Spyker N.V.

ANNUAL REPORT 2012

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FOREWORD BY THE CEO

Dear stakeholders,

During the first half year of 2012 securing Spyker's future was the only item on my agenda. Written in capitals, as for me Spyker could and should not suffer the same fate as Saab Automobile AB. I was willing to do anything and everything for Spyker to survive and become a viable business again. Luckily a lot of people shared my views and still do.

Launching a high-end super car brand is not any easy feat in general and one could argue that we surely did not take the easiest way to get there: It takes time, perseverance and tenacity over many years to achieve one's objectives. Spyker has not easily been dispelled or discouraged; we persisted in our existence as a niche player in spite of the adversities which came on our way. Spyker is not just about numbers, it is not about gaining market share, volume or performance figures. It has never been and will never be. It is rather about providing a unique, unforgettable, untamed alternative for enthusiasts who are always looking for something different, for something exhilarating and exclusive to get behind the wheel of. Last year once more proved that there are many who are well deposed towards Spyker - financiers, suppliers, dealers, loyal employees, customers - and for that I am tremendously grateful.

Let me assure you that we will keep the recession's hard learned lessons in mind. I am convinced that with the increased level of knowledge that we gained in the past years. We will be able to take Spyker to a new level, into a new era.

As I informed you already in our 2011 Annual Report, the first step we took to save Spyker was to seek short-term funding for Spyker and its subsidiaries to ensure continuation of our operations. We made several draw downs under the € 150 million GEM Equity Stand-by Facility, which had been in place since January 2010 and which in fact expired in January 2013. These draw-downs were used to pay for ongoing operating expenses, certain creditors and suppliers to facilitate the start-up of the Spyker C8 Aileron production which was, however, seriously hampered by the bankruptcy early 2012 of our tier-one supplier CPP which manufactured the C8 Aileron's aluminium body-in-white.

On 17 April 2012 Spyker reached agreement with its three major lenders on a full conversion of their outstanding loans, including all accrued interest. The total indebtedness in the amount of € 130 million was converted into Spyker share capital at a share price of € 0.50 per share (after the 2013 reverse stock split 50.00 euro per share). This meant that from that moment onwards Spyker was virtually free from any (bank) loans: a remarkable moment on

which we could not dwell too long since additional funding was required to pay overdue creditors and secure Spyker's operations for the coming months, including a full start of production. Management therefore engaged in exploratory discussions with a number of interested investors, ultimately resulting in an agreement with the Chinese car manufacturer Zhejiang Youngman Passenger Car Group Co. Ltd. ('Youngman'), which company was willing to invest a substantial amount in Spyker N.V. and agreed to make a cash contribution of € 25 million in order to further develop and manufacture the Spyker D8 Peking-to-Paris ('SSUV').

Youngman produces and sells Neoplan passenger coaches, MAN brand heavy type trucks, Youngman passenger cars and automobile spare parts. The group has about 4000 employees. The headquarters of the group are located in Jinhua, China and it has established production bases in Jinan, Taian, Lianyungang and Quzhou. One can all easily imagine that a partner of such calibre provides serious opportunities for the future.

As a direct consequence of Youngman's cash injections, Spyker's Management was able to fully focus on growing the Spyker sports car business again. And that is exactly what we did.

With the launch of the Spyker B6 Venator Concept shown alongside the Spyker C8 Aileron at the 83rd Geneva International Auto Show, held in March 2013, we announced the resurgence of the Spyker brand on a global level and I must say that I am more than proud of those who made this possible in such a short time. The Spyker B6 Venator Concept is an exotic compact two-door mid-engine sports car that will deliver the design, performance and exclusivity that the discerning owner-driver demands. It also embodies the qualities that exemplify what Spyker stands for – a unique, unforgettable and untamed bold beauty. Moreover, the Venator once more shows that no road is impassable; it reflects the drive of our products, management, brand, financiers, suppliers, employees, dealers and customers. Spyker is alive and well and on the back of the B6 Venator the Company will enter into a new era, one in which we will carefully proceed and build up our most prized asset, the Spyker brand, with great care.

Let me finish with an axiom, well known to all who have been involved with Spyker's ups and downs:

"Nulla Tenaci Invia est Via"

Yours sincerely,

Victor R. Muller

Chief Executive Officer and Founder

Zeewolde, 29 April 2013

WHO WE ARE

Profile and strategy

Spyker N.V. ('Spyker' or 'the Company') is a public limited liability company incorporated under the laws of The Netherlands with statutory seat in Zeewolde, The Netherlands and is listed at the NYSE Euronext Amsterdam Stock Exchange. Initially listed as Spyker Cars N.V. per its IPO on 27 May 2004, it changed its name on 15 June 2011 into Swedish Automobile N.V. Since 18 April 2012 it is listed under its current name.

Under the Spyker brand the Spyker group of companies designs, engineers, manufactures, markets and distributes high-end sports cars and aims to do so in the near future for super sports utility vehicles ('SSUV's').

In 2012 the Management Board mainly focussed on the survival and resurgence of the Spyker business, ultimately resulting in an extensive cooperation with Chinese car manufacturer Zhejiang Youngman Passenger Car Group Co., Ltd. ('Youngman').

Spyker is now also entering a new era with the Spyker B6 Venator Concept.

Since the rebirth of Spyker in 2000, Spyker's leadership has been determined in its approach to making Spyker a viable and no compromise brand in the high-end luxury sports car market and it will continue to do so on the basis of its brand values: heritage, design, performance, craftsmanship and exclusivity.

Heritage: The heritage of Spyker spans from cars, coaches, boats and planes and Spyker uses that as inspiration for where Spyker is taking the brand today. Spyker is a company that has embraced its heritage and change without compromising its unique character and expressive design.

Design: Bold Beauty. Spyker has a core design DNA that reflects the art of aviation and everyday usability. Spyker wants to deliver a crisp, sophisticated and distinctive beauty with the utmost attention to detail, which provides an emotional tie for its customers. Cars have to be highly emotional and make a connection with the consumer before the customer considers adding it to its collection of cars.

Performance: Every great sports car comes with great performance. It has to be standard in this class of sports car – it must have it to survive in this highly competitive segment and excite the driver. Spyker delivers a dynamic and harmonious drive that will be sure to please and delight.

Craftsmanship: A passion point for Spyker. It sits at the essence of how Spyker builds its cars – just as it was done at the start of Spyker back in the late 1800s and early 1900s. Spyker craftsmanship is reflected throughout the entire car. Spyker prides itselves in providing the utmost attention to detail inside and out. Spyker's cars are hand assembled and hand finished, which allows Spyker to take a no compromise approach.

Exclusivity: Producing in small volumes allows Spyker to retain its craftsmanship skills. It also allows Spyker to deliver bespoke designs. Spyker owes it to its passionate customers that they will hardly ever see another one at the traffic light. Spyker is not a volume driven manufacturer – it is a deliberate niche player.

The Management Board is of the opinion that, together with Youngman, it can create growth again by properly managing the current Spyker-business and executing its brand development strategy to build the Spyker brand in the high-end sports car and SSUV industry. The Management Board also believes that proper management of a premium car brand entails among other things assuring a distinct product of outstanding quality, strictly controlled distribution, continuous innovation and consistent investment in marketing and communication.

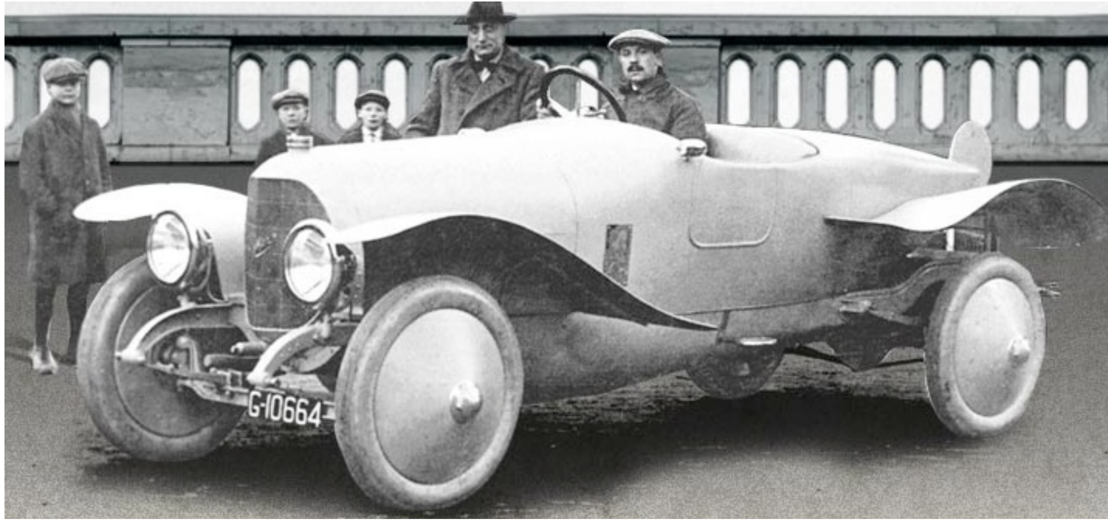
Accordingly, the strategy of the Company in 2013 shall concern the following objectives:

- positioning the Spyker brand as a premium brand for exclusive and hand built sports cars, SSUV's and related products with a high-end distribution network to match;
- creating a distinctive, custom-made, high-end product incorporating aviation and racing styling elements derived from the original Spyker brand in the period 1898-1925 in the form of a high-tech package with state-of-the-art underpinnings; and
- proving reliability and quality, and regaining credibility, brand recognition and business.

The first step to mark Spyker's 2013 strategy has been the launch of the Spyker B6 Venator Concept, shown at the 83rd Geneva International Auto Show in March this year: an exotic compact two-door mid-engine sports car that will deliver the design, performance and exclusivity that the discerning owner-driver demands. A car that embodies the qualities that exemplify what a Spyker stands for – a unique, unforgettable and untamed bold beauty.

In order to widen the basis of its product proposition to the market and in order to reduce its exposure to one market segment (the super sports cars segment) a second step should be taken. Spyker together with Youngman therefore decided to further develop and build the

Spyker D8 Peking-to-Paris SSUV as soon as possible. The SSUV is a four-wheel drive, four-door and four-seat sports luxury car with spacious interior and high performance engine. Its design is highly inspired by Spyker's aviation history: the remarkable fin tail of the 1919 Spyker Aerococque, produced after the Great War, forms a functional part of the SSUV's roof. The SSUV shall (like the Spyder, the Laviolette, the Aileron and, ultimately, the Venator) be hand-built in the best tradition of the traditional Spykers, by the most dedicated craftsmen of our time using the very best materials available.



1919 Spyker Aerocoque, showing off its fuselage body, closed wheels and fantail which will be found on the Spyker D8 Peking-to-Paris SSUV when it goes in production.

BOARD MEMBERS OF SPYKER

Members of the Supervisory Board per 29 April 2013

Martin E. Button (1954, male, American)

Following a resolution of the Extraordinary General Meeting of Shareholders ('EGMS'), held on 17 April 2012, Mr. Martin Button was appointed member of the Supervisory Board of Spyker for a term of four years. He is also the chairman.

Martin Button has been associated with Spyker since its inception in 2000. He served as managing director of Spyker of North America, LLC until the end of 2011, overseeing the development of the American market and dealer network.

Mr. Button has been intimately involved in the development of the brand world-wide, and has advised on product development, reporting directly to the CEO.

Mr. Button owns and manages Cosdel International Transportation; a San Francisco, USA, based freight forwarding company specializing in the import and export of collector, historic and show cars for classic car organizations and OEM's.

Mr. Button is an Englishman by birth, and has lived and worked in the Middle East, Africa and Asia before moving to San Francisco in 1982. Following grammar school in Lincolnshire he obtained a degree in Engineering in Oxfordshire, and studied International Business Management and an MBA at Golden Gate University in San Francisco.

Qingnian Pang (1958, male, Chinese)

Following a resolution of the Extraordinary General Meeting of Shareholders ('EGMS'), held on 21 December 2012, Mr. Qingnian Pang was appointed member of the Supervisory Board of Spyker for a term of four years.

Already since its incorporation, Qingnian Pang is chairman of China Youngman Automobile Group Co. Ltd., a comprehensive automobile industrial group that produces and sells Neoplan passenger coaches, MAN brand heavy type trucks, Lotus cars and automobile spare parts. The group has about 4000 employees. The headquarters of the group is located in Jinhua, China and it has established production bases in Jinan, Taian, Lianyungang and Quzhou.

Mr. Pang has over 20 years of experience in the automotive industry. He founded his first automotive company, named Jinhua Youngman Automobile Manufacturing Co. Ltd., in 1993. Mr. Pang holds a master degree in economics.

The Supervisory Board of Spyker currently consists of two members. In view of this size, no separate committees have been established.

Former members of the Supervisory Board who were in function up to January 18, 2012

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

Hans Hugenholtz became a Supervisory Board member since Spyker's IPO on 27 May 2004. He was reappointed twice. Per 23 February 2010 he became chairman of the Board. Before Mr. Hugenholtz stepped down from the Board per 18 January 2012, he was chairman of the Audit Committee, member of the Remuneration & Nomination Committee and member of the Strategy Committee.

Maurizio La Noce (1957, male, American)

Maurizio La Noce joined the Supervisory Board on 20 April 2006. Having been reappointed on 23 April 2009 for a term of four years he became vice-chairman in 2010. He resigned as a member of the Supervisory Board per 18 January 2012. Mr. La Noce also chaired the Remuneration & Nomination Committee and was member of both the Audit Committee and Strategy Committee.

Alexander J. Roepers (1959, male, American)

Alexander Roepers was appointed Supervisory Board member on 22 April 2010 for a term of four years. He resigned per 18 January 2012. Until his resignation, Mr. Roepers was chairman of the Strategy Committee and member of the Audit Committee and Remuneration and Nomination Committee.

Members of the Management Board per 29 April 2013

Victor R. Muller (1959, male, Dutch), Chief Executive Officer

Victor Muller is the founder of Spyker. As Chief Executive Officer he is responsible for implementing the overall strategy of the Company as well as for Spyker's design.

Mr. Muller started his career in 1984 as a lawyer at Caron & Stevens/Baker & McKenzie, Amsterdam. In 1989, he became a member of the management team of Heerema Offshore in Leiden, The Netherlands and as such was involved in several acquisitions. He became part owner of Wijsmuller Salvage and Towage, IJmuiden, The Netherlands, as a member of a consortium through a management buy-out. From 1992, he has managed and restructured

several companies including Emergo Fashions Group B.V. which went public under the name McGregor Fashion Group N.V. in April 1999.

In the IPO year of Spyker in 2004, Mr. Muller was appointed management board member and CEO for an indefinite period of time. As from the inception of Spyker, Mr. Muller has been a shareholder of the Company.

From 18 January 2012 until 21 December 2012 the Management Board effectively consisted of Mr. Muller only. Since 21 December 2012 Mr. Dikken joined the Management Board of Spyker.

Arjen Dikken (1968, male, Dutch), Chief Financial Officer

Arjen Dikken currently is Chief Financial Officer at Spyker and is responsible for finance & control, risk management, information technology, legal affairs and human resources.

Mr. Dikken had his own independent financial consulting firm which focuses on providing advisory solutions on finance and risk management. As partner at IMRA he worked on several assignments for Dutch public companies. From 2007 to January 2012 Mr. Dikken was hired by Spyker to supervise the annual financial statement closing process. Before taking on the role as Spyker's Chief Financial Officer, Mr. Dikken was responsible for the financial reporting transition of the Saab business from Spyker to Saab Automobile AB. In 2012, he assumed the function of acting Chief Financial Officer.

Prior to having his own independent consulting firm, Mr. Dikken worked as certified public accountant at Ernst & Young and BDO. Mr. Dikken graduated in accountancy at the VU University Amsterdam.

Per 1 January 2013, Mr. Dikken works for Spyker pursuant to an employment agreement.

Former members of the Management Board who were in function up to January 18, 2012

Robert Schuijt (1962, male, Dutch), Senior Vice President Corporate Development and (acting) Chief Financial Officer as from 1 July 2011 until 18 January 2012

Rob Schuijt was appointed statutory member of the Management Board and Senior Vice President Corporate Development at Spyker on 19 May 2011. He was responsible for the strategy, business developments and alliances of the group. Mr. Schuijt stepped down as statutory director on 18 January 2012.

Five-year overview of the key figures

Based on IFRS	2012	2011	2010	2009	2008
	€('000)	€('000)	€('000)	€('000)	€('000)
Revenues	713	2.006	3.344	6.604	7.852
Operating result	-6.115	-13.768	-64.131	-19.237	-21.797
Result before taxes	114.403	-37.512	-73.571	-22.953	-23.840
Result from continued operations	114.403	-37.513	-73.571	-22.953	-23.840
Result from discontinued operations [1]	0	53.672	-144.712	0	0
Result attributable to owners of the parent	114.403	16.159	-218.283	-22.953	-24.767
Average number of employees (in FTE) [2]	37	56	55	131	132
Balance sheet data					
Non-current assets	9.193	11.386	515.436	50.037	44.011
Equity attributable to owners of the parent	139	-151.241	-206.508	2.613	24.913
Balance sheet total	13.964	15.783	1.077.682	64.183	60.542
Net cash from operating activities	-6.827	-96.285	-123.025	-17.941	-19.518
Shares of Spyker N.V., before reversed stock split					
Outstanding shares as at 31 December with a par value of €0.04	373.851.152	35.984.544	17.495.991	15.825.992	15.572.476
Weighted average number of shares diluted	239.688.629	52.058.025	25.736.819	16.908.690	16.714.321
Weighted average number of shares	239.204.014	26.566.402	17.207.306	15.671.799	15.295.962
Group equity per share	€ 0,00	€ -5,64	€ -12,00	€ 0,17	€ 1,63
Result from continued operations per share	€ 0,48	€ -1,41	€ -4,28	€ -1,46	€ -1,62
Result from discontinued operations per share	€ 0,00	€ 2,02	€ -8,41	€ 0,00	€ 0
Result per share	€ 0,48	€ 0,61	€ -12,69	€ -1,46	€ -1,62
Result per share diluted	€ 0,48	€ 0,61	€ -12,69	€ -1,46	€ -1,62
Cash flow from operating activities per share	€ -0,03	€ -3,62	€ -7,15	€ -1,14	€ -1,28
Shares of Spyker N.V., after reversed stock split 1 January 2013 [3]					
Outstanding shares as at 31 December with a par value of €1.30	3.738.512	359.845	174.960	158.260	155.725
Weighted average number of shares diluted	2.396.886	520.580	257.368	169.087	167.143
Weighted average number of shares	2.392.040	265.664	172.073	156.718	152.960
Group equity per share	€ 0,06	€ -564,00	€ -1.200,12	€ 16,67	€ 162,87
Result from continued operations per share	€ 47,83	€ -141,00	€ -428,00	€ -146,46	€ -161,92
Result from discontinued operations per share	€ 0,00	€ 202,00	€ -841,00	€ 0,00	€ 0,00
Result per share	€ 47,83	€ 60,82	€ -1269,00	€ -146,46	€ -161,92
Result per share diluted	€ 47,76	€ 61,00	€ -1269,00	€ -146,46	€ -161,92
Cash flow from operating activities per share	€ -2,85	€ -362,00	€ -715,00	€ -114,48	€ -127,60

1) Discontinued operations 2011 and 2010 relate to the results of the Saab activities.
2) Only relates to the continued operations.
3) At 2 January 2013, Spyker initiated a reverse stock split. The share information in the table present the information after reversed stock split.

INFORMATION FOR SHAREHOLDERS

Key financial dates 2013

29 April 2013	Publication year results 2012
	Publication Annual Report 2012
	Press Release Trading Update Q1 2013
13 June 2013	Annual general meeting of shareholders
5 August 2013	Publication results first half year 2013
28 October 2013	Publication interim results Q3, 2013
	Press Release Trading Update Q3 2013

Note: these dates might be subject to change.

Listing

Spyker N.V. is listed on the NYSE Euronext Amsterdam Stock Exchange (ticker symbol SPYKR, fund code 012505, ISIN-code NL 0010363529).

Share capital movements during 2012

Spyker's issued share capital consists of ordinary shares and shares class A. Until the latest amendment of Spyker's articles of association per deed of 31 December 2012 (effective per 2 January 2013), the nominal value of each share in Spyker was € 0.04 (after reverse stock split € 1.30). Shares class A are registered shares and cannot be listed. Shares class A can be converted into ordinary shares if the shareholder so requires by means of an application to that effect to the Management Board.

During the year 2012, a total number of 337,291,482 shares were issued.

At year end 2012, 373,851,152 (35,984,544 per end 2011) shares were in issue, consisting of 325,275,972 ordinary shares and 48,575,180 shares class A.

As per 1 January 2013, after reverse stock split 3,738,512, shares were in issue, consisting of 3,252,760 ordinary shares and 485,752 shares class A. The authorized share capital of the Company after reverse stock split amounts to a sum of € 6,500,000 with nominal value per share of € 1.30.

During the year 2012, a large number of shares class A were converted into ordinary shares. In case the authorized capital does not provide for sufficient ordinary shares in order to effectuate the conversion, the filing of the notice of conversion with the commercial register will also include an amendment of the articles of association per the day of conversion, in such a manner that in the authorized capital such number of shares class A will be changed into ordinary shares as will be necessary to effectuate the conversion. As a result of conversions during 2012, the authorized share capital changed from 150,000,000 ordinary shares and 350,000,000 shares class A to 325,275,972 ordinary shares and 174,724,028 shares class A at year end.

46 million shares were issued to Youngman (see futher Note 21). Since the contracts contained buy-back clauses in case certain conditions would not be fulfilled, these shares are considered and shown as short term liabilities in the 2012 financial statements.

On 21 December 2012, the Extraordinary Meeting of Shareholders decided to amend Spyker's articles of association which enabled a reverse stock split by combining 100 shares with a nominal value of € 0.04 each to one new share, followed by a decrease of the nominal value to € 1.30 per share. The articles of association were amended per 31 December 2012, with effect from 2 Januari 2013. Listing of the new Spyker shares started on 2 Januari 2013.

	Ordinary shares	Class A shares	Total shares
Issued shares per 1 January 2012	27.527.992	8.456.552	35.984.544
Shares issued during 2012	0	337.866.608	337.866.608
Converted from class A to ordinary shares	297.747.980	-297.747.980	0
Issued shares per 31 December 2012	325.275.972	48.575.180	373.851.152
After reverse stock split 1 January 2013	3.252.760	485.752	3.738.512

Substantial holdings in Spyker

Under Dutch law, substantial holdings that equal or exceed 5% and multiples of 5% have to be reported to the Dutch Authority for the Financial Markets ('AFM'). The overview hereunder shows the holding percentages (excluding option rights) in Spyker per the end of 2011, per the end of 2012 and per the date of this annual report.

	29.04.2013	31.12.2012	31.12.2011
Muller, V.R. (Investeringsmaatschappij Helvetia B.V., Tenaci Capital B.V. and and LAT Management N.V.)	20-25%	20-25%	15-20%
Tenaci N.V.	15-20%	15-20%	-
Laviolette N.V.	15-20%	15-20%	-
Hong Kong Youngman Automobile Co.	10-15%	10-15%	-
Epcote S.A.	10-15%	10-15%	-
Gemini Investment Fund Ltd	-	-	5-10%
Mubadala Development Company	-	-	5-10%
B.`O Toole (Dorwing Solution Limited)	-	-	5-10%

Tenaci N.V. and Laviolette N.V. acquired the legal ownership of the shares that are held by Tenaci N.V. and Laviolette N.V. from Mr. V.R. Muller. Mr. Muller has a call option to repurchase the shares.

As noted above the issued shares to Hong Kong Youngman Automobile Co. have been issued in relation to contracts that contain share buy-back clauses in case certain conditions would not be fulfilled, these shares are considered conditional.

Overview of publications in the period 1 March 2012 – 29 April 2013

Art. 5: 25f Wft requires listed companies to publish an overview of all press releases or a reference to these press releases once a year, regarding the press releases of the last twelve months. The press releases mentioned hereunder can be found on Spyker's website www.spykercars.com under the heading 'News' / 'Corporate News'.

5 April 2013	Hearing on GM's motion to dismiss postponed
3 April 2013	Spyker to publish its year results 2012 on 29 April 2013
5 March 2013	Spyker unveils new B6 Venator Concept
21 February 2013	Hearing on GM's motion to dismiss postponed
19 February 2013	The global resurgence of Spyker
18 February 2013	NYSE Euronext extends listing measure Spyker
15 February 2013	Hearing on GM's motion to dismiss postponed
21 December 2012	Resolutions extraordinary meeting of shareholders Spyker: Reverse stock split adopted
6 December 2012	Spyker and Youngman sign definitive transaction documentation based on the framework agreement signed August 27, 2012
6 December 2012	Court sets date for oral argument in GM case
12 November 2012	Spyker opposes motion General Motors to dismiss Spyker complaint
9 November 2012	Extraordinary shareholders meeting Spyker o 21 December 2012
26 October 2012	Trading Update Spyker N.V. third quarter 2012
1 October 2012	General Motors files motion to dismiss in response to Spyker / Saab Automobile complaint
4 September 2012	NYSE Euronext extends listing measure granting Spyker N.V. opportunity to complete its restructuring
1 September 2012	Spyker interim annual report 2012 available

27 August 2012	Spyker and Youngman sign framework agreement for 29.9 percent stake, joint venture for Spyker D8 SSUV and joint venture for new product range based on Phoenix platform
24 August 2012	Spyker agrees to GM's request for a 30-day extension of the deadline to respond to its complaint
8 August 2012	Spyker announces that GM has been served with the complaint and is due to respond on August 28
8 August 2012	Spyker announces the appointment of John Walton as Chief Commercial Officer
6 August 2012	Spyker files a three billion dollar lawsuit against General Motors
19 July 2012	Spyker N.V. reports on financial developments in H1, 2012
13 June 2012	National Electric Vehicle Sweden AB to acquires the main assets of Saab Automobile
24 May 2012	Spyker N.V. reports closing debenture loan GEM
21 May 2012	Spyker N.V.'s CEO reduces his voting interest to below 30 percent
28 April 2012	Spyker N.V. reports its full results 2011 and trading update Q1 2012
16 April 2012	Statement Swedish Automobile's CEO in court on bankruptcy Saab Automobile AB
12 April 2012	Swedish Automobile issues subscription notice under GEM Facility
11 April 2012	Swedish Automobile intends to change name into Spyker
4 April 2012	Information on share interest Mr. Muller
6 March 2012	Swedish Automobile settles debt with subsidiary Saab Great Britain Ltd.
5 March 2012	Swedish Automobile gives update on financial and general position

SUPERVISORY BOARD'S REPORT

Dear shareholders,

The financial statements prepared by the Management Board for the annual report 2012 of Spyker N.V. ('Spyker') have been audited by Ernst & Young Accountants LLP. Ernst & Young reported their findings on the financial statements to the Supervisory Board. The Supervisory Board concurs with the financial statements and recommends to the General Meeting of Shareholders:

(i) To accordingly adopt the 2012 financial statements;

(ii) To add the net result over 2012 to the other reserves;

(iii) Not to declare any dividend.

The Supervisory Board has signed the financial statements in this Annual Report pursuant to the statutory obligations under article 2:101(2) Dutch Civil Code.

General tasks of the Supervisory Board

The Supervisory Board is charged with the supervision of the Management Board, the general course of affairs of the Group and the business connected to it. The Board supervises and advises the Management Board in performing its management tasks, including (a) achievement of the objectives of the company, (b) corporate strategy and the risks inherent in the business activities, (c) the structure and operation of the internal risk management and control systems, (d) the financial reporting process, (e) compliance with primary and secondary legislation, (f) the company-shareholder relationship, and (g) corporate social responsibility issues that are relevant to the enterprise. Major management decisions and the Group's strategy are discussed with and approved by the Supervisory Board.

According to the company's articles of association, the Management Board shall submit to the Supervisory Board for its approval (a) the operational and financial targets of the company, (b) the strategy applied to realize the objectives and (c) the parameters to be applied in relation to the strategy, for example in respect of the financial risks.

It should be noted that the execution of the above mentioned tasks was during 2012 strongly influenced by the resignation of Messrs. Hugenholtz, La Noce and Roepers on 18 January 2012 and the fact that for some time there was no Supervisory Board member in function.

Corporate Governance

The application by Spyker of the Corporate Governance Code is addressed in a separate chapter 'Corporate Governance' in this Annual Report. It is the task of the Supervisory Board to discuss the corporate strategy and the risks of the business, the result of the assessment by the Management Board of the structure and operation of the internal risk management and control systems, as well as any significant changes thereto at least once a year. Also corporate social responsibility items that are relevant to the enterprise are subject to the supervision of the Supervisory Board. It may be evident that the survival and revival of the Company was the most prominent item on the agenda during 2012.

The Financial Statements include a paragraph on related parties. In this paragraph, transactions with individual Management Board members and individual Supervisory Board members are reported. In two instances in 2012 a Management Board member reported a conflict of interest to the Supervisory Board with regard to a share loan between a personal holing company of that Management Board member and the Company. In both instances, a Supervisory Board member was appointed to represent the Company. Best practice provisions II.3.2 to II.3.4 inclusive have been complied with, as well as III.6.1 to III.6.3 inclusive. There were no occasions where the chairman or any member of the Supervisory Board had to abstain from voting in view of a (potential) conflict of interest.
Provision III.6.4 regards transactions with shareholders holding 10% or more of Spyker's shares, which shall be on customary terms. It has been complied with.

Meetings of the Supervisory Board and topics discussed

Per 18 January 2012, Mr. Hugenholtz, Mr. La Noce and Mr. Roepers resigned as members of the Supervisory Board as a result of a difference of opinion with Mr. Muller as to the funding alternatives available to Spyker after the bankruptcy of Saab Automobile AB, the future of Spyker and its remaining Spyker sports car business.

The resignation of Messrs. Hugenholtz, La Noce and Roepers as per 18 January 2012 and the fact that the Supervisory Board between 17 April 2012 and 21 December 2012 effectively consisted of only one member, had a major impact on the supervising duties of the Supervisory Board. In 2012 the former permanent Supervisory Board Committees (the Audit Committee, the Remuneration & Nomination Committee and the Strategy Committee) ceased to exist after 18 January 2012. It is the firm intention of the Supervisory Board to expand to at least four members. As long as the Supervisory Board shall consist of no more than four members, committee tasks shall be executed by the full Board.

The year 2012 was a year in which Spyker focussed on its survival and resurgence. It therefore had to explore all kinds of options to alleviate and improve its (financial) position.

Moreover Spyker had to find ways to finance its operations. The first step taken by the Management Board was to seek short-term funding to stave off the imminent threat of a possible bankruptcy of Spyker. The draw downs under the Equity Stand-by Facility of GEM Global Yield Fund Ltd, which Spyker entered into in January 2010 and which terminated in January 2013, were used to pay the most critical overdues, ongoing operating expenses and to reach agreements with creditors.

For Spyker to have a viable future, the burden of (convertible) loans needed to be eliminated and new terms agreed to avoid Spyker being in default under those loans. To that end, the Management Board managed to reach agreement with Spyker's lenders. With the approval of the Supervisory Board all outstanding amounts under these loans, advanced by Tenaci Capital B.V. ('Tenaci'), Epcote S.A. ('Epcote') and Gemini Investment Fund Ltd. (which loan, as well as Tenaci's loan, was sold and transferred to LAT Management N.V.) have been converted into Spyker share capital at a share price of € 0.50 per share (equal to € 50.00 per share after the reverse stock split). As to allow for the loans-to-shares conversions, the authorised capital of Spyker had to be increased from 75 million shares to 500 million shares. To effect such amendment, an Extraordinary General Meeting of Shareholders ('EGMS') was held on 17 April 2012. At the same EGMS the proposal to change the name of Swedish Automobile N.V. into Spyker N.V. was tabled. Spyker's shareholders also had to decide about the proposal to appoint Mr. M.E. Button as sole member and Chairman of Spyker's Supervisory Board.

As to further reduce Spyker's cash requirements, Spyker reached important agreements with various creditors.

With the administrators of Saab Great Britain Ltd. ('Saab GB') Spyker in 2012 also reached a principle agreement to pay as full and final settlement for its debt of £ 20,9 million an amount of € 500,000 in cash and € 250,000 in the form of shares (the 'Consideration'). This principle agreement was subsequently amended and finalised whereby a cash payment of € 300,000 rather than € 500,000 was agreed upon. In relation to the complaint filed by Spyker against General Motors ('GM') (see page 27 for more information), parties additionally agreed the following: upon the occurrence of (i) an agreement pursuant to which the matters raised in Spyker's complaint are settled, or otherwise resolved between Spyker and GM, pursuant to which payment is made, and / or (ii) the making of an order or judgement by a relevant court, and / or an arbitral award pursuant to which Spyker is granted any or all of the relief sought in or contemplated by its complaint, Spyker will pay Saab GB, as an additional consideration, the lesser of either (i) the value of the debt less the vale of the Consideration, or (ii) one per cent of the value of the aggregate sum of the amount paid by GM to Spyker plus all reasonable costs, fees and expenses incurred by Saab GB in relation to procuring the payment of the additional consideration.

With GMAC Spyker reached principle agreement to reduce its $ 10 million parent company guarantee to an exposure of $ 1 million, which was to be placed in escrow by Spyker for the duration of GMAC's recovery process. Spyker was not able to timely fulfil this requirement and consequently the original parent company guarantee of $ 10 million revived. This will not necessarily be a problem: so far, Spyker has no sign or any indication that GMAC intends to submit any claim under said warranty.

To finance its short term funding the Supervisory Board on 17 April 2012 approved to issue a € 10 million convertible debenture loan to GEM.

Besides these financial instruments, the Supervisory Board reviewed partnership possibilities, presented by the Management Board. The search for a strategic partnership resulted in signing a Framework Agreement with Zhejiang Youngman Passenger Car Group Co. Ltd. ('Youngman') on 27 August 2012. The Framework Agreement entailed that Youngman would invest € 10 million in Spyker of which approximately two-thirds as subscription for such number of Class A shares in Spyker as will constitute 29.9% of the issued and outstanding share capital of Spyker at maximum, and one-third in the form of a shareholder loan. Youngman and Spyker also agreed to jointly invest in two joint venture companies. One joint venture was to be established for development of the Spyker D8 Peking-to-Paris (25% shareholding Spyker for contribution of SSUV technology and the Spyker trademarks, 75% shareholding Youngman for a cash contribution of € 25 million). In the other second joint venture Youngman would provide all required funding and would contribute license rights to the Phoenix platform acquired from Saab Automobile AB in 2011 (shareholdings: 80% Youngman, 20% Spyker).

Based on the Framework Agreement Spyker and Youngman signed a subscription agreement including accessory agreements on 6 December 2012. In stead of two joint venture companies, it was agreed to establish a separate, third joint venture for the Spyker trademarks, in which Youngman would acuire 75%. By signing the definitive transaction documentation, Spyker and Youngman also agreed that Youngman would have the right to nominate one-third of Spyker's Supervisory Board and one-third of Spyker's Management Board. During the EGMS of 21 December 2012 Mr. Qingnian Pang was appointed member of the Supervisory Board. The biographies of the Supervisory Board members can be found in the chapter Board Members.

Another important subject on the Supervisory Board's agenda was to approve the proposal to execute a reverse stock split by combining 100 shares with a nominal value of € 0.04 each to one new share, followed by a decrease of the nominal value to € 1.30 per share. This reverse stock split is one of the measures which the Management Board took to accelerate a transition from the 'Special Segment' of the NYSE Euronext Amsterdam stock exchange to the Official Market.

Apart from the above, the Supervisory Board discussed Spyker's complaint against General Motors Company ('GM'). The lawsuit against GM seeks redress for the unlawful actions GM took to avoid competition with Saab Automobile in the Chinese market. The monetary value of the claim amounts to $ 3 billion.

The Supervisory Board moreover reviewed and discussed Spyker's annual, semi-annual and quarterly financial statements.

Remuneration report

Introduction

Spyker's remuneration policy was approved by the General Meeting of Shareholders in 2005 and further amended by the General Meeting of Shareholders in 2009, 2010 and 2011. The amendment in 2011 was related to the acquisition of Saab Automobile in February 2010 but was not actively pursued.

General remuneration policy

The remuneration which the Management Board members receive from Spyker shall be such that qualified and expert managers can be recruited and retained. According to the policy, the remuneration may consist of the following elements:

1. fixed salary;
2. option rights according to the Company's Employee Stock Option Plan (ESOP);
3. a cash bonus linked to short term targets; and
4. a cash bonus linked to long term targets over a period of three years.

The elements set out under point 2 to 4 are variable components, which - if granted - are linked to predetermined targets that can be easily measured and once achieved have the ability to make a positive and direct impact on Spyker's results and performance. The importance of the variable remuneration component is to strengthen the Board members' commitment to the Company and its objectives. Payment of the bonus, up to a maximum amount of the base salary, is to be achieved by meeting the targets, linked to a corporate target (two-thirds) and an individual target (one-third). It is up to the Supervisory Board to determine whether targets have been met or not. Options to acquire shares in Spyker in principle (i) shall be granted to members of the Management Board and key employees and (ii) are a conditional remuneration component. The Supervisory Board may award incidental bonuses in cash or stock (performance shares) to members of the Management Board. Shares held by members of the Management Board are long term investments and strengthen the Board Member's commitment to the Company. The granting of shares

however, which qualify as a variable bonus according to the remuneration policy, are not linked to a five year retain period.

In 2012 all option rights granted under the ESOP had expired. Hence, no targets were set and no bonuses were paid. New option rights were not issued. It is not sure if the Management Board will decide - depending on further developments - to regenerate ESOP, as option rights seem to have lost their attraction.

Spyker does not grant its Management Board members any advances, personal loans or guarantees unless it is within the normal course of business. The terms will be applicable to individual personnel and only granted after approval from the Supervisory Board. Severance payments in employment contracts will not exceed one year's salary, unless this would be manifestly unreasonable in the circumstances.

Remuneration in the past financial year

Remuneration Management Board

There have been changes within the Management Board during 2012. Per the start of 2012, the Management Board consisted of Mr. Victor R. Muller as Chief Executive Officer ('CEO') and Mr. Robert Schuijt in the function of Senior Vice-President Corporate Development. Mr. Schuijt also acted as Chief Financial Officer ('CFO'). Upon the resignation of Mr. Schuijt as statutory director per 18 January 2012, Mr. Arjen Dikken assumed the responsibility for Spyker's financial administration on an interim basis, not being part of the Management Board. On 21 December 2012 Mr. Dikken was appointed statutory director and CFO of Spyker. Mr. Dikken's biography can be found in the chapter Board Members.

Previously, Mr. Muller worked pursuant to a management contract between Saab Automobile and his management company LAT Management N.V. This contract was for an indefinite period of time. When Saab Automobile went into bankruptcy, the terms of his management contract have gone forward and been assumed by Spyker. Also Mr. Schuijt worked for the Company under a management agreement.

Management contracts, contrary to employment contracts, do not contain an arrangement regarding severance payments. The yearly management fee for Mr. Muller is € 600,000 (excluding any VAT), not covering expenses. Mr. Schuijt received a base management fee of € 400,000 (excluding VAT), not covering expenses. In addition, Spyker, Mr. Schuijt and his management company agreed upon a share subscription agreement, obligating the management company to purchase 300,000 company shares in three annual tranches of each 100,000 shares at a share price of EUR 2.71 per share. Per 12 January 2012, the subscription agreement was terminated and Mr. Schuyt was released from his obligation to

buy these shares. Per 18 January the management agreement with Mr. Schuyt was terminated by mutual consent.

As per 1 January 2013 Mr. Dikken is employed by Spyker after working as a contractor, on an interim basis, during 2012. The employment contract with Mr. Dikken shall end per the day of Spyker's Annual General Meeting of 2016. The contract of Mr. Dikken contains a provision that severance payments will not exceed one year's salary, unless this would be manifestly unreasonable in the circumstances. The base remuneration of Mr. Dikken is € 200,000 per year.

In addition to a fixed salary, the remuneration of the Management Board members may include a cash bonus linked to targets. The Supervisory Board did not set targets for the members of the Management Board in 2012. Consequently, no bonuses were or will be paid as an additional remuneration over 2012.

No pension schemes have been set up for Mr. Muller and Mr. Schuijt. Mr. Dikken receives a contribution from Spyker to build up a pension, equal to 50% of the pension premium which would be payable if Mr. Dikken would have participated in Spyker's standard pension-arrangement.

Members of the Management Board (excluding Mr. Muller) have been compensated for the actual expenses regarding travelling and communication.

The options expensed for the members of the Management Board amount to € 0.

Remuneration Management Board 2012	Base salary	Bonus	Management fee	Total cash compensation	Vested stock options	As a % of base salary
	€	€	€	€		
V.R. Muller	0	0	600.000	600.000	none	-
A. Dikken (appointed 21-12-2012)	0	0	226.800	226.800	none	-
R. Schuijt (resigned 18-01-2012)	0	0	100.002	100.002	none	-
	0	0	926.802	926.802		-

Management fee of A. Dikken includes full year remuneration in 2012 as contractor on an interim basis. At 21 December 2012 Mr. Dikken was appointed statutory director and CFO of Spyker and receives as per 1 January 2013 a remuneration based on an employment contract.

Remuneration Supervisory Board

According to a resolution of the Extraordinary General Meeting of Shareholders of 17 April 2012, a member of the Supervisory Board is entitled to a remuneration of € 25,000 (per full year); the Chairman of the Supervisory Board is entitled to a remuneration of € 40,000 (per full year). No other compensation, bonuses or options have been granted to the members of the Supervisory Board.

In 2012 Mr. J.B.Th. Hugenholtz refrained from 50 percent of his remuneration as chairman of the supervisory board as from 2010. Furthermore Mr. A. Roepers and Mr. M. La Noce decided

to refrain from their remuneration as supervisory board member for the entire period of their Supervisory Board membership, being for Mr. La Noce since 2006 and for Mr. Roepers since 2010.

Remuneration Supervisory Board	2012	2011
	€	€
M. Button	20.000	0
J.B.Th. Hugenholtz	0	62.475
P.H. Heerema	0	17.500
Q. Pang	0	0
M. La Noce	0	0
A. Roepers	0	0
	20.000	79.975

Employee's option rights

Spyker had an Employee Share Option Plan (ESOP), which came into force in 2005 and was amended in 2006, 2008 and 2011. During 2012, the last option rights lapsed. As per 31 December 2012, no ESOP-option rights (2011: 24,000 option rights) were in force. In 2012, no option rights were exercised. The Supervisory Board did not set any targets for 2012. In 2013 the Supervisory Board will decide on how the ESOP will be re-activated.

The appointment of Mr. Rob Schuijt as (non-statutory) Senior Vice President Corporate Development came into force per 1 June 2010. As a part of his remuneration package, Spyker granted him the right and obligation to subscribe for 300,000 ordinary shares, to be issued in separate tranches of 100,000 shares each over the next three years at a share price of € 2.71. It was agreed between parties not to issue the first tranche of 100,000 shares, but to add this tranche to the second tranche due after 1 June 2012. Per 12 January 2012 the subscription agreement has been terminated and Mr Schuyt was released from his obligation to buy these shares.

Remuneration policy for the coming years

A new remuneration policy will be decided upon this year. The short term priority is to appoint two additional Supervisory Board members.

Martin E. Button (Chairman)
Qingnian Pang

Zeewolde, 29 April 2013

MANAGEMENT BOARD'S REPORT

Introduction

With the loss of Saab Automobile AB ('Saab Automobile') in December 2011, Spyker N.V. ('Spyker' or the 'Company') had seen a drastic change in its perspectives and had to adjust its future plans accordingly. Management explored several options, ranging from selling the entire Spyker business to continuing and newly financing its operations. Even expanding the business through acquisitions passed in review.

Messrs. Hans Hugenholtz, Maurizio La Noce, Alex Roepers (at that time all members of Spyker's Supervisory Board) and Rob Schuijt (member of the Management Board of Spyker) disagreed with Mr. Victor Muller as to the future of Spyker and the funding alternatives available to Spyker after the bankruptcy of Saab Automobile. Consequently the entire Supervisory Board as well as Mr. Rob Schuijt stepped down on 18 January 2012.

From 18 January until 17 April 2012, when Mr. Martin Button joined Supervisory Board, the Supervisory Board had no members. Mr. Arjen Dikken became member of the Management Board on 21 December 2012; he holds the position of Chief Financial Officer.

After 18 January 2012 Spyker took some actions and decisions in order to alleviate and improve its (financial) position. These steps as summarized hereunder can be devided in measures taken in the first half of 2012 and in the second half.

First half of 2012

Saving the Spyker business

At the end of 2011, Spyker decided to terminate discussions with prospective buyers of the Spyker sports car business and to focus on survival and resurgence hereof, both financially and commercially. The initial decision to sell Spyker was taken in September 2010 and was driven by the desire to focus all financial and management resources on Saab Automobile. However, the sales process with the intended buyer, CPP Manufacturing Ltd, was hampered by legal obstacles primarily caused by the rapidly deteriorating situation at Saab Automobile. Subsequent discussions with other prospective buyers were entered into, but did not progress. At the end of 2011, the Management Board decided to end further discussions. With Saab Automobile in bankruptcy, the driver behind the sale of the Spyker business had disappeared with it, and all management resources and funding could exclusively be focused on the Spyker sports car business again, which in the opinion of the Management Board of Spyker still had attractive prospects.

Emergency funding

To safeguard its continuity and to avert a possible bankruptcy, short term funding was key. By issuing several subscription notices under the existing € 150 million equity facility from GEM Global Yield Fund Limited, approximately € 1.5 million in immediate funding was generated. This amount was used to pay the most critical overdues, ongoing operating expenses and to reach agreements with creditors and suppliers to facilitate the start-up of the Spyker C8 Aileron production.

Conversion of loans-to-shares

For Spyker to have a viable future, the payment burden of (convertible) loans, which loans were entered into mostly to finance the acquisition of Saab Automobile, needed to be re-negotiated to avoid Spyker being in default under these loans. To that end, agreement was reached between Spyker and its major lenders, Tenaci Capital B.V. ('Tenaci'), Epcote SA ('Epcote') and Gemini Investment Fund Ltd. The latter loan was sold and transferred to LAT Management N.V. ('LAT'), a company indirectly wholly owned by Mr. Victor Muller. All three lenders agreed to convert the outstanding amounts under these loans into shares class A at a fixed price of € 0.50 per share. Before the conversion was executed, also Tenaci transferred its loan to LAT. Upon conversion, Spyker issued a total numner of 260.0 million non-listed shares class A:

- 64.0 million shares class A to LAT for the former Gemini loan (principal loan amount € 30.0 million, accrued interest € 2.0 million);
- 45.6 million shares class A to Epcote (principle loan amount € 18.2 million, accrued interest € 4.6 million);
- 150.4 million shares class A to LAT for the former Tenaci loan (principal amount € 64.5 million, accrued interest € 10.7 million).

To enable the loans-to-shares conversions as described above, the authorised share capital of Spyker needed to be increased. The Company convened an extraordinary meeting of shareholders on 17 April 2012. On the agenda was an increase of the authorized capital from from 75 million shares to 500 million shares (divided into 150,000,000 ordinary shares and 350,000,000 shares class A with a nominal value of € 0.04 each). Other amendments of the articles of association concerned the annulment of the references to a priority share (the rights attributed to the priority share were assigned to the Supervisory Board) and a change of the Company's name Swedish Automobile N.V. into Spyker N.V.

On 18 April 2012, the amendments of the Company's articles of association as well as the conversions were executed. After the conversions Spyker was free from (bank) loans with the

exception of a financial lease agreement for Spyker C8 Aileron tooling, of which the residu amounted to € 2.0 million. Spyker returned to a positive equity position.

Agreement with Spyker creditors

So as to further reduce cash demands, Spyker reached important agreements with various creditors some of which, such as GMAC, were related directly to Spyker's involvement in Saab Automobile: at the time of, and in connection with, the acquisition of Saab Automobile, Spyker granted a $ 10 million parent company guarantee to Saab Automobile's financier GMAC. In an agreement reached on 2 March 2012, parties agreed to reduce that exposure to $ 1 million. This amount was to be placed in escrow by Spyker before 1 May 2012 when it would have attracted substantial new capital, and stay in escrow for the duration of GMAC's recovery process estimated to take up to several years. Unfortunately Spyker was not able to timely attract these funds, reason why no payment was made to the escrow account. Consequently the original guarantee of $ 10 million revived. To this date, Spyker did not receive any indication that GMAC will submit a claim.

Spyker also reached principal agreement with the administrators of the bankrupt Saab Great Britain Ltd. ('Saab GB'). Spyker had borrowed an amount of £ 20.9 million (including accrued interest) from its wholly owned subsidiary Saab GB, which company went into administration in November 2011. Spyker initially agreed to pay in full and final settlement for its debt € 500,000 in cash and € 250,000 in the form of shares if it would attract substantial new funds before a certain date. These payments were not effected in 2012 in absence of new funds. The principle agreement was subsequently amended and finalised to the extent that € 300,000 rather than € 500,000 in cash would be paid, plus, in relation to the complaint filed by Spyker against General Motors ('GM') and upon the occurrence of a certain trigger event, an additional consideration, all as explained in detail on page 19 of the Supervisory Board. The amount of this additional consideration is determined in the manner as is also described in the Supervisory Board's Report.

Agreement with CPP (Manufacturing) Ltd, in administration

Unfortunately Spyker's tier one supplier of its aluminium bodies-in-white CPP (Manufacturing) Ltd. ('CPP') went into administration on 10 January 2012. On 2 March 2012 Spyker reached agreement with CPP's administrators to buy certain tools, work in progress and (body)parts for its Spyker C8 Aileron production. This transaction led to a gain on creditors of approximately € 2.5 million. As a result of the situation, which arose from CPP's administration, Spyker moved the assembly of the Spyker C8 Aileron from the UK back to Zeewolde, The Netherlands, again.

Agreement with GEM Global Yield Fund Ltd

To further finance its short term funding and the development of its sports car business, Spyker on 5 March 2012 signed a term sheet for the issue of in aggregate € 9.99 million convertible debentures to GEM Global Yield Fund Ltd. ('GEM'). On 23 May 2012 the definitive transaction documents were executed. The key terms and conditions of the convertible debentures include the following:

- An initial convertible debenture of € 0.5 million, followed by another convertible debenture of € 0.5 million after thirty days;
- The issue of four further convertible debentures is contingent on the volume weighted average price ('VWAP') of Spyker's listed shares exceeding the Initial Fixed Conversion Price (as defined below) for each day during any thirty consecutive trading days;
- The advance of each trance is subject to various conditions, including certain key terms;
- Each debenture is convertible into class A shares at the option of the holder. Each debenture will be convertible at the lesser of (i) € 0.18 (€ 18.00 after the reverse stock split) or the VWAP for five trading days before closing of the first tranche (the Initial Fixed Conversion Price), and (ii) 100% of the average of the three lowest VWAP prices in the 40 consecutive trading days immediately preceding conversion;
- A term of five years. During the term, Spyker may not issue other convertible securities with terms similar to those of this agreement. At maturity, all outstanding debentures will be converted into shares. Spyker is entitled to redeem the debentures at any time at 135% of their par value plus accrued dividends;
- Spyker has granted warrants to GEM in respect of 20 million shares at a price per share of € 0.25 (€ 25.00 after the reverse stock split). The warrants will be exercisable at any time during a four year period after they are granted.

The two initial payments of € 500,000 each were made on in May and July, in exchange for which bonds were issued. Hereof, GEM converted € 400,000 in bonds per the end of June 2012. Including transaction costs and interest the balance amounts to € 633,000 as at 31 December 2012. Currently the share price is below the fixed conversion price of the initial tranches and therefore no new tranches are available for issue of convertible debenture.

Second half of 2012

Improving the financial picture

The first half of 2012 was dedicated mainly to stabilize the Company by financially restructuring its large debts to its shareholders into equity and making settlements with creditors. As a result the Company became almost debt free and managed to overcome the effects of the loss of its main supplier of bodies-in-white. Having reached agreement with virtually all suppliers, Spyker started to prepare the move of production of the Spyker C8 Aileron to Zeewolde. Before doing so, a few Ailerons of which the BiW's and chassis were produced, but not yet assembled, were completed in the UK on the former premises of CPP. Furthermore, Spyker started to restore its supply chain.

By executing a major cost down exercise, the operational costs were minimalized to some € 400,000 to € 500,000 per month, making the level of operational cash expenses manageable until production shall reach cash generating level.

In order to fund Spyker's operations for the next twelve months, including a restart of the production and repayment of all overdue creditors, further funding was required. Therefore the Management Board was having exploratory discussions with a number of interested investors. Also discussions with investors to fund the development of the Spyker D8 Peking-to-Paris SSUV went on.

Agreement with Zhejiang Youngman Passenger Car Group Co. Ltd.

On 27 August 2012 Spyker signed a Framework Agreement with the Chinese car manufacturer Zhejiang Youngman Passenger Car Group Co. Ltd. ('Youngman'). Based on the Framework Agreement parties on 6 December 2012 signed the definitive transaction documentation for a strategic investment in the Company by Youngman (the 'Transaction').

The Transaction entails the following:

- An investment of € 10 million by Youngman in the Company of which € 7 million as subscription for 1.4 million Class A shares in Spyker which equals 29.9% of the issued and outstanding share capital of Spyker on a fully diluted basis. The purchase price for the shares that were issued to Youngman before the reverse stock split - which took place on 2 January 2013 - was € 0.05 per share. The purchase price for the shares to be issued after the reverse stock split is adjusted to € 5.00 per share. Youngman undertakes to not exceed the 29.9% threshold and therefore has no ambition to make a mandatory offer on all outstanding shares in the Company. The Company's CEO Mr. Muller will also observe that threshold. The remaining payment of € 3 million is deemed to be provided to the Company in the form of a convertible

loan. The paperwork of this loan, which shall bear an interest of 2.5% per annum, is still to be completed. The convertible loan shall not have a maturity date and may only be discharged by conversion into shares;

- Youngman and Spyker have established a joint venture called Spyker P2P B.V. ('Spyker P2P') in which Youngman holds 75% of the shares and Spyker 25%. Youngman agreed to make a cash contribution in the amount of € 25 million whilst Spyker has made its contribution by transferring the technology it developed for the Spyker D8 Peking-to-Paris ('SSUV'). Youngman's contribution shall be paid in instalments in accordance with the development and manufacturing plan of the SSUV with the objective of launching that car by the end of 2014. Additional models on the SSUV's aluminium space frame and technology are being contemplated. Spyker P2P and the Company agreed to license all the (manufacturing) technologies owned or licensed by each of them to each other free of charge;
- Youngman and Spyker have jointly incorporated a second joint venture called Spyker Phoenix B.V. ('Spyker Phoenix') in which Youngman holds 80% of the shares whilst Spyker holds 20%. Youngman will contribute the rights to the Phoenix platform - as developed by Saab Automobile in 2010 / 2011 to which Youngman acquired a license in 2011 - as well as provide all required funding. Spyker Phoenix shall develop and manufacture a new full range of premium car models based on the Phoenix platform which models will be positioned higher than the comparable Saab models were. Spyker Phoenix products may be manufactured in Europe and China as the case may be. Youngman and the Company agree to license all the (manufacturing) technologies owned by each of them to Spyker Phoenix for its use free of charge;
- Spyker transferred all of its trademarks to a joint venture called Spyker Trademark Company B.V. ('Spyker Trademark'), in which Youngman holds 75% of the shares whilst Spyker holds 25% of the shares. Spyker Trademark granted a licence to Spyker, Spyker P2P and Spyker Phoenix for the use of the Spyker trademark;
- Youngman has the right to nominate one-third of Spyker's Supervisory Board and one-third of Spyker's Management Board. On 21 December 2012 the proposal to appoint Mr. Qingnian Pang as member of the Supervisory Board of Spyker was approved by the Extraordinary General Meeting of Shareholders. The Youngman nominee for the management board will be nominated for appointment in Spyker's annual shareholder's meeting in 2013.
- Tenaci Capital B.V. ('Tenaci') has the right to nominate one person for appointment to the Management Board and one person for appointment to the Supervisory Board and it is entitled to nominate the chairperson of the Supervisory Board and the chairperson of the Management Board. On 21 December 2012 Mr. Dikken was appointed as member of the Company's Management Board. Mr. Muller and

Mr. Button will remain the chairman of the Company's Management Board and the Supervisory Board respectively.

Signing the transaction documentation is a milestone for Spyker. By doing so Spyker forged a strong partnership with Youngman which will allow Spyker to expand its product range with the long awaited SSUV and possibly additional models on the basis of that platform. Moreover Spyker secured a 20% stake in the development of all Phoenix based vehicles, which development will be funded by Youngman in the coming years. All in all, being virtually debt free, refinanced and with an exciting product range in the making, this strong partnership with Youngman allows Spyker to enter a new chapter in its history.

As at 31 December 2012, Spyker has received € 2.3 million in exchange for 46 million shares and € 1.1 million as loans. The funding via equity and loans which was received during 2012 was still conditional at year end and accordingly recognised as a short term liability.

Lawsuit against General Motors Company

On 6 August 2012, Spyker filed a three billion dollar lawsuit against General Motors Company ('GM') in the United States District Court of the Eastern District of Michigan, United States (the 'Court'). Spyker filed the complaint in its own right and on behalf of its 100% subsidiary Saab Automobile AB.

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

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

On 28 September 2012, GM filed a Motion to Dismiss in response to Spyker's complaint.

GM argued, among others, that under Swedish law, which according to GM should apply, there is no cause for action for a 'purely financial loss due to tortious interference, absent an allegation of criminal conduct.' GM moreover states that the complaint should also fail in case New York law or Michigan law would apply. As to the substance of the argument, GM argues

that, under the Vehicle Supply Agreement ('VSA') and the Automotive Technology License Agreement ('ATLA'), GM had a contractual right to terminate the VSA and ATLA in case of a change of control in Saab. According to GM, Youngman would have controlled more than 20% of Saab after its investment, which to GM's opinion would have caused a 'change of control'.

Spyker has opposed the Motion to Dismiss filed by GM.

In its opposition filed on 9 November 2012 Spyker substantiated its argument that the carefully crafted framework agreement would - contrary to GM's knowingly false media statements at the time - neither have triggered a change of control of Saab Automobile (therefore not requiring GM's consent) nor would have caused a transfer of GM proprietary automotive technology (the 'Opposition').

On the contrary, the framework agreement would have provided Saab Automobile with a necessary, immediate infusion of cash, which would have permitted it to successfully reorganize without Youngman taking any stake in Saab Automobile. Moreover GM's technology was completely firewalled and Youngman would have had no access thereto in any way.

In the Opposition Spyker further substantiated that a long course of dealings made clear that GM under no circumstances would accept a competitor in the Chinese market.

In the beginning of December 2012 the Court has issued a notice to GM, Spyker and Saab Automobile to appear for oral argument on GM's Motion to Dismiss. The hearing was scheduled for 19 February 2013 but has been postponed (three times), until 10 June 2013.

Management is, here-in supported by its external legal advisors, positive about the outcome of the lawsuit. Since the claim does not meet the criteria under IFRS for recognition ("virtually certain and outcome reliable estimated"), the claim has not been valued in the 2012 financial statements. At this moment Management is not able to assess the likelihood nor the amount of any positive outcome of this claim.

Product research and product development; investment policy

In March this year, Spyker unveiled its new Spyker B6 Venator Concept. The overwhelmingly positive response was captured in media headlines, such as:

- 'Spyker's B6 Venator designed to take off';
- 'Is This the Coolest Car Interior Ever?'; and
- 'Spyker's Back in the Hunt'.

The Spyker B6 Venator is a 2-door compact sports car that will offer discerning drivers a unique alternative in the high luxury sports sector – one that delivers a rare combination of heritage, design, performance and exclusivity. Aside from Spyker's GT endurance racers, the Spyker B6 Venator is the first Spyker to feature an all carbon fibre body atop a light weight

aluminium chassis. The Venator will be powered by a V6 mid-engine boasting at least 375 bhp. Production is scheduled in the first half of 2014, with initial distribution rolling out first in Europe, the Middle East, Asia Pacific and India – and then to the US in the second half of 2014.

With the Spyker B6 Venator Concept, the Company once again proves its Latin axiom: 'Nulla tenaci invia est via' – 'For the tenacious no road is impassable'.

In March 2009 Spyker successfully introduced a pre-production version of the Spyker C8 Aileron at the Salon International de l'Automobile in Geneva, Switzerland.

Selling highly exclusive Spyker sports cars worldwide requires engineering capabilities to design, develop and certify the cars before their launch into the market. Spyker's objective always has been and still is to develop a product in line with customer expectations, to create an efficient production process and to meet the highest quality standards. Spyker's investment policy in 2013 shall primarily be focused on the production of the Spyker C8 Aileron and the implementation of further technological improvements (including modification to various international standards). Spyker's Management Board moreover is in discussions with Youngman about the production of the SSUV Spyker D8 Peking-to-Paris, the development of which has been progressing at a slow pace because of the focus on Saab and the intended but later aborted sale of the Spyker sports car business.

Production and suppliers

It has been decided in early 2012 to build Spyker cars at Spyker's works facility in Zeewolde, The Netherlands, again. The first Spyker C8 Aileron manufactured in Zeewolde was supplied to a customer in the first week of April 2012.

Spyker deals with a wide variety of suppliers, all first-class and ranging from mainstream to strategic. As from 2012 all part sourcing is handled by Spyker Automobielen B.V. ('Spyker Automobielen') again and supplies will be directly assembled at the plant of Spyker in Zeewolde, The Netherlands. Upon completion of final assembly, Spyker Automobielen will distribute all customer vehicles worldwide.

Spyker's distribution, dealer network and sales development

Spyker sells and transports cars to its dealers from its factory in Zeewolde. Final Spyker-products mainly find their way to the customer through multi-brand retail outlets with a customer base similar to or overlapping the Spyker target client group, e.g. Rolls Royce, Bentley, Ferrari, Lamborghini and Aston Martin dealers.

As was 2011, the year 2012 was a tough year for Spyker. Spyker sold only four cars, of which two new Spykers C8 Aileron.

The difficult circumstances at Spyker also had an impact on the recruitment of new dealers. No new dealers were appointed in 2012. Talks with some prospective dealers are ongoing.

Branding and marketing

Since its founding in 2000, Spyker focussed on the five main values of the Spyker brand and will continue to do so: heritage, design, craftsmanship, performance and exclusivity. These brand values play an important role at the resurgence of the Spyker brand (the most important aspect of Spyker's short term strategy) and do not only apply to the manufacturing of products, but also to the way the cars are presented to the market through high profile events and the selection of premium dealers.

Spyker cars are marketed via face-to-face presentations at high profile events, including selected motor shows and concourses d'elegance. As in the years before, Spyker organized several ride & drive events with the Spyker C8 Spyder and Spyker C8 Aileron. This way, Spyker's dealers and potential customers were able to experience the second generation Spyker.

Merchandise and market supporting activities

All merchandise and market supporting activities fall under Spyker Events & Branding B.V. ('Spyker Events & Branding'), a 100% subsidiary of Spyker. In 2012 Spyker Events & Branding continued to organize factory visits and, if the visiting group so desired, a racing experience at the oval circuit of Lelystad, The Netherlands.

In general, the merchandise market segment remains an opportunity for the Company and Spyker Events & Branding intends to redevelop this business again through extending further licenses.

Human resources

The relocation of Spyker's production to the UK in 2009 and, later on, the intended sale of the entire Spyker sports car business, caused an enormous decrease in the number of full time equivalent (fte's) employees employed by Spyker (together with Spyker Automobielen, Spyker Events & Branding and Spyker Squadron) in 2010 and 2011. However, due to the removal of the assembly of the C8 Aileron from the UK back to Zeewolde, The Netherlands

the number of fte's increased slightly again. Personnel at the end of 2012 was 43 (36 at the end of 2011).

On 8 August 2012 Mr. John Walton (1953) was appointed Chief Commercial Officer and Managing Director for Spyker of the Americas. Before Mr. Walton was Vice President of Aston Martin North America and General Manager of Aston Martin Lagonda. He started his career with Ford Motor Company in 1980 and held senior positions with the Unipart Group an latterly with component manufacturer Rossion in Florida but it was with Aston Martin where John Walton played an instrumental role in the rebirth of Aston Martin and the launch of the Aston Martin DB7.

Male / female ratio

A new rule introduced into the Dutch Act on Management and Supervision pertains to the 'balanced distribution' of men and women on management boards and supervisory boards. Companies like Spyker must seek to have at least 30% of seats on their management boards and supervisory boards occupied by women and at least 30% by men to the extent that those seats are occupied by natural persons.

At year-end the seats at Spyker are not distributed in a balanced way. All of Spyker's Management Board members and Supervisory Board members are men. Nevertheless the Company is of the opinion that diversity and gender are important drivers in the selection process. With reference thereto, the Company will retain an open attitude as regards selecting female candidates for its Supervisory Board and Management Board.

Legal proceedings and other legal matters

The settlement which Spyker reached in 2011 with Orange India Holdings S.a.r.l. ('OIH') for the full and final settlement of several potential claims relates to the sale of the Formula One team by Spyker and by its subsidiary Spyker Events & Branding to OIH in 2007. The settlement excludes an indemnity given by Spyker to OIH for an alleged claim of the former manager of the Spyker Formula One team in the amount of € 1.2 million. The claim is disputed by OIHwith the support of Spyker. The dispute reaches its final phase. The trial, during which witnesses shall be heard by the High Court of Justice in London, United Kingdom, is expected to be held in October 2013.

End 2011, Spyker received a claim from the Dutch Tax authorities for wage and VAT taxes of the years 2005-2009, which the authorities assessed at an amount of nearly € 3 million. Spyker has submitted evidence contesting various elements and managed to settle the claim for € 800,000 in 2012 in full.

Environmental and social aspects

Spyker is conscious of the fact that every company has a duty to respect the environment. This means that every company within its reasonable power must keep the environmental impact of its manufacturing activities to a minimum.

Spyker therefore supports the worldwide aim of further reducing CO2 emissions in the future. Within the current environmental conditions and economical climate it is essential to lower the vehicle energy consumption levels. Spyker, among others, endeavours to reduce the weight of its vehicles hence reducing consumption of fuel. Spyker investigates the possibilities for the future vehicles to implement environmentally friendly technologies. The objective within this research is to develop technology which lowers the vehicle energy consumption and carbon dioxide emissions, which is not to the detriment of Spyker's sports car performance and to the driver's experience.

Spyker complies with regional environmental legislation regarding the production process, such as separated refuse collection and a sound collection of polluting waste.

Within the Spyker premises, a heating exchanger delivers warmth to the central-heating system, which results in energy savings and less use of heating.

Spyker also acknowledges that as a company it has social responsibilities. Spyker in the past proved its social commitment by participating in a number of events and projects for sick children and young people, to give them something positive to look forward to. As announced earlier, Spyker intends to participate in similar projects in the near future again.

Recent events

The subscription agreement including accessory agreements (the 'Transaction Documentation') with the Chinese car manufacturer Zhejiang Youngman Passenger Car Group Co, Ltd ('Youngman') have been executed as follows.

All conditions as set out in the Transaction Documentation - including the necessary governmental approvals - have been satisfied or waived. Youngman has invested € 10 million in Spyker of which approximately € 7 million as subscription for 1.4 million Class A shares in Spyker as constitutes 29.9% of the issued and outstanding share capital of Spyker on a fully diluted basis. The new shares are issued at a purchase price of € 5.00 per share.

The remaining payment of approximately € 3 million has been provided to Spyker in the form of a convertible loan bearing an interest of 2.5% per annum. The convertible loan does not have a maturity date and may only be discharged by conversion into shares.

Youngman and Spyker in the meantime have established a joint venture called Spyker P2P B.V. ('Spyker P2P') in which Youngman holds 75% of the shares and Spyker 25%.

Youngman agreed to make a cash contribution in the amount of Euro 25,000,000 whilst Spyker has made its contribution by transferring the technology it developed for the Spyker D8 Pekingto-Paris ('SSUV'). Youngman's contribution shall be paid in installments in accordance with the development and manufacturing plan of the SSUV with the objective of launching that car by the end of 2014. Additional models on the SSUV's aluminum space frame and technology are being contemplated.

Youngman and Spyker also have jointly incorporated a second joint venture called Spyker Phoenix B.V. ('Spyker Phoenix') in which Youngman holds 80% of the shares whilst Spyker holds 20%. Youngman will contribute the rights to the Phoenix platform as developed by Saab Automobile AB in 2010 / 2011 to which Youngman acquired a license in 2011 as well as provide all required funding.

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

Spyker moreover transferred all of its trademarks to a joint venture called Spyker Trademark Company B.V. ('Spyker Trademark'), in which Youngman holds 75% of the shares whilst Spyker holds 25% of the shares. Spyker Trademark granted a licence to Spyker, SpykerP2P and Spyker Phoenix for the use of the Spyker trademark.

Youngman and Spyker also agreed to provide all the (manufacturing) technologies owned by each of them to Spyker Phoenix for its use free of charge. P2P and Spyker agreed to provide all the (manufacturing) technologies owned or licensed by each of them to each other free of charge.

Outlook for 2013

Spyker's strategy for the future

The Management Board believes that it can create growth by properly rebuilding and extending Spyker's current business. The Management Board also believes that Spyker can be developed into an important brand in the high-end sports car industry. This entails among other things assuring a distinct and reliable product of outstanding quality, strictly controlled distribution, continuous innovation and consistent investment in marketing and communication by reintroducing the Spyker brand at high profile (lifestyle) events, thus recreating brand recognition and credibility.

Accordingly, Spyker's strategy for 2013 will be focused on positioning the Spyker brand as a premium brand for exclusive and hand built sports cars and related products in the high-end sports car market with a high-end distribution network to match. Spyker will keep an open

eye to opportunities, including but not limited to acquisitions in the industry that may add value to the Spyker brand.

The current cost base is sufficient to cope with the envisaged sales (and thus production) for the coming years. Accordingly, no major changes in personnel or otherwise are foreseen. The Company will further continue the development of the Venator, as well as, via its JV, the P2P, the pace of which is largely determined by when the necessary funds become available.

Risk Management

The purpose of risk management is to reduce the uncertainty regarding the achievement of corporate, divisional and subsidiaries' objectives. The risk management process identifies the most significant and emerging risks and focuses management attention on the action plans to mitigate risk and maximize opportunities.

Risk management at Spyker as a stand alone company is due to the its presently small size of the organization and its minimal activities a trade off, between the realization of certain segregation of duties and economic efficiencies. Also the dependence on a few individuals entails a risk when these persons are absent or would resign.

The most significant strategic and operational risks related to the business of the Group are explained hereunder. This risk overview is not exhaustive. It should be noted that other risks may not yet be known to management, or may currently not believed to be material, but at a later date could potentially turn out to have a major impact on the Group's business.

Information on financial risks can be found in Note 30 in the consolidated financial statements.

Strategic risks

Funding

The Group's available cash position is monitored very closely by Management. To ensure that there is sufficient working capital in the coming year, Management is expected to raise additional liquidity from current shareholders and other available sources. However the Company will at all times endeavour to optimize funding from a shareholder's point of view i.e. seek to limit dilution if possible. Proactive working capital management remains the top priority for management.

Sector risks

Market factors and increasingly stringent governmental requirements policies to safety and emissions standards are the main challenges for the Spyker product development activities. The discovery of defects in vehicles or of non-compliance with safety standards may result in recall campaigns, increased warranty costs or litigation which could have a material adverse effect on Spyker sports car business, financial condition and/or results of operations.

Exposure to adverse economic conditions

Spyker operates and competes in markets that are subject to considerable volatility in demand. This volatility has a high correlation with cycles in the overall business and economic environment in general and in the automotive and high-end consumer goods sectors in particular. Since Spyker distributes its products internationally, a significant decline in the general economy or in consumer sentiment could have a material adverse effect on the Group.

Spyker relies on external suppliers

Spyker depends on various suppliers for its car components. In principle, most of the relations have now been re-established and normalized. Given the amounts which are in some cases still outstanding, management continuously works on its relationships with suppliers.

Operational risks

Spyker relies upon certain key personnel and upon its ability to find and retain skilled personnel

Spyker's success depends to a certain degree upon the efforts and abilities of its Management Board and its workforce and relies on its ability to attract, train and retain skilled personnel for the specific departments like design, engineering, manufacturing sales & marketing. Although Spyker has shown to be able to hire and retain employees even in difficult times, no assurances can be given that this will be the case in the future. The inability to attract the required skills could hamper Spyker in its efforts to develop new models and grow at the necessary speed.

Limited production capacity

Spyker's capacity to produce - within limits - cars has now been secured at Zeewolde. All facilities have been centralized in order to be run in a coordinated way. Future growth of operations depends on Spyker's success regarding sales of the model range.

U.S. Business

The U.S. is an important market for Spyker. Due to certain restrictions in the US, the US market will not be re-entered before the introduction of the modified Spyker C8 Aileron. Uncertainty as to how much and how fast sales will be made could have a negative effect on earnings and liquidity.

Pressure on dealers

Over the years, Spyker has developed a network of over 35 dealers globally. Spyker's dealer network has obviously also been suffering during the last years as a result of the situation at Spyker as well as the global recession. Mitigating factor is that many of these dealers only carry Spyker as an additional brand.

Consumer's brand awareness and confidence

A risk exists that brand awareness and consideration stays below expectations, which could affect sales negatively.

Information and IT risks

The protection of information data, business secrets and innovative development is of great importance. To safeguard against unauthorized access, damage and misuse, internal controls have recently been reassessed and where needed reinforced.

Corporate Governance

The Corporate Governance Code

In this report, Spyker addresses its overall corporate governance structure and states to what extent it applies the provisions of the revised Dutch Corporate Governance Code of December 10, 2008 applicable to the financial year 2012 (the 'Code').

Spyker endorses the principles of the Code. The Management Board and the Supervisory Board are responsible for the corporate governance structure of Spyker and compliance with the Code.

Last year, the Boards declared to be of the opinion that the principles and best practice provisions of the Code, which are addressed to the Management Board and the Supervisory Board, interpreted and implemented in line with the best practices followed by Spyker, are being applied.

As explained earlier, the members of the Supervisory Board resigned per 18 January 2012. This resignation and the fact that the Supervisory Board between 17 April 2012 and 21 December 2012 effectively consisted of only one member, had a major impact on the

supervising duties of the Supervisory Board and hence also on Corporate Governance. In 2012 the former permanent Supervisory Board Committees (the Audit Committee, the Remuneration & Nomination Committee and the Strategy Committee) ceased to exist after 18 January 2012. It is the firm intention of the Supervisory Board to expand to at least four members again. As long as the Supervisory Board shall consist of no more than four members, committee tasks shall be executed by the full Board.

The year 2012 was a year in which Spyker focussed on its survival and resurgence. The Corporate Governance principles and best practices were as a result less actively applied due to the fact that the revitalisation of Spyker and quest for financing required all management attention and was also the most prominent point on the agenda of the Supervisory Board. Moreover the Supervisory Board was not at full strength.

A mitigating factor, also with regard to the compliance to the Dutch Corporate Governance code, is the fact that the (operational) activities of Spyker, as detailed in the Annual Accounts, have been minimal during 2012 and that the control over expenditures has been very stringent given the tightness of the financial resources.

Website Spyker

The following items are posted on Spyker's website (www.spykercars.com under the heading 'Company'/ 'Investors'):

(i) By-laws for the Management Board (2013)

(ii) Main elements of the contract with the Management Board (2012)

(iii) By-laws for the Supervisory Board (2013)

(iv) Rules on transactions in securities in other listed companies (2008)

(v) Remuneration report (2011)

(vi) Member and biography Supervisory Board (2012)

(vii) Insider Trading Code (2010)

(viii) Whistleblower policy (2008)

(ix) Code of Conduct (2006).

Compliance with the Dutch Corporate Governance Code

Spyker complies with the Dutch Corporate Governance Code and applies all its principles and best practice provisions that are addressed to the Board of Management and the Supervisory Board. The full text of the Dutch Corporate Governance Code can be found at the website of

the Monitoring Commission Corporate Governance Code (www.commissiecorporategovernance.nl).

On the basis of the above and in accordance with the best practices of the Dutch Corporate Governance Code of 10 December 2008 and Article 5:25c of the Financial Market Supervision Act the Management Board confirms that internal controls over financial reporting provide a reasonable level of assurance that the financial reporting does not contain any material inaccuracies and confirm that material controls functioned properly in the year under review and that there are no indications that they will not continue to do so. The financial statements fairly represent the Company's financial condition and the results of the Company's operations and provide the required disclosures.

It should be noted that the above does not imply that these systems and procedures provide absolute assurance as to the realization of operational and strategic business objectives, or that they can prevent all misstatements, inaccuracies, errors, fraud and non-compliances with legislation, rules and regulations.

In view of the above, the Management Board confirms that, to the best of its knowledge, the financial statements give a true and fair view of the assets, liabilities, financial position and loss of the Company and the annual report includes a fair review of the position at the balance sheet date and the development and performance of the business during the financial year together with a description of the principle risks and uncertainties that the Company faces.

Zeewolde, 29 April 2013

Victor R. Muller
Chief Executive Officer

Arjen Dikken
Chief Financial Officer

Spyker N.V.

Consolidated Financial Statements

31 December 2012

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Consolidated income statement

For the year ended 31 December 2012

	Note	2012 €('000)		2011 €('000)
Revenues	7	713		2.006
Changes in inventories of finished goods and work in progress		12		0
Work performed by the entity and capitalized		0		0
Raw materials and consumables		-491		-5.392
Employee benefits	8	-3.677		-3.508
Amortization and depreciation	9	-176		-414
Impairment charges	10	-1905		-2.694
Other operating income	11	2.247		427
Other operating expenses	11	-2.838		-4.195
Operating result		**-6.115**		**-13.770**
Gains from settlements of financial liabilities	22	123.558		0
Financial income	12	236		213
Financial expenses	12	-3.101		-23.788
Share of result of associates		-175		-167
Result before taxation		**114.403**		**-37.512**
Taxation	13	0		-1
Result from continued operations		**114.403**		**-37.513**
Result after tax from discontinued operations		0		53.672
Result for the year		**114.403**		**16.159**
Result:				
- for the year per weighted average number of shares	€	0,48	€	0,61
- for the year per weighted average number of shares diluted	€	0,48	€	0,61
Result from continued operations:				
- for the year per weighted average number of shares	€	0,48	€	-1,41
- for the year per weighted average number of shares diluted	€	0,48	€	-1,41
Result (after reverse stock split):				
- for the year per weighted average number of shares	€	47,83	€	61,00
- for the year per weighted average number of shares diluted	€	47,76	€	61,00
Result from continued operations (after reverse stock split):				
- for the year per weighted average number of shares	€	47,83	€	-141,00
- for the year per weighted average number of shares diluted	€	47,76	€	-141,00

Consolidated statement of comprehensive income

For the year ended 31 December 2012

	2012 €('000)	2011 €('000)
Result for the period	**114.403**	**16.159**
Other comprehensive income:		
Exchange rate differences on translating of foreign operations	0	2.876
Income tax effect	0	0
	0	2.876
Total comprehensive income for the period	**114.403**	**19.035**
Attributable to:		
Owners of the parent	114.403	19.035
Non-controlling interest	0	0
Total comprehensive income for the period	**114.403**	**19.035**

Note: other comprehensive income in 2011 almost fully relates to the discontinued operations.

Consolidated statement of financial position

As at 31 December 2012

(Before appropriation of result for the year)

Assets	Note	2012	2011
		€('000)	€('000)
Property, plant and equipment	16	913	2.255
Intangible assets	17	8.272	8.966
Investments in associates and joint ventures	5	8	165
Non-current assets		**9.193**	**11.386**
Inventories	18	3.795	3.704
Trade and other receivables	19	771	439
Cash and cash equivalents	20	205	256
Current assets		**4.771**	**4.399**
Total assets		**13.964**	**15.785**

Equity and liabilities	Note	2012	2011
		€('000)	€('000)
Issued capital	21	14.954	1.440
Share premium	21	198.657	172.897
Reserves	21	-327.875	-341.737
Unappropriated net result		114.403	16.159
Total equity attributable to owners of the parent		**139**	**-151.241**
Interest bearing borrowings	22	979	1.106
Provisions	24	5	28
Non-current provisions and liabilities		**984**	**1.134**
Interest bearing borrowings	22	6.371	138.683
Provisions	24	33	53
Trade and other payables	25	6.437	27.156
Current provisions and liabilities		**12.841**	**165.892**
Total equity and liabilities		**13.964**	**15.785**

Consolidated statement of changes in equity

For the year ended 31 December 2012

	Attributed to owners of the parent					
	Issued capital	Share premium	Translation reserve	Other reserves	Un-appropriated net result	Total
	€('000)	€('000)	€('000)	€('000)	€('000)	€('000)
Balance at 1 January 2012	**1.440**	**172.897**	**156**	**-341.893**	**16.159**	**-151.241**
Result for the period ended 31 December 2012	0	0	0	0	114.403	114.403
Other comprehensive income	0	0	0	0	0	0
Total comprehensive income	**0**	**0**	**0**	**0**	**114.403**	**114.403**
Allocation of net result prior year	0	0	0	16.159	-16.159	0
Proceeds from new share issues	13.514	25.760	3	0	0	39.277
Reclassification to current liabilities	0	0	0	-2.300	0	-2.300
	13.514	**25.760**	**3**	**13.859**	**-16.159**	**36.977**
Balance at 31 December 2012	**14.954**	**198.657**	**159**	**-328.034**	**114.403**	**139**

Note: the proceeds from new share issues include a total non-cash amount of € 34.6 million consisting of a share issue to Tenaci Capital, Epcote and other creditors by means of debt settlement and GEM debenture loan conversion (see Note 22).
The Company issued 46 million shares to Youngman in exchange for € 2.3 million, which were still conditional as at the 2012 year-end (see Note 21). The amounts are included in current liabilities.
As per 1 January 2013 after the reverse stock split, the authorized share capital of the Company amounts to a sum of € 6,500,000, divided into 3,252,760 ordinary shares and 1,747,240 shares class A, with a nominal value of € 1.30 each. The decrease in share capital will be credited to share premium without effecting the amount of total equity.

For the year ended 31 December 2011

	Attributed to owners of the parent					
	Issued capital	Share premium	Translation reserve	Other reserves	Un-appropriated net result	Total
	€('000)	€('000)	€('000)	€('000)	€('000)	€('000)
Balance at 1 January 2011	**700**	**137.405**	**-2.720**	**-123.610**	**-218.283**	**-206.508**
Result for the period ended 31 December 2011	0	0	0	0	16.159	16.159
Other comprehensive income	0	0	2.876	0	0	2.876
Total comprehensive income	**0**	**0**	**2.876**	**0**	**16.159**	**19.035**
Allocation of net result prior year	0	0	0	-218.283	218.283	0
Proceeds from new share issues *	740	35.492	0	0	0	36.232
	740	**35.492**	**0**	**-218.283**	**218.283**	**36.232**
Balance at 31 December 2011	**1.440**	**172.897**	**156**	**-341.893**	**16.159**	**-151.241**

Note: the proceeds from new share issues include a total non-cash amount of € 12.9 million consisting of a share issue to Tenaci Capital for an amount of € 9.5 million by means of converting a convertible loan into equity and a share issue of € 3.4 million to Dorwing by means of a current account settlement.

Consolidated statement of cash flows

For the year ended 31 December 2012

(under the indirect method)

	2012	2011
	€('000)	€('000)
Cash flows from operating activities		
Result for the year	114.403	16.159
Adjustments for:		
Depreciation	82	46.470
Amortization of intangible assets	94	11.931
Impairment charges	1.905	11.220
Net financing costs	2.865	75.170
Gain on sale of property, plant and equipment	0	-4.207
Gain from financial restructuring	-123.558	0
Gain on discontinued operations upon loss of control	0	-390.759
Change in provisions, employee benefit liabilities and deferred tax liabilities	-23	-24.387
Other	165	-2.261
Movements in working capital:		
Change in inventories	-91	64.915
Change in current assets	-352	27.248
Change in current liabilities	-2.433	62.877
Change in reserved cash	0	23.354
Cash generated from operations	**-6.943**	**-82.270**
Interest paid	-61	-15.049
Interest received	177	1.385
Income tax paid	0	-351
Net cash from operating activities	**-6.827**	**-96.285**
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	0	0
Acquisition of property, plant and equipment	-45	-11.045
Net cash position of subsidiaries at loss of control	0	-13.991
Proceeds from sale of property, plant and equipment	0	9.713
Acquisition of other investments	0	1.724
Acquisition of other associates	-8	0
Development expenditure	0	-77.403
Net cash used in investing activities	**-53**	**-91.002**
Cash flows from financing activities		
Proceeds from issue of share capital	2.380	23.314
Proceeds from borrowings	4.450	93.270
Repayment of borrowings	0	-150
Net cash from (used in) financing activities	**6.829**	**116.434**
Net increase in cash and cash equivalents	**-51**	**-70.853**
Cash and cash equivalents at 1 January	256	70.057
Effect of exchange rate fluctuations	0	1.052
Cash and cash equivalents at 31 December	**205**	**256**
For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise of the following at 31 December:		
Cash at banks and on hand	205	256
Bank overdraft	0	0
Cash and cash equivalents	**205**	**256**

Notes to the consolidated financial statements

1. Corporate information

Spyker N.V. ("Spyker" or the "Company") is a public limited liability company incorporated under the laws of The Netherlands with its statutory seat in Zeewolde, The Netherlands. From 27 May 2004 until 15 June 2011 it has been listed at the NYSE Euronext Amsterdam Stock Exchange as Spyker Cars N.V. After the acquisition of Saab Automobile AB, the name of the Company was changed from Spyker Cars N.V. into Swedish Automobile N.V. Due to the bankruptcy of Saab Automobile AB, the Company changed its name into Spyker N.V. per 18 April 2012.

The consolidated financial statements of Spyker N.V. for the year ended 31 December 2012 were approved for issue by both Supervisory Board and Management Board on 29 April 2013. The financial statements are subject to adoption by the Annual General Meeting of Shareholders on 13 June 2013. Spyker is a public limited company incorporated and domiciled in The Netherlands whose shares are publicly traded at the NYSE Euronext Amsterdam since 27 May 2004. The registered office is located at Edisonweg 2 in Zeewolde. As of September 2011 Spyker is placed under special scrutiny of the NYSE Euronext Amsterdam ("strafbankje").

The consolidated financial statements of Spyker as at and for the year ended 31 December 2012 comprise the Company and its subsidiaries (together referred to as the "Group").

On 19 December 2011 Spyker N.V. announced that Saab Automobile AB, Saab Automobile Tools AB and Saab Powertrain AB filed for bankruptcy with the District Court in Vänersborg, Sweden. On 29 November 2011 Saab GB filed for administration with the High Court in London, United Kingdom. As a result Spyker lost control over these entities and their respective subsidiaries.

After these events it has been decided to continue the Spyker business via a 100% subsidiary of the Company. The main activities of the Group consist of designing, engineering, manufacturing, marketing and distributing of high-end sports cars.

In accordance with Section 402, Book 2 of the Dutch Civil Code, in the income statement the result on subsidiaries after taxation is the only item shown separately.

2. Significant accounting policies

2.1 Continuity of the Group

Going concern

As explained in detail in the Director's report, the beginning of 2012 was marked by survival and revival. The financial position of the Group was significantly improved by converting the various loans into capital (see further Note 22) and also agreements were struck with most (overdue) creditors. The activities and running costs were minimized and the funding there-of initially covered by the GEM facility as well as the GEM debenture loan (until the latter facility could no longer be used due to the decreasing share price).

The agreement with Youngman (see further Note 21) led to a (conditional) cash-in of € 3.4 million in 2012 and € 6.6 million in 2013, which was utilized to cover the Group's running costs in that period and to pay of (most of) the overdue creditors.

Going forward, the Group needs additional cash to cover its running costs for the coming year and to fully restart the production (including pre-financing of the required working capital). Most of the overdue creditors have as yet been paid, however, a few claims and exposures still remain which may lead to an additional cash out (or, in the case of GM, to a potential cash-in; see Note 26).

These cash requirements have not been contractually secured, but management is given the overall intentions of Youngman with Spyker, confident that this funding will also be obtained from this investor (and approved by the Chinese authorities) and has therefor applied the accounting principles in these financial statements based on the assumption that the Group will be able to continue as a going concern.

In case management is not successful in obtaining the additional funding from Youngman, the Group's ability to continue as a going concern will become highly uncertain.

The availability of sufficient funding is also a significant assumption in the impairment testing.

2.2 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU).

The consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand (€ '000), except when otherwise indicated.

2.3 Basis of consolidation

Basis of consolidation

The consolidated financial statements comprise the financial statements of Spyker N.V. and its subsidiaries as at 31 December 2012.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences, recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.4 Summary of significant accounting policies

General and impact discontinued Saab activities (2011 comparatives)

The below-mentioned accounting policies reflect the general policies of the Group, as applied during recent years (i.e. when the Saab activities were still included). It may be evident that many of these policies are, given the minimal activities of Spyker during 2012, not directly applicable for that year, but were applicable for 2011 and earlier years. Were needed additional clarification is given in the notes to the 2012 financial statements.

Due to the loss of control over the Saab activities in 2011, the Group could, as explained in further detail in the 2011 financial statements, no longer access Saab's books and certain of the required information on Saab was therefore not available or could not be provided. This primarily relates to the inclusion of the operating results from 1 October 2011 until bankruptcy and administration. If this information had been available it could have have

resulted in a reclassification between the result from operations and the result on the loss of control, both presented in the single line item "Result after tax from discontinued operations" in the 2011 income statement. In certain respects the Group has made estimates in presenting the information on Saab or has not included full movement schedules for 2011.

a. Investments in associate and joint ventures

A joint venture is a contractual arrangement whereby the Company and one or more other parties undertake an economic activity through a jointly controlled entity. Associates are entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20 percent and 50 percent of the voting rights.

The Group's investments in its associate and joint ventures, entities in which the Group has significant influence, is accounted for using the equity method.

Under the equity method, investments are initially recognised at cost. The carrying amount of an investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the investment is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The income statement reflects the share of the results of operations. Where there has been a change recognized directly in the equity of an investment, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and an investment are eliminated to the extent of the interest in the investment.

The Group's share of profit or loss of an investment is shown on the face of the income statement and represents profit or loss after tax and non-controlling interests in the subsidiaries of the investment.

The financial statements of the investments are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investments. At each reporting date, the Group determines whether there is objective evidence that an investment is impaired. If this is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of an investment and its carrying value, and recognizes the loss as 'Share of losses of an associate or joint ventures' in the income statement.

Upon loss of significant influence over an investment, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of an investment upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

b. Foreign currencies

The Group's consolidated financial statements are presented in euros, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and has elected to recycle the gain or loss that arises from using this method.

Foreign exchange gains and losses resulting from changes in exchange rates between the dates of recognition and payment of receivables and liabilities denominated in foreign currencies are presented as Other operating expense or Other operating income. Foreign exchange gains and losses from measurement of assets and liabilities at the closing rate are presented as part of Financial income or Financial expenses.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognized in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit and loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss is also recognized in other comprehensive income or profit or loss, respectively)

ii) Group companies

On consolidation the assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation for consolidation are recognized in other comprehensive income. On disposal or liquidation of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in profit and loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

c. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

Sale of cars

Revenue from the sale of cars is recognized when the significant risks and rewards of ownership of the cars have passed to the buyer, usually on delivery of the cars: this corresponds generally to the date when the vehicles are made available to non-group dealers, or the delivery date in the case of direct sales.

New vehicle sales with a buy-back commitment are not recognized at the time of delivery but are accounted for as operating leases when the significant risk and rewards have not been transferred. This is the case when it is probable that the vehicle will be bought back. More specifically, vehicles sold with a buy-back commitment are accounted for as assets in Inventory (agreements with normally a short-term buy back commitment). The difference between the carrying value (corresponding to the manufacturing cost) and the estimated resale value (net of refurbishing costs) over the buy-back period is depreciated at the end of the buy-back period. The initial sale price received is recognized as an advance payment (liability). The difference between the initial sale price and the buy-back price is recognized as rental revenue on a straight-line basis over the term of the operating lease.

Rendering of services
Revenue from services is recognized by reference to the stage of completion. Stage of completion is measured by reference to labor hours incurred to date as a percentage of total estimated labor hours for each contract. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered.

Interest income
For all financial instruments measured at amortized cost and interest bearing financial assets classified as available for sale, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

Dividends
Revenue is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

d. Government grants
Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives non-monetary grants, the assets and the grant are recorded gross at nominal amounts and released to profit and loss over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant.

e. Taxes

Current income tax
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement. Management periodically evaluates positions taken in the tax

returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequenty if new information about facts and circumstances change. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax, except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- When receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

f. Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups are classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

A discontinued operation is a component of the activities of the Group that represent a separate significant line of business or separate significant geographical area of operation, or is a subsidiary that has been acquired with the sole intention of reselling it. An operation is classified as discontinued when it is sold or, if it has not yet been sold, when the operation meets the criteria for classification as held for sale. The results of discontinued operations are presented as a single amount in the income statement both for the current and prior period as "Result from discontinued operations".

In the statement of comprehensive income, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

g. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the income statement as incurred. The present value of the expected costs for the decommissioning of an asset after its use is included in the cost of the representive asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- Land and buildings 25 years
- Plant and machinery 3 to 10 years
- Equipment 3 to 5 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively, if appropriate.

h. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date. The arrangement is assessed for whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the

arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the income statement.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an operating expense in the income statement on a straight-line basis over the lease term.

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

j. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are

treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives (Trademarks) are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Minor changes to the existing model (facelifts) are also expensed. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of (financial) resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumumulated amortisation and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit on a unit of production basis for Spyker Automotive. Amortization is recorded in product development expenses. During the period of development, the asset is tested for impairment annually.

A summary of the policies applied to the Group's intangible assets is as follows:

	Development costs	Trademarks
Useful lives	Finite	Indefinite
Amortization method used	Amortized on the basis of unit of production	No amortization
Internally generated and/or acquired	Internally generated/acquired	Internally generated

k. Financial instruments – initial recognition and subsequent measurement

i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables, quoted and unquoted financial instruments and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the income statement. The losses arising from impairment are recognized in the income statement in finance costs for loans and in costs of sales or other operating expenses for receivables.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has

transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

ii) Impairment of financial assets

The Group assesses at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost

For financial assets carried at amortized cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in profit and loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the income statement.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the income statement, the impairment loss is reversed through the income statement.

iii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging

instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, financial guarantee contracts, other liabilities, and interest bearing and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

Gains or losses on liabilities held for trading are recognized in the income statement.

Financial liabilities designated upon initial recognition at fair value through profit and loss so designated at the initial date of recognition, and only if criteria of IAS 39 are satisfied. The Group has not designated any financial liabilities as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method (EIR) amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the income statement.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the

present obligation at the reporting date and the amount recognized less cumulative amortization.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

Extinguishing financial liabilities with equity instruments
When equity instruments issued to a creditor to extinguish all or part of a financial liability are recognised initially, the Company measures them at fair value.

The difference between the carrying amount of the financial liability extinguished, and the consideration paid (including the fair value of the equity instruments issued), is recognised in profit or loss, in accordance with paragraph 41 of IAS 39.

iv) Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

v) Fair value of financial instruments
The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 22.

l. Inventories
Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials:

- Purchase cost on a first in, first out basis

Finished goods and work in progress:

- Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

m. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the income statement in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or

have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

n. Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

o. Provisions

General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, there imbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Warranty provisions

Provisions for warranty-related costs are recognized when the product is sold or service provided. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Contingent liabilities recognized in a business combination

A contingent liability recognized in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of:

- The amount that would be recognized in accordance with the requirements for provisions above or
- The amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with the guidance for revenue recognition.

p. Pensions and other post employment benefits

The Group operated up to 2012 various pension schemes. Spyker participates in a multi-employer plan and has a defined contribution plan. In discontinued operations, relating to Saab, the company had defined benefit plans.

The schemes were generally funded through payments to separately administered funds or insurance companies determined by periodic actuarial calculations. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

When the Group participates in a multi-employer plan, qualifying as a defined benefit plan, but has not sufficient information to apply the required IAS 19 accounting principles, such pension commitments are accounted for as a defined contribution plan. The Group would record an asset or liability only when there is a contractual agreement between the multi-employer plan and its participants how the surplus will be distributed to the participants or the deficit funded. For defined contribution plans the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

For defined benefit plans the cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method. If the accumulated unrecognized actuarial gains and losses exceed 10% of the greater of the defined benefit obligation or the fair value of plan assets, a portion of that net gain or loss is recognized immediately as income or expense. The portion recognized is the excess divided by the expected average remaining working lives of the participating employees. Actuarial calculations are done periodically by external advisors. Actuarial gains and losses that do not breach the 10% limits described above (the 'corridor') are not recognized.

The past service costs are recognized as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits have already vested, immediately following the introduction of, or changes to, a pension plan, past service costs are recognized immediately.

The defined benefit asset or liability comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate and government bonds. Employee benefits, less past service costs and less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value is based on

market price information and in the case of quoted securities it is the published bid price. The value of any defined benefit asset recognized is restricted to the sum of any past service costs and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

q. Share-based payment transactions

Employees (including senior executives) of the Group received remuneration in the form of share-based payment, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.5 Changes in accounting policy and disclosures

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year. The following amendments to IFRS effective as of 1 January 2012 had no impact to the Group:

- IAS 12 Income Taxes (Amendment) - Deferred Taxes: Recovery of Underlying Assets
- IFRS 1 First-Time Adoption of International Financial Reporting Standards (Amendment) – Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters
- IFRS 7 Financial Instruments: Disclosures (Amendments) - Enhanced Derecognition Disclosure Requirements

Voluntary changes in accounting policies

The Company changed the presentation of the consolidated income statement from a presentation by function of expense to nature of expense. The consolidated income statement by nature of expense had already been presented in the 2011 financial statement as additional information.

Additionally, in 2011 Other income included sales of spare parts and income from merchandise and events. Since these items of income result from the ordinary operating activities of the Company they have been presented as part of revenue in 2012. Comparative figures have been adjusted accordingly.

3. Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Management discussed the development, selection and disclosure of the Group's critical accounting judgements, estimates and assumptions as described below:

Most relevant judgements, estimates and assumptions for the year ended 31 December 2012

Going concern assessment

Management has assessed whether due to the uncertainties in attracting the necessary additional funding, the going concern assumption is still appropriate. For further information we refer to note 2.1.

Impairment of intangible assets and property, plant and equipment

The Group reviews assets for impairment annually. Assets subject to this review include intangible assets and property, plant and equipment totaling € 9 million at the 2012 balance sheet date (2011: € 11 million). In determining impairments, management makes significant judgments and estimates to determine if the recoverable amount, based on the higher of the future cash flows expected to be generated by those assets and the fair value less costs to sell at which the assets could be sold, is less than their carrying value. Determining cash flows requires the use of judgments and estimates that have been included in the Group's business and strategic plans and long-range planning forecasts. The data necessary for the execution of the impairment tests are based on management's best estimates of future cash flows, which require estimating revenue growth rates and profit margins. Additionally an assessment needs to be made for the discount rate to be applied in these discounted cash flow calculations. Management bases itself in its forecasts as much as possible on external evidence, like industry specific study reports, opinions from external industry experts and strategic consultants. However, due to the unique activities of the Group and the niche market in which it operates and the current specific circumstances of the Group, significant management judgment is still necessary. Similar estimates are necessary to estimate the fair value less cost to sell. The availability of sufficient funding is also a significant assumption in the impairment testing. In Note 17 the impairment tests performed and the assumptions used have been described in more detail.

Since the budget and projections relate to the future, actual results are likely to be different from the projected results because events and circumstances frequently do not occur as expected, and the differences may be material.

Development costs

Development costs are capitalized in accordance with the accounting policy in Note 2.4 Summary of significant accounting policies. Initial capitalization of costs is based on management's judgment that technological and economical feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

At 31 December 2012, the carrying amount of capitalized development costs was € 8.1 million (2011: € 8.8 million). During 2011 and 2012, no additional development costs were capitalized in respect of the Spyker Automotive business as these did not meet the capitalization criteria, most notably the requirement that sufficient funding is in place. Further information is provided in Note 17.

Deferred tax assets

The Group has significant tax loss carry forwards available, for which management has to assess to what extent it is probable that they will be realized. Although management believes that the Group has a viable future, it feels it only to be appropriate to recognize the deferred tax asset again once the expected developments have been sufficiently realized.

Product warranties

The Group makes provisions for estimated expenses related to product warranties at the time products are sold. Management establishes these estimates based on historical information on the nature, frequency and average cost of warranty claims.

Lawsuit against General Motors Company

The Group filed a lawsuit against General Motors Company in the United States District Court of the Eastern District of Michigan, United States.

The lawsuit seeks redress for the unlawful actions GM took to avoid competition with Saab Automobile in the Chinese market. The monetary value of the claim amounts to $ 3 billion.

Management is, here-in supported by its external legal advisors, positive about the outcome of the lawsuit. Since the claim does not meet the criteria under IFRS for recognition ("virtually certain and outcome reliable estimated"), the claim has not been valued in the 2012 financial statements. At this moment management is not able to assess the likelihood nor the amount of any positive outcome of this claim. Further information is provided in Note 26.

4. Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below, if adoption is expected to impact the Group's financial statements. The Group intends to adopt these standards, if applicable, when they become effective.

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has there no impact on the Group's financial position or performance. The amendment becomes

effective for annual periods beginning on or after 1 July 2012, and will therefore be applied in the Group's first annual report after becoming effective.

IAS 19 Employee Benefits (Amendment)

The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of excepted returns on plan assets to simple clarifications and re-wording. The amendment becomes effective for annual periods beginning on or after 1 January 2013. The Group expects that amendments to IAS 19 only impact the disclosures relating to the multi-employer plan.

IAS 28 Investment in Associates and Joint Ventures (as revised in 2011)

As a consequence of the new IFRS 11 Joint Arrangements, and IFRS 12 Disclosure of Interest in Other Entities, IAS 28 Investments in Associates has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The revised standard, as adopted by the European Union, becomes effective for annual periods beginning on or after 1 January 2014. Based on the preliminary analyses performed, this amendment is not expected to have a material impact on the currently held Joint Ventures of the Group.

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation Special Purpose Entities.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. Based on the preliminary analyses performed, IFRS 10 is not expected to have any impact on the currently held investments of the Group.

This standard, as adopted by the European Union, becomes effective for annual periods beginning on or after 1 January 2014.

IFRS 11 Joint Arrangements

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 jointly-controlled Entities – Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method.

This standard, as adopted by the European Union, becomes effective for annual periods beginning on or after 1 January 2014, and is to be applied retrospectively for joint arrangements held at the date of initial application. Based on the preliminary analyses

performed, IFRS 11 is not expected to have a material impact on the currently held JCEs of the Group.

IFRS 12 Disclosure of Involvement with Other Entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interest in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard, as adopted by the European Union, becomes effective for annual periods beginning on or after 1 January 2014. The Group expects that IFRS 12 only impact the disclosures relating to the entity's interest in subsidiaries, joint arrangements, associates and structured entities.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance, but based on the preliminary analyses, the only impact expected relates to the disclosures. This standard becomes effective for annual periods beginning on or after 1 January 2013.

The following standards and interpretations that are issued, but not yet effective, are expected not to impact the Group's financial statements:

Annual Improvements May 2012, effective 1 January 2013

- IFRS 9 Financial Instruments: Classification and Measurement
- IAS 32 Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32, effective 1 January 2014
- IFRS 1 Government Loans – Amendments to IFRS 1, effective 1 January 2013
- IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities – Amendments to IFRS 7, effective 1 January 2013.

5. Investments in associates and joint ventures

	2012	2011
	€('000)	€('000)
Spyker P2P B.V.	4	0
Spyker Phoenix B.V.	4	0
Spyker Beijing Automobile Sales Co.Ltd (SBAS)	0	165
	8	165

As explained further in Note 21 the Group has, as part of the transaction with Youngman, contractually agreed upon a 25% interest in Spyker P2P B.V. (Spyker P2P), a 20% interest in Spyker Phoenix B.V. (Spyker Phoenix), and a 25% in Spyker Trademark Company B.V. (Spyker Trademark). All of these companies are headquartered in Zeewolde, The Netherlands.

Spyker P2P is a Joint Venture between Spyker and Youngman, in which Youngman will make a cash contribution in the amount of € 25,000,000 and holds 75% of the shares whilst Spyker has made its contribution by transferring the technology it developed for the Spyker D8 Peking-to-Paris, and holds 25% of Spyker P2P's shares. Youngman's contribution shall be paid in installments in accordance with the development and manufacturing plan of the SSUV with the objective of launching that car by the end of 2014. Additional models on the SSUV technology are being contemplated. Spyker P2P is a private entity that is not listed on any public exchange.

Spyker Phoenix is a Joint Venture between Spyker and Youngman in which Youngman will contribute the rights to the Phoenix platform as developed by Saab Automobile AB in 2010/2011 to which Youngman acquired a license in 2011 as well as provide all required funding. Youngman holds 80% of Spyker Phoenix’ shares whilst Spyker holds 20% of Spyker Phoenix' shares which shareholding will be exempt from dilution. Spyker Phoenix shall develop and manufacture a new full range of premium car models based on the Phoenix platform which models will be positioned higher than the comparable Saab models were. Spyker Phoenix products may be manufactured in Europe and China as the case may be. Youngman and Spyker agree to provide all the (manufacturing) technologies owned by each of them to Spyker Phoenix for its use free of charge. Spyker Phoenix is a private entity that is not listed on any public exchange.

Spyker Trademark is a Joint Venture between Spyker and Youngman, in which Spyker will contribute the Spyker trademark and will hold 25% of the shares, whilst Youngman will hold 75% of Spyker Trademark’s shares. Shares are still to be transferred to Youngman, therefore Spyker Trademark is fully consolidated. Spyker Trademark is a private entity that is not listed on any public exchange.

Spyker P2P and Spyker Phoenix were just incorporated before the year-end and did accordingly not yet contain any activities or assets other than their nominal share capital of € 18,000 each.

Spyker P2P and Spyker Phoenix have awaiting the completion of the transaction with Youngman been included at their nominal share capital in Investment in associates.

In addition the Group has a 49% interest in Spyker Beijing Automobile Sales Co. Ltd (SBAS), a company headquartered in Beijing, China, that in 2011 started with introducing, exploiting

and developing Spyker products for the Chinese domestic market. SBAS is a private entity that is not listed on any public exchange. Given the (subsequent) cooperation with Youngman, activities in SBAS will no longer be pursued and SBAS will accordingly be liquidated in 2013. There were no activities in 2012 and remaining balance has been written off. It is not expected that the liquidation will lead to significant costs.

The Group's 45% interest in Tenaci Engineering Pvt. Ltd., India has been sold and the shares are in process to be transferred to the buyer.

6. Operating 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. The Group only has one operating segment, the Spyker Sports Car Business. The GT Racing used to be a separate operating segment within the Group, but was after the aquisition of Saab presented on a combined basis with the other Spyker car activities. The GT Racing activities have been halted in 2011 and will only be continued once sufficient funding is available within the Group.

Spyker Sports Car Business

The Spyker sports car operating segment comprises the design, development, production and sale of motorcars in the broadest sense and (normally also the) GT racing activities under the brand Spyker.

The activities of the Group are broken down into geographic areas based on the location of the customer.

Geographic information

Year ended 31 December 2012	NL	EMEA	USA	Asia	Total
	€('000)	€('000)	€('000)	€('000)	€('000)
External revenues	69	345	121	178	713
Non-current assets	9.193	0	0	0	9.193

Year ended 31 December 2011	NL	EMEA	USA	Asia	Total
	€('000)	€('000)	€('000)	€('000)	€('000)
External revenues	423	744	361	478	2.006
Non-current assets	11.221	0	0	165	11.386

7. Revenues

	2012	2011
	€('000)	€('000)
Sales of cars and spare parts	585	1.744
Merchandise and events	128	262
	713	2.006

8. Employee benefits

	2012	2011
	€('000)	€('000)
Wages and salaries	1.714	2.367
Social security contributions	241	387
Contributions to employee pension benefits	144	219
Management fees	927	87
Hired personnel and other personnel costs	651	448
	3.677	3.508

The remuneration of the individual members of the Management Board and the members of the Supervisory Board of Spyker is explained in Note 31. The 2012 management fees represent V.R. Muller and A. Dikken. All management fees were upto November 2011 recharged to Saab AB (and as such included in Result from Discontinued Operations).

Staff

The Group employed at average 37 full-time equivalents in 2012 for continued operations (2011: 56), primarily in The Netherlands.

9. Amortization and depreciation

	2012	2011
	€('000)	€('000)
Amortization development costs	50	50
Amortization intellectual property rights and contracts	44	44
Depreciation of property, plant and equipment	82	320
	176	414

Development costs are amortised with 25,000 euros per (new) car sold (the 2011 amortisation was included in the impairment charge).

The amortization of intellectual property rights is done in 5 years.

10. Impairment charges

	2012	2011
	€('000)	€('000)
Intangible assets	600	1.800
Property, plant and equipment	1.305	894
	1.905	2.694

11. Other operating income and expenses

Other operating income

	2012	2011
	€('000)	€('000)
Tax releases	1447	427
Release corporate guarantee GMAC	800	0
	2.247	427

Tax releases relate to the settlement with the tax authorities on VAT and Wage tax claims for the years 2005-2009.

Release corporate guarantee GMAC relates to Spyker's expectation that GMAC will not submit a claim. Further reference is made to Note 26.

Other operating expenses

	2012	2011
	€('000)	€('000)
Advisory costs	723	1.560
Insurance	546	617
Rent and housing costs	420	380
Travel expenses and costs of company cars	462	567
PR and marketing costs	207	460
Other	480	611
	2.838	4.195

12. Financial income and expenses

Financial income

	2012	2011
	€('000)	€('000)
Interest income	2	2
Foreign exchange results	234	211
	236	213

Financial expenses

	2012	2011
	€('000)	€('000)
Interest expenses	3.063	23.455
Foreign exchange results	38	333
	3.101	23.788

Interest expenses mainly relate to interest expenses on Tenaci, Epcote, Gemini and Saab GB loans. These expenses were all accrued and ultimately converted into equity or settled, as part of refinancing the Company in April 2012 (see Note 22).

In 2012 and 2011 there are no borrowing costs capitalized.

13. Deferred and current income tax

Consolidated income statement

	2012 €('000)	2011 €('000)
Current tax financial year	0	1
Adjustment in respect of current income tax prior years and other adjustments	0	0
Total current tax in the income statement	0	1
Deferred tax, current year	0	0
Relating to originating and reversal of temporary differences	0	0
Total deferred tax in the income statement	0	0
Total	0	1
Of which included in:		
Continued operations	0	1
Discontinued operations	0	0
Total	0	1

The effective tax rate in both years is given the loss positions 0%. The Group has not recognized deferred tax for tax losses available for offset against future profits. Main non-taxable items are the result on discontinued operations of € 53.7 million in 2011 and in 2012 the gain on conversion of the loans into equity, amounting to € 96.1 million. The gain on the settlement of creditors in the amount of € 27.1 million is expected to be taxable and will be set-off against prior year losses.

In principle, losses which fall under the participation exemption are not tax deductible in The Netherlands, except for (net) losses arising on liquidation (eg the liquidation of Saab Automobile AB). Gains arising on the recapitalisation are in principle not taxable at the Company's level. It should be noted that the related tax returns should still be filed with the Tax Inspector.

Deferred tax assets and liabilities

In 2012 and 2011 no deferred tax assets were recognized in respect of tax-deductible losses.

The Group has significant tax loss carry forwards available, for which management has to assess to what extent it is probable that they will be realized. Given the uncertainty of future taxable income, management decided not to recognize deferred tax assets. Although management has the opinion that the Group has a viable future, it feels it only to be appropriate to recognize the deferred tax asset again once these expected developments have been sufficiently realized.

Tax losses available for offset against future taxable profits in The Netherlands amounts to € 185.3 million (2011: € 207.1 million). Tax returns have been filed up to 2009 and final assessments made until 2008. As a consequence, the tax losses have, to a large extent, not (yet) been confirmed by the tax authorities. We further note that also uncertainty exists to what extend the non-operational losses (most notably the liquidation loss on our investment

in Saab Automobile AB and the gain on conversions of loans into equity) qualify as taxable events in The Netherlands. Also this position still needs to be confirmed with the tax inspector.

Net operating losses in The Netherlands can be carried forward for a period of nine years. This implies that the carry forward losses will expire between 2013 and 2020 depending on the year during which these losses were created. The loss carry forward per year of origin is roughly as follows (which does not yet include the liquidation loss on Saab Automobile AB):

Year	€('000)
2006	4.265
2007	28.458
2008	20.137
2009	19.769
2010	75.232
2011	37.400
	185.261

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

Tax company liability

Spyker together with its subsidiaries Spyker Automobielen B.V., Spyker Squadron B.V. and Spyker Events & Branding B.V., constitutes a single tax entity for corporate tax. With respect to the VAT purposes, Spyker together with its subsidiaries Spyker Automobielen B.V. and Spyker Squadron B.V. constitute a single tax entity. All companies within this single tax entity are jointly and severally liable for corporate tax debts and VAT debts stemming from the relevant tax entities.

14. Discontinued operations

In 2012, Spyker has not disposed or discontinued any operations. Furthermore, there are no adjustments made to amounts previously presented as discontinued operations.

In the year 2010 and 2011 Spyker took many charges and losses following the consolidation of Saab Automobile, but under IFRS rules the loss of control over Saab Automobile caused Saab's negative net equity position to be no longer consolidated by Spyker resulting in the year 2011's profit of € 16.2 million. The result from discontinued operations in 2011 (Saab Automobile AB and Saab GB) was in total € 53.7 million positive. The result from discontinued operations is as follows (based on 9 month period as described in Note 2.4):

Consolidated Income Statement 30/9/2011	Saab Automobile AB	Saab Great Britain Ltd.	Total
	€('000)	€('000)	€('000)
Revenue	405.563	75.323	480.886
Expenses	-699.888	-74.346	-774.234
Operating result	-294.325	977	-293.348
Financial income	21.033	1.908	22.941
Financial expenses	-58.836	-938	-59.774
Share of result of associates	-6.554	0	-6.554
Result before taxation from a discontinued operation	-338.682	1.947	-336.735
Taxation	-424	72	-352
Result for the period from a discontinued operation	-339.106	2.019	-337.087
Gain on discontinued operations upon loss of control	415.440	-24.681	390.759
	76.334	-22.662	53.672

The € 415.4 million gain from the loss of control over Saab Automobile results from the fact that Saab's negative net equity position is no longer consolidated by the Group.

The net cash flows for discontinued operations in 2011 incurred by Spyker are as follows:

	Total	Discontinued	Continued
	€('000)	€('000)	€('000)
Net cash flows from:			
operating activities	-96.285	-88.274	-8.011
investing activities	-91.002	-91.002	0
(used in) finacing activities	116.434	73.558	42.876
Net cash (outflow)/inflow	-70.853	-105.718	34.865

In the investing cash flow from discontinued operations the cash balance of the subsidiairies amounting to € 14.0 million as at 30 September 2011 was presented. The regular investing cash flow from discontinued operations was € 77.0 million.

In 2011 the Group obtained financing which was used to fund the operations of Saab. The funding that had been used to fund the operations of Saab amounted to € 34.6 million. The financing cash flow of continued operations amounted to € 8.3 million.

For further details regarding the impact of Saab, reference is made to the Company's 2011 financial statements.

15. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the potentially dilutive ordinary shares into ordinary shares.

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

	2012	2011
	€('000)	€('000)
Net profit attributable to ordinary equity holders of the parent for basic earnings	114.403	16.159
Interest on convertible loans	6	5.257
Net profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	114.409	21.416

	2012	2011
Weighted average number of ordinary shares for basic earnings per share	239.204.014	26.566.402
Effect dilution :		
Share options	0	24.000
Convertible loans	484.615	25.467.623
Weighted average number of ordinary shares adjusted for the effect of dilution	239.688.629	52.058.025
After reversed stock split 1 January 2013	2.396.886	520.580

In 2012 the result per weighted average number of shares diluted is determined at: € 0.48 (after reverse stock split € 47.83) and 2011: € 0.41 (after reverse stock split € 41.00). Earnings per share basic and diluted does not include the 46 million shares (after reverse stock split: 460,000) conditionally issued to Youngman refer to Note 21.

The warrants (see Note 21) outstanding as at 31 December 2012 qualify as anti dilutive and have not been included in the diluted number of shares.

Since the potentially dilutive instruments decrease the loss per share of continued operations in 2011, they qualify as anti dilutive. As a result the diluted result per share equals basic results per share in 2011.

The result from discontinued operations in 2011 (Saab Automobile and Saab Great Britain) was in total € 53.7 million positive.

Earnings per share from discontinued operations	2011
	€
Result per weighted average number of shares	2,02
Result per weighted average number of shares diluted	2,02

16. Property, plant and equipment

	2012	2011
	€('000)	€('000)
Property, plant and equipment comprises:		
Land and buildings	358	395
Plant and machinery	0	0
Equipment	555	1.860
	913	2.255

31 December 2012	Land and buildings	Plant and machinery	Equipment	Total
	€('000)	€('000)	€('000)	€('000)
At 1 January, net of accumulated depreciation	395	0	1.860	2.255
Disposals as result of discontinued operations	0	0	0	0
Additions as a result of continued operations	0	0	0	0
Additions	0	0	45	45
Depreciation charge for the year	-37	0	-45	-82
Impairment charges	0	0	-1.305	-1.305
Disposals and retirements	0	0	0	0
At 31 December, net of accumulated depreciation	358	0	555	913
At 1 January:				
Cost	1.900	0	11.142	13.042
Accumulated depreciation and impairment	-1.505	0	-9.282	-10.787
Net carrying amount	395	0	1.860	2.255
At 31 December:				
Cost	1.900	0	11.187	13.087
Accumulated depreciation and impairment	-1.542	0	-10.632	-12.174
Net carrying amount	358	0	555	913

Land and buildings relates mainly to the building in Zeewolde.

Equipment represents primarily the various tooling needed to manufacture cars. The 2012 impairment charges relate to the tooling of the short wheel base, as it was concluded that, with the new range of models, this tooling will primarily be used still for the manufacturing of spare parts.

31 December 2011	Land and buildings	Plant and machinery	Equipment	Total
	€('000)	€('000)	€('000)	€('000)
At 1 January, net of accumulated depreciation	117.500	148.154	16.710	282.364
Disposals as result of discontinued operations	-117.100	-148.154	-16.710	-281.964
Additions	95	0	3.000	3.095
Depreciation charge for the year	0	0	7	7
Impairment charges	-100	0	-220	-320
Disposals and retirements	0	0	-894	-894
Disposals as result of discontinued operations	0	0	-33	-33
Effect of movements in exchange rates	0	0	0	0
At 31 December, net of accumulated depreciation	395	0	1.860	2.255
At 1 January:				
Cost	130.736	174.176	24.618	329.530
Accumulated depreciation and impairment	-13.236	-26.022	-7.908	-47.166
Net carrying amount	117.500	148.154	16.710	282.364
At 31 December:				
Cost	1.900	0	11.142	13.042
Accumulated depreciation and impairment	-1.505	0	-9.282	-10.787
Net carrying amount	395	0	1.860	2.255

17. Intangible assets

	2012	2011
	€('000)	€('000)
Intangible assets comprises:		
Development costs	8.116	8.766
Technology	0	0
Trademarks, patents and licenses	156	200
Proprietary software	0	0
	8.272	8.966

31 December 2012	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	8.766	0	200	0	8.966
Disposal as result of discontinued operations	0	0	0	0	0
Additions as a result of continued operations	0	0	0	0	0
Additions - internally developed	0	0	0	0	0
Amortization charge for the year	-50	0	-44	0	-94
Impairment charges	-600	0	0	0	-600
Disposal	0	0	0	0	0
Effect of movements in exchange rates	0	0	0	0	0
At 31 December, net of accumulated amortization and impairment	8.116	0	156	0	8.272
At 1 January :					
Cost	58.945	0	461	0	59.406
Accumulated amortization and impairment	-50.179	0	-261	0	-50.440
Net carrying amount	8.766	0	200	0	8.966
At 31 December :					
Cost	58.945	0	461	0	59.406
Accumulated amortization and impairment	-50.829	0	-305	0	-51.134
Net carrying amount	8.116	0	156	0	8.272

Development costs relating to Spyker Sports Car Business

The developments costs at the end of 2012 in the amount of € 8.1 million (2011 € 8.8 million) mainly relate to the Aileron (C-line).

Management has performed an impairment test to determine whether any impairment or reversal thereof would need to be recognized at year-end. In determining the recoverable amount, management has assessed both the fair value less cost to sell and the value in use (pre-tax discount rate: 14 to 18%), which both confirmed that no impairment needs to be recognized (2011: € 1.8 million). It should be noted that the availability of sufficient funding is a significant assumption in the impairment test (see Note 2.1). Management carried out further sensitivity analyses which shows that the recoverable amount is sensitive to the success of the revitalization of the Spyker sports car activities, which is still in an early phase, as well as the uncertainties with regard to the Company's level and timing of additional funding. In light of these uncertainties management has also concluded that at this point there is no trigger to reverse any previously recognized impairment loss.

In addition, an impairment was recognised on the tooling for the Aileron. This tooling would be manufactured by CPP, funded via a financial lease construction with LKB (see Note 22). As

a result of the bankruptcy of CPP, the Company will need to incurr additional costs to have the remainder part of the tooling finalized.

2011 Impairment

In 2011, the impairment analysis considered the valuations performed in respect of the originally planned sale of the Spyker sports car business and the respective offers received from CPP Global Holdings Ltd. and North Street Capital. Additionally, an initial business plan had been prepared based on the restart of the production. Both in respect of determining the fair value and the value in use there was a significant estimation uncertainty.

The additional impairment recognized in the amount of € 1.8 million was mainly related to the short-wheel base model as the Group's focus going forward will be mainly on the Aileron (C-line), and the SUV (D-line) at a later stage.

31 December 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	81.256	41.358	66.498	10.260	199.372
Disposal as result of discontinued operations	-81.256	-41.358	-66.498	-10.260	-199.372
Additions as a result of continued operations	10.616	0	244	0	10.860
Additions - internally developed	0	0	0	0	0
Amortization charge for the year	-50	0	-44	0	-94
Impairment charges	-1.800	0	0	0	-1.800
Disposal	0	0	0	0	0
Effect of movements in exchange rates	0	0	0	0	0
At 31 December, net of accumulated amortization and impairment	8.766	0	200	0	8.966
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	81.256	41.358	66.498	10.260	199.372
At 31 December:					
Cost	58.945	0	461	0	59.406
Accumulated amortization and impairment	-50.179	0	-261	0	-50.440
Net carrying amount	8.766	0	200	0	8.966

18. Inventories

	2012	2011
	€('000)	€('000)
Inventories comprises:		
Raw materials	3.384	3.052
Work in progress	61	67
Finished goods (including company cars)	350	585
	3.795	3.704

The amount of write-down of inventories recognized as an expense amounts to € 0 million (2011: € 0.2 million). Inventories in the amount of approximately € 1.0 million have been pledged to the Dutch tax authorities relating to VAT and wage tax.

19. Trade receivable and other assets

	2012	2011
	€('000)	€('000)
Trade receivable and other assets comprises:		
Trade receivables	169	227
VAT receivables	99	9
Deposits	28	33
Other receivables	152	2
Prepaid material	64	46
Prepaid expenses	259	122
	771	439

Prepaid expenses relate mainly to advances made to the US lawyers in connection with the GM claim.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

The trade and other receivables contain a provision for impaired assets. The movement of this provision is as follows:

	2012	2011
	€('000)	€('000)
Provision for bad debts per 1 January	1082	3.296
Disposal as a result of discontinued operations	0	-3.296
Addition as a result of continued operations	0	78
Acquisitions through business combination	0	0
Additions	26	1005
Utilization / write-off	-1004	0
FX change	0	0
Provision for bad debts per 31 December	104	1082

As at 31 December the ageing of the trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired			
			Past due < 30 days	Past due 30-120	Past due 120-360	Past due >360 days
	€('000	€('000	€('000	€('000	€('000	€('000
2012:						
Trade receivables	169	49	10	28	43	39
of which related parties	0	0	0	0	0	0
2011:						
Trade receivables	227	186	35	6	0	0
of which related parties	94	84	10	0	0	0

For explanations on the Group's credit risk management processes, reference is made to Note 30.

20. Cash and cash equivalents

This comprises free available cash at bank of € 205 thousand (2011: € 256 thousand).

21. Issued capital and reserves

	Ordinary shares	Class A shares	Total shares
Issued shares per 1 January 2012	27.527.992	8.456.552	35.984.544
Shares issued during 2012	0	337.866.608	337.866.608
Converted from class A to ordinary shares	297.747.980	-297.747.980	0
Issued shares per 31 December 2012	325.275.972	48.575.180	373.851.152
After reverse stock split 1 January 2013	3.252.760	485.752	3.738.512

	Ordinary shares	Class A shares	Total shares
Issued shares per 1 January 2011	17.232.657	263.334	17.495.992
Shares issued during 2011	1.901.961	16.586.592	18.488.553
Converted from class A to ordinary shares	8.393.374	-8.393.374	0
Issued shares per 31 December 2011	27.527.992	8.456.552	35.984.545

Spyker issued share capital consists of ordinary shares and shares class A. The nominal value of each share in Spyker is € 0.04 (after reverse stock split € 1.30). Shares class A are registered shares and cannot be listed. Shares class A can, however, be converted into ordinary shares if the shareholder so requires by means of an application to that effect to the Management Board. In case the authorized capital does not provide for sufficient ordinary shares in order to effectuate the conversion, the filing of the notice of conversion with the commercial register will also include an amendment of the articles of association per the day of conversion, in such a manner that in the authorized capital such number of shares class A will be changed into ordinary shares as will be necessary to effectuate the conversion.

As per 31 December 2012, the authorized share capital of the Company amounts to a sum of € 20,000,000 (2011: € 1,760,000), divided into 325,275,972 (2011: 32,999,999) ordinary shares and 174,724,028 shares class A (2011: 11,000,000), with a nominal value of € 0.04 each.

As per 1 January 2013 after the reverse stock split, the authorized share capital of the Company amounts to a sum of € 6,500,000, divided into 3,252,760 ordinary shares and 1,747,240 shares class A, with a nominal value of € 1.30 each. The decrease in share capital will be credited to share premium without effecting the amount of total equity.

Per 31 December 2012, 325,275,972 ordinary shares (2011: 27,527,992) and 48,575,180 shares class A (2011: 8,456,552) were issued and paid in full.

During the year 2012, 337,866,608 shares class A were issued, 297,747,980 shares class A were converted to ordinary shares, all as described in the "Information for Shareholders" chapter of the Annual Report.

During the year 2011, 1,901,961 ordinary shares and 16,586,592 shares class A were issued, 8,393,374 shares class A were converted to ordinary shares.

On 17 April 2012 agreement has been reached between the Company and its major lenders, Tenaci Capital B.V. (Tenaci), Epcote SA (Epcote) and Gemini Investment Fund Ltd. (the latter was transferred to LAT Management N.V. prior to conversion). All three lenders have agreed to convert the outstanding amounts under these loans into shares Class A at a fixed price of € 0.50 per share. The following conversions were made (see Note 22):

- Tenaci: principal amount € 64.5 million, accrued interest € 15,7 million, number of shares Class A issued 150.4 million;
- LAT Management N.V.: principal amount € 30.0 million, accrued interest € 2.0 million, number of shares Class A issued 64.0 million;
- Epcote: principal amount € 18.2 million, accrued interest € 4.6 million, number of shares Class A issued 45.6 million.

Share premium reserve

In 2012, the new issue of 337,866,608 shares class A resulted in a share premium reserve addition of € 25.8 million.

In 2011, the new issue of 1,901,961 ordinary shares and 16,586,592 shares class A resulted in a share premium reserve addition of € 35.5 million.

Shares class A are registered shares; these shares are not to be listed. Shares class A can, however, be converted into ordinary shares if the shareholder so requires by means of an application to that effect to the Management Board.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations having a functional currency other than the Euro.

Other reserves

The other reserve comprises allocated net result of prior years and share based payments.

Dividends

The Company did not issue any dividend in 2012 and 2011.

For further details on the share capital reference is made to the Company financial statements, which are a part of this Annual Report.

GEM facility

At 16 January 2010, Spyker and Global Yield Fund Ltd ("GEM") entered into a € 150 million Equity Credit Line Facility for a term of 3 years and which expired in January 2013. According to this facility, Spyker can issue shares to GEM at 90% of the average of the closing bid prices of the shares over a period of 15 days following a draw down notice sent to GEM by

Spyker. In relation to this GEM facility, Spyker issued share warrants to GEM in respect of 1,570,000 ordinary shares at an exercise price of € 4.00 per share (after reverse stock split € 400.00). The warrants have a 5 year term. Up to 29 April 2013, GEM exercised 250,000 warrants.

Warrants

In relation to the GEM debenture notes (see Note 22), Spyker issued share warrants to GEM in respect of 20 million ordinary shares at an exercise price of € 0.25 per share (after reverse stock split € 25.00). The warrants have a 4 year term, no warrants have been exercised up to 29 April 2013.

Agreement with the Chinese car manufacturer Zhejiang Youngman Passenger Car Group Co. Ltd. ('Youngman')

On 27 August 2012 Spyker signed a Framework Agreement with the Chinese car manufacturer Zhejiang Youngman Passenger Car Group Co. Ltd. ('Youngman'). Based on the Framework Agreement parties on 6 December 2012 signed the definitive transaction documentation for a strategic investment in the Company by Youngman (the 'Transaction').

The Transaction entails the following:

- An investment of € 10 million by Youngman in the Company of which € 7 million as subscription for 1.4 million Class A shares (after reverse stock split) in Spyker which equals 29.9% of the issued and outstanding share capital of Spyker on a fully diluted basis. The purchase price for the shares that were issued to Youngman before the reverse stock split - which took place on 2 January 2013 - was € 0.05 per share. The purchase price for the shares that were issued after the reverse stock split was € 5.00 per share. Youngman undertakes to not exceed the 29.9% threshold and therefore has no ambition to make a mandatory offer on all outstanding shares in the Company. The Company's CEO Mr. Muller will also observe that threshold. The remaining payment of € 3 million is provided to the Company in the form of a convertible loan which bears an interest of 2.5% per annum. The convertible loan does not have a maturity date and may only be discharged by conversion into shares at a fixed conversion price of € 5.00 per share;
- Youngman and Spyker have established a joint venture called Spyker P2P B.V. ('Spyker P2P') in which Youngman holds 75% of the shares and Spyker 25%. Youngman agreed to make a cash contribution in the amount of € 25 million whilst Spyker has made its contribution by transferring the technology it developed for the Spyker D8 Peking-to-Paris ('SSUV'). Youngman's contribution shall be paid in

instalments in accordance with the development and manufacturing plan of the SSUV with the objective of launching that car by the end of 2014. Additional models on the SSUV's aluminium space frame and technology are being contemplated. Spyker P2P and the Company agreed to license all the (manufacturing) technologies owned or licensed by each of them to each other free of charge;

- Youngman and Spyker have jointly incorporated a second joint venture called Spyker Phoenix B.V. ('Spyker Phoenix') in which Youngman holds 80% of the shares whilst Spyker holds 20%. Youngman will contribute the rights to the Phoenix platform - as developed by Saab Automobile in 2010 / 2011 to which Youngman acquired a license in 2011 - as well as provide all required funding. Spyker Phoenix shall develop and manufacture a new full range of premium car models based on the Phoenix platform which models will be positioned higher than the comparable Saab models were. Spyker Phoenix products may be manufactured in Europe and China as the case may be. Youngman and the Company agree to license all the (manufacturing) technologies owned by each of them to Spyker Phoenix for its use free of charge;
- Spyker transferred all of its trademarks to a joint venture called Spyker Trademark Company B.V. ('Spyker Trademark'), in which Youngman holds 75% of the shares whilst Spyker holds 25% of the shares. Spyker Trademark granted a licence to Spyker, Spyker P2P and Spyker Phoenix for the use of the Spyker trademark free of charge;
- Youngman has the right to nominate one-third of Spyker's Supervisory Board and one-third of Spyker's Management Board. On 21 December 2012 the proposal to appoint Mr. Qingnian Pang as member of the Supervisory Board of Spyker was approved by the Extraordinary General Meeting of Shareholders. The Youngman nominee for the management board will be nominated for appointment in Spyker's annual shareholder's meeting in 2013.
- Tenaci Capital B.V. ('Tenaci') has the right to nominate one person for appointment to the Management Board and one person for appointment to the Supervisory Board and it is entitled to nominate the chairperson of the Supervisory Board and the chairperson of the Management Board. On 21 December 2012 Mr. Dikken was appointed as member of the Company's Management Board. Mr. Muller and Mr. Button will remain the chairman of the Company's Management Board and the Supervisory Board respectively.

As the agreement with Youngman was still subject to various conditions precedent and thus not yet final at year end, the transaction will as such be recognised in 2013. This implies that the funding (via equity and loans) which was received during 2012 was still conditional at year end and accordingly recognised as a short term liability. The formal closing of the deal is presently being finalized.

22. Financial liabilities

22.1 Interest-bearing loans and borrowings

	Maturity	Interest rate	2012	2011
		%	('000)	('000)
Current interest-bearing loans and borrowings:				
Zhejiang Youngman Passenger Car Group Co. Ltd	30/1/2013 (initially)	0,0%	3.454	0
LKB Lizings, financial lease	28/12/2013 - 28/1/2015	10,6% - 11,0%	2.008	720
Swedish Automobile Cooperatief U.A.	13/10/2012 - 1/4/2013	8,0%	359	307
Tenaci loan	23/2/2015	Euribor+ 6 - 10%	0	64.500
Gemini Investment Fund	17/4/2012	7,0%	0	30.000
Epcote loan	29/2/2012	Euribor+ 10%	0	18.195
SAAB Great Britain Ltd, current account loan	-	7,0%	550	24.961
Total current interest-bearing loans and borrowings			6.371	138.683
Non-current interest-bearing loans and borrowings:				
GEM Debenture loan	1/6/2012	1,0%	633	0
LKB Lizings, financial lease	28-12-2013 / 28-1-2015	10,6% - 11,0%	346	1.106
Total non-current interest-bearing loans and borrowings			979	1.106

Agreement with the Chinese car manufacturer Zhejiang Youngman Passenger Car Group Co. Ltd. ('Youngman')

Spyker, its shareholders and Youngman have entered into several agreements with the purposes to cooperate in the development of the SSUV and the production and sale of Spyker Cars (see Note 21).

As at 31 December 2012, Spyker has received € 2.3 million in exchange for 46 million shares (after reverse stock split: 460,000 shares) and € 1.1 million as loans. The loan is interest free and initial maturity date 30 January 2013. The funding via equity and loans which was received during 2012 was still conditional at year end and accordingly recognised as a short term liability.
For the loan a plegde on the trademark of Spyker was granted.

GEM debenture loan

On 23 May 2012 Spyker and GEM reached an agreement for the issue of in aggregate € 9.99 million Convertible Debentures to GEM.

The key terms and conditions of the convertible debentures include the following:

- An initial convertible debenture of € 0.5 million, followed by another convertible debenture of € 0.5 million after 30 days, followed by four further convertible debentures. The issue of each of the four further convertible debentures is contingent on the volume weighted average price (VWAP) of Spyker's listed shares exceeding (135%) the previous Fixed Conversion Price (as defined below) for each day during any 30 consecutive trading days;

- Both initial debenture loans of € 0.5 million each were received by Spyker in May and July 2012 in exchange for which debentures were issued;
- At 29 June 2012 GEM converted € 0.4 million debentures into 10 million shares at a conversion price of € 0.04 per share (after reverse stock split 100 thousand shares at € 4.00);
- Each debenture is convertible into class A shares at the option of the holder. Each debenture will be convertible at the lesser of (i) € 0.18 (€ 18.00 after reverse stock split) or the VWAP for 5 trading days before closing of the first tranche (the Initial Fixed Conversion Price, € 8.50 after reverse stock split), and (ii) 100% of the average of the 3 lowest VWAP prices in the 40 consecutive trading days immediately preceding conversion. For each of tranches two through five, the fixed conversion price is 135% of the previous fixed conversion price;
- A coupon of 1%, payable in cash or shares at the time of conversion. For each tranche (if and when advanced) a closing fee of 3% of the par value of the debenture is payable. The closing fee will be settled in further convertible debentures;
- A term of 5 years. During the term, Spyker may not issue other convertible securities with terms similar to those of this agreement. At maturity, all outstanding debentures will be converted into shares. Spyker is entitled to redeem the debentures at any time at 135% of their par value plus accrued dividends;
- Spyker has granted warrants to GEM in respect of 20 million shares at a price per share of € 0.25 (after reverse stock split 200 thousand shares at € 25.00). The warrants will be exercisable at any time during a four year period after they are granted.

As at 31 December 2012, the balance outstanding including interest and transaction costs amounts to € 633 thousand. Currently the share price is below the fixed conversion price of the initial tranches and therefore no new tranches are available for issue of convertible debenture.

Gemini Investment Fund

On 28 June 2011 Spyker entered into a € 30 million convertible bridge loan agreement with Gemini Investment Fund Limited (Gemini) with a 6 months maturity. The interest rate of the loan was 7% per annum and the conversion price was € 1.38 per share (the volume weighted average price over the past 10 trading days). Spyker might at any time during the loan's term redeem it without penalty in which case no dilution as a result of this bridge loan will occur. On 1 March 2012 the convertible bridge loan was transferred to LAT Management N.V. On 17 April 2012 the bridge loan was converted into shares Class A at a fixed price of € 0.50 per share. Reference is made to Note 22.3 and 31.

Tenaci

In relation to the Saab acquisition Tenaci granted Spyker on 23 February 2010 a loan for an amount of € 57 million for repayment of all of Spyker' existing pre Closing outstanding loans to banks and other financial institutions controlled directly, or indirectly by Mr. V. Antonov as well as the financial lease between Spyker, SIA LKB Lîzings and CPP (Manufacturing) Limited. In general the terms and conditions of the Tenaci loan were comparable to those of the Snoras loans which the Tenaci loan replaced, including the right to convert € 9.5 million into ordinary shares at € 3.75 per share. The term of the loan was 5 years and the interest 10 percent above 6 months Euribor.

In addition, as part of financing Saab's purchase price, Spyker borrowed at closing $ 25 million from Tenaci at an interest rate of 6 percent above Euribor. As collateral Spyker granted a security right in Spyker' intellectual property rights, cash deposits, moveable assets, trade and inter company receivables, insurances and real property. The security only related to the Spyker Automotive business and excludes Saab.

In 2011, Tenaci converted its € 9.5 million loan into 2,533,333 shares at a conversion price of € 3.75 per share, in accordance with the terms of that loan agreement. The conversion of the € 9.5 million convertible loan by Tenaci reduced the principle amount of the existing € 74 million loan and the interest thereon. In 2012 Spyker and Tenaci converted the remaining loan and accumulated interest into shares at an ordinary share price of € 0.50 and the collaterals where released. Reference is made to Note 22.3 and 31.

Epcote

As part of financing Saab's purchase price, Spyker entered on 8 February 2010 into a $ 25 million convertible loan agreement with Epcote SA ("Epcote"), an investment company owned by Heerema Holding Company Inc. This loan had a 2 year term, an interest of 6 months Euribor +10% and was convertible into shares at an ordinary share price of € 4.88 (2010: € 3.75). After the loan was provided, Spyker and Epcote agreed to convert the loan from $ 25 million into € 18.2 million. In 2012 Spyker and Epcote converted the loan and accumulated interest into shares at an ordinary share price of € 0.50. Reference is made to Note 22.3 and 31.

SIA LKB Lîzings and CPP (Manufacturing) Limited

On 12 February 2010 and 17 December 2010 Spyker (as lessee) entered into financial lease agreements with SIA LKB Lîzings (as lessor) and CPP (Manufacturing) Limited (as seller) in respect of the development, sale and lease of the tooling for the production the Spyker C8 Aileron. The total purchase price of the tooling amounts to € 2.3 million and is financed by financial lease agreements with a maturity date of 28 January 2015. The floating annual

interest rates consist of a fixed part of 10.0% and a floating part of 6-month interbank credit interest rate index LIBOR EUR.

The Group would under the contractual arrangements provide the tooling as collateral for the lease commitments, see further also Note 17.

The Group is presently disputing the Lease Commitments with LKB as due to the bankruptcy of CPP, the Company will need to incur additional costs to receive the remainder part of the tooling.

The Company has, given this unforeseen situation, started discussions with LKB, to settle upon its remaining lease obligations. Although the Company is positive that it will be able to renegotiate the lease, LKB has so far declined the Company's offer. The Company has accordingly maintained the notional, i.e. contractual lease obligations in its balance sheet.

Swedish Automobile Cooperatief U.A.

Spyker entered into loan agreements with Swedish Automobile Cooperatief U.A. for an amount of € 0.2 million and € 0.1 million respectively. Interest rate for both loans is 8% per year and will be paid on the same date of repayment of the loan. The loans are subordinated in full to all existing claims and obligations. Repayment shall be made no later than 1 April 2013.

Saab Great Britain Ltd.

As a result of the loss of control over Saab GB the intercompany loan from Saab GB in the amount of €24.9 million (£ 20.9 million), being remaining principal and accrued interest, was no longer eliminated upon consolidation.

In 2012 Spyker agreed with the administrators of Saab GB in terms of which Spyker shall pay in full and final settlement for its debt and accrued interest an amount of € 300,000 in cash and € 250,000 in the form of shares (the 'Consideration'). In relation to the complaint filed by Spyker against General Motors ('GM') (see Note 26 for more information) and upon the occurrence of (i) an agreement pursuant to which the matters raised in Spyker's complaint are settled, or otherwise resolved between Spyker and GM, pursuant to which payment is made, and / or (ii) the making of an order or judgement by a relevant court, and / or an arbitral award, pursuant to which Spyker is granted any or all of the relief sought in or contemplated by its complaint, Spyker will pay Saab GB, as an additional consideration the lesser of either (i) the value of the debt, less the vale of the Consideration, or (ii) one per cent of the value of the aggregate sum of the amount paid by GM to Spyker plus all reasonable costs, fees and expenses incurred by Saab GB in relation to procuring the payment of the additional consideration.

22.2 Fair values

As at 31 December 2012 the carrying amount of all financial assets and liabilities was approximately equal to their fair value.

	Carrying amount		Fair value	
	2012	2011	2012	2011
	€('000)	€('000)	€('000)	€('000)
Financial assets				
Trade receivables and other assets	771	439	771	439
Cash and cash equivalents	205	256	205	256
	976	695	976	695
Financial liabilities				
Non-current interest bearing borrowings	979	1.106	979	1.106
Current interest bearing borrowings	6.371	138.683	6.371	31.078
Trade and other payables	6.437	27.156	6.437	16.879
Lease liability (inventory)	0	0	0	0
	13.787	166.945	13.787	49.063

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The 2011 fair value of the current interest bearing borrowings (including accrued interest) have been calculated based on the settlement agreement and the conversion into shares of the loans from Epcote, Tenaci and Gemini and the settlement of the loan from Saab GB.

Fair value hierarchy

As at 31 December 2012 and 31 December 2011, the Group held no financial instruments carried at fair value on the statement of financial position.

22.3 Settlements of financial liabilities

In 2012 Spyker has reached agreements with its lenders to convert outstanding loans including all accrued but unpaid interest into non-listed Class A shares. Furthermore Spyker also reached settlements with certain of its creditors to reduce its trade payables.

	€('000)
Converted liabilities	157.627
Converted to Share capital:	
- Issued capital	10.548
- Share premium	23.521
Gains from settlements of financial liabilities	123.557

	Liability	Converted to equity	Gain from Settlement	Market Rate	Conversion Rate	Converted number of Shares A
	€('000)	€('000)	€('000)	€	€	
Tenaci loan	75.094	19.524	55.570	0,13	0,50	150.188.113
Gemini Investment Fund	32.013	8.323	23.689	0,13	0,50	64.025.000
Epcote loan	22.756	5.917	16.839	0,13	0,50	45.511.961
Other	723	305	418	0.05-0.25	0.05-0.50	3.975.889
						263.700.964
SAAB Great Britain Ltd	24.373	0	24.373			
Other	2.669	0	2.669			
	157.627	34.069	123.557			

23. Employee benefits

The expense recognized in the income statement is disclosed in Note 8.

ESOP

Spyker has an Employee Share Option Plan (ESOP), which came into force in 2005 and was amended in 2006 and 2008 with respect to the definition of some words and expressions in the plan. Under the five-year duration of the ESOP, option rights may be granted to acquire newly issued shares up to an aggregate amount of 10% of the issued share capital per the option date. Per 31 December 2012, no option rights (2011: 24,000 option rights) were outstanding.

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

	As per 1 January	Granted during period	Exercised	Expired /lapsed during period	As per 31 December
2012					
Exercise price €17.00	24.000	0	0	24.000	0
2011					
Exercise price €17.00	24.000	0	0	0	24.000
Exercise price €2.37	59.782	0	0	59.782	0

In 2012 the Group recognized as employee benefits a total expense of € 0 (2011: € 0) related to equity-settled share-based payment transactions during the year.

Pension benefits

Group companies provide post-employment benefits for their active employees and for retirees, either directly or by contributing to independently administered funds. The way these benefits are provided varies according to the legal, fiscal and economic conditions of the country in which the Group operates, the benefits generally being based on the employees' remuneration and years of service.

The Group provides post-employment benefits both under defined benefit plans and defined contribution plans.

The pension plan for employees of parent company Spyker qualifies as a defined contribution plan. Under this plan a fixed agreed amount is paid to the insurance company. There is no commitment either enforceable by law or otherwise to pay additional contributions, pension benefits and related investments.

The pension plans for employees of Spyker Automobielen B.V. and Spyker Squadron B.V qualify as a defined benefit plan. However the respective pension fund, Pensioenfonds Metaal & Techniek (PMT), is unable to calculate the pension commitments and related investments on the basis of required IAS 19 accounting principles. Therefore these pension commitments are accounted for as a defined contribution plan. As at 31 December 2012 coverage ratio was 92% (December 2011: 89%). The deficit of the plan and plan to increase the coverage ratio may result in higher contributions in the coming years.

24. Provisions

The provisions comprise the warranty provisions. The following table illustrates the movements in the warranty provisions:

	2012	2011
	€('000)	€('000)
As per 1 January	81	0
Additions	10	0
Addition as a result of continued operations	0	81
Released	-53	0
Used	0	0
As per 31 December	38	81
Non-current	5	28
Current	33	53
	38	81

The warranty provision relates to the two years warranty period for new cars (for used cars one year warranty period applies). Spyker accrues a fixed amount per car, primarily based upon past experiences with warranty costs (which tend to be minimal).

25. Trade and other payables

	2012	2011
	€('000)	€('000)
Trade payables	1.715	5.962
Accrued interest	0	13.899
Corporate income tax	0	0
Other taxes and social security contributions	987	121
Installments invoiced	1.540	1.255
Payable to related companies	35	0
Non trade payables and accrued expenses	2.160	5.919
At 31 December	6.437	27.156

Terms and conditions of the above financial liabilities:

Trade payables and other payables are non-interest bearing and are settled when the liquidity position of the Group is sufficient. Most of the overdue payables have as yet been paid off. For terms and conditions relating to related parties, reference is made to Note 31.

For explanations on the Group's credit risk management processes, reference is made to Note 30.

Included in non trade payables and accrued expenses is the expected settlement with Orange India regarding the F1 (see for further information Note 26).

26. Contingencies

The Group is exposed to various legal risks, particularly in the areas of product liability and tax matters. The outcome of the current (see captions legal proceedings below) or future proceedings cannot be predicted with certainty. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect the Group financial position and results. At 31 December 2012 and 31 December 2011 contingent liabilities estimated by the Group were insignificant. When it is probable that an outflow of resources embodying economic benefits will be required to settle obligations and this amount can be reliably estimated, the Group recognizes specific provision for this purpose.

Legal proceedings

The settlement Spyker in 2011 reached with Orange India Holdings S.a.r.l. ('OIH') for the full and final settlement of several potential claims related to the sale of the Formula One team by Spyker and its subsidiary Spyker Events & Branding to OIH in 2007 excluded the existing indemnity given by Spyker to OIH for an alleged claim of the former manager of the Spyker Formula One team in the amount of € 1.2 million, which OIH disputes. The dispute reached its final phase. Soon witnesses shall be heard by the High Court of Justice in London, United Kingdom. The Company does not expect any material payments.

End 2011, Spyker received a claim from the Dutch Tax authorities for wage and VAT taxes of the years 2005-2009, which the authorities assessed at an amount of nearly € 3 million (of which € 2 million was provisioned in 2011). Spyker has submitted evidence contesting various elements and managed to settle the claim (see Note 11).

Corporate guarantee

At the time of, and in connection with, the acquisition of Saab Automobile, Spyker granted a $ 10 million parent company guarantee to Saab Automobile's financier GMAC. In an agreement reached on 2 March 2012, parties agreed to reduce that exposure to $ 1 million. This was to be placed in escrow by Spyker for the duration of GMAC's recovery process, estimated to take up to several years, after Spyker would have attracted substantial new

capital. Unfortunately Spyker did not timely attract these funds, reason why there was no payment made to the escrow account. Consequently the original guarantee revived. To this date, Spyker did not receive any indication that GMAC will submit a claim and does not expect any material payments (see Note 11).

Contingent assets

Lawsuit against General Motors Company

On 6 August 2012, Spyker filed a three billion dollar lawsuit against General Motors Company ('GM') in the United States District Court of the Eastern District of Michigan, United States (the 'Court'). Spyker filed the complaint in its own right and on behalf of its 100% subsidiary Saab Automobile AB.

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

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

On 28 September 2012, GM filed a Motion to Dismiss in response to Spyker's complaint.

GM argued, among others, that under Swedish law, which according to GM should apply, there is no cause for action for a 'purely financial loss due to tortious interference, absent an allegation of criminal conduct.' GM moreover states that the complaint should also fail in case New York law or Michigan law would apply. As to the substance of the argument, GM argues that, under the Vehicle Supply Agreement ('VSA') and the Automotive Technology License Agreement ('ATLA'), GM had a contractual right to terminate the VSA and ATLA in case of a change of control in Saab. According to GM, Youngman would have controlled more than 20% of Saab after its investment, which to GM's opinion would have caused a 'change of control'.

Spyker has opposed the Motion to Dismiss filed by GM.

In its opposition filed on 9 November 2012 Spyker substantiated its argument that the carefully crafted framework agreement would - contrary to GM's knowingly false media

statements at the time - neither have triggered a change of control of Saab Automobile (therefore not requiring GM's consent) nor would have caused a transfer of GM proprietary automotive technology (the 'Opposition').

On the contrary, the framework agreement would have provided Saab Automobile with a necessary, immediate infusion of cash, which would have permitted it to successfully reorganize without Youngman taking any stake in Saab Automobile. Moreover GM's technology was completely firewalled and Youngman would have had no access thereto in any way.

In the Opposition Spyker further substantiated that a long course of dealings made clear that GM under no circumstances would accept a competitor in the Chinese market.

In the beginning of December 2012 the Court has issued a notice to GM, Spyker and Saab Automobile to appear for oral argument on GM's Motion to Dismiss. The hearing was scheduled for 19 February 2013 but has been postponed (three times), until 10 June 2013.

Management is, here-in supported by its external legal advisors, positive about the outcome of the lawsuit. Since the claim does not meet the criteria under IFRS for recognition ("virtually certain and outcome reliable estimated"), the claim has not been valued in the 2012 financial statements. At this moment management is not able to assess the likelihood nor the amount of any positive outcome of this claim.

27. Notes to the consolidated statement of cash flows

The consolidated statement of cash flows is adjusted for non cash items.

In 2012 the proceeds from new share issues include a total non-cash amount of € 34.6 million consisting of share issues by means of converting a convertible loan into equity, as follows:

	€('000)
Tenaci	19.524
Gemini Investment Fund	8.323
Epcote	5.917
GEM debenture	400
Other	305
	34.469

In 2011 the proceeds from new share issues include a total non-cash amount of € 12.9 million consisting of a share issue to Tenaci Capital for an amount of € 9.5 million by means of converting a convertible loan into equity and a share issue of € 3.5 million to Dorwing by means of a current account settlement.

28. Commitments not included in the statement of financial position

Operating leases – Group as lessee

The Group enters into operating lease contracts for the right to use industrial buildings and equipment. The total future minimum lease payments under non- cancelable lease contracts are as follows:

	2012	2011
	€('000)	€('000)
Less than 1 year	238	187
Between 1 and 5 years	56	149
More than 5 years	0	0
	294	336

29. Subsidiaries and associates

The financial statements include the financial statements of the Group and the subsidiaries listed in the following table:

		% equity interest	
Subsidiaries and associates	Country of incorporation	2012	2011
Continued operations			
Spyker Cars N.V.	Netherlands		
-Spyker Automobielen B.V.	Netherlands	100%	100%
-Spyker Squadron B.V.	Netherlands	100%	100%
-Spyker Events & Branding B.V.	Netherlands	100%	100%
-Spyker Holding B.V.	Netherlands	100%	100%
-Spyker of North America LLc	United States	100%	100%
-Spyker Cars UK Ltd	United Kingdom	100%	100%
-Spyker of China Ltd	Hong Kong	51%	51%
-Spyker Beijing Automobile Sales Co. Ltd	China	49%	49%
-Saab Automobile Holding I S.a.r.l.	Luxembourg	100%	100%
-Swedisch Automobile Holding II BV	Netherlands	100%	100%
-Tenaci Engineering Pvt. Ltd	India	45%	45%
-Spyker Trademark Company B.V.	Netherlands	100%	-
-Joint Venture Spyker P2P B.V.	Netherlands	25%	-
-Joint Venture Spyker Phoenix B.V.	Netherlands	20%	-

30. Risk management

30.1 General

After the bankruptcy of Saab, risk management at Spyker as a stand-alone company was in general limited due to the small size of the organization, being mitigated, however, by the minimal activities. Also the dependence on a few individuals entailed a risk when these persons are absent or would resign.

The most significant financial risk related to the business of the Group was in 2012 by far the liquidity risk and nearly all of management's time was accordingly (and to a certain extent still is) devoted to ensuring the viability and continuity of the group. Other risks are explained hereunder. This risk overview is not exhaustive. It should be noted that other risks may not yet be known to management, or may currently not believed to be material, but at a later date could potentially turn out to have a major impact on the Group's business. The

information on strategic and operational risks can be found in the Management Board's report.

30.2 Financial risks

The Group has assets and liabilities such as trade receivables, trade payables and cash, which arise directly from its operations. Accordingly the Group is exposed to the following financial risks connected with its operations:

Liquidity risk, with particular reference to the availability of funds and access to the credit market and to financial instruments in general;

Market risk relating to changes in foreign currency and interest rates, since the Group operates at an international level in different currencies and markets and therefore uses financial instruments which generate interest;

Credit risk, regarding its normal business relations with customers and dealers and its related financing activities.

The financial risks of the Group are monitored on a centralized basis. The Group constantly monitors the financial risks to which it is exposed, in order to detect those risks in advance, assess them properly and take the necessary actions to mitigate them.

The following section provides qualitative and quantitative disclosures on the effect that these risks may have upon the Group.

Liquidity risk

Liquidity risk is currently byfar the most prominent risk for the Group. The Group accordingly carefully and continuously monitors its risk to a shortage of funds using a liquidity planning tool. Reference is further made to Note 2.1 regarding the continuity of the Group.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date.

	Less then 1year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	€('000)	€('000)	€('000)	€('000)
At 31 December 2012:				
Interest bearing borrowings	6.371	979	0	0
Interest	0	0	0	0
Trade payables	1.715	0	0	0
	8.086	979	0	0
At 31 December 2011:				
Interest bearing borrowings	138.456	1.106	0	0
Interest	13.899	378	0	0
Trade payables	5.962	0	0	0
	158.317	1.484	0	0

Foreign currency risk

After the loss of control of Saab, the Group is mainly exposed to the USD and the GBP, due its operations and amounts owed to or from (former) subsidiaries. Since activities were

minimal in 2012, the related exchange rate risk exposures were also minimal and there was accordingly no specific hedging in this respect at the balance sheet date.

Interest rate risk

Due to the recapitalisation of loans, the interest rate risk is immaterial at year end.

Credit risk

Financial assets are recognized in the statement of financial position net of write-downs for the risk that counterparties will be unable to fulfill their contractual obligations, determined on the basis of the available information as to the creditworthiness of the customer and historical data.

It is the Group's policy that all customers are subject to credit verification procedures. The Group's exposure to bad debts is accordingly, under normal market conditions, minimal.

31. Related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

		Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
		€('000)	€('000)	€('000)	€('000)
Transactions					
Entities with significant influence over the Group :					
Companies controlled by Mr. V. Antonov	2012	0	0	0	0
	2011	0	0	0	0
Discontinued operations					
Saab Automobile AB	2012	0	0	0	0
	2011	3.364	0	0	0
Saab Great Britain Ltd	2012	0	0	0	0
	2011	93	0	0	0
e-AAM Drive Line Systems AB	2012	0	0	0	0
	2011	0	259	0	0
Key management personnel of the Group:					
Companies related to Mr. V. Muller	2012	0	0	91	1
(others then Tenaci Capital B.V.)	2011	16	0	0	0
Epcote	2012	0	0	0	0
	2011	0	0	0	78
Certain third parties:					
General Motors	2012	0	0	0	0
	2011	39.412	116.663	41.119	0
CATC	2012	0	0	0	58
	2011	1.739	0	0	58
Spyker (Beijing) Automobile Sales Co. Ltd.	2012	0	0	18	0
	2011	0	0	0	0

		Interest received	Amounts owed by related parties	Interest Accrued	Amounts owed to related parties
		€('000)	€('000)	€('000)	€('000)
Loans from/to related parties					
Entities with significant influence over the Group:					
Zhejiang Youngman Passenger Car Group Co. Ltd.	2012	0	0	0	1.150
	2011	0	0	0	0
Tenaci Capital B.V.	2012	0	7	0	0
	2011	0	5.093	7.135	78.165
Certain third parties:					
General Motors	2012	0	0	0	0
	2011	0	0	0	0
Certain related parties					
Epcote	2012	0	0	0	0
	2011	0	0	2.155	22.123
Swedish Automobile Cooperatief U.A.	2012	0	0	0	359
	2011	0	0	0	307

The ultimate parent

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

Entities with significant influence over the Group

Zhejiang Youngman Passenger Car Group Co. Ltd.

At year-end Zhejiang Youngman Passenger Car Group Co. Ltd. (Youngman) had a significant interest in the Group. During 2012 Youngman conditionally paid to Spyker € 2.3 million for 46 million Class A shares and € 1.2 million in current account (see Note 21).

Tenaci Capital B.V.

At year-end Tenaci Capital B.V. had a significant interest in the Group. This company is partly owned by the CEO of the Group, Mr. V.R. Muller. Other entities which are associated with Mr V.R. Muller are LAT Management N.V. and Investeringsmaatschappij Helvetia B.V. Mr. V.R. Muller has an option to buy the shares from Tenaci B.V. and Laviolette N.V.

Other than his management fees, MR. V.R. Muller has also (via Helvetia and LAT Management) a current account with the Company. As at year end, this current account amounts to € 97,000 in total.

In 2012 Tenaci Capital and LAT Management converted their loans into shares (see Note 22).

Certain third parties

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions (none occurred in 2012). Outstanding balances at the year-end are compared with 2011 minimal and unsecured, interest free and settlement occurs in cash. The 2011 financial liabilities to Tenaci have, including interest, been converted into capital in the first quarter of 2012 (see for further information Note 22 and Note 31).

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.

Remuneration Supervisory Board	2012	2011
	€	€
M. Button	20.000	0
J.B.Th. Hugenholtz	0	62.475
P.H. Heerema	0	17.500
Q. Pang	0	0
M. La Noce	0	0
A. Roepers	0	0
	20.000	79.975

In 2012 Mr. J.B.Th. Hugenholtz refrained from 50 percent of his remuneration as chairman of the supervisory board as from 2010. Furthermore Mr. A. Roepers and Mr. M. La Noce decided to refrain from their remuneration as supervisory board member for the entire period of their Supervisory Board membership, being for Mr. La Noce since 2006 and for Mr. Roepers since 2010. This has been included in the note above.

Remuneration Management Board 2012	Base salary	Bonus	Management fee	Total cash compensation	Vested stock options	As a % of base salary
	€	€	€	€		
V.R. Muller	0	0	600.000	600.000	none	-
A. Dikken (appointed 21-12-2012)	0	0	226.800	226.800	none	-
R. Schuijt (resigned 18-01-2012)	0	0	100.002	100.002	none	-
	0	0	926.802	926.802		-

Remuneration Management Board 2011	Base salary	Bonus	Management fee	Total cash compensation	Vested stock options	As a % of base salary
	€	€	€	€		
V.R. Muller	0	0	600.000	600.000	none	-
R. Schuijt (*)	0	0	400.000	400.000	none	
D.J.C.Y.S. Go	222.962	0	0	222.962	none	-
	222.962	0	1.000.000	1.222.962		-

(*) Mr. R. Schuijt received a bonus in 2010 which was paid in 2011 (€160.000)

Remuneration key management personnel of the group	2012	2011
	€('000)	€('000)
Short-term employee benefits	947	1.705
Post-employment pension benefits	0	76
Bonus:		
- paid in cash	0	160
- share-based payments	0	0
Total compensation paid to key management personnel	947	1.941

32. Events after the reporting date

The subscription agreement including accessory agreements (the 'Transaction Documentation') with the Chinese car manufacturer Zhejiang Youngman Passenger Car Group Co, Ltd ('Youngman') have been executed as follows.

All conditions as set out in the Transaction Documentation - including the necessary governmental approvals - have been satisfied or waived. Youngman has invested € 10,000,000 in Spyker of which approximately € 7,000,000 as subscription for 1.4 million Class A shares in Spyker as constitutes 29.9% of the issued and outstanding share capital of Spyker on a fully diluted basis. The new shares are issued at a purchase price of € 5.00 per share.

The remaining payment of approximately € 3,000,000 has been provided to Spyker in the form of a convertible loan bearing an interest of 2.5% per annum. The convertible loan does not have a maturity date and may only be discharged by conversion into shares.

Youngman and Spyker in the meantime have established a joint venture called Spyker P2P B.V. ('Spyker P2P') in which Youngman holds 75% of the shares and Spyker 25%. Youngman agreed to make a cash contribution in the amount of Euro 25,000,000 whilst Spyker has made its contribution by transferring the technology it developed for the Spyker D8 Pekingto-Paris ('SSUV'). Youngman's contribution shall be paid in installments in accordance with the development and manufacturing plan of the SSUV with the objective of launching that car by the end of 2014. Additional models on the SSUV's aluminum space frame and technology are being contemplated.

Youngman and Spyker also have jointly incorporated a second joint venture called Spyker Phoenix B.V. ('Spyker Phoenix') in which Youngman holds 80% of the shares whilst Spyker holds 20%. Youngman will contribute the rights to the Phoenix platform as developed by Saab Automobile AB in 2010 / 2011 to which Youngman acquired a license in 2011 as well as provide all required funding.

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

Spyker moreover transferred all of its trademarks to a joint venture called Spyker Trademark Company B.V. ('Spyker Trademark'), in which Youngman holds 75% of the shares whilst Spyker holds 25% of the shares. Spyker Trademark granted a licence to Spyker, SpykerP2P and Spyker Phoenix for the use of the Spyker trademark.

Youngman and Spyker also agreed to provide all the (manufacturing) technologies owned by each of them to Spyker Phoenix for its use free of charge. P2P and Spyker agreed to provide

all the (manufacturing) technologies owned or licensed by each of them to each other free of charge.

Company income statement

For the year ended 31 December 2012

	2012	2011
	€('000)	€('000)
Result after taxation	115.290	-34.163
Result from investments in subidiaries after taxation	-887	-64.753
Net result	**114.403**	**-98.916**

	2011
	€('000)
Net result 2011 in the consolidated income statement	16.159
Reversal of losses incurred by subsidairy not recognized	115.075
Net result 2011 in the statutory Company income statement	-98.916

Company statement of financial position

As at 31 December 2012
(Before appropriation of the net result)

Assets	Note	2012	2011
		€('000)	€('000)
Property, plant and equipment	2	913	2.255
Intangible assets	3	8.272	8.966
Investments in subsidiairies, associates and joint ventures	4	39	13
Other non-current assets		0	0
Non-current assets		**9.224**	**11.234**
Trade receivables		1	3
Receivable from related companies		2.105	84
Other assets		461	196
Cash and cash equivalents		46	3
Current assets		**2.613**	**286**
Total assets		**11.837**	**11.520**

Equity and liabilities	Note	2012	2011
		€('000)	€('000)
Issued capital	5	14.954	1.439
Share premium	5	198.657	164.130
Legal reserve	5	8.275	8.922
Other reserves	5	-336.150	-226.816
Unappropriated net result	5	114.403	-98.916
Equity of the company		**139**	**-151.241**
Interest bearing borrowings		979	1.826
Provisions		391	889
Non-current provisions and liabilities		**1.370**	**2.715**
Interest bearing borrowings		5.821	137.963
Trade payables		1.131	2.610
Payable to related companies		64	10
Other liabilities		3.312	19.463
Current provisions and liabilities		**10.328**	**160.046**
Total equity and liabilities		**11.837**	**11.520**

Notes to the Company financial statements

1. General

The company financial statements comprise the financial statement of the Company only. This balance sheet is in 2012 largely the same as the consolidated balance sheet, with the main difference being the specific balances with regard to the production and sales, which are with Spyker Automobielen BV.

The company has prepared its company financial statements based in accordance with Dutch GAAP and the financial reporting requirements included in Part 9 of Book 2 of The Netherlands Civil Code. Based on the opportunity offered in section 362-8 of the Dutch Civil Code, Book 2, Title 9, the Company has drawn up its company financial statements according to the same recognition and measurement principles as used in the consolidated financial statements. The company has prepared its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. For those recognition and measurement principles reference is made to Note 2.4 Summary of significant accounting policies to the consolidated financial statements. Investments in subsidiaries are carried at net asset value.

When the share of losses exceeds the interest in the investment, the carrying value is eliminated and recognition of further losses is discontinued, unless the Company has incurred legal or constructive obligations on behalf of the investment.

For additional information on items not explained further in the notes to the Company balance sheet, reference is made to the notes to the consolidated balance sheet.

In accordance with Section 402, Book 2 of the Dutch Civil Code, in the income statement the result on subsidiaries after taxation is the only item shown separately.

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

2. Property, plant and equipment

31 December 2012	Buildings	Plant and equipment	Prototypes, test models and demo's	Racing cars	Furniture, fixtures and equipment	Total
	€('000)	€('000)	€('000)	€('000)	€('000)	€('000)
At 1 January, net of accumulated depreciation	394	1.111	250	210	290	2.255
Additions	0	7	0	0	38	45
Depreciation charge for the year	-36	-30	0	0	-16	-82
Impairment charges	0	-1.050	-150	-105	0	-1.305
Disposals and retirements	0	0	0	0	0	0
At 31 December, net of accumulated depreciation	358	38	100	105	312	913
At 1 January:						
Cost	1.900	3.564	1.729	1.382	4.467	13.042
Accumulated depreciation and impairment	-1.505	-2.452	-1.479	-1.172	-4.179	-10.787
Net carrying amount	395	1.112	250	210	288	2.255
At 31 December:						
Cost	1.900	3.571	1.729	1.382	4.505	13.087
Accumulated depreciation and impairment	-1.542	-3.533	-1.629	-1.277	-4.193	-12.174
Net carrying amount	358	38	100	105	312	913

31 December 2011	Buildings	Plant and equipment	Prototypes, test models and demo's	Racing cars	Furniture, fixtures and equipment	Total
	€('000)	€('000)	€('000)	€('000)	€('000)	€('000)
At 1 January, net of accumulated depreciation	495	2.110	252	345	293	3.495
Additions	0	7	0	0	0	7
Depreciation charge for the year	-100	-214	-2	0	-4	-320
Impairment charges	0	-759	0	-135	0	-894
Disposals and retirements	0	-33	0	0	0	-33
At 31 December, net of accumulated depreciation	395	1.111	250	210	289	2.255
At 1 January:						
Cost	1.900	3.615	1.729	1.382	4.408	13.034
Accumulated depreciation and impairment	-1.404	-1.505	-1.477	-1.037	-4.116	-9.539
Net carrying amount	496	2.110	252	345	292	3.495
At 31 December:						
Cost	1.900	3.564	1.729	1.382	4.467	13.042
Accumulated depreciation and impairment	-1.505	-2.452	-1.479	-1.172	-4.179	-10.787
Net carrying amount	395	1.112	250	210	288	2.255

3. Intangible assets

31 December 2012	Development costs	Patents and licenses	Total
	€('000)	€('000)	€('000)
Cost as at 1 January net of accumulated amortization and impairment	8.766	200	8.966
Additions - internally developed	0	0	0
Disposals as result of discontinued operations	0	0	0
Amortization	-50	-44	-94
Impairment charges	-600	0	-600
At 31 December, net of accumulated amortization and impairment	8.116	156	8.272
At 1 January:			
Cost	58.945	461	59.406
Accumulated amortization and impairment	-50.179	-261	-50.440
Net carrying amount	8.766	200	8.966
At 31 December:			
Cost	58.945	461	59.406
Accumulated amortization and impairment	-50.829	-305	-51.134
Net carrying amount	8.116	156	8.272

31 December 2011	Development costs	Patents and licenses	Total
	€('000)	€('000)	€('000)
Cost as at 1 January net of accumulated amortization and impairment	10.616	244	10.860
Additions - internally developed	0	0	0
Disposals as result of discontinued operations	0	0	0
Amortization	-50	-44	-94
Impairment charges	-1.800	0	-1.800
At 31 December, net of accumulated amortization and impairment	8.766	200	8.966
At 1 January:			
Cost	58.945	461	59.406
Accumulated amortization and impairment	-48.329	-217	-48.546
Net carrying amount	10.616	244	10.860
At 31 December:			
Cost	58.945	461	59.406
Accumulated amortization and impairment	-50.179	-261	-50.440
Net carrying amount	8.766	200	8.966

4. Investments in subsidiaries, associates and joint ventures

The item investments in subsidiaries, associates and joint ventures include the following companies:

	Share in issued capital	2012	2011
		€('000)	€('000)
Spyker Automobielen B.V.	100%	0	0
Spyker Squadron B.V.	100%	0	0
Spyker Events & Branding B.V.	100%	0	0
Spyker Holding B.V.	100%	13	13
Spyker of North America LLC, USA	100%	0	0
Spyker Cars UK Ltd	100%	0	0
Spyker of China Ltd	51%	0	0
Spyker Beijing Automobile Sales Co. Ltd	49%	0	0
Saab Automobile Holding I S.a.r.l.	100%	0	0
Swedish Automobile Holding II B.V.	100%	0	0
Tenaci Engineering Pvt. Ltd. (associate)	45%	0	0
Spyker Trademark Company B.V.	100%	18	0
Spyker P2P B.V. (joint venture)	25%	4	0
Spyker Phoenix B.V. (joint venture)	20%	4	0
		39	13

	Net Equity value as at 31-dec-11	Translation reserve	Investment	Discontinued operations	Results from participating interests	Net Equity value as at 31-dec-12	Loans receivable	Provision	Book-value as at 31-dec-12
Spyker Automobielen B.V.	-11.514	0	0	0	-263	-11.777	11.777	0	0
Spyker Squadron B.V.	-7.293	0	0	0	-106	-7.399	7.399	0	0
Spyker Events & Branding B.V.	-37.456	0	0	0	-226	-37.682	37.639	43	0
Spyker Holding B.V.	13	0	0	0	0	13	0	0	13
Spyker of North America LLC	-7.442	-299	0	0	-257	-7.998	7.691	307	0
Spyker Cars UK Ltd	-113	-7	0	0	0	-120	117	3	0
Spyker of China Ltd	-123	0	0	0	0	-123	123	0	0
Spyker Beijing Automobile Sales C	0	0	0	0	0	0	0	0	0
Saab Automobile Holding I S.a.r.l.	-10	0	0	0	-35	-45	7	38	0
Swedish Automobile Holding II B.V	0	0	0	0	0	0	0	0	0
Tenaci Engineering Pvt. Ltd	-162	0	0	0	0	-162	162	0	0
Spyker Trademark Company B.V.	0	0	18	0	0	18	0	0	18
Spyker P2P B.V. (joint venture)	0	0	4	0	0	4	0	0	4
Spyker Phoenix B.V. (joint venture)	0	0	4	0	0	4	0	0	4
	-64.100	-306	26	0	-887	-65.267	64.915	391	39

5. Shareholders' equity

	Issued capital	Share premium	Legal reserve	Other reserves	Un-appropriated net result	Total
	€('000)	€('000)	€('000)	€('000)	€('000)	€('000)
Balance at 1 January 2012	**1.440**	**164.130**	**8.922**	**-226.817**	**-98.916**	**-151.241**
Result for the year	0	0	0	0	114.403	114.403
Other comprehensive income	0	0	0	-8.765	0	-8.765
Total comprehensive income	**0**	**0**	**0**	**-8.765**	**114.403**	**105.638**
Allocation of net result prior year	0	0	0	-98.916	98.916	0
Proceeds from new share issues	13.515	34.527	0	-2.300	0	45.742
Legal reserve	0	0	-647	647	0	0
	13.515	**34.527**	**-647**	**-100.569**	**98.916**	**45.742**
Balance at 31 December 2012	**14.955**	**198.657**	**8.275**	**-336.151**	**114.403**	**139**

	Issued capital	Share premium	Legal reserve	Other reserves	Un-appropriated net result	Total
	€('000)	€('000)	€('000)	€('000)	€('000)	€('000)
Balance at 1 January 2011	**700**	**126.789**	**7.895**	**-123.609**	**-103.208**	**-91.433**
Result for the year	0	0	0	0	-98.916	-98.916
Other comprehensive income	0	0	2.876	0	0	2.876
Total comprehensive income	**0**	**0**	**2.876**	**0**	**-98.916**	**-96.040**
Allocation of net result prior year	0	0	0	-103.208	103.208	0
Proceeds from new share issues	740	35.492	0	0	0	36.232
Legal reserve	0	1.849	-1.849	0	0	0
	740	**37.341**	**-1.849**	**-103.208**	**103.208**	**36.232**
Balance at 31 December 2011	**1.440**	**164.130**	**8.922**	**-226.817**	**-98.916**	**-151.241**

As at 31 December 2012 and 2011 there are no differences between the equity in the Company and the consolidated financial statements.

Issued share capital

Spyker issued share capital consists of ordinary shares and shares class A. The nominal value of each share in Spyker is € 0.04 (after reverse stock split € 1.30). Shares class A are registered shares and cannot be listed. Shares class A can, however, be converted into ordinary shares if the shareholder so requires by means of an application to that effect to the Management Board. In case the authorized capital does not provide for sufficient ordinary shares in order to effectuate the conversion, the filing of the notice of conversion with the commercial register will also include an amendment of the articles of association per the day of conversion, in such a manner that in the authorized capital such number of shares class A will be changed into ordinary shares as will be necessary to effectuate the conversion.

As per 31 December 2012, the authorized share capital of the Company amounts to a sum of € 20,000,000 (2011: € 1,760,000), divided into 325,275,972 (2011: 32,999,999) ordinary shares and 174,724,028 shares class A (2011: 11,000,000), with a nominal value of € 0.04 each.

As per 1 January 2013 after the reverse stock split, the authorized share capital of the Company amounts to a sum of € 6,500,000, divided into 3,252,760 ordinary shares and 1,747,240 shares class A, with a nominal value of € 1.30 each.

Per 31 December 2012, 325,275,972 ordinary shares (2011: 27,527,992) and 48,575,180 shares class A (2011: 8,456,552) were issued and paid in full.

During the year 2012, 337,866,608 shares class A were issued, 297,747,980 shares class A were converted to ordinary shares, all as described in the "Information for Shareholders" chapter of the Annual Report.

During the year 2011, 1,901,961 ordinary shares and 16,586,592 shares class A were issued, 8,393,374 shares class A were converted to ordinary shares.

On 17 April 2012 agreement has been reached between the Company and its major lenders, Tenaci Capital B.V. (Tenaci), Epcote SA (Epcote) and Gemini Investment Fund Ltd. All three lenders have agreed to convert the outstanding amounts under these loans into shares Class A at a fixed price of € 0.50 per share. The following conversions were made.

- Tenaci: principal amount € 64.5 million, accrued interest € 15,7 million, number of shares Class A to 150.4 million;
- LAT Management N.V.: principal amount € 30.0 million, accrued interest € 2.0 million, number of shares Class A issued 64.0 million;
- Epcote: principal amount € 18.2 million, accrued interest € 4.6 million, number of shares Class A issued 45.6 million.

Share premium reserve

In 2012, the new issue of 337,866,608 shares class A resulted in a share premium reserve addition of € 18.1 million.

In 2011, the new issue of 1,901,961 ordinary shares and 16,586,592 shares class A resulted in a share premium reserve addition of € 35.5 million.

Shares class A are registered shares; these shares are not to be listed. Shares class A can, however, be converted into ordinary shares if the shareholder so requires by means of an application to that effect to the Management Board. The legal reserve has been charged against share premium reserve as other reserves were not sufficient.

Legal reserve

Pursuant to Section 365(2) of Book 2 of The Netherlands Civil Code, a legally-required reserve of € 8.8 million (2011: € 8.9 million) is formed for capitalized development costs to the amount of € 8.8 million (2011: € 8.8 million), and for foreign currency translations to the amount of € 3 thousand (2011: € 156 thousand).

6. Staff and remuneration of Supervisory Board and Management Board

During 2012, Spyker employed at average 10 full-time equivalents (2011: 14).

The remuneration of the individual members of the Management Board and the members of the Supervisory Board of Spyker is explained in Note 31.

7. Guarantees

Guarantees

Spyker N.V. together with its subsidiaries Spyker Automobielen B.V., Spyker Squadron B.V. and Spyker Events & Branding B.V., constitutes a single tax entity for Dutch corporate tax. With respect to the VAT purposes, Spyker N.V. together with its subsidiaries Spyker Automobielen B.V. and Spyker Squadron B.V. constitute a single tax entity. All companies within this single tax entity are jointly and severally liable for corporate tax debts and VAT debts stemming from the relevant tax entities.

8. Audit fees

In the financial year, the following fees of the audit firm Ernst & Young Accountants LLP, The Netherlands, were invoiced to the Company and its subsidiaries, all this as referred to in Book 2, Section 382a of the Dutch Civil Code:

31 December 2012	Ernst & Young
	€('000)
Statutory audit of the annual accounts, including the audit of the financial statements and other statutory audits of subsidiaries and other consolidated entities:	
- 2012	0
- 2011	150
Other non-audit services	0
Total	150

31 December 2011	Young
	€('000)
Statutory audit of the annual accounts, including the audit of the financial statements and other statutory audits of subsidiaries and other consolidated entities:	
- 2011	0
- 2010	310
Other non-audit services	0
Total	310

9. Subsequent events

Subsequent events are indicated in Note 32 of the consolidated financial statements.

Signing of the financial statements

The member of the Management Board has signed the financial statements in this annual report pursuant to their statutory obligations under art. 2:101(2) Dutch Civil Code and art. 5:25c(2) (c) Financial Markets Supervision Act. To the best of their knowledge, the financial statements give a true and fair value of the assets, liabilities, financial position and profit or loss of the Company and its subsidiaries in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union as well as in accordance with Title 9 Book 2 of the Dutch Civil Code, and the management board's report gives a true and fair view of the position and performance of the business of the Company and its subsidiaries, and reflects the significant risks related to the business.

The member of our Supervisory Board has signed the financial statements in this annual report pursuant to their statutory obligations under art 2:101(2) Dutch Civil Code.

Zeewolde, 29 April 2013

Management Board:	Supervisory Board:
V.R. Muller	M.E. Button
Chief Executive Officer	Chairman
A. Dikken	Q. Pang
Chief Financial Officer	Member

Additional information

Statutory rules concerning appropriation of result

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

The Management Board shall annually, with the approval of the Supervisory Board, determine which part of the profits - the positive balance on the income statement - is added to the reserves.

From the profits remaining after transfer to the reserves in accordance with the previous paragraph, a dividend is distributed on the priority charge of six percent (6%) of the nominally paid up amount.

Any remaining profits after application of paragraph 1 and 2 of this article is available to the general meeting, with the understanding that no further distribution shall take place on the priority share. All distributions on the ordinary shares as well as on the shares class A occur pro rata to the amount of shares held by each shareholder.

Statutory rules concerning issue of new shares and acquisition by Spyker of its shares.

New shares may be issued pursuant to a resolution of the Management Board. The authority to issue new shares and to grant rights to subscribe for shares, has been delegated to the Management Board by resolution of the General Meeting of Shareholders for a period of 18 months, and ends on 20 November 2012. A resolution to issue new shares, whether by the General Meeting of Shareholders or by the Management Board upon delegation, can only be taken upon proposal of the Management Board with approval of the Supervisory Board. The resolution by the General Meeting of Shareholders to delegate the issue-authority to a different body than the Management Board can only be taken upon proposal of the Management Board with approval of the Supervisory Board.

Subject to approval from the Supervisory Board, the Management Board of Spyker may acquire fully paid shares at any time for no consideration, or, subject to certain provisions of Dutch law and the Articles of Association, if (i) Spyker's shareholders equity less the payment required to make the acquisition, does not fall below the sum of called-up and paid-up share capital and any statutory reserves, and (ii) Spyker and its subsidiaries would thereafter not hold shares or hold a pledge with an aggregate nominal value exceeding 10% of its issued share capital.

An acquisition of shares may be effected by a resolution of the Management Board, subject to approval of the Supervisory Board. Other than for no consideration, shares including the Priority Share may only be acquired subject to a resolution of the Management Board,

authorized thereto by the General Meeting of Shareholders. Such authorization may apply for a maximum period of 18 months and must specify the number of shares that may be acquired, the manner in which shares may be acquired and the price limits within which shares may be acquired.

On 19 May 2011, the General Meeting of Shareholders has authorized the Management Board to acquire shares in the Company for a total nominal number of shares, regardless of class, that equals not more than 10 per cent of the issued share capital of Spyker as per the date of acquisition, against a purchase price between the nominal value per share, as a minimum, and 110 per cent of the share price at the NYSE Euronext Amsterdam Stock Exchange, as a maximum. The latter price has been defined as the average of the relevant closing prices of the shares on the three trading days prior to the day of acquisition, as listed by Eurolist at Euronext Amsterdam. No such authority is required for the acquisition by Spyker of fully paid shares for the purpose of transferring these shares to Spyker's employees or employees of a group company.

Any shares held by Spyker may not be voted on or counted for quorum purposes.

Proposed allocation of the result for the financial year 2012

A proposal will be made to allocate the loss for 2012 to the other reserves (deficit). This proposal has not yet been reflected in the balance sheet.

Appointment of members of the Management Board and Supervisory Board

Members of the Management board and members of the Supervisory board are appointed by the General Meeting of Shareholders.

Subsequent events

Subsequent events are indicated in Note 32 of the consolidated financial statements.

Independent auditor's report

To: the General Meeting of Shareholders of Spyker N.V.

Report on the financial statements

We have audited the accompanying financial statements 2012 of Spyker N.V., Zeewolde. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2012, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2012, the company income statement for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing

an opinion on the effectiveness of the entity's internal control. An audit also includesevaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Spyker N.V. as at 31 December 2012 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Spyker N.V. as at 31 December 2012 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Emphasis of matter with regard to the continuity of the Group

We draw attention to note 2.1 to the financial statements which explains that in case management is not successful in obtaining the necessary additional funding, the Group's ability to continue as a going concern will be highly uncertain. We note that the availability of sufficient funding is also a significant assumption in the impairment testing. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess and except for the impact of the matter described in the Basis for qualified opinion paragraph, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under section 2:392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by section 2:391 sub 4 of the Dutch Civil Code.

Rotterdam, 29 April 2013

Ernst & Young Accountants LLP

signed by J.J.J. Sluijter