issued and outstanding ordinary shares in the capital of Saab for a consideration of USD 74 million ("Purchase Price") pursuant to the Share Purchase Agreement. The Purchase Price will be paid in two instalments. The first instalment of USD 50 million will be paid on the date of completion of the transaction, expected to take place on or before February 15, 2010 ("the Closing"). The second instalment of USD 24 million will be paid on July 15, 2010.

The Share Purchase Agreement is subject to the execution of a EUR 400 million loan agreement between Saab and the European Investment Bank ("EIB"), guaranteed by the Swedish Government. The Swedish government has approved of this guarantee. The guarantee is subject to approval by the European Commission, which is expected shortly.

In spite of media reports stating that certain parts have already been sold off, the object is to acquire Saab as a complete entity and going concern with all IP rights, trademarks, facilities and other infrastructures. The sale of pre 2003 Saab 9-3 and current Saab 9-5 technology to BAIC in December 2009 did not result in any part of Saab's business being divested or devalued. On the contrary, Saab has already started the production of the new generation Saab 9-5 in Trollhättan.

### 2. ACQUISITION RATIONALE

Spyker believes that through the purchase of Saab it has a rare opportunity to acquire and rebuild a global car brand which will be repositioned towards an independent performance-oriented niche car company with an industry-leading environmental strategy. Saab's brand DNA is unique and rooted in its aeronautical heritage, innovative and independent thinking and its Swedish origins. Spyker fully supports Saab's Business Plan which will be implemented by Saab management. The Business Plan, drawn up by Saab management over the past ten months, was analysed by Spyker in assistance with Booz & Co and KPMG Transaction Services, advisors to Spyker. The Business Plan has also been analysed and supported by several advisors to the Swedish Government and the EIB.

At the General Meeting, Spyker intends to adopt a resolution to change its name to Saab Spyker Automobiles N.V. ("Saab Spyker"). This entity will operate Spyker and Saab as two separate operating companies, each focused on its distinct target markets with their respective vehicle lines. As previously stated, Saab Spyker is committed to execute the Saab Business Plan.

### **3. OWNERSHIP STRUCTURE OF SPYKER**

As from Closing of the Saab acquisition, the ownership structure of Spyker will change as follows:

- Tenaci Capital B.V. ("Tenaci"), a company wholly owned by Mr. V.R. Muller has made a successful bid on Mr. V. Antonov's current shareholding in Spyker consisting of 4.6 million ordinary shares. As agreed in 2007, when Mr V. Antonov acquired his shares in Spyker, Mr. V. Antonov will cause the transfer of the priority share to Spyker if and when he would dispose of his shareholding. The transfer of the priority share will be effected as per the date of Closing.
- Messrs. N. Stancikas, M. Bondars and Mr. V. Antonov will retire as members of Spyker's Supervisory Board effective as per the date of Closing.
- Tenaci will grant to Spyker two loans. One for an amount of USD 25 million towards payment of part of the Purchase Price for Saab upon completion of the transaction. A second loan for an amount of EUR 57 million for repayment of all of Spyker's current outstanding loans to banks and other financial institutions controlled directly, or indirectly by Mr. V. Antonov. This loan mirrors the existing terms (including the lender's right to convert EUR 9.5 million into ordinary shares at a conversion price of EUR 4.00 per share). This is further explained under 6. ("Funding of Spyker").

### **4. SAAB'S BUSINESS PLAN**

It is the intention to enhance Saab's Business Plan in several areas. The highlights of Saab's strategy will be:

- Saab will be a stand-alone niche manufacturer with three to four model lines: 9-3 (sedan, hatchback, sports estate, X and convertible) and 9-5 (sedan, sports estate and X) and the 9-4X for both the US and European markets. In addition, Saab will investigate the potential of adding a fourth smaller car line ("9-1") in due course provided that the positive development of the smaller car segment continues. However, this model is currently not envisaged in the Business Plan so if the outcome of the investigation is positive, additional financing to develop this model could be required.
- Saab's product portfolio will be renewed completely, beginning with the launch of the new 9-5 early this summer, the new 9-4X in early 2011 and the new 'all Saab' 9-3 in 2012.
- Saab will continue to be repositioned against other brands such as Audi (A4/A6) and BMW (3/5 series) as a premium brand, leveraging its strong and unique brand heritage.

- Saab's Technical Development Center in Trollhättan has full capability in developing complete vehicles and will continue to do so. In areas such as safety, environment, driving characteristics, practicality, turbo technologies and several other innovations, the Saab brand is among the best in the industry.
- With Trollhättan as one of the most efficient mid-size car plants in Europe, production and sales volumes are aimed to be rebuilt to recent pre-crisis levels of about 100,000 to 125,000 vehicles including the 9-4X built in Mexico.
- The current dealer network will be re-energized with a new sales and distribution approach in certain markets, which will be implemented during 2010.
- The economies of scale of the on-going collaboration with GM after Closing the acquisition (February 2010) will continue to be leveraged in sourcing via ancillary agreements, with independent sourcing gradually increasing to reduce GM dependency and obtain improved access to other suppliers and the co-development of unique innovations. In order to allow Saab to operate on a stand-alone basis outside GM, Saab and GM will enter into a number of ancillary agreements. As part of the transaction, Spyker intends to negotiate the acquisition of all the outstanding shares in Saab Great Britain Limited ("Saab GB") which is the distribution, marketing and sales company for Saab in the UK. All Saab GB shares are currently held by General Motors UK Limited. The consideration for the Saab GB shares is GBP 1.

Saab Spyker believes that its two brands, both deeply rooted in aeronautical and automotive history, will benefit from sharing certain assets and technology services. Examples include but are not limited to:

- Saab's extensive global network of 1,100 dealers.
- The extensive engineering know how and innovative technologies available at Saab.
- Sharing of activities in marketing & sales: i.e. merchandising, promotion & sponsorship activities, etc.

In the future, the two brands will be able to share certain parts and components and expect to obtain access to supplier and partner resources not available to Spyker or Saab individually today.

## **5. FUNDING OF SAAB**

The Saab Business Plan requires approximately USD 1 billion in peak funding for Saab in advance of the return to profitability, forecast to occur by 2012. The funding is provided in part by GM, through USD 326 million Redeemable Preference Shares ("RPSs"), and in part through other contributions, which concern various substantial contributions to the funding of Saab's Business Plan on favourable terms for supplies by GM to Saab and deferred payments from Saab to GM.

The remaining amount, apart from cash at bank (USD 200 million), is to be provided by a EUR 400 million (USD 556 million) loan from the EIB for certain R&D projects at Saab. Securing this EIB loan is a condition precedent to Closing of the Saab acquisition.

With this financing in place, the business plan does not envisage any future funding being required, neither from Spyker or elsewhere, for Saab to return to profitability. The Business Plan targets car production and sales at or below historical levels of 100,000 to 125,000.

Explanation on the two sources of funding:

Redeemable Preference shares

At Closing, GM will convert USD 326 million of pre-closing receivables on Saab into RPSs in Saab. The issue of the RPSs will therefore NOT cause any dilution for the shareholders in Spyker. The voting rights attaching to these RPSs constitute 0.0005% of the total voting rights in Saab. The other 99.99% of the voting rights (100% of the ordinary shares) will be held by Spyker. Since the RPSs are capital and not a loan, no interest is due at any time by Saab. The RPSs carry no dividend from Closing until December 31, 2011. A dividend entitlement of 6% starts from January 1, 2012 through June 30, 2013 and increases over time to 12% as from July 1, 2013 until the scheduled redemption date of December 31, 2016. The dividend over 2012 will be added to principal, but as from fiscal year 2013 the dividend is payable in cash. Should Saab have insufficient distributable reserves to pay the cash dividend it will be added to principal increased with a penalty factor of up to 4%, but such that the total dividend entitlement will never exceed 12%.

In the period 2010-2016, the average dividend payable is about 4%, which is considerably below the average interest on a comparable subordinated loan.

The RPSs qualify as equity and therefore, if Saab cannot pay dividends or redeem the RPSs, Saab will not be in default but the RPSs will simply continue to accrue. Also, the RPSs cannot be redeemed as long as the EIB loan is not yet fully repaid. The Saab Business Plan envisages redemption of the RPSs starting in 2016 out of retained profit, without additional funding (from Spyker or anyone else) being required.

EIB loan

The Share Purchase Agreement is subject to the execution of a EUR 400 million loan agreement between Saab and the EIB, for which a guarantee was obtained from the Swedish Government on January 26, 2010. This loan will be issued to Saab. All amounts payable by the EIB are specifically earmarked to the Euro for designated Saab projects and capital expenditures and represent 50% of these projects or capital expenditures. The projects mainly relate to increasing fuel efficiency and clean car technology. The remaining 50% is funded by Saab itself pursuant to its Business Plan. Spyker will not have any access to the EIB funds which are completely ring-fenced nor will it pay any part of the Purchase Price with proceeds from the EIB loan. The guarantee is subject to approval by the European Commission. Saab and the Swedish Government have provided all required information to the EC prior to the issue of the guarantee so the decision by the EC is expected very soon.

## **6. FUNDING OF SPYKER**

Spyker's existing bank loans in the aggregate amount of EUR 57 million are refinanced by Tenaci. The terms and conditions of this loan will mirror those of the existing loans it repays, including the right to convert EUR 9.5 million into ordinary shares at EUR 4.00 per share. The term of the loan is 5 years and the interest 10 percent above Euribor. After payment of the last instalment of the Purchase Price, Tenaci has the right to collateralize the loan on terms and conditions identical to those on which the existing loans were collateralized.

The Purchase Price of Saab amounts to USD 74 million (EUR 53.23 million at the exchange rate of 1:1.39). The first instalment of USD 50 million, to be paid on Closing, will be paid as follows: USD 25 million is borrowed from Tenaci at an interest rate of 6 percent above Euribor, without the right to convert into shares. This amount is currently already in escrow with General Motors.

The other USD 25 million is financed through a share issue, largely through a commitment from GEM Global Yield Fund Ltd ("GEM") under an equity facility concluded between Spyker and GEM. Spyker currently does not intend to draw in excess of USD 25 million under this facility. The GEM facility concerns a EUR 150 million Equity Credit Line Facility and has a term of 3 years. According to this facility, Spyker must issue shares to GEM at 90 per cent of the average of the closing bid prices of the shares over a period of 15 trading days following a draw down notice sent to GEM by Spyker. In relation to the GEM facility, Spyker will issue to GEM share warrants in respect of 1,570,000 ordinary shares at an exercise price of EUR 4 per ordinary share. The warrants have a 5 year term.

The second instalment, USD 24 million, will be payable on July 15, 2010. Spyker has been approached by various investors to fund this instalment. Spyker intends to finance this amount primarily through senior debt (senior to the debt owed to Tenaci), but does not rule out other alternatives. Spyker has committed to pledge its assets to GM as security for this final tranche.

Spyker will issue a corporate guarantee not exceeding USD 10 million for Saab's obligations to and for the benefit of the financing company GMAC.

## **7. FUNDING OF TENACI**

Tenaci's share capital is wholly owned by Investeringsmaatschappij Helvetia B.V., the personal holding company of Mr. Victor Muller. Tenaci obtains its debt funding from sources that wish to remain anonymous and with which Tenaci has entered into non-disclosure agreements. The terms and conditions of Tenaci's own financing do not impact Spyker or Saab in any way.

Tenaci has successfully bought Mr. V. Antonov's current shareholding in Spyker consisting of 4.6 million ordinary shares, subject to closing of the Saab acquisition. Currently Tenaci has no plans to make a public offer on all of the issued shares in Spyker.

## **8. INDICATIVE CLOSING BALANCE SHEET**

Both Saab management and Saab GB management prepared an estimated balance sheet as at 31 December 2009 for the purpose of this transaction. These estimated balance sheets are still subject to final account closing and audit procedures.

Spyker does not yet have a balance sheet as at 31 December 2009 ready for reporting purposes. As such, it would be premature to show a pro-forma combined balance sheet for Spyker, Saab and Saab GB as at 31 December 2009.

Therefore Spyker only discloses an indicative combined balance sheet of Saab and Saab GB as at Closing date based on the estimated balance sheets for both entities as at 31 December 2009, adjusted for the impact of the transaction items as at Closing date.

It should be noted that the indicative closing balance sheet is based on the latest estimated balance sheets of both entities by Saab and Saab GB management which are subject to final closing and audit procedures and therefore subject to change, and does not reflect any potential fair value or purchase price allocation adjustments. The indicative closing balance sheet should therefore not be considered as the actual closing balance sheet, but only as an indication for the assets and liabilities to be acquired at closing date.

UNAUDITED	
Combined balance sheet SAAB Automobile AB and SAAB Great Britain Ltd	
in EUR millions	31-12-2009
<b>Total assets</b>	
<b>Non-current assets</b>	
Property, plant and equipment	471
Financial fixed assets	-
Intangible assets	1
	<b>472</b>
<b>Current assets</b>	
Inventories	191
Trade and other receivables	158
Cash and cash equivalents	198
	<b>547</b>
<b>Total assets</b>	<b>1,018</b>
<b>Equity and liabilities</b>	
<b>Group equity</b>	
Third party share (GM Redeemable Pref shares)	231
Ordinary shares	71
Retained earnings	188
	<b>490</b>
<b>Non-current liabilities</b>	
Interest-bearing borrowings	0
Provisions	48
	<b>48</b>
<b>Current liabilities</b>	
Trade and other payables	330
Interest-bearing borrowings	-
Provisions	150
	<b>480</b>
<b>Total liabilities</b>	<b>528</b>
<b>Total equity and liabilities</b>	<b>1,018</b>

Saab's and Saab GB's combined revenue amounted to some EUR 1.0 billion in 2009 (2008: EUR 1.6 billion). Earnings before interest, taxes and depreciation amounted to EUR 0.4 billion negative in 2009 (2008: EUR 0.3 billion negative). In 2009 Saab sold 39.903 cars and produced 20.791 cars versus selling 94.751 cars in 2008 and producing 89.086 cars.