

Saab to appeal court ruling rejecting bankruptcy protection

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Saab will submit on Monday an appeal against a Swedish court's rejection of its request for protection against bankruptcy, the parent company Swedish Automobile announced.

"Swedish Automobile announces that Saab ... aims to submit their appeal on the district court's decision to reject Saab Automobile's proposal for voluntary reorganisation on Monday September 12, 2011," it said in a statement Friday.

With no cash and stagnant sales, Saab, which employs 3,700 people, on Tuesday asked the court to grant it protection from its creditors.

Its debts amount to about 150 million euros (\$210 million), according to Saab chief executive Victor Muller, and the company has stopped paying its suppliers who have in turn halted deliveries since April.

Salaries have not yet been paid for August.

The district court of Vaenersborg in southwestern Sweden concluded on Thursday that "there is not enough reason to believe that a company reorganisation would be successful."

It noted the company was unable to pay its debts and said there were significant doubts about whether it would be able to raise the necessary funds.

"Saab Automobile disagrees with this interpretation of the voluntary reorganisation proposal," Swedish Automobile said.

The company had said it was eagerly waiting for some 245 million euros in funding from Chinese partners Pang Da and Youngman to arrive. It has said it expects the funding in November, pending the approval of Chinese authorities.

"In the meantime, Swan (Swedish Automobile) and Saab Automobile continue discussions with

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several parties about obtaining additional funding for the short term," the statement said.

The court said on Thursday "it remains unclear if -- or when -- the Chinese authorities will approve the (funding) agreements."

In early 2010, Saab was saved from bankruptcy by Dutch group Swedish Automobile, then called Spyker, which bought the brand from US car giant General Motors.

Muller has repeatedly said he was "very confident" the Chinese funds would come through and said the reorganisation request was especially aimed at allowing the company to find funding to hold it over until Chinese investments arrive.

Production at the company's sole plant in Trollhaetten, in southwestern Sweden, has been halted entirely since June.