

GM Shuts Down Saab After Sale Collapses

DETROIT (AP) — General Motors Co. will wind down Saab after talks to sell the brand to Dutch carmaker Spyker Cars collapsed.

GM says issues arose during the sale talks that could not be resolved. GM says it will continue to honor Saab customer warranties.

GM previously tried to sell the brand to Koenigsegg Group AB, but the Swedish carmaker withdrew from the talks last month.

Editor's note: The following is a press release from GM regarding this situation:

DETROIT, Dec. 18 — General Motors announced today that the intended sale of Saab Automobile AB would not be concluded. After the withdrawal of Koenigsegg Group AB last month, GM had been in discussions with Spyker Cars about its interest in acquiring Saab. During the due diligence, certain issues arose that both parties believe could not be resolved. As a result, GM will start an orderly wind-down of Saab operations.

"Despite the best efforts of all involved, it has become very clear that the due diligence required to complete this complex transaction could not be executed in a reasonable time. In order to maintain operations, Saab needed a quick resolution," said GM Europe President Nick Reilly. "We regret that we were not able to complete this transaction with Spyker Cars. We will work closely with the Saab organization to wind down the business in an orderly and responsible manner. This is not a bankruptcy or forced liquidation process. Consequently, we expect Saab to satisfy debts including supplier payments, and to wind down production and the distribution channel in an orderly manner while looking after our customers."

Saab will continue to honor warranties, while providing service and spare parts to current Saab owners around the world.

As part of its efforts to become a leaner organization, GM began seeking a buyer for Saab's operations in January. Last week, Saab Automobile AB announced that it had closed on the sale of certain Saab 9-3, current 9-5 and powertrain technology and tooling to Beijing Automotive Industry Holdings Co. Ltd. (BAIC). GM expects today's announcement to have no impact on the earlier sale.

As the company continues to reinvent itself, GM has been faced with some very difficult but necessary business decisions. The focus will remain on the four core brands - Buick, Cadillac, Chevrolet and GMC - and several regional brands, including Opel / Vauxhall in Europe. This will enable the company to devote more engineering

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and marketing resources to each brand and model.

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