

SVPWORLDWIDE

1224 Heil Quaker Blvd.
LaVergne, TN 37086

Media Contact; Steven Alschuler
LAK Public Relations
(212) 575-4545
salschuler@lakpr.com

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SVP WORLDWIDE'S VSM FACILITY IN SWEDEN TO SHIFT FOCUS TO ENGINEERING, DESIGN, RESEARCH AND DEVELOPMENT

**PLANS CALL FOR MANUFACTURING TO TRANSITION TO COMPANY'S
EXISTING FACILITY IN ASIA**

LaVergne, TN, January 14, 2010 . . . In a move that will enable the company to improve pricing and strengthen its competitive position, SVP Worldwide announced today that it plans to transition the manufacture of machines now made at its VSM plant in Sweden to a state of the art facility in Shanghai where it currently manufactures many of its other machines. The VSM plant currently manufactures only a specific segment of products, often referred to as embroidery or top of line machines.

An important component of this plan is that the company will retain engineering, design, research and development in Sweden, so that these products will still be designed and engineered by the same Swedish employees.

In addition, the state of the art facility in Shanghai is the same facility where SVP has been producing machines for 15 years – a facility that a number of its dealers have visited. It is a state of the art, ISO certified facility, functioning according to Six Sigma principles. Its sophistication, technology, equipment and personnel meet the very high standard the company expects for its TOL machines and all its products.

“Our customers deserve the highest quality products, responsiveness and accountability and that is what we are going to provide,” said Jeff Feinberg, SVP Worldwide’s CEO. “Making this transition will permit us to offer greater pricing and product flexibility to our customers, while maintaining the design and technological expertise of our superb team in Sweden.

"We are very appreciative of the work our employees in Sweden have done,"
Feinberg continued. "They have been an important part of this company's
success over the years. However, we now find ourselves with demand having
decreased for the specific types of machines that are produced there and, if we
are to remain competitive, we need to reduce costs.

"Our company overall has implemented a number of improvements in recent
months designed to enhance innovation and speed to market and to serve our
customers better. This move is part of that ongoing effort."

The first step in this process is for the company to inform unions and employees
in Sweden that they intend to commence negotiations concerning an expected
reduction in jobs at the factory. Those discussions are beginning today.

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