



**Press release**

**SPYKER CARS N.V. DETERMINES FINAL PURCHASE PRICE ALLOCATION ("PPA")  
IN CONNECTION WITH THE 2006 ACQUISITION OF MIDLAND F1 TEAM**

**Zeewolde, 10 October 2007 - Spyker Cars N.V., manufacturer of exclusive premium sports cars, announces that in accordance with the IFRS accounting rules, it has performed the final allocation of the purchase price of the Midland F1 team. The final PPA as adopted by the Management and Supervisory Board today shows some differences with the provisional PPA as incorporated in the Annual Accounts 2006. These changes, however, will not lead to changes in the Annual Accounts 2006 but will be included in the comparative 2006 figures to be incorporated in the 2007 Annual Accounts.**

**The differences lead to a negative operating result change of EUR 3,099 million. As a consequence the operating result over the year 2006 amounts to EUR 831 K (annual accounts 2006 EUR 3,930 K).**

IFRS requires that at the time of an acquisition - such as the Midland F1 acquisition -, the purchase price must be allocated to the various assets and liabilities acquired. Such allocation can only be done after those assets and liabilities are valued separately. IFRS recognizes that at the time of the acquisition, the acquiring company may require some time to perform a full-blown valuation, and therefore allows to include a *provisional* purchase price allocation in the Annual Accounts, provided the company performs the final allocation within 12 months after the acquisition.

In its Annual Accounts 2006, Spyker Cars N.V. stated:

*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.*  
(page 87 of the 2006 financial statements)

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 management judgment using the advice of an internationally renowned independent valuator.

The Management and Supervisory Board of Spyker Cars N.V. adopted the PPA based, amongst others, on the findings of an independent expert valuator today. As a consequence the Annual Report



2006 remains unchanged, however the differences as determined in the final PPA will lead to adjusted 2006 comparative figures in the 2007 consolidated financial statements.

#### **Fair value of a specific contract of Midland F1 after acquisition**

Under this conditional payment contract, Midland F1 was entitled to payment obligations conditional on certain race performances. Spyker and (F1) experts initially valued this contract at nil because it did not expect, based upon past racing experience, to receive any payments on the basis of this contract. The external valuator valued the contract on the basis of betting odds for the 2007 season at 15 December 2006 - the first date that there are data available - and concluded that the contract should be valued at EUR 1.7 million on 28 September 2006 (acquisition date).

Spyker MF1 team ended this contract in October 2006. As a consequence the value had to be written off, which leads to an increase in the Amortization and depreciation of EUR 1.7 million.

#### **Midland sponsor contract**

In the context of the acquisition, Spyker Cars N.V. agreed to deliver certain sponsoring services by Spyker MF1 team and Spyker Squadron to the vendor (Midland Resources Holding Ltd) for an amount of EUR 6.1 million and invoiced (and was paid for) accordingly. Of this amount, EUR 5.0 million was recorded as 2006 revenues. The remainder of this amount - EUR 1.1 million - has been accounted for in 2007.

The external valuator used five different methods to determine the fair value of this contract, which resulted in a value of EUR 4.8 million. As a consequence the revenues of 2006 will be EUR 1.2 million lower. The other EUR 0.1 million will decrease first half year revenues 2007.

#### **License**

Moreover the valuation of the Formula One license was finalized by the external valuator, who has valued the contractual right value of the agreement on EUR 1.1 million. The contract period ends on December 31, 2007. This will increase the Amortization and depreciation for the year 2006 by EUR 0.1 million. For the first half year 2007 this will result in an increase of the Amortization and depreciation of EUR 0.3 million.



<b>Spyker Cars N.V.</b> <b>Consolidated income statement</b> for the year ended 31 December 2006				
	<b>2006</b> <b>(based on final PPA)</b> € ('000)	<b>PPA adjust-ments</b> € ('000)	<b>2006</b> <b>(based on provisional PPA)</b> € ('000)	<b>2005</b> € ('000)
<b>Revenues</b>	35,044	1,249-	36,293	8,275
Other income	659	-	659	348
Changes in inventories of finished goods and work in progress	1,573	-	1,573	589-
Work performed by the entity and capitalized	4,940	-	4,940	1,120
Raw materials and consumables	19,068-	-	19,068-	3,748-
Employee benefits	10,539-	-	10,539-	3,697-
Amortization and depreciation	4,957-	1,850-	3,107-	1,621-
Other operating expenses	6,821-	-	6,821-	3,263-
<b>Operating result</b>	<b>831</b>	<b>3,099-</b>	<b>3,930</b>	<b>3,175-</b>
Financial income	1,185	-	1,185	61
Financial expenses	2,420-	-	2,420-	530-
<b>Result before taxation</b>	<b>404-</b>	<b>3,099-</b>	<b>2,695</b>	<b>3,644-</b>
Taxation	937-	930	1,867-	1,679
<b>Result for the year</b>	<b>1,341-</b>	<b>2,169-</b>	<b>828</b>	<b>1,965-</b>



Note for the press, not for publication

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