

Up to three potential Saab buyers

Written by AFP / The Swedish Wire

Monday, 11 May 2009 16:05 - Last Updated Tuesday, 12 May 2009 21:20

There are up to three potential investors looking to buy Swedish automaker Saab from struggling US parent company General Motors, the Swedish news agency TT reported Monday.

GM wants to sell loss-making Saab, based in Trollhaettan, southwestern Sweden, in a bid to shore up its own badly damaged balance sheet.

Guy Lofalk, the court-appointed administrator, told TT as many as three parties have signed letters of intent expressing their interest in acquiring Saab.

"For various reasons they have been considered the strongest (candidates) ... It's about being strong financially and long-term," Lofalk told TT.

Saab spokesman Eric Geers declined to comment on the identity of any of the potential buyers.

Swedish media have speculated that Chinese automaker Geely was interested in Saab, as well as unnamed US venture capitalists, Swedish sports carmaker Koenigsegg and Italian giant Fiat, which is tying up with Chrysler.

Geers also said a sale did not have to be finalised before the automaker's current bankruptcy protection expires on May 20.

"That date is more for the extension for the reorganisation of the business but you can say that somewhere by early summer we expect to finish the deal," Geers said.

Some 27 potential buyers initially registered an interest in April when Saab was awarded court protection from its creditors.

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A dozen are reported to have visited its Trollhaettan headquarters to present their business plans for the automaker and tour its factories.

One problem facing any potential new owner is Saab's massive debt.

It owes 9.7 billion kronor (920 million euros, 1.2 billion dollars) to GM -- its largest individual creditor -- as well as 347 million kronor to the Swedish government.

Other creditors are owed 647 million kronor.

Saab employs about 4,100 people in Sweden. Including suppliers, some 15,000 jobs in the country are believed to be at risk if the company were to disappear.