

**FOR IMMEDIATE RELEASE**  
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**SINGER N.V. ANNOUNCES RESULTS FOR  
YEAR ENDED DECEMBER 31, 2003 AND FOR THE FOURTH QUARTER OF 2003**

April 13, 2004, Curacao, Netherlands Antilles

Singer N.V. ("Singer" or "the Company") announced today its results for the year ended December 31, 2003 and for the fourth quarter of 2003.

**2003 Year Results**

**Overview**

During the year ended December 31, 2003, the Company entered into several significant transactions intended to strengthen the Company and improve liquidity during the year and into the future.

These transactions were:

- In January 2003, a subsidiary of the Company entered into an agreement with the Pension Benefit Guaranty Corporation ("PBGC") to purchase all 40 Preferred A Shares of the Company for \$3.8 million. This transaction was closed in December 2003.
- In March 2003, Singer U.S. successfully refinanced the Singer Sewing Credit facility, providing additional long-term liquidity.
- In July 2003, the Company concluded the placement with a private investment fund of a 43.2% minority equity interest in the Company's Asia Retail operations for \$30.0 million.
- In July 2003, the Company sold Singer Guyana for consideration of \$1.6 million.
- In September 2003, the Company exited the loss-making Retail and finance business in Mexico. A new company in Mexico has been formed to carry on the wholesale sewing business.
- In October 2003, Singer Asia acquired an additional 4.1% of the outstanding shares of Singer Thailand to bring its holdings in that company to 52.1%. This resulted in Singer Thailand's operations being consolidated in Singer N.V.'s operations, effective, as of that date.
- In December 2003, Singer Turkey sold its factory, land and building for \$11.0 million, with the proceeds going to its principal lenders in payment of the principal and interest due in September and December 2003 and the payments that are due March 2004 through December 2004.

## Results of Operations

For the twelve months ended December 31, 2003, the Company reported consolidated revenues of \$382.8 million as compared to \$337.7 million for the twelve months of 2002, an increase of \$45.1 million or 13.4%. The increase in revenues was primarily due to the inclusion of Thailand's results in the Company's results for the last nine weeks of the year, which totaled \$19.9 million, coupled with strong retail sales performances in Sri Lanka and Pakistan, and strong growth in sewing marketing sales in the United States, Italy and Canada. These sales increases were partially offset by weaker retail sales in Bangladesh and Philippines and weaker sewing sales in Brazil.

The Company's consolidated revenues for the full year 2003 include \$17.8 million of finance charges on consumer credit sales and \$5.8 million of royalty and licensing income; the corresponding amounts for the full year 2002 were \$12.3 million and \$5.7 million, respectively. The increase in finance charges is primarily due to the inclusion of Thailand's finance charges for the last nine weeks of the year along with increased finance charges in Sri Lanka due to their strong retail sales.

Gross profit for the twelve months ended December 31, 2003 was \$140.0 million, representing a gross margin of 36.6%, as compared to \$130.1 million and a gross margin of 38.5% for the same period in 2002. The decrease in the gross margin percentage was primarily due to lower margins in the Company's manufacturing operations due to the strengthening of the Brazilian Real against the U.S. dollar. Also contributing to the drop was a decline in the gross margin percentage in the Company's Retail segment due to the introduction of new products with lower margins along with lower margins in Singer U.S. due to a shift in sales mix between dealers and mass merchants.

Selling and administrative expenses for the twelve months ended December 31, 2003 were \$106.6 million, representing 27.8% of revenues, as compared to \$93.6 million and 27.7% of revenues for the same period in 2002.

Operating income for the twelve-month period of 2003 and of 2002 was \$33.4 million and \$36.5 million, respectively, while EBITDA (net income before interest expense, taxes, depreciation and amortization) was \$31.5 million and \$47.9 million, respectively. The loss from operations in Mexico Retail during 2003 was responsible for the large decline in EBITDA.

Interest expense for the twelve-month period ended December 31, 2003 was \$19.2 million as compared to \$20.6 million for the twelve-month period ended December 31, 2002. The \$1.4 million decrease in interest expense was due both to a reduction in borrowings and lower interest rates.

Equity in earnings from Operating Affiliates totaled \$5.8 million during the twelve-month period ended December 31, 2003 as compared to \$4.2 million for the same period in 2002. The \$1.6 million increase is primarily due to higher profitability from an Operating Affiliate in Sri Lanka.

In September 2003, the Company sold its equity interest in the parent company of Singer Mexico and, as a result, exited the Retail and finance business in Mexico. During the second quarter of 2002, Singer Greece was sold to a third party buyer. In accordance with SFAS No. 144, the Company has recorded these transactions as a sale of discontinued operations and accordingly

recorded a net loss from discontinued operations of \$19.6 million and \$1.7 million for the years ended December 31, 2003 and 2002, respectively.

Miscellaneous other income was \$9.0 million in the full year 2003 as compared to other income of \$3.7 million for the same period in 2002. The increase in other income for the year was due to \$19.9 million of gains in Singer Brazil related to a revaluation of the Brazil B Bonds of \$6.7 million and the reversal of tax accruals totaling \$13.2 million due to favorable court rulings. In addition, there was a \$4.3 million gain in the estimated recovery on receivables from a former subsidiary that is in liquidation, a \$2.7 million gain recognized by Singer U.S. as a result of the successful refinancing of their debt and a \$1.6 million gain on the sale of land in Indonesia. These gains were partially offset by the \$13.9 million loss recorded as a result of the sale of 43.2% of Singer Asia, which included \$10.9 million of goodwill that was allocated to this reporting segment, and a \$5.6 million loss on the sale of land and buildings in Turkey.

Provision for income taxes amounted to \$5.3 million representing an 18.2% effective tax provision in the twelve-month period ended December 31, 2003, as compared to \$3.3 million and a 14.1% provision for the same period in 2002. The higher effective tax rate in 2003 is primarily due to increased income in higher tax jurisdictions and also contributing was a favorable tax assessment in 2002 for Bangladesh.

The minority interest share in income was \$3.4 million for year ended 2003 compared to \$1.3 million for the same period in 2002. This increase reflects the 43.2% minority equity interest in the Company's Asia Retail operations effective July 2003.

Income from continuing operations for the year ended 2003 was \$20.3 million; a \$1.2 million or 6.3% increase over the \$19.1 million recorded in the same period in 2002.

The Company's net income for the twelve-month period of 2003 was \$0.7 million as compared to \$17.4 million for the same period in 2002. The \$16.7 million decline from prior year was due primarily to the \$19.6 million loss from the discontinued operations in Mexico.

During the first quarter of 2003, a subsidiary of the Company entered into an agreement with the PBGC to purchase all of the issued and outstanding Preferred Shares of the Company for \$3.8 million. Payments were made throughout 2003; the final payment was made on December 31, 2003.

Dividends on the Series A Convertible Preferred Shares equal to 4% per annum, calculated on the shares' \$20.0 million liquidation preference, amounted to \$0.6 million in the nine-month period to September 2003; the shares were reclassified as Preferred Treasury Shares during the fourth quarter. Dividends for the twelve-month period ending December 31, 2002, amounted to \$0.8 million. This dividend was cumulative and was accrued but not paid. An additional amount of \$0.2 million and \$0.3 million for the 2003 and 2002 periods, respectively, was accrued representing the accretion in the value of the Preferred Shares.

The net loss available to Common Shares was \$0.1 million, equivalent to basic loss per Common Share of \$0.01, for the twelve months ended December 31, 2003, as compared to net income

available to Common Shares of \$16.3 million, equivalent to basic earnings per common share of \$2.01, for the same period in 2002.

The Retail operations (including Thailand for the full year) accounted for 49% of Singer's revenues for the twelve-month period and for 43% of Singer's operating earnings before corporate expenses and eliminations. The major contributors to the results for this segment during the period include the Retail businesses in Thailand and Sri Lanka. The comparable figures for the 2002 period were 49% of Singer's revenue and 40% of operating earnings.

The Sewing Marketing and Manufacturing operations accounted for 51% of Singer's revenues for the twelve-month period and for 57% of operating earnings before corporate expenses and eliminations. The Sewing Marketing operations in the United States and Italy were major contributors to this segment. The comparable figures for the 2002 period were 51% of Singer's revenue and 60% of operating earnings.

The report of the Company's independent auditors for the twelve months ended December 31, 2003 and 2002, includes a "going concern qualification". Continuation of the Company's business is dependent on its ability to achieve successful future operations and repay or refinance certain significant outstanding debt obligations in 2004 and later years.

### **2003 Fourth Quarter Results**

For the fourth quarter ended December 31, 2003, the Company reported consolidated revenues of \$134.8 million as compared to \$96.1 million for the fourth quarter of 2002, an increase of \$38.7 million or 40.2%. The increase in revenues was primarily due to the inclusion of Thailand's results in the Company's results for the last nine weeks of the year, which totaled \$19.9 million, coupled with strong retail sales performances in Sri Lanka and Pakistan, and strong growth in sewing marketing sales in the United States, Italy and Turkey. These sales increases were partially offset by weaker retail sales in Bangladesh, Philippines and India.

The Company's revenues for the fourth quarter of 2003 included \$7.3 million of finance charges on consumer credit sales and \$1.6 million of royalty and licensing income; the corresponding amounts for the fourth quarter of 2002 were \$3.2 million and \$1.6 million, respectively. The increase in finance charges is primarily due to the inclusion of Thailand's finance charges for the last nine weeks of the year along with increased finance charges in Sri Lanka due to their strong retail sales.

Gross profit for the three months ended December 31, 2003 was \$48.2 million, representing a gross margin of 35.8%, as compared to \$37.7 million and a gross margin of 39.2% for the same period in 2002. The decrease in the gross margin percentage was primarily due to lower margins in the Company's manufacturing operations due to the strengthening of the Brazilian Real against the U.S. dollar and a shift in sales mix towards lower gross margin sewing machines. Also contributing was a decline in the gross margin percentage in the Company's Retail segment due to the introduction of new products with lower margins.

Selling and administrative expenses for the three months ended December 31, 2003 were \$35.2 million, representing 26.1% of revenues, as compared to \$25.5 million and 26.5% of revenues for the same period in 2002. The improvement as a percentage of revenue was primarily due to the

booking in the fourth quarter of 2002 of a large accounts receivable reserve associated with a significant sewing distributor.

Operating income for the 2003 and 2002 quarters was \$13.0 million and \$12.2 million, respectively, while EBITDA was \$28.6 million and \$15.3 million, respectively. The increase in EBITDA in the quarter was primarily due to the increase in other income.

Interest expense for the three-month period ended December 31, 2003 was \$4.7 million as compared to \$5.5 million for the fourth quarter of 2002. The \$0.8 million decrease in interest expense was due both to a reduction in borrowings and lower interest rates.

Equity in earnings from Operating Affiliates totaled \$1.3 million during the three-month period ended December 31, 2003 as compared to \$1.7 million for the same period in 2002. The \$0.4 million decrease is due to the fact that Singer Thailand was accounted for as an equity investment in the fourth quarter of 2002 while in most of the 2003 fourth quarter Thailand was included in the Company's consolidated results. This was partially offset by higher profitability from an operating affiliate in Sri Lanka.

Miscellaneous other income was \$13.9 million the three-month period ended December 31, 2003 as compared to other income of \$0.4 million for the same period in 2002. The increase in other income for the quarter was due to \$17.8 million of gains in Singer Brazil related to the revaluation of the Brazil B Bonds by \$6.7 million and the reversal of tax accruals totaling \$11.2 million due to favorable court rulings. There was also a \$1.6 million gain on the sale of land in Indonesia. These gains were partially offset by a \$5.6 million loss on the sale of land and buildings in Turkey.

Provision for income taxes amounted to \$1.9 million representing an 8.0% effective tax provision in the three-month period ended December 31, 2003, as compared to a \$0.1 million benefit for the same period in 2002. The lower effective tax rate in 2002 is primarily due to higher income from affiliates which is net of taxes, the utilization of tax loss carry forwards by certain subsidiaries that are currently profitable and a reduction in the deferred tax liability in Mexico. The low 8.0% effective tax provision in the 2003 fourth quarter as compared to the full year 2003 effective tax rate is primarily due to the non-taxable gains relating to the Brazil operations that were recorded in other income in the quarter.

Minority interest share in income was \$1.7 million for the 2003 fourth quarter compared to \$0.4 million for the same period in 2002. This increase reflects the 43.2% minority equity interest in the Company's Asia Retail operations effective July 2003.

The Company's net income for the fourth quarter of 2003 was \$20.5 million as compared to \$8.2 million for the same period in 2002. The \$12.3 million increase from prior year is primarily due to the other income booked in the quarter.

Dividends on the Series A Convertible Preferred Shares equal to 4% per annum, calculated on the shares' \$20.0 million liquidation preference, amounted to nil for the three-month period ending December 31, 2003 and \$0.2 million for the three-month period ended December 31, 2002. This dividend was cumulative and was accrued but not paid. An additional amount of nil and \$0.1

million for the 2003 and 2002 three-month periods, respectively, was accrued representing the accretion in the value of the Preferred Shares. No dividend was accrued in the 2003 quarter as the Preferred Shares were reclassified as Preferred Treasury Shares during the quarter.

The net income available to Common Shares was \$20.5 million for the three months ended December 31, 2003 as compared to net income available to Common Shares of \$8.0 million for the same period in 2002. This is equivalent to basic earnings per Common Shares of \$2.60 and \$0.99, respectively.

The Retail operations (including Thailand for the full quarter) accounted for 43% of Singer's revenues for the 2003 fourth quarter, and for 24% of Singer's operating earnings before corporate expenses and eliminations. The major contributors to the results for this segment during the period include the Retail businesses in Thailand and Sri Lanka. The comparable figures for the fourth quarter of 2002 were 47% of Singer's revenue and 33% of operating earnings.

The Sewing Marketing and Manufacturing operations accounted for 57% of Singer's revenues for the 2003 fourth quarter and for 76% of operating earnings before corporate expenses and eliminations. The Sewing Marketing operations in the United States, Brazil and Italy were major contributors to this segment. The comparable figures for the fourth quarter of 2002 were 53% of Singer's revenue and 67% of operating earnings.

### **Chairman's Comments**

Reviewing the 2003 year results, Stephen H. Goodman, Singer's Chairman, President and CEO, noted, "2003 was a very interesting and challenging year for Singer. The difficulties in Mexico and the resulting disposition of our Retail and finance business there essentially added a year to the Company's restructuring and recovery program. The \$19.6 million Mexico loss largely offset the \$20.3 million in 2003 income from continuing operations, reducing net income for the year to just \$0.7 million".

"At the same time, and despite the Mexico loss, significant progress was made. There was a meaningful improvement both in top line (revenues) and bottom line (income from continuing operations) performance, up 13.4% and 6.3%, respectively, as compared with prior year. The outstanding Convertible Preferred Shares were repurchased, saving \$1.1 million annually in future dividend accruals and accretion. Corporate debt was reduced an additional \$13.8 million during the year. \$12.5 million was raised to help fund the growth of Singer Asia".

"2004 promises also to be a very interesting year, and potentially a rewarding one. With the additional cash now available to help fund growth in Asia, the Retail business is better positioned to take advantage of emerging opportunities. The Sewing business continues to benefit from new products and enhanced promotion, with a growing worldwide market share. While liquidity remains tight and a number of significant financings need to be repaid or refinanced during the year, management is pursuing a number of funding initiatives".

## **Share Distribution**

On or about April 15, 2003, the Singer Creditor Trust made the final distribution of the Common Shares of Singer N.V. to the holders of allowed, general unsecured claims against Singer's predecessor company.

The Company does not anticipate that its 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. Brokers should be able to continue trading 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.**

Singer N.V. was incorporated under the laws of the Netherlands Antilles on December 21, 1999. Effective September 2000, as a result of a successful Chapter 11 reorganization, Singer became the parent company of several Operating Companies formerly owned by The Singer Company N.V. ("Old Singer"), 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 SINGER® trademark ties the two businesses together and also stands on its own with licensing and wholesaling potential.

The Retail business consists primarily of the distribution through company-owned retail stores and direct selling of a wide variety of consumer durable products for the home in selected emerging markets, primarily in Asia and Jamaica. Retail sales activities in these markets are strengthened by the offer of consumer credit services provided by the Company to its customers. In some of the markets where it operates, Singer is recognized as a leader 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 23% (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, 2003, 2002 and 2001 and for the three months ended December 31, 2000, together with the Auditor's Report thereon; the 2003 Disclosure Statement and Report dated April 2004, and the prior Disclosure Statements and Reports dated April 2003, May 2002 and September 2001; and copies of all quarterly reports and press releases since the conclusion of the Chapter 11 proceedings in September 2000 may be found at the investor section of the Company's website [www.singer.com](http://www.singer.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 you that no assurance can be given that expectations 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, you should not place undue reliance on such forward-looking statements. You should not rely on any obligation of the Company to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The Company disclaims any such obligation. 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, Brazil and the United States, 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 compliance with required financial and other covenants under its secured 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 (914) 220-5143.

**SINGER N.V.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**  
(in thousands of US dollars, except share and per share amounts)

	<b>December 31, 2003</b>	<b>December 31, 2002</b>
Revenues	\$ 382,793	\$ 337,652
Cost of revenues	242,811	207,577
Gross profit	<u>139,982</u>	<u>130,075</u>
Selling and administrative expenses	106,585	93,594
Operating income	<u>33,397</u>	<u>36,481</u>
Other income (expense):		
Interest expense	(19,234)	(20,606)
Equity in earnings from operating affiliates	5,800	4,164
Other, net	9,005	3,684
Total other income (expense)	<u>(4,429)</u>	<u>(12,758)</u>
Income from continuing operations before provision for income taxes and minority interest	28,968	23,723
Provision for income taxes	5,263	3,347
Minority interest share in income	3,362	1,317
Income from continuing operations	<u>20,343</u>	<u>19,059</u>
Discontinued Operations		
Loss from operations of Greece, net of tax benefit	-	(374)
Loss from operations of Mexico Retail, net of tax benefit	(19,638)	(1,280)
Net income	<u>705</u>	<u>17,405</u>
Dividends on preferred shares	780	1,100
Net (loss) income available to common shares	<u>\$ (75)</u>	<u>\$ 16,305</u>
Basic and diluted (loss) earnings per common share	<u>\$ (0.01)</u>	<u>\$ 2.01</u>
Basic weighted average common shares outstanding	<u>7,933,576</u>	<u>8,110,869</u>
Supplementary information:		
Earnings before interest, taxes, depreciation and amortization (EBITDA)	<u>\$ 31,458</u>	<u>\$ 47,925</u>

**SINGER N.V.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE THREE MONTHS ENDED DECEMBER 31, 2003 AND 2002**  
**(in thousands of US dollars)**

	<b>December 31, 2003</b>	<b>December 31, 2002</b>
Revenues	\$ 134,759	\$ 96,089
Cost of revenues	86,544	58,414
Gross profit	48,215	37,675
Selling and administrative expenses	35,199	25,504
Operating income	13,016	12,171
Other income (expense):		
Interest expense	(4,732)	(5,491)
Equity in earnings from operating affiliates	1,262	1,679
Other, net	13,892	367
Total other income (expense)	10,422	(3,445)
Income from continuing operations before provision for income taxes and minority interest	23,438	8,726
Provision for income taxes	1,882	(63)
Minority interest share in income	1,692	435
Income from continuing operations	19,864	8,354
Discontinued Operations		
Loss from operations of Greece, net of tax benefit	-	-
Loss from operations of Mexico Retail, net of tax benefit	590	(107)
Net income	20,454	8,247
Dividends on preferred shares	-	275
Net income available to common shares	\$ 20,454	\$ 7,972
Basic and diluted earnings per common share	\$ 2.60	\$ 0.99
Basic weighted average common shares outstanding	7,870,826	8,077,994
Supplementary information:		
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 28,583	\$ 15,261