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FOR IMMEDIATE RELEASE

Singing Machine Company Announces 40% Increase in Sales in 1st Quarter ended June 30 Earnings Release

Fort Lauderdale, FL, August 14, 2015 -- **The Singing Machine Company, Inc. (“Singing Machine” or the “Company”)** (OTCQB: SMDM) announces the financial results for its first fiscal quarter ended June 30, 2015.

Singing Machine reports net sales of approximately \$3.5 million in its first fiscal quarter ended June 30, 2015, up from approximately \$2.5 million reported for the same period last year (an increase of 40%). The increase in net sales was attributable to spring inventory replenishment by some of the Company’s major retailers now carrying Singing Machine products year-around and sales to a new international distributor. Gross margin increased to 24.8% compared to 20.3% in the same quarter in 2014 as a result of more favorable pricing and sales volume, reflected in gross profits of approximately \$0.9 million up from \$0.5 million the prior year (a 67% increase in gross profits).

Operating expenses in the quarter ended June 30 increased by approximately \$0.3 million to \$1.6 million compared to \$1.3 million in the same quarter of 2014. A large portion of this increase was the result of an increase in selling expenses due to advertising expense to promote products with a major retailer for the spring and an overall increase in general and administrative expenses for professional fees and warehouse expenses.

Singing Machine’s first fiscal quarter ended June 30 is historically its lowest sales quarter. The first fiscal quarter last year represented 6% of total sales in the fiscal year ended March 31, 2015.

Gary Atkinson, CEO, commented, “Our business strategy for this coming fiscal year emphasizes three elements – continued product innovation across a wide range of models and price points, continued sales growth by retaining and growing our retail relationships both domestically and abroad, and margin improvement. We believe if we successfully implement this strategy we will create value for our shareholders.”

“Singing Machine just announced the launch of a new lineup of all digital karaoke systems that improve the karaoke experience and song downloading process. All our new models are USB compatible and most are now Bluetooth™ enabled so our customers can use them as everyday audio speakers as well as karaoke machines.”

“From a sales perspective, we continue to have the strongest retailing relationships in the industry and the largest share of market in North America for consumer karaoke machines. Our backlog of

purchase indications from our retail customers exceed those held at this same time last year. In addition to sales growth we anticipate margin improvement as well compared to last year.”

About The Singing Machine

Based in the US, Singing Machine® is the North American leader in consumer karaoke products. The first to provide karaoke systems for home entertainment in the United States, the Company sells its products world-wide through major mass merchandisers and on-line retailers. We offer the industry's widest line of at-home karaoke entertainment products, which allow consumers to find a machine that suits their needs and skill level. As the most recognized brand in karaoke, Singing Machine products incorporate the latest technology for singing practice, music listening, entertainment and social sharing. The Singing Machine provides consumers the best warranties in the industry and access to over 10,000 songs for streaming and download. Singing Machine products are sold through most major retailers in North America and also internationally. See www.singingmachine.com for more details.

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Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current expectations, estimates and projections about the Company's business based, in part, on assumptions made by management and include, but are not limited to statements about our financial statements for the fiscal year ended March 31, 2015. You should review our risk factors in our SEC filings which are incorporated herein by reference. Such forward-looking statements speak only as of the date on which they are made and the company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this release.

The Singing Machine Company, Inc. and Subsidiaries
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2015	March 31, 2015
	(Unaudited)	(Audited)
<u>Assets</u>		
Current Assets		
Cash	\$ 363,410	\$ 116,286
Accounts receivable, net of allowances of \$46,698 and \$174,131, respectively	1,673,628	1,466,168
Due from PNC Bank	-	137,415
Due from related party - Starlight Electronics Co., Ltd.	17,240	-
Due from related party - Cosmo Communications Canada, Ltd.	77,012	-
Inventories, net	8,110,348	7,448,167
Prepaid expenses and other current assets	90,695	92,609
Deferred financing costs	74,077	74,077
Deferred tax asset, net	761,599	449,274
Total Current Assets	11,168,009	9,783,996
Property and equipment, net	471,395	466,571
Other non-current assets	11,394	11,394
Deferred financing costs, net of current portion	77,164	95,683
Deferred tax asset, net of current portion	1,856,281	1,856,281
Total Assets	\$ 13,584,243	\$ 12,213,925
<u>Liabilities and Shareholders' Equity</u>		
Current Liabilities		
Accounts payable	\$ 3,025,272	\$ 2,767,180
Note payable related party - Ram Light Management, Ltd.	551,177	496,496
Due to related party - Ram Light Management, Ltd.	583,247	583,247
Due to related party - Starlight R&D, Ltd.	582,072	554,031
Due to related party - Cosmo Communications Canada, Inc.	-	40,256
Due to related party - Starlight Consumer Electronics Co., Ltd.	256,343	208,672
Accrued expenses	617,901	452,651
Revolving line of credit	1,537,014	-
Current portion of capital lease	10,601	12,628
Customer deposits	287,110	-
Obligations to customers for returns and allowances	10,361	399,419
Warranty provisions	153,074	197,873
Total Current Liabilities	7,614,172	5,712,453
Long-term capital lease, net of current portion	-	1,078
Note payable related party debt - Ram Light Management, Ltd. net of current portion	548,823	603,504
Accrued expenses, net of current portion	63,778	46,495
Subordinated related party debt - Starlight Marketing Development, Ltd.	1,924,431	1,924,431
Total Liabilities	10,151,204	8,287,961
Shareholders' Equity		
Preferred stock, \$1.00 par value; 1,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock, Class A, \$0.01 par value; 100,000 shares authorized; no shares issued and outstanding	-	-
Common stock, Class B, \$0.01 par value; 100,000,000 shares authorized; 38,117,517 and 38,117,517 shares issued and outstanding, respectively	381,175	381,175
Additional paid-in capital	19,309,967	19,307,966
Accumulated deficit	(16,258,103)	(15,763,177)
Total Shareholders' Equity	3,433,039	3,925,964
Total Liabilities and Shareholders' Equity	\$ 13,584,243	\$ 12,213,925

See notes to the condensed consolidated financial statements.

The Singing Machine Company, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For Three Months Ended	
	June 30, 2015	June 30, 2014
Net Sales	\$ 3,466,874	\$ 2,544,959
Cost of Goods Sold	<u>2,608,453</u>	<u>2,029,068</u>
Gross Profit	858,421	515,891
Operating Expenses		
Selling expenses	457,727	345,267
General and administrative expenses	1,101,981	928,871
Depreciation	<u>37,333</u>	<u>29,331</u>
Total Operating Expenses	<u>1,597,041</u>	<u>1,303,469</u>
Loss from Operations	(738,620)	(787,578)
Other Expenses		
Interest expense	(50,112)	(1,842)
Financing costs	<u>(18,519)</u>	<u>-</u>
Net Other Expenses	<u>(68,631)</u>	<u>(1,842)</u>
Loss before income tax benefit	(807,251)	(789,420)
Income tax benefit	<u>312,325</u>	<u>289,891</u>
Net Loss	<u>\$ (494,926)</u>	<u>\$ (499,529)</u>
Loss per Common Share		
Basic and Diluted	\$ (0.01)	\$ (0.01)
Weighted Average Common and Common Equivalent Shares:		
Basic and Diluted	38,117,517	38,070,642

See notes to the condensed consolidated financial statements.

The Singing Machine Company, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For Three Months Ended	
	June 30, 2015	June 30, 2014
Cash flows from operating activities:		
Net Loss	\$ (494,926)	\$ (499,529)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	37,333	29,331
Amortization of deferred financing costs	18,519	-
Change in inventory reserve	(37,560)	-
Change in allowance for bad debts	(127,433)	(23,757)
Stock based compensation	2,001	32,398
Warranty provisions	(44,799)	(78,348)
Change in net deferred tax assets	(312,325)	(289,891)
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(80,027)	(70,487)
Inventories	(624,621)	(5,701,055)
Prepaid expenses and other current assets	1,914	(80,613)
Other non-current assets	-	(659)
Increase (decrease) in:		
Accounts payable	258,092	4,879,506
Net due to related parties	(58,796)	642,540
Accrued expenses	182,533	97,275
Customer deposits	287,110	-
Obligations to customers for returns and allowances	(389,058)	25,588
Net cash used in operating activities	(1,382,043)	(1,037,701)
Cash flows from investing activities:		
Purchase of property and equipment	(42,157)	(33,013)
Net cash used in investing activities	(42,157)	(33,013)
Cash flows from financing activities:		
Net proceeds from revolving line of credit	1,674,429	-
Net proceeds from credit facility	-	84,414
Payments on long-term capital lease	(3,105)	(2,969)
Net cash provided by financing activities	1,671,324	81,445
Net change in cash	247,124	(989,269)
Cash at beginning of year	116,286	1,354,099
Cash at end of the period	\$ 363,410	\$ 364,830
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	\$ 9,665	\$ 1,842

See notes to the condensed consolidated financial statements.