

**FOR IMMEDIATE RELEASE**  
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**SINGER N.V. ANNOUNCES RESULTS FOR  
SECOND QUARTER ENDED JUNE 30, 2002**  
*Results Show Continuing Profitability*

August 20, 2002, Curacao, Netherlands Antilles

Singer N.V. ("Singer" or the "Company") announced today its results for the second quarter of 2002.

**2002 Second Quarter Results**

For the second quarter ended June 30, 2002, the Company reported consolidated revenues of \$107.0 million. This compares to revenues of \$108.3 million for the second quarter of 2001, a decline of \$1.3 million or 1.2%. The decrease was primarily due to the economic slowdown in several markets, primarily in Latin America. Revenues of Singer's 48%-owned Thailand affiliate amounted to \$24.0 million for both the 2002 and 2001 quarters. These sales are not included in consolidated revenues. The Company's revenues for the second quarter of 2002 included \$8.5 million of finance charges on consumer credit sales and \$1.3 million of royalty and licensing income; the corresponding amounts for the second quarter of 2001 were \$9.0 million and \$1.3 million, respectively.

Gross profit for the three months ended June 30, 2002 was \$41.7 million, representing a gross margin of 39%. This compares to a gross profit of \$43.1 million and a gross margin of 40% for the same period in 2001. The decline in gross margin was due primarily to lower margins in the Mexico Retail operations as a result of changes in the sales mix and a slight decrease in Sewing segment margins.

Selling and administrative expenses at \$32.4 million were \$0.7 million below the prior year amount, primarily due to the reduction of amortization expense relating to goodwill and intangible assets. Operating income for the 2002 and 2001 quarters were \$9.2 million and \$10.0 million, respectively, while EBITDA (earnings before interest, taxes, depreciation and amortization) were \$13.3 million and \$15.0 million, respectively. Interest expense was \$5.3 million in the second quarter of 2002 as compared to \$6.9 million in the prior year. The \$1.6 million decrease in interest expense was due to lower interest rates and decreased borrowings.

The Company's net income for the second quarter of 2002 was \$4.7 million, a \$1.3 million or a 38.0 % increase over the \$3.4 million net income recorded in the 2001 second quarter.

Effective January 1, 2002, the Company adopted accounting standard, SFAS No. 142, accounting for "Goodwill and Other Intangible Assets", pursuant to which Singer is no longer amortizing the value of the "Singer" trademark and most other intangible assets, subject, however, to any periodic adjustment that may be appropriate to assure that the carrying value of

the Company's intangible assets do not exceed their fair value. This reduced amortization expense to nil in the second quarter of 2002, or by \$1.2 million as compared to the prior year.

Singer's Retail operations, which include the provision of consumer credit, accounted for 72% of Singer's second quarter revenues (taking into account the revenues of its non-consolidated affiliate in Thailand) and 59% of operating earnings before corporate costs, eliminations and amortization of intangibles. Major contributors to this segment were the retailing businesses in Mexico, Thailand, Sri Lanka and Bangladesh.

The Company's Sewing business accounted for 28% of Singer's second quarter revenues and 41% of operating income. The Sewing operations in Brazil and the United States were major contributors to this segment.

### **2002 First Half Results**

For the first half of 2002, ending June 30, the Company reported consolidated revenues of \$210.4 million, as compared with revenues of \$213.6 million for the first half of 2001. Revenues of Singer's non-consolidated Thailand affiliate, amounting to \$47.6 million and \$46.8 million in the first half of 2002 and of 2001, respectively, are not included in these totals. The decline in revenues is largely attributed to the economic slowdown in several markets and the weakening of their currencies against the U.S. dollar. The Company's revenues reflect the inclusion of finance earnings of \$16.8 million and \$16.9 million, and of royalty income of \$2.9 million and \$2.7 million, for the first half of 2002 and of 2001, respectively.

Gross profit amounted to \$80.6 million and \$84.1 million, in the first half of 2002 and of 2001, respectively, representing gross margins of 38% and 39% on sales. Selling and administrative expenses in the first half of 2002 were \$64.1 million or \$1.4 million below the prior year amount, primarily due to a \$2.4 million reduction in amortization expense relating to goodwill and intangible assets. Operating income for the first half of 2002 and of 2001 was \$16.5 million and \$18.6 million, respectively, while EBIDTA was \$21.8 million and \$27.5 million, respectively.

The Company's net income for the first half of 2002 was \$5.3 million, a \$1.2 million or a 29% increase over the \$4.1 million net income recorded in the first half of 2001.

Singer's Retail operations accounted for 72% of Singer's first half revenues (taking into account the revenues of the Company's non-consolidated affiliate in Thailand) and 60% of operating income. Major contributors to this segment in the first half of 2002 were the Retail businesses in Mexico, Thailand, Sri Lanka and Bangladesh.

The Company's Sewing business accounted for 28% of the Company's first half revenues and 40% of operating income. Sewing operations in Brazil and the United States were major contributors to this segment. The Company's consolidated results and the results for the Sewing segment in the first half of 2002 continued to be negatively impacted by the economic crisis in Turkey. However, both revenue and net income in Turkey improved significantly as compared to the prior year.

## **Sale of Singer Greece**

During the second quarter, the Company's subsidiary in Greece, Singer A.E.E. Home Appliances, was sold to a third party buyer who became Singer's new distributor and licensee. The Company realized a gain of \$0.1 million on the sale. Mr. Stephen H. Goodman, Singer N.V.'s President and CEO, noted, "The decision to sell the Greek company, was due to a lack of strategic fit with Singer's other Retail businesses and the greater potential that a new distributor with a broader business base offers in terms of promoting Singer sewing machines and clothing care products."

## **Continued Profitability**

In commenting on the second quarter results, Mr. Goodman noted, "We are pleased by our continued profitability in the second quarter of 2002, representing the seventh consecutive profitable quarter since the conclusion of our successful Chapter 11 reorganization in September 2000, but we are disappointed by the failure to grow revenue. To meet the challenges of economic weakness in many of the markets in which we operate and of global excess capacity resulting in heightened competition, we intend to push forward for the remainder of 2002 and into 2003 with new, strategic initiatives. These will include adding additional stores and products, and increased promotion in the Retail segment and additional products and support in the Sewing segment. We continue to have confidence that the consistent execution of our recovery plan, supplemented by continued control of our expenses, will result in continued and improving profitability in 2002."

## **Share Distribution**

On November 11, 2001, the Singer Creditor Trust made an initial distribution of the Common Shares of Singer N.V. to the holders of allowed, general unsecured claims against Singer's predecessor company. It is anticipated that the final distribution of the Common Shares will be made later this year.

It is not anticipated that the Company's Common Shares will be listed on any U.S. or overseas securities exchange, the NASDAQ National Market System, the NASDAQ Small Cap Market, the OTC Bulletin Board or a similar trading system in the near future. Price quotations for the Company's Common Shares became available on the "Pink Sheets" quotation service under the symbol "SNGR" in March 2002. It is anticipated that brokers should be able to continue to trade Singer's Common Shares using the "Pink Sheets" quotation service as long as the Company is current in submitting to the Securities and Exchange Commission ("SEC") the materials that it makes available to its shareholders or is required to file under its own country jurisdiction. If the Common Shares cease to be traded, shareholders seeking to sell or buy shares will only be able to do so with considerable difficulty and at prices that may not reflect the shares' theoretical inherent value. Even to the extent that quotations on the "Pink Sheets" service continue, there is no assurance that there will be adequate liquidity or that there will not be wide swings in prices and significant differences between "bid" and "asked" prices, which will make trading difficult and could cause prices for the Company's shares to deviate substantially from their theoretical inherent value.

## **About Singer N.V.**

Effective September 2000, as a result of the successful Chapter 11 reorganization, Singer became the parent of several operating companies formerly owned by The Singer Company N.V., as well as acquiring ownership of the SINGER brand name, one of the most widely recognized and respected trademarks in the world. Through its operating companies, Singer is engaged in two principal businesses, Retail and Sewing.

The Retail business consists primarily of the distribution through retail stores and direct selling of a wide variety of consumer durable products for the home in selected emerging markets, primarily in Asia, Mexico and the Caribbean. Retail sales activities in these markets are strengthened by the availability to customers of consumer credit services provided by the Company. In some of the markets where it operates, Singer is recognized as a leading retailer of products for the home. The Sewing business consists primarily of the distribution of consumer and artisan sewing machines and accessories, produced by Singer and certain third-party manufacturers, through distribution channels operated by its Sewing Operating Companies and through third-party distributors and dealers, as well as through the Operating Companies which operate Singer's Retail business. Singer is one of the world's leading sellers of consumer and artisan sewing machines, with an estimated worldwide unit market share of 28% (excluding China, the former Soviet Republics and Eastern European countries).

Additional financial and other information about the Company, including: a copy of Singer's audited consolidated financial statements for the twelve months ended December 31, 2001 and for the three months ended December 31, 2000 together with the Auditor's Report thereon; the 2001 Disclosure Statement and Report dated May 2002, and the prior Disclosure Statement and Report dated September 2001; and copies of all Quarterly Reports and press releases since the conclusion of the Chapter 11 proceedings in September 2000, including the Quarterly Report for the period ended June 30, 2002, may be found at the Company's financial website, [www.singernewsonline.com](http://www.singernewsonline.com).

Statements made herein with respect to Singer's current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of the Company. Forward-looking statements include but are not limited to those using words such as believe, expect, anticipates, plans, strategy, prospects, forecast, estimate, project, may or might, and words of similar meaning in connection with a discussion of future operations, financial performance, financial position, capital resources and strategy and plans and objectives of management. From time to time, oral or written forward-looking statements may also be included in other materials released to the public. These statements are based on management's assumptions and beliefs, which are expressed in light of the information currently available to management. The ultimate outcome in many cases is outside of the Company's control. The Company cautions that no assurance can be given that expectation reflected in such forward-looking statements will prove to have been correct, that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and therefore, undue reliance should not be placed on such forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, and no

assumption should be made to the contrary. Risks and uncertainties that might affect the Company include, but are not limited to: general economic conditions in the Company's markets worldwide, particularly in Asia, Mexico and the Caribbean, including levels of consumer spending; exchange rates, particularly between the U.S. dollar and other currencies in which the Company makes significant sales or in which the Company's assets and liabilities are denominated; the Company's ability to continue to win acceptance of its products and services, which are offered in highly competitive markets; the Company's ability to implement successfully the ongoing restructuring of its businesses; the success of the Company in improving liquidity and obtaining access to capital resources, including the Company's ability to achieve its minimum-operating plan and meet its obligations under several financing agreements, and to obtain additional or replacement financing or successfully renegotiate with creditors under the credit facilities; improving efficiency in its manufacturing and marketing operations; continuing relationships with financial institutions, suppliers and other creditors; and the outcome of contingencies.

For further information, please contact Barbara Wybraniec at (917) 534-5373.

**SINGER N.V.**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE THREE MONTHS ENDED JUNE 30, 2002 AND 2001**  
**(in thousands of US dollars)**

	<b>(Unaudited)</b> <b>Three Months</b> <b>Ended</b> <b>June 30,</b> <b>2002</b>	<b>(Unaudited)</b> <b>Three Months</b> <b>Ended</b> <b>June 30,</b> <b>2001</b>
Revenues	\$ 106,998	\$ 108,269
Cost of revenues	65,322	65,182
Gross profit	41,676	43,087
Selling and administrative expenses	32,446	33,110
Operating income	9,230	9,977
Other income (expense):		
Interest expense	(5,306)	(6,866)
Equity in earnings from operating affiliates	1,079	717
Other, net	1,574	1,452
Total other income (expense)	(2,653)	(4,697)
Income from continuing operations before provision for income taxes and minority interest	6,577	5,280
Provision for income taxes	1,609	1,815
Minority interest share in income	318	115
Income from continuing operations	4,650	3,350
Discontinued Operations		
Gain from operations of Greece, net of tax benefit	61	82
Net income	4,711	3,432
Dividends on preferred shares	275	275
Net income applicable to common shares	\$ 4,436	\$ 3,157
Supplementary information:		
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 13,273	\$ 14,992

**SINGER N.V.**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2002 AND 2001**  
**(in thousands of US dollars)**

	<b>(Unaudited)</b> <b>Six Months</b> <b>Ended</b> <b>June 30,</b> <b>2002</b>	<b>(Unaudited)</b> <b>Six Months</b> <b>Ended</b> <b>June 30,</b> <b>2001</b>
Revenues	\$ 210,354	\$ 213,560
Cost of revenues	129,804	129,436
Gross profit	80,550	84,124
Selling and administrative expenses	64,092	65,520
Operating income	16,458	18,604
Other income (expense):		
Interest expense	(10,491)	(14,124)
Equity in earnings from operating affiliates	1,674	1,395
Other, net	1,351	1,840
Total other income (expense)	(7,466)	(10,889)
Income from continuing operations before provision for income taxes and minority interest	8,992	7,715
Provision for income taxes	2,666	3,424
Minority interest share in income	659	345
Income from continuing operations	5,667	3,946
Discontinued Operations		
Gain (loss) from operations of Greece, net of tax benefit	(374)	127
Net income	5,293	4,073
Dividends on preferred shares	550	550
Net income applicable to common shares	\$ 4,743	\$ 3,523
Supplementary information:		
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 21,808	\$ 27,487