

*This is a translation of the Swedish document. In the event of any discrepancy, the Swedish version shall take precedence.*

To:

Vänersborgs tingsrätt

All known creditors of the below-mentioned companies

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Preliminary Reorganization Plan

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Pursuant to the Company Reorganization Act (1996:764)

Case no:    Ä 5688-11    Saab Automobile AB  
              Ä 5689-11 Saab Automobile Powertrain AB  
              Ä 5690-11 Saab Automobile Tools AB

October 31, 2011

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## 1. Introduction and Background

On February 20, 2009, while still under ownership of General Motors, SAAB was granted a first order for reorganization. This reorganisation was conducted until 20 August 2009 when the targets were considered fulfilled by the actions taken.

While still under reorganisation, former owner General Motors continued negotiations with potential buyers. An initially negotiated deal with Koenigsegg Group was, however, cancelled on November 24, 2009.

On 18 December 2009 General Motors announced that they intended to close down the Company. On 12 January 2010 General Motors applied for liquidation of the Company and the Swedish Companies Registration Office appointed two liquidators. On 23 February 2010, however, General Motors exited the liquidation and sold the Company to Spyker Cars N.V. (currently known as Swedish Automobile N.V. ("SWAN")).

A loan facility of MEUR 400 by European Investment Bank ("EIB") was secured in February 2010. The loan was guaranteed by the Swedish National Debt Office (NDO), collateralized by a significant share of Saab Auto Group's assets and was agreed to be paid out in partial payments before 31 August 2012 with repayment during 2017.

Following payment difficulties, Saab experienced a number of production stoppages.. On 6 April, the Company decided to halt production. After additional funding had been secured the production was restarted on 27 May 2011. However, production interruptions followed in the days after as a result of an unsteady inflow of parts and components for the production. On 9 June 2011 the Company stopped production once again.

As a consequence of the escalating liquidity issues in summer 2011, a second petition for company reorganization order was filed on September 5, 2011 and granted on September 21, 2011. Since then, owners, Saab management and potential investors have worked thoroughly on developing a sustainable turnaround plan for Saab.

## 2. Development since the last reorganization and Consequences thereof

### First Achievements

During the first year of independence GM introduced two new models were introduced to the public. The market launch of the "Executive premium" 9-5 Sedan was a first step in the process of decreasing the average age of the product portfolio. With the soon-to be launched mid-sized 9-4X SUV, the product portfolio is enhanced with an offering in the 10% growth mid-sized Premium Crossover segment. Both cars received excellent press reception. With titles such as *Bjorn again* (Car & Driver, USA) and *Best Saab Ever, It's*

*Fabulous* (Aftonbladet, Sweden), *Hot Saab has the Xfactor* (Auto Express, UK) Saab left the earlier negative headlines behind and turned press coverage back into positive news around its products. International press praised the 9-5 as the potential *start of another of Saab's excellent adventures* (Car & Driver, USA) and as *conjunction of tradition and innovation* (L'Illustré, Switzerland). Also, the 9-4 X was well received and seen as head-to-head with BMW X3 and Audi Q5 (Road & Track, USA).

At the same time, Saab achieved a reduction in the break-even point from 150.000 to 120.000 units per year through structural cost reduction (headcount reduction by 1.200 FTE since beginning of 2009) and contribution margin improvement through the new 9-5. A further reduction of break even point is planned to drive it below 100.000 units by 2013. This will be achieved through further reduction in its cost base and improved contribution margins resulting from the new product launches.

In addition, after its separation from General Motors in February 2010, Saab gained full operational independence. The former owner GM is now an important business partner.

A global independent sales network, including adequate financing solutions, is in place in Europe and North America, and well underway to expand into China, Russia, Mexico, Japan, Australia and others. Former "integrated" functions such as Engineering, IT, Quality, Purchasing, Finance, Legal etc. are now fully independent. IT infrastructure is - to a large degree - separated from GM, with a clear timeline for what is remaining.

### The Problems

While significant cost reductions were achieved and production and sales ramp-up were in line with the plan, the entire re-start of Saab was six months delayed due the above mentioned liquidation process that had started. Those delays turned into major obstacles for the successful path to profitability and required additional short-term funding.

The initial negotiations with General Motors, the liquidation process and the transition of ownership to Spyker took far longer than expected - thereby causing a production stop in Q1 2010 and delay of six months in the sales ramp-up. The original plan was based on a jump start in Q1 2010 with running production and a 20% order increase each quarter starting at 3.500 units per month. The quarterly growth target of around 20% in order intake was actually achieved all the way up to the production stop in April 2011 – culminating in wholesales of 4.700 units in March 2011, on track for an annual volume of approximately 60.000. However, the initial delay resulted in targets only be achieved with a six month delay, resulting in calendar year 2010 volumes and aggregated contribution margin falling short by 50% vs. the initial business plan.

Furthermore, some separation activities from General Motors in the sales organization turned out to be more complex than initially expected and thereby contributed to not being able to recover the delayed ramp-up schedule faster.

For example, Saab's North American sales operations were fully integrated into General Motors North America until 2010. Carving out operation and rebuilding an own National Sales Company quickly proved to be a challenge and caused Saab's US sales to remain below expectations since then. GM's communication of a "discontinued brand" together with Hummer, Saturn and Pontiac didn't help either.

In addition, Saab transitioned to a direct dealer model in some markets (e.g., Germany, France Norway and Austria) to serve dealers directly out of Trollhättan instead of building up own National Sales Companies after the separation from General Motors. Conducting such an activity during the restart phase took too much attention away from making the actual re-launch a success.

While the secured funding was based on an immediate production start and ramp-up, liquidity was used up during the delay of launch. Getting access to additional funding to bridge the gap for the six month delay proved difficult. Current owners had no headroom to provide liquidity and with most assets already collateralized for the NDO as part of the loan from EIB - a loan that can only be used to fund development related projects - access to sufficient additional capital or funding proved impossible.

#### The Consequences

Lack of funds through the delayed ramp-up had severe consequences for Saab, ultimately leading to the filing for a new reorganization.

Lack of liquidity led to Saab not being able to fund critical activities during launches of brand new vehicles and required investments into market development. Saab's advertising spending for example was 50% lower than initially foreseen (and below industry standards) in the last two quarters before production was stopped. At the same time, overdue supplier payments caused disruption in the material supply chain for production and in the aftersales business.

While press coverage for the new 9-4X and the 9-5 products was very positive and supportive throughout, negative corporate news since the first production stop in April overshadowed the positive evolution. Declining trust levels in the long-term viability of Saab from customers, dealers and suppliers turned the business into a downward spiral. In some markets Saab is no longer considered in the premium competitive set and competes against volume brands in the customer perception.

The Saab dealers were adversely affected alongside Saab through this period and still are today. Some dealers have not received products for months now and aftersales service levels are continuously declining as parts availability in the central warehouses declines. Furthermore, Saab is facing increased staff attrition over the last six months. However, a significant share has signalled to return once a viable and sustainable setup is found.

### 3. The Way Forward

#### 3.1. Immediate Action Highlights

With the agreement (“MoU”) reached last week between the Chinese parties Youngman and Pang Da on the one side and SWAN on the other side, the basis for a successful re-start of Saab has been established.

Saab Automobile AB with its subsidiaries and Saab GB Ltd. (together “Saab Auto Group”) will be 100% owned and controlled by the Chinese parties.

This gives the Saab Auto Group new and financially strong owners and industrial partners with a strategic and long term interest. They are committed and able to fund the turnaround plan presented here-in. Short term funding for the re-organization process has been secured through a EUR 50 mn bridge loan.

Long term funding for the turnaround plan will also come from both Chinese owners with funding commitments of RMB 5.5bn (approx. EUR 610mn) for 2012 and thereafter, as well as further draw down on the remaining EIB facility of EUR 63mn.

Given the short time-frame since the MoU between former and new owners the repayment schedule to our creditors has not yet been finalized. This will be presented during the scheduled composition meeting.

Saab has also further reduced its structural costs in order to reduce break-even point and funding requirements. Programs and initiatives are in place for immediate structural cost reduction of SEK 1 billion.

The most important point is to restore trust and build credibility for Saab after the public discussions on Saab’s future. Given the last minute agreement between current/former and future owners Saab’s management did not yet have the opportunity or time to reach out and share facts as well as plans with the key stakeholders. Provided that Saab can continue its reorganization, management attention will be on restoring confidence and trust with suppliers, dealers and employees based on a solid turnaround plan and competitive products.

### 3.2. New Owners and “Extended Saab”

The Saab turnaround is founded on a solid basis due to two new owners committed to fund the new turnaround plan: Pang Da Automobile Trade Co. Ltd. and Youngman Automotive Group. Both parties together intend to own 100% of the shares in Saabs Auto Group.

Pang Da has tremendous experience in Automotive distribution in China. With a network of more than 1.000 sales outlets, revenues of RMB 50 billion and a growth of 49% annually from 2008-2010, it is the largest privately-owned Automobile trading company in China. CEO, Chairman and 30% owner is Pang Qinhua. The company has achieved gross margins of 10-11%. Pang Da's investment is crucial for funding the turnaround and for the immediate access to the Chinese market.

Youngman Automotive Group, on the other hand, is a manufacturer of commercial vehicles, passenger cars and automotive components. The company employs 8.000 staff and is led by Pang Qingnian. Additionally, it controls coal, silica and other mineral resources worth more than RMB 30 billion. Zhejiang Youngman Lotus Automobile Co. Ltd. is the subsidiary of Youngman Automotive Group cooperating with British Lotus Cars and focusing on the production of the L5 passenger car model. Youngman's investment will help funding and ensure long-term operational efficiency with a production footprint in China.

#### Investment Rationale for New Owners

Pang Da and Youngman are not seeking quick returns like a purely financial investor would. Their investment in Saab is driven by business rationale and a long-term strategy. Pang Da, Youngman and Saab jointly form a new entity that combines the strength of all three partners - with Saab's brand equity and heritage, product portfolio and capabilities being the key elements in a partnership that may be summarized as follows:

- Access to one of the last available global automotive brands - with brand heritage and brand equity in many developed markets
- Existing product portfolio and short-term product pipeline with very competitive products
- One additional carline and a key derivative within three months from restart of production
- Reputation for quality and safety
- Experienced engineering organization for global premium standards
- Ability to leverage Saab's global distribution network
- Global customer base with more than 1 million vehicles in operation; and
- Complementary capabilities to join forces – Saab as a marketing and engineering company, Pang Da offering immediate Sales access to China, and Youngman with available production capacity and supplier base in China

With the proposed turnaround, Saab would no longer be a standalone car company but an integrated part in the new structure.

New Structure

Through the investment of Youngman and Pang Da in Saab, along with the creation of two new entities in China, a new „Extended Saab“ is to be created (see Illustration 1).

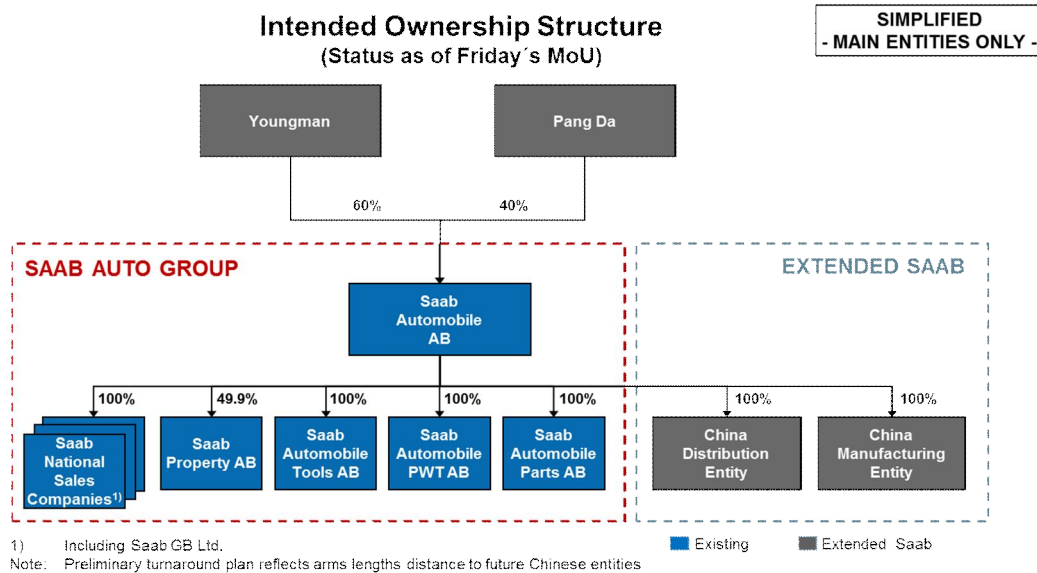


Illustration 1: Indented future ownership structure

Youngman (60% ownership), and Pang Da (40% ownership) will jointly control “Saab Auto Group”. Saab Automobile AB will continue to consist of its subsidiaries Saab Property AB, Saab Automobile Tools AB, Saab Automobile Powertrain AB, Saab Automobile Parts AB as well as the National Sales Companies and other smaller entities. As part of the transaction, Saab GB Ltd. (Saab’s national sales company for the UK) also becomes a subsidiary of Saab Automobile AB. Saab Auto Group will remain a fully fledged automotive manufacturer with design, engineering , manufacturing operations as well as worldwidesales, . Saab Auto Group covers all entities currently in reorganization.

To tap into opportunities in and stemming from China, Saab, Youngman and Pang Da are intending to found two new entities in China:

- A China Distribution Entity will manage all sales operations in the booming China market regarding Saab vehicles; and
- A China Manufacturing Entity will provide manufacturing facilities in China, building Saab vehicles both for the Chinese and the worldwide market.

Development of the vehicles manufactured in the Manufacturing Entity which will take place within Saab Automobile AB in Trollhättan

With all entities of the „Extended Saab“ being closely interlinked, the new owners are highly committed to securing the long-term viability through securing sufficient long-term funding of all the involved entities’.

With Saab Automobile AB being in reorganization, the preliminary turnaround plan financials which will be presented in this document only relate to the activities concerning Saab Auto Group as well as its business relationships with the two new entities - but do not yet contain the business plans of the new China entities itself. A joint business plan for the “Extended Saab” is currently under development.

### 3.3. The Restart

As in any successful automotive turnaround, the turnaround will be revenue and product led. A key uncertainty in the plan is the loss of sales capacity and key personnel at the dealers in the markets after being without products for such a long time. Given this potential loss of sales capacity at the dealers in the market, it will be key to offer new and interesting products in line with customer demand to dealers and the markets. This will allow to create positive product news in consumer minds, floor traffic at the dealers and to attract sales talent back to the brand.

Traditionally, a two product company with an aged product portfolio, Saab now has a number of market-ready products that have not been market-launched in the past due to financial constraints.

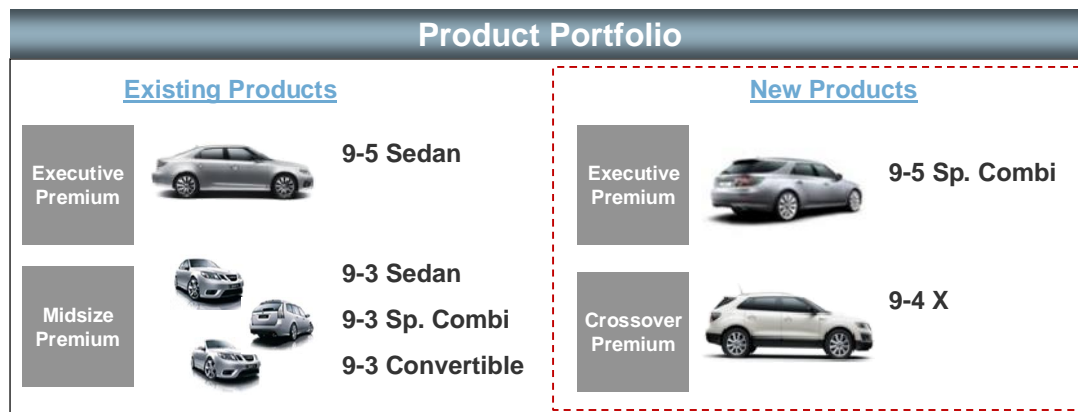


Illustration 2: Saab Product Portfolio MY 2012 with existing and new products

In its three key markets (65% of historic volume) Sweden, UK and US Saab has new products to offer with the re-launch. The new 9-5 Sports Combi is scheduled for 2012 to build the basis for the Swedish and UK recovery. The Wagon is traditionally the strongest segment of the Swedish market with Saab then having the most recent product in the segment. UK recovery will also be supported by a new 120g powertrain offering on the 9-5 which thereby fits the requirements of corporate customers and fleet buyers. The plan also conservatively assumes that some time will be required to be re-listed by all major fleet and leasing companies and to re-enter the Swedish support fleet business.

The 9-4X is the basis for the US re-launch, giving access to a completely new segment for Saab, combined with a re-positioned 9-5 Sedan. Both carlines target traditionally strong segments in the US.

Besides traditional markets, Saab also targets high growth markets. Due to the background of the owners, China will be in the focus of activities in growing markets. The China launch of Saab in conjunction with the distribution capability of Pang Da will have multiple legs. The 9-4X is in a fast growing segment in China and the one-year-old 9-5 Sedan with its 2837 mm wheel base fits well with the Chinese market. For both, a significant order bank already exists. Furthermore, a new importer agreement for Russia and Ukraine has already been signed.

The turnaround plan conservatively assumes that the volume ramp-up curves follow the realized actual pattern in last year's re-start, despite having more carlines available. In addition to that, volume is planned to be generated through access to the large and fast growing Chinese market. While in 2012 35.000 - 55.000 units are expected to be sold, sales are expected to rise to 78.000-86.000 in 2013.

The restart is planned to be accompanied by market-facing activities to rebuild trust in the Saab brand over the next 2-3 years in the traditional markets and kick-start the sales channel. These activities are characterized by fast sales impact and low investment.

They will address customers, dealers as well as the important fleet and leasing channel. Specific campaigns will be offered temporarily during the restart period - differentiated and tailored to selected market. Examples include:

#### Targeted at Customers

- Loyalty incentives
- Offer service packages
- Offer test drive campaigns

#### Targeted at Dealers

- Organize re-start and product events
- Temporary incentives for new orders
- Support dealers in recruiting (sales, service)

#### Targeted at Fleets and Leasing Companies

- Organize re-start events
- Temporary order bonuses
- Subsidize residual values on selected volumes

After the successful sales restart has been accomplished, Saab is going to a shift activities towards a restatement of the brand position through motorshows, events as well as traditional and non-traditional communication channels.

### 3.4. Long-Term Strategy and Viability

#### 3.4.1. Positioning & Portfolio

Saab is a niche premium brand, leveraging its unique brand heritage, targeting the upper liberal customer segment - aiming for differentiated position vs. traditional premium brands. Saab Brand position and Saab customer segments provide opportunities for premium prices and high contribution margins per unit. This provides a profitable business at low volume versus premium volume brand such as BMW, Audi and Volvo. Other niche brands that compete for high price realization at low volumes are for example Jaguar, Land-Rover, Mini and Porsche.

The traditional Saab positioning is unique and Saab aims to further strengthen the uniqueness through differentiation from other premium vehicles. Starting with the next generation of vehicles, Saab intends to sharpen the brand to provide cars that are non-traditional cars and compete less with existing car brands and vehicles.

Building on Saab's roots and heritage, iconic products are meant to be the foundation for the future, based on four principles:

- Most progressive design of all
- Driver-centered
- Responsible performance; and
- Sporty vehicles, done the Saab way

The Chinese market requires a dedicated positioning strategy and discussions with our partners are currently under way to work out the details.

Saab holds a considerable pipeline of new generation cars which are almost fully developed and close to market launch. The recent launch of 9-5 Sedan and the upcoming market launch of 9-4X have a significant impact on the average portfolio age, bringing it down from seven years to four years in 2011. Furthermore, the 9-5 Sports Combi is ready to be launched in 2012. Saab envisages a further decrease of the average portfolio age with new generation of competitive vehicles:

- Saab's main product – the 9-3 in the midsize range – is planned to be introduced in 2013/2014 with a new - unique in the segment - fastback and convertible
- In addition, Saab plans to enter a new offering within the premium compact segment
- The next generation premium crossover is expected to increase share in this growing segment
- Ultimately, a new entry in the executive segment fully reflecting the new iconic Saab positioning is planned to follow

#### 3.4.2. Operations

Saab's new strategy will be backed in operations and engineering by historic strengths which will open up opportunities for cost savings and innovations. Key highlights include:

##### Operational excellence:

- Trollhättan is one of the most efficient automotive plants in its segment - with 29 production hours per car. Saab plans to leverage this and the well trained staff to ramp up production again quickly
- Flexibility in the manufacturing footprint is to be enhanced significantly through local manufacturing in China . Going forward Saab plans, to a much higher degree, to gain from producing the cars closer to the customers and leverage the cost advantages foreseen from producing in China.
- While significant right-sizing has already occurred, Saab wants to continue along the path to create leaner operations
- During the production downtime since April, Saab has significantly invested in staff training to increase future competitiveness - with each employee participating in 140 hours of training.
- Also opportunities for supply chain efficiency are evaluated. Working capital reduction programs are under way through reducing lead times. Saab management expects to reduce its current manufacturing-related operating working capital by 40% until end of next year.

- Saab envisages to leverage opportunities through local sourcing in China for new products.
- Reviewing the supply base, having a revised production footprint and growing into new markets, like China, is expected to further reduce risk through a more balanced FX footprint.

#### Innovative Engineering:

- Saab is currently developing a proprietary scalable in-house architecture (Phoenix) for all future Saab models which will ensure economies of scale and other synergies across carlines. This modular technology-based architecture covers all Saab segments including crossover and SUV capability - thereby enabling fast changes and quick to market development.
- Within this technology architecture Saab deploys all leading technologies (e.g. open infotainment platform, electrical XWD/hybrids/E-REV (Extended Range Electric Vehicle technology), state of the art active and passive safety systems), meeting the Global Premium & Quality Standards (e.g. 5 star safety, low emissions, superior ride & handling, hybrid/electrification).
- Saab's engineers have deep experience in developing breakthrough innovations - being the center of excellence for key performance areas and technologies (e.g. turbo-charging, powertrain/controls software engineering, active and passive safety, all-wheel drive) while being part of General Motors.
- While vehicle and powertrain development were separated in the past, Saab is currently in the final stages of merging these two organizations to form one holistic engineering organization.
- Being a niche manufacturer with premium standards, Saab plans to collaborate with the best suppliers, car manufacturers and strategic partners to:
  - Obtain access to technology and achieve scale advantages through partnering; and
  - License out own products to the new entity in China, as well as other car manufacturers

#### 3.4.3. Long Term Volume Forecast

Saab's volume forecast is based on three main growth highlights:

##### 1. Access to China

The new ownership structure with two strong Chinese partners facilitates Saab's access to the Chinese market. With annual volumes in the Premium Segment of one million (Forecast 2011; 19 million total market) and an expected annual growth rate of more than 15% (8%) over the next years, the Chinese market is the most attractive market globally. While historically Saab's markets were in the West with 64% share of sales in

Europe and 30% in North America, in the future Saab's focus is expected to shift to China – capturing 1/3 of sales.

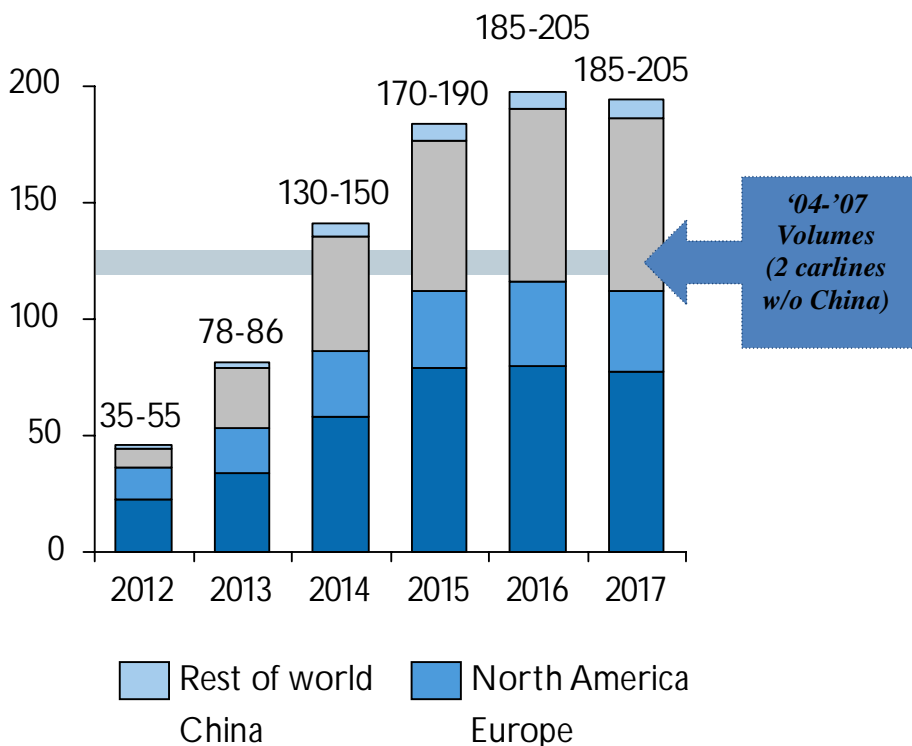
2. Broader product portfolio

Along with the geographical diversification comes a carline diversification. While Saab relied on two carlines (9-3 and 9-5) up until 2011, adding the 9-4x now and the Compact vehicle at a later stage will double the number of carlines. The diversification paired with launches of next generation Midsize/Executive Premium models also leads to a product rejuvenation, decreasing average car age from seven years at beginning of 2010 to two years in 2014. All target premium segments are expected to grow considerably over the next 5 years (CAGR (Compound Annual Growth Rate; worldwide): Premium Executive (5%); Premium Midsize (8%); Premium Compact (10%); Premium Crossovers (10%)

3. Profitability focus

The new turnaround plan acknowledges market dynamics in the relevant segments as well as focus on profitability, rather than volume by any means. As Saab's production and sales have been low during the financially constraint period of 2010/2011 and competitors have entered the markets, Saab's segment shares in traditional markets are forecasted to remain below historic levels. The peak volumes planned in Sweden, US, and UK for the traditional carlines (9-3/9-5) are between 53% and 70% of historical averages – but achieving better contribution margins per vehicle.

Thus, growth in Saab sales is expected from new markets, predominantly China, as well as new products such as 9-4x and Compact. China is foreseen to account for 1/3 of global volume and the two new carlines are expected to contribute 40% of global volumes by 2017.



### Illustration 3: Annual Car Sales Volume by Market in '000 units

These global sales stem from the "Extended Saab". Saab Auto Group will continue to produce in Trollhättan and is in charge of worldwide distribution of all "Extended Saab" products. Saab Auto Group accounts for approximately 70% of "Extended Saab" volume by 2017, which is reflected in the preliminary turnaround plan for this reorganization. The manufacturing entity in China is intended to supply to both the China distribution entity and Saab Auto Group.

#### 4. Funding

Short- and long-term funding is assured through the new owners. Youngman and Pang Da have committed an immediate bridge funding of EUR 50mn and have also committed to RMB 5.5bn (approx. EUR 610 mn) funding for the medium-term timeframe for 2012 and thereafter as well as further draw down on the remaining EIB facility of EUR 63mn.

Given the short time-frame since the MoU between former and new owners the repayment schedule to our creditors has not yet been finalized. This will be presented till the scheduled composition meeting.

#### 5. Preliminary Reorganization Plan

All activities in combination with the new ownership structure and the funding translate into a fully funded preliminary turnaround plan for Saab Auto Group.

Highlights include:

- 175-200k units sold through "Extended Saab" - 130-145k revenue-generating units for Saab Auto Group
  - 1.7% market share in Executive Premium
  - 3.8% market share in Midsize Premium
  - 4.9% market share in Midsize Premium SUV
  - 3.4% market share in Compact Premium

- Sustainable long-term profitability
  - Net sales of about SEK 35 Bn
  - Sustainable 5% return on sale
  
- The negative result for 2012 and 2013 is covered by the financing described above
  
- Positive cash-flow during 2014

Over the next weeks, management will work thoroughly with the new owners and the newly established China entities to transform this preliminary reorganization plan into a full turnaround plan for “Extended Saab” covering all related entities.

#### 6. Timetable and Next Steps

Saab and the new owners are highly committed to the timely implementation of the new turnaround plan. New ownership and funding have been agreed at this stage, and further detailing of the “Extended Saab” business model is underway. As early as funding for the restart is obtained and latest with the composition meetings, Saab will discuss a preliminary start-up plan with suppliers. As delivery of parts & material is crucial to a quick restart, the final schedule for production restart will be compiled based on information from suppliers during November 2011. At the same time, before the first car leaves the assembly line, Saab will restart sales and marketing activities including the earlier discussed selective incentive measures for dealers as well as events for end customers.

Once operations are back up and running, the focus will be on restoring the brand and market position in all key markets and starting on mid-term activities such as positioning the brand as a niche premium brand in key markets.

Guy Lofalk  
Administrator