



FOR IMMEDIATE RELEASE

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VSM Group Inc

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**AFFILIATES OF KOHLBERG & COMPANY, L.L.C.
ACQUIRE VSM GROUP
TRANSACTION UNITES SEWING INDUSTRIES LEADING COMPANIES:
SINGER WORLDWIDE AND VSM GROUP**

(Mt. Kisco, NY, February 13, 2006) – Affiliates of Kohlberg & Company, LLC (“Kohlberg”), a leading U.S. private equity firm specializing in middle-market investing, announced today that it has completed the acquisition of VSM Group Holding AB (“VSM”) for an undisclosed figure. VSM is a leading supplier of high-end consumer sewing machines and accessories under the Husqvarna Viking and Pfaff brands. Affiliates of Kohlberg already control the well-known Singer brand of household sewing machines. The combined company has taken the name SVP Holdings reflecting its ownership of the Singer, Husqvarna Viking and Pfaff brands.

Don Fletcher, who joined Singer following Kohlberg’s investment in September 2004, will become CEO and President of SVP Holdings. The executive management team of SVP Holdings will include representatives from both VSM and Singer. Former CEO of VSM, Jorgen Johansson, is now a senior adviser and member of the Board of Directors of SVP Holdings.

Don Fletcher, commented: “This transaction unites two of the sewing industry’s leading companies. We have established an outstanding, integrated management team that includes senior representatives from both VSM and Singer. Our goal, as a team, will be to provide our distributors, customers, and consumers with industry leading product, education, and standards of service. Together, our two businesses will be better positioned to respond to the needs of consumers worldwide.”

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Founded in 1851, Singer is one of world's leading sellers of household sewing machines. Today, Singer maintains a strong international presence, with manufacturing facilities in Brazil and China, 10 overseas marketing operations and a network of third-party distributors selling product in more than 190 different countries.

Based in Sweden, VSM markets and sells advanced sewing machines, overlocks and accessories for creative sewing worldwide. With its global brands, VSM is the leader in the premium segments of its industry. The group has manufacturing facilities in Sweden and the Czech Republic, 16 sales companies and distributors in 57 countries with the world's largest dealer network consisting of some 4,100 sales-points.

Jörgen Johansson, former CEO of VSM, commented: "As the world leader in creative sewing we are pleased to be part of SVP Holdings. They have a strong appreciation of our specialized business and organizational culture. The combination within SVP will allow us to utilize our resources in a much more efficient manner, furthering our ability to focus on the continued innovation necessary to keep the world sewing."

As part of SVP Holdings, the individual brands will continue to maintain their unique identity and reinforce their existing brand messages.

About SVP Holdings Limited:

SVP Holdings Limited is the global leader in the design, manufacture, and distribution of consumer and artisan sewing machines and accessories. The company conducts its business under its industry leading brands including Singer, Husqvarna Viking, and Pfaff. The company employs over 3,600 globally and has distribution in over 190 countries.

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About Kohlberg & Company, L.L.C.:

Kohlberg & Company, L.L.C. is a leading U.S. private equity firm specializing in middle-market investing. Since its inception in 1987, the firm has organized five private equity funds, through which it has raised \$2.2 billion of committed capital. The firm's objective has been to realize substantial capital gains through control investment in a diversified portfolio of companies. The primary focus of the firm is

to invest in companies where it can work in partnership with senior management to identify growth opportunities and implement fundamental operating and strategic changes, resulting in substantial increases in revenue and cash flow. The firm uses prudent amounts of debt financing in acquiring companies in order for them to preserve the financial flexibility necessary to attain these corporate objectives.

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For further information on VSM: www.vsmgroup.com

For further information of Singer: www.singer.com

For further information on Kohlberg & Company: www.kohlberg.com

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