

Singer Issues Second Quarter Results

The Singer Company reported that the impact of the worldwide recession reduced its financial results in the second quarter of 1982 to essentially breakeven, but the company earned a profit of \$5 million for the first half of the year.

Net income in the second quarter of 1982 was \$400,000. After payment of preferred dividends, this resulted in a per-share loss of 5 cents, compared with a profit of 31 cents per share in the prior-year period, when earnings totaled \$6.7 million. Sales in the second quarter of 1982 were \$630.8 million, versus \$675.6 million. Operating income was \$21.1 million, against \$30.6 million.

"Singer's aerospace operations continued their strong growth in sales and earnings during the second quarter, but this was more than offset by the effect of depressed markets on our domestic and overseas consumer-oriented businesses," said Joseph B. Flavin, chairman and chief executive officer. "In addition, currency fluctuations, especially the continued effects of the peso devaluation combined with price controls in Mexico, further reduced profit from international operations."

He added that order levels and other indicators have not yet signalled a recovery in the world economy, further confirming that the downturn is more persistent than forecast earlier.

"Despite this outlook, we anticipate that our results for the remainder of 1982 will show some improvement over the first half,

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Photo/General Dynamics

Singer's Librascope Division has more underwater fire control equipment aboard ships of the U.S. Navy than any other producer. The USS Philadelphia (SSN 690), pictured, employs Librascope equipment. See story on page 2.

Librascope Division: A Leader In Undersea Control System Technology



Librascope's fire control systems have been selected for submarines of the Australian, Canadian, and Indian navies. Operators are shown at the consoles of Librascope's MK 1 system, where system threat analysis and fire control functions are performed.

During the second quarter, Singer's Librascope Division received a \$15.5 million U.S. Navy contract, with options for an additional \$8 million, to design and develop a prototype fire control system for launching defensive Tomahawk cruise missiles from Los Angeles-class submarines.

The vessels for which Librascope is developing the new system are designed to repel hostile ships and submarines. The new award thus is the latest example of the extensive contributions that the Glendale, California-based division of Singer has made to submarine technology—a key element in the deterrent, peace-keeping forces of America and other nations.

In fact, Librascope has developed and installed more undersea fire control equipment aboard U.S. naval vessels than any other producer. This includes systems that control many of today's most modern weapons, such as the MK 48 torpedo and the Harpoon and Tomahawk cruise missiles. On the third-generation Trident strategic missile submarine, Librascope provides the launch and attack control consoles for defense of the ship.

Librascope's sophisticated computer-based equipment receives data from the submarine's sonars or other sensors, monitors the significance of the movements of potential targets, and provides the commander with the informa-

tion needed to counter selected threats as necessary.

Using its technological expertise and long experience in the field, Librascope for nearly a decade has been expanding into international markets. Librascope's System MK 1 has been selected for installation aboard the Royal Australian Navy's and the Canadian Navy's OBERON-class submarines. The MK 1 is the first all-digital, highly automated submarine fire control system to reach production. It integrates all of the functions normally performed by earlier systems into more compact hardware, requires fewer operators, and is adaptable to a variety of submarine hulls.

The Royal Australian Navy recently completed operational sea trials with the new system. The Government of India recently awarded an \$11 million contract to Librascope for inclusion of this system on new submarines being built for the Indian Navy.

For each of the Australian, Canadian, and Indian applications, the installation of this equipment is tailored to particular mission requirements and operating capabilities.

This new equipment exemplifies Librascope's strategy of developing a versatile system that fits the needs of many international navies, which must keep their sea defenses current by either upgrading existing submarines or by developing new designs.

One of the division's primary strengths is its detailed knowledge of the undersea weapons used by the United States and allied navies. When the U.S. Navy's most advanced production torpedo—the MK 48—was first introduced into the fleet, Librascope was awarded a Navy contract to modify all existing submarine fire control systems for its use.

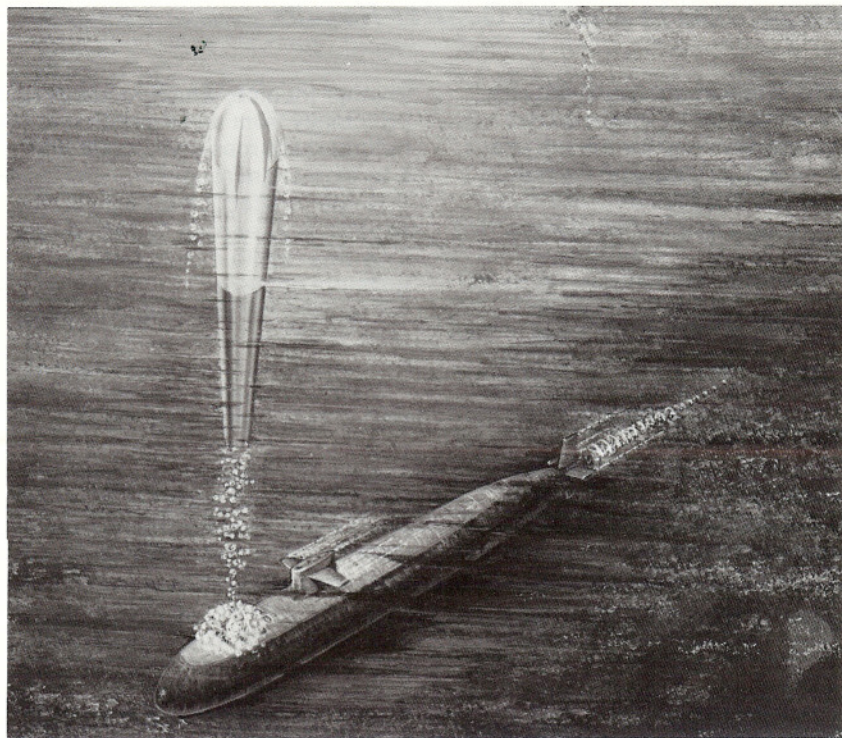
Because the division's naval involvement includes expertise in the control of such weapons, it is also involved in the defense against similar weapons. Librascope is a major producer of

acoustic countermeasure devices used to deter or confuse "enemy" sensors and weapons. The division is currently working on several related study, engineering development, and production programs.

In addition to its Navy work, Librascope is developing a major position in the area of command, control, and communications equipment for field Army use. The division's Tactical Computer System (TCS) AN/UYQ-19 and Tactical Computer Terminal (TCT) AN/UYQ-30 are being introduced into the U.S. 7th Army in Europe. Currently in engineering development is the Single Subscriber Terminal (SST) AN/UGC-137. The division recently won a major competition for the Advance Development of a Communications Control System (CCS) for the U.S. Army. The CCS is a highly intelligent communications processor, to be used with tactical data systems. Design of the CCS will permit its use with existing and planned Army communications systems beyond the year 2000.

This equipment has been designed for high operability in adverse environments. It is being developed under the auspices of the U.S. Army's Communications-Electronics Command, Fort Monmouth, New Jersey.

For all equipment produced



Artist's conception of the vertical launch of the Tomahawk cruise missile from the U.S. Navy's Los Angeles-class submarine. Singer's Librascope Division has been awarded a Navy contract to design and develop a fire control system to accomplish this type of launch.

by Librascope for the military, the division provides the full range of logistics support services—including training courses, handbooks, spare parts, maintenance engineering, and on-site field service specialists.

Neely, Duncan Named Presidents of Meter and Motor Products



Larry F. Neely



John L. Duncan

Larry F. Neely has been appointed president of the Meter Division and will be based at that division's headquarters in Philadelphia, Pennsylvania. John L. Duncan has been named president of the Motor Products Division, headquartered in Pickens, South Carolina.

Mr. Neely, formerly president of the Motor Products operation, is also a corporate vice president of Singer. He joined the company in

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Librascope's Tactical Computer terminals, which provide on-screen battlefield map data, are prepared for shipment to the U.S. 7th Army in Europe.

Singer Issues Second Quarter Results *(continued from page 1)*

principally in the fourth quarter," Mr. Flavin said. "However, we expect earnings for the full year 1982 will be substantially below those of 1981 and this obviously will impact our earlier assessment of 1983."

Currency fluctuations reduced Singer's results in the second quarter of 1982. The company estimated that had the average exchange rates of the 1981 second quarter prevailed, net income in the 1982 quarter would have been increased approximately \$5 million.

Foreign exchange adjustments related to balance sheet translations and other factors decreased pretax income by \$1.3 million in the 1982 second quarter, versus an increase of \$5.6 million in the prior-year quarter. Singer continues to account for foreign currency translation by applying Financial Accounting Standards Board Statement 8.

Interest expense in the second quarter declined below that of the same quarter of 1981, primarily because of lower effective rates for overseas borrowings. Singer also benefitted from an increase

in other income, which resulted principally from an international natural resources investment and a foreign claim recovery.

Singer's effective tax rate in the second quarter rose to 90 percent. This was due to a cumulative adjustment necessary to bring the tax rate for the first half to 66 percent, which is Singer's revised estimate of its rate for the full year 1982. The adjustment was necessitated by a lower estimate of full-year pretax results for both U.S. and foreign operations. However, taxes are not expected to decline proportionally since U.S. operations do not provide offsets against foreign taxes.

For the first half of 1982, Singer's net income of \$5 million was equivalent to 14 cents per share, compared with \$20.9 million and \$1.06 per share in the same period of 1981. Operating income was \$45 million, versus \$73 million. Sales were \$1.3 billion, against \$1.4 billion. Results for 1981 have been restated to reflect discontinuance of the Air Conditioning and Heating Equipment Division, which was sold in the first quarter of 1982.

Singer cited these results of its operations in the second quarter of 1982:

Products and Services for Government

Operating income was \$16.2 million, compared with \$12.4 million in last year's second quarter. Sales were \$251.5 million, versus \$229.4 million. This growth resulted from increased production of high-technology systems by the Aerospace and Marine Systems segment. Backlog for the group also remains high, reflecting a continuing inflow of contract bookings.

Products Manufactured for the Consumer

Operating income was \$8.8 million, compared with \$16.9 million in the prior-year period. Sales

were \$113.7 million, versus \$135.2 million. All divisions in this group experienced reduced sales as a result of the domestic recession. These operations continued to implement cost reduction programs, including closing a sewing machine cabinet plant in Arkansas and suspending manufacturing in a small furniture facility in North Carolina. Plans also were initiated to close a meter manufacturing plant in California. In each case, production is being consolidated into other facilities to improve product cost effectiveness.

Africa, Latin America, and the Far East

Operating income was \$13.5 million, compared with \$23.5 million in the prior-year period. Operating income was reduced an estimated \$4 million by currency fluctuations. Sales were \$140.9 million, versus \$162.7 million.

This group continues to be affected by generally adverse international economic conditions and related government actions to deal with that environment. In addition to the combination of price controls and the peso devaluation in Mexico, its performance has been impacted by the continuing recession in Brazil and more recent declines in consumer spending in other areas.

In response, these operations are pursuing programs to reduce manufacturing and selling and administrative costs, and to curtail capital spending.

Singer views the conditions in its developing world markets as transitory and expects strengthening sales of sewing machines and consumer durables when negative economic pressures begin to abate.

Consumer Sewing Products—North America and Europe

The operating loss was \$13.2 million, versus a loss of \$16.6 million in the second quarter of 1981.

Neely, Duncan

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1970 and became president of Motor Products in 1979. Previously, Mr. Neely held a series of increasingly responsible manufacturing and management posts with Singer operations in the United States and overseas.

Mr. Duncan formerly was vice president of manufacturing and engineering of the Motor Products Division. He joined that operation in 1969 and subsequently held a number of manufacturing, engineering, and sales positions. In 1978, Mr. Duncan joined Murray Ohio Manufacturing Company, Inc. in Brentwood, Tennessee, where most recently he served as president and chief operating officer.