

Saab's \$40M Deal To Lease Plants Approved

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

Saab's \$40M Deal To Lease Plants Approved

Malin Rising, Associated Press

STOCKHOLM (AP) — The European Investment Bank on Monday approved Saab's plan to improve its ailing finances with a \$40 million deal to sell and lease back property.

If the deal is also approved by Sweden's government and the national debt office, which is expected, Saab will have cleared a key hurdle in its attempts to resolve a cash shortage that has left it struggling to pay suppliers and staff.

EIB spokesman Par Isaksson said the bank, from which Saab has borrowed money, approved the agreement to sell a 50.1 percent in Saab's property, including its production plant in Trollhattan to Swedish real estate company Hemfosa. Saab's owner, Swedish Automobile, intends to sign a 15-year lease agreement so that it can continue to use the property.

Saab's production has been at a standstill for months. Last week, the company said it aims to resume production within two weeks, but workers remained idle Monday and will go on two weeks scheduled vacation July 25.

Earlier Monday, Saab said it aims to set up a joint venture with China's Zhejiang Youngman Lotus Automobile Co. to design a small Saab model called 9-1, and two larger designs called 9-6 and 9-7.

Saab spokeswoman Gunilla Gustavs said those plans are at an early stage and it remains unclear when the cars could reach the market.

Youngman will provide financing for the joint venture while Saab will be responsible for developing the models.

"We will now be able to develop a small entry level Saab, a car that has long been on the top of our wish list," the CEO of Saab-owner Swedish Automobile, Victor Muller said in a statement.

Swedish Automobile NV, previously known as Spyker Cars, also said it has completed a previously announced €245 million (\$356 million) deal to make Youngman and another Chinese firm, Pang Da Automobile Trade Co, part-owners in Swedish Automobile. The deal still requires regulatory approval.

It said the agreement also allows for Russian investor Vladimir Antonov to become part-owner of Swedish Automobile, if he obtains the necessary regulatory approvals.

Antonov has said he wants to inject between \$50 million and \$150 million into Saab,

Saab's \$40M Deal To Lease Plants Approved

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

but is still waiting for an approval from the European Investment Bank.

The Russian was forced out of Spyker amid reports of money laundering when Spyker bought Saab from General Motors in 2010. He has denied those allegations and has never been charged.

EIB's spokesman, Isaksson declined to comment on that process Monday.

Shares in Swedish Automobile rose by 17.3 percent to €2.94 (\$4.27) on the Amsterdam stock exchange.

Source URL (retrieved on 12/21/2014 - 6:44pm):

<http://www.impomag.com/news/2011/07/saabs-40m-deal-lease-plants-approved>