



Press Release

SPYKER CARS N.V. REPORTS 2007 HALF YEAR RESULTS

Zeewolde, 31 August 2007 - Spyker Cars N.V., Formula One constructor and manufacturer of exclusive premium sports cars, announces its results for the first half year of 2007 as well as a significant development relating to a possible sale of its Formula One Team. Additionally, it notes that the AFM has informed Spyker that it challenges Spyker's 2006 financial accounts.

Spyker Cars N.V. today released its 2007 Half Year results. This was late in the day to allow for inclusion of the latest results of negotiations relating to a possible sale of Spyker's Formula One Team. These discussions, completed today, have resulted in an agreement to enter into an exclusive 30 day negotiation period with a consortium consisting of Strongwind, the Luxembourg based investment arm of the Mol family as well as Watson Limited, a company owned and controlled by Dr. Vijay Mallya, an Indian industrialist. This group has tabled an initial offer in the amount of EUR 80 million (USD 109 million) for the Spyker Formula One Racing Team subject to due diligence and the exact terms and conditions of the offer will be discussed over the coming 30 days. In September 2006 Spyker bought the Formula One Racing Team for USD 106.6 million.

Spyker Cars N.V.'s results for the first six months of 2007 showed a net loss of EUR 29.9 million. This was made up as follows:

	2007 Half Year	2006 Half Year
Spyker F1 Team	EUR - 13.0 million	EUR N/A
Spyker Automobielen	EUR - 5.4 million	EUR - 1.0 million
Spyker Squadron	EUR - 1.6 million	EUR + 0.5 million
Spyker Holding (operating loss)	EUR - 5.1 million	EUR - 0.4 million
(deferred tax asset provision)	EUR - 4.8 million	EUR 0.0 million
Spyker Cars N.V.	EUR - 29.9 million	EUR - 1.1 million



Hans Hugenholtz, interim CEO, comments: “The last six months have been a major challenge for all divisions of Spyker’s business as well as for our staff, who have remained focused and positive despite these challenges. While our first half year results are very disappointing they reflect the extremely difficult trading conditions we found ourselves in during this period. Despite this, there have recently been a number of positive developments regarding our future strategy and financial position and I look forward to pursuing these developments with the management team and Supervisory Board.”

Main developments

- Spyker Cars N.V. expanded significantly with the purchase of the Midland F1 Team in September 2006. At the same time it initiated a major growth in the production numbers of its road car division. This growth placed strain on both management resources and operational cash-flow and by April 2007 these factors had begun to effect the liquidity position of Spyker’s businesses.
- Subsequent liquidity pressures and ensuing delayed supplier payments triggered critical reports by certain sections of the media, resulting in a drop in stakeholder confidence and causing a marked reduction in available credit (a “bank run”) from Spyker’s supplier base and exacerbating the short-term liquidity issues significantly.
- The financial result for Spyker F1 (a loss of EUR 13 million) over the first half year was caused by higher than expected expenditures (also linked to the development of the B-spec car) and by the less than expected income streams from areas such as television rights and sponsor income, in part due to the devaluation of the US dollar. This increased expenditure and reduced income placed even greater pressure on the short term liquidity position of Spyker Cars N.V. As per 30 June Spyker Cars N.V. had provided loans to Spyker F1 in the amount of EUR 7 million.
- The financial result for the road car division (a loss of EUR 5.4 million in 2007; a loss of EUR 1.0 as per 30 June 2006) over the first half year was caused by less than expected sales results: a direct consequence of the aforementioned “bank run” which resulted in suppliers refusing to deliver ordered parts for a period of time. Manufacturing had to be cut back to a heavily reduced level in Q2. The result was that in the first six months of 2007 the number of produced cars was only 17 (2006: 43). Additionally, the order level for new cars dropped as dealer and customer confidence fell in light of the continued speculation as to Spyker’s credit worthiness and survivability. This situation has begun to recover and the road car division has seen a return to orders being placed and production restarted.
- The financial result for Spyker Squadron (a loss of EUR 1.6 million in 2007; a profit of EUR 0.5 on 30 June 2006) over the first half year was mainly due to the loss of several sponsors and the inability to replace them due to the negative associations in the press as well as rumours about a potential sale of Spyker Squadron.



- The one-off legal, auditing and interim costs in relation to the liquidity problems the Company had to face and the unforeseen post-acquisition costs of F1 amounted to EUR 1.5 million and were incurred by Spyker's top holding entity. The holding also accrued a further EUR 3.6 million of associated business costs, which brings the total operating loss to EUR 5.1 million.
- A further EUR 4.8 million has been accrued to cover a deferred tax asset provision in the top holding Spyker Cars N.V.
- Spyker Cars took immediate action, strengthening the Company management team and appointing the consultancy firm Booz Allen Hamilton to complete a strategic review. The BAH report shows that there is a viable future for Spyker as an automotive company in the market segments it is active in.
- Based upon the BAH report and internal discussion, Spyker Cars N.V.'s management took the decision to postpone the introduction of the C12 Zagato and concentrate on the launch of the Long Wheelbase (LWB) versions of the C8 and the Peking-to-Paris SSUV. More details on the future product strategy are expected at the end of Q3, as previously communicated.

Recent Developments and Outlook

- Spyker Cars N.V. is actively engaged in negotiations with parties linked to the planned refinancing of the business. These include those with the consortium mentioned earlier in respect of a possible sale of the Formula One Team. It is expected that, if successful, these developments will provide sufficient funds for Spyker to execute its chosen future business strategy.
- Spyker Cars N.V. will not present an outlook for the year 2007 until such time as the refinancing has successfully been completed.
- The planned strengthening of the Spyker management team - with a permanent CEO and CFO being actively sought - will continue. These individuals, together with current management, will lead the implementation of the chosen future strategy.
- On August 29 2007, the Netherlands Authority for the Financial Market (AFM) has indicated to Spyker that they have doubts whether Spyker's 2006 financial statements comply with the relevant regulations (i.e. IFRSs as adopted by the European Union) and that they will start a procedure with the Ondernemingskamer (Enterprise Section of the Court of Appeal) ex article 447 book 2 of the Dutch Civil Code and seek a judicial order to restate the 2006 accounts.

The AFM believes the financial statements 2006 would need to be restated in respect of the following matters:

- Recognition of deferred tax asset



- Purchase Price Allocation (PPA) of the acquisition of Midland F1 Ltd., in particular the valuation of a conditional payment contract and a sponsor contract,
- certain disclosures in the explanatory notes to the accounts and corporate governance.

Spyker does not agree with the requests for restatement and believes that the 2006 financial statements provide a true and fair view in all material aspects in accordance with IFRS as adopted by the European Union.

The matters in dispute are discussed in more detail below. Spyker notes that the items in dispute are of a non-cash nature and one-off only.

Recognition deferred tax asset

The AFM has stated that the deferred tax asset of EUR 4.7 million should have been fully impaired in the 2006 balance sheet as well as in any previous years. IAS 12.35 allows recognition of a deferred tax asset if there is convincing evidence of future profit capacity. The AFM believes that the supporting materials used by Spyker (i.e. two reports by external investigators on future market potential, best management estimates of future margin and operation costs, and recent experience of an increase of sales and orders placed) do not provide such "evidence".

Spyker believes the valuation allowance of deferred tax assets was appropriate in 2006. At the time there was extensive supporting material for the expectation of future profitability. Still, Spyker warned the reader of the accounts about the uncertainty involved (p. 56 of the 2006 annual report):

"The Company has capitalized a part of its carry forward losses.

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

The fact that in Q2 2007 Spyker has incurred losses due to unexpected adverse developments cannot be used to support the argument that therefore the expectation at the end of 2006 was unfounded.

Purchase Price Allocation (Conditional payment contract and Midland sponsor contract)

IFRS requires that at the time of an acquisition, the purchase price must be allocated to the various assets acquired. Such allocation can only be done after those assets are separately valued. IFRS recognises that at the time of the acquisition, the acquiring company is limited in its ability to perform a full-blown valuation, and therefore requires to include a *provisional* purchase price allocation, provided the company performs the final allocation within 12 months.

On the Midland F1 acquisition, Spyker has made a provisional purchase price allocation. In its 2006 financial statements, Spyker has stated (page 87 of the 2006 financial statements):

Due to amongst other the specific nature of F1 Racing the purchase price allocation ("PPA") has proven to be complex. The management has used several fair values methods to calculate to the best of their knowledge the right PPA values. This is the first PPA of a Formula One team under IFRS regulations and therefore no comparable information was found for some fair value



calculations and management had to estimate the value to their best knowledge using common business sense.

And the auditors' report in this respect reads (cf. page 123):

"We further note, as disclosed in note 4 'Business Combinations', that the initial accounting of the business combination is still provisional. Our opinion is not qualified in respect of these matters."

The provisional values used in the 2006 financial statements were, amongst others, based upon the preliminary findings of an external valuator at the time the accounts were drawn up.

Spyker also disclosed that in accordance with IFRS 3, the completion of the initial accounting for the acquisition may result in changes to the 2006 result, to be included in the comparative figures in the 2007 consolidated financial statements. An external valuator is presently completing the valuation for purposes of the PPA and the results are expected at the end of September 2007.

The AFM has doubts as to two items of the provisional PPA:

- Conditional payment contract: under this contract Midland F1 was entitled to payment obligations conditional on race performance. Spyker valued this contract at nil because it did not expect to receive any payments at all. After the acquisition the counterparty however offered USD 7 million to be released from its conditional payment obligation, which Spyker accepted. Based on an "analogous" interpretation of IFRS, the AFM believes that with the benefit of hindsight the contract should have been valued at USD 7 million, and that Spyker should not have recognised the settlement payment as income.
- Midland Sponsor contract: in the context of the acquisition Midland F1 agreed to deliver certain sponsoring services to the seller for an amount of USD 8.0 million and invoiced accordingly. Of this amount, USD 6.5 million was recorded as 2006 revenues. The remainder of this amount, USD 1.5 million, has been accounted for in 2007. AFM believes the contract should have been recorded as revenue for an amount of USD 5.2 million, of which 4.4 million should have been recorded as 2006 revenues. According to AFM the balance of USD 2.8 million should have been deducted from the purchase price.

Spyker defends its *provisional* valuation, and believes it was performed to the best of its abilities. More importantly, a restatement of the 2006 annual accounts -as sought by AFM- to replace them with other *provisional* valuations is pointless: the 2006 comparative figures in the 2007 accounts may have to be restated anyway once the *final* valuation results are available end of September 2007 (when the 12 month period allowed under IFRS expires) provided the final valuation differs from the provisional evaluation.

Disclosures in explanatory notes and corporate governance

The AFM has stated that they believe the explanatory notes in the financial statements are incomplete. For the avoidance of doubt: the AFM does not dispute the correctness of the line items themselves, but only the level of explanation provided. On corporate governance, the AFM believes that certain disclosures about corporate governance were not sufficiently and explicitly included in the annual report 2006. Spyker believes that its disclosure was sufficient, that



additional explanation on these items is immaterial and will not meaningfully increase the reader's understanding of Spyker's financial position.

Spyker F1

On 5 February 2007 Spyker F1 unveiled its first ever single seater for the 2007 Formula One championship - the Spyker F8-VII and its driver line-up, headed by German Adrian Sutil and Dutchman Christijan Albers. On 14 March at the first Grand Prix in Australia Spyker F1 announced that Etihad Airways, the national airline of the United Arab Emirates, and Aldar Properties, Abu Dhabi's leading integrated property development company, had signed up to a long-term title partnership. Further sponsor announcements have continued throughout the season. While some Formula One media had expected better results over the first races the team had always been realistic about the technical and sporting challenge they faced as a new entrant into the sport and the modest results from the first several Grand Prix of the year supported the decision to invest in a B-Spec car, which will debut at the Grand Prix of Italy at Monza on September 8th and 9th.

Spyker Cars

The road car division has continued to work throughout the first six months of 2007 on a broadening of its range with development of the Long Wheelbase (LWB) versions of the C8 (including the option of an automatic gearbox for the first time) continuing apace and investigation of possible supplier partners for the Peking-to-Paris SSUV. Both are planned to enter production during 2008. The current range of cars was again displayed at some of the industry's premier events such as the Geneva International Motor Show, the RAI, Amsterdam, the New York International Motor Show, the Goodwood Festival of Speed and the exclusive Salon Privé in London. A factory sponsored 1907 Spyker took part in the re-enactment of the original Peking-to-Paris raid of 1907 and arrived in Paris on 10 August after a two month overland adventure. The motion picture 'War' which features a Spyker C8 Spyder in a significant role alongside stars Jet Li and Jason Statham opened in mid-August in North America with international releases to come over the coming months.

Spyker Squadron

Spyker Squadron is again competing in the GT2 category of sports car racing for 2007. In 2006 extensive development work on the race cars enabled Squadron to compete with the dominant Ferrari 430's and Porsche 911's but insufficient funds required Squadron to race the 2006 car again this season and, while performance has moved on from 2006, the team has not been able to compete as effectively. The continued negative speculation in the press about Spyker since April and the associated 'bank-run' has also effected Squadron causing several suppliers to hold back development parts and demand up-front payments for all services rendered. This has been exacerbated by the rumors of a possible Spyker Squadron sale which began in May 2007. For 2008 Spyker Squadron is



investigating a possible full entry into the ALMS championship provided adequate sponsoring is secured.



Key figures

	30 June 2007 Based on IFRS Unaudited € ('000)	2006 Based on IFRS Audited € ('000)	2005 Based on IFRS Audited € ('000)
Results			
Revenues	23,393	36,293	8,275
Operating result	-21,445	3,930	-3,175
Result before taxes	-25,103	2,695	-3,644
Net result attributable to equity holders of the Company	-29,855	760	-1,930
Car production and sales			
Production	17	94	48
Sales	7	74	26
Average number of employees (in FTE)			
Automotive activities	186	114	62
Racing activities	250	237	9
Balance sheet data			
Non-current assets	135,189	133,410	31,250
Equity attributable to equity holders of the Company	59,670	85,156	28,396
Balance sheet total	200,312	188,317	48,615
Cash flow from operating activities	-24,342	-10,907	-7,065
Shares of Spyker Cars N.V.			
Outstanding shares as at 31 December with a par value of € 0.04	7,003,726	6,210,378	3,667,782
Weighted average number of shares diluted	6,605,060	4,679,963	2,989,458
Weighted average number of shares	6,488,755	4,563,658	2,739,681
Group equity per share	€ 9.20 €	18.66 €	10.36
Net result per share	€ -4.60 €	0.17 €	-0.70
Cash flow from operating activities per share	€ -3.75 €	-2.39 €	-2.58



Consolidated Semi-annual Accounts

Consolidated Balance Sheet

at 30 June 2007

Assets	<u>30 June 2007</u>	<u>31 December 2006</u>
	€ ('000)	€ ('000)
Non-current assets		
Property, plant and equipment	26,552	24,838
Intangible assets	108,637	103,820
Deferred tax assets	0	4,752
Total non-current assets	<u>135,189</u>	<u>133,410</u>
Current assets		
Inventories	22,598	17,264
Total receivables	38,824	36,206
Cash and cash equivalents	3,701	1,437
Total current assets	<u>65,123</u>	<u>54,907</u>
Total assets	<u><u>200,312</u></u>	<u><u>188,317</u></u>
Equity and liabilities		
Group equity	59,603	85,090
Non-current liabilities		
Interest-bearing borrowings	30,854	22,685
Provisions	180	165
Total non-current liabilities	<u>31,034</u>	<u>22,850</u>
Current liabilities		
Bank overdraft	22,321	25,052
Trade and other payables	50,146	41,477
Interest-bearing borrowings	37,190	13,818
Provisions	18	30
Total current liabilities	<u>109,675</u>	<u>80,377</u>
Total equity and liabilities	<u><u>200,312</u></u>	<u><u>188,317</u></u>



Consolidated Income Statement
for the half year ended 30 June 2007
(un audited)

	Half year ended 30 June 2007	Half year ended 30 June 2006 *
	€ ('000)	€ ('000)
Revenues	23,393	8,768
Other income	306	3,680
Changes in inventories of finished goods and work in progress	-384	306
Work performed by the entity and capitalized	1,194	456
Raw materials and consumables	-24,216	-7,784
Employee benefits	-12,217	-3,032
Amortization and depreciation	-2,219	-2,023
Other operating expenses	-7,302	-1,687
Operating result	-21,445	-1,316
Net financing costs	-3,658	-121
Result before taxation	-25,103	-1,437
Taxation	-4,752	319
Result for the year	-29,855	-1,118
Attributable to:		
Equity holders of the Company	-29,855	-1,118
Minority interests	0	0
Result for the year	-29,855	-1,118

* Excluding F1 Team Ltd.



Consolidated Cash Flow Statement
for the half year ended 30 June 2007
(under the indirect method)

	Six months period ended 30 June 2007	Six months period ended 30 June 2006 *
	€ ('000)	€ ('000)
<i>Cash flow from operating activities</i>		
Net result for the year	-29,855	-1,118
Adjusted for:		
Amortization and depreciation	2,219	2,023
Income tax effect	4,752	-319
Net financing costs	3,658	121
Addition to provisions	15	-92
	<u>10,644</u>	<u>1,733</u>
Movements in working capital	-1,473	821
Cash flow from interest and taxes	-3,658	-121
Cash flow from operating activities	<u>-24,342</u>	<u>1,315</u>
Cash flow from investing activities	-8,750	-4,973
Cash flow from operating and investing activities	-33,092	-3,658
Cash flow from financing activities:		
Increase/decrease in loans	33,719	-2,628
Net proceeds from new share issues and changes in equity	4,368	3,268
	<u>38,087</u>	<u>640</u>
Movement in cash and cash equivalents	<u>4,995</u>	<u>-3,018</u>
Balance of cash and bank overdraft		
end of the period	-18,620	-6,439
begin of the period	-23,615	-3,421
Movement in cash and cash equivalents	<u>4,995</u>	<u>-3,018</u>

* Excluding F1 Team Ltd.



Note for the press, not for publication

Key Financial Dates 2007/2008

Subject to change

26 October 2007	Trading Update Q3 2007
25 January 2008	Trading Update Q4 2007
28 March 2008	Publication year results 2007
17 April 2008	Annual shareholders meeting

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