

RETAIL HOLDINGS N.V.

**2007 SUMMARY
ANNUAL REPORT**

April 2008

Strategy Statement

Retail Holdings N.V., is a holding company with three principal assets: 1) a 56.8% equity interest in Singer Asia Limited (“Singer Asia”), which through operating units located in selected emerging markets in Asia acts as a distributor of consumer durable products, with consumer credit and other financial services available to qualified customers; 2) seller notes, primarily arising from the sale of the Singer worldwide sewing business and trademark; and 3) cash and cash equivalents. The Company has no operating activities other than those carried out through Singer Asia and has no plans to acquire other operating assets.

The Company’s strategy is to maximize and monetize the value of its assets with the medium-term objective of liquidating the Company and distributing the resulting funds and any remaining assets to its shareholders.

The Company will seek to grow, to enhance the profitability of, and to increase the potential public market or private sales value of Singer Asia, with the objective of monetizing the Company’s investment in Singer Asia, either through a public offering and subsequent distribution of any remaining Singer Asia shares, or through a sale of Singer Asia. Principal repayments of \$28.5 million and interest are due from the seller notes in the period through September 2011. In the interim, pending the offering or sale of Singer Asia, realization of the principal and interest on the seller notes, and the ultimate liquidation of the Company, ReHo’s strategy is to minimize holding company personnel and cost of administration.

During 2007, ReHo paid a special dividend to shareholders of \$1.00 a Share. The Company’s Board of Directors anticipates recommending for shareholder approval a dividend of \$0.60 a Share for 2008. It is the Company’s intention to maintain a regular dividend program.

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**2007 Summary Annual Report
Retail Holdings N.V.**

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INTRODUCTION

Retail Holdings N. V. (“ReHo” or the “Company”), formerly known as Singer N.V., was organized as a new corporate entity in the Netherlands Antilles in December 1999. Pursuant to a reorganization plan under Chapter 11 of the United States Bankruptcy Code, effective September 2000, ReHo became the parent company of several operating companies formerly owned by The Singer Company N.V. (“Old Singer”).

The Company is a holding company with three principal assets: 1) a 56.8% equity interest in Singer Asia Limited (“Singer Asia” or the “Asia Company”), a distributor of consumer durable products in selected emerging markets in Asia, with consumer credit and other financial services available to qualified customers; 2) seller notes, primarily arising from the sale of the Singer worldwide sewing business and trademark; and 3) cash and cash equivalents. ReHo has no operating activities other than those carried out through Singer Asia.

In September 2004, ReHo completed the sale of the Singer worldwide sewing business and of the ownership of the SINGER® trademark to KSIN Holdings, Ltd. (“KSIN”), now called “SVP”, an affiliate of funds managed by Kohlberg & Co., LLC. The name of the Company was changed from Singer N.V. to Retail Holdings N.V. as a consequence of this transaction.

As used herein, except as the context otherwise requires, the term “Company” or “ReHo” refers to Retail Holdings N.V. The term “Asia Company” or “Singer Asia” refers to Singer Asia Limited.

The Company publishes its consolidated financial statements in U.S. dollars and in accordance with accounting principles generally accepted in the United States of America.

The registered office of the Company is located at Schottegatweg Oost 44, Willemstad, Curaçao, Netherlands Antilles, and its telephone number is 599-9732-2555. Certain administrative matters are handled in the United States by the Company’s subsidiary, NV Admainservice Corporation, located at 280 North Bedford Road, Mt. Kisco, New York, 10549, and its telephone number is 914 241-3404. The Company’s share transfer agent is Mellon Investor Services LLC, at P.O. Box 3315, South Hackensack, New Jersey 07606, and its telephone number is 800-522-6645 (or from overseas, 1-201-680-6578). The Company’s website is www.retailholdings.com.

CAUTIONARY STATEMENT WITH RESPECT TO FORWARD-LOOKING STATEMENTS

Statements made herein with respect to ReHo's or Singer Asia'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 or of the Asia Company. Forward-looking statements include but are not limited to those using words such as believe, expect, anticipate, 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 available to management at the time. The ultimate outcome in many cases is outside of management'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, that you should not place undue reliance on such forward-looking statements. You should not rely on any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The Company and the Asia Company disclaim any such obligation. Risks and uncertainties that might affect the Company and the Asia Company include, but are not limited to: general economic conditions, particularly in Asia, including levels of consumer spending; exchange rates, particularly between the U.S. dollar and the currencies in which the Asia Company makes significant sales or in which assets and liabilities are denominated; the Asia Company's ability to continue to win acceptance of its products and services, which are offered in highly competitive markets; the payment at maturity of the unsecured subordinated promissory notes issued to the Company by KSIN and the secured promissory notes issued to the Company by AON International and Singer Jamaica; continuing relationships with financial institutions, suppliers and other creditors; and the outcome of contingencies.

Important information regarding risks and uncertainties is also set forth elsewhere herein including, without limitation, elsewhere in this Introduction and in the sections entitled: Risk Factors, Information About the Company, Information About Singer Asia Limited, Operating and Financial Review and Prospects, and the audited consolidated financial statements referenced in Financial Statements.

The information included in this Summary Annual Report does not purport to be inclusive of all of the information that might be included in a Form 20-F annual report. It only contains summary information that, in the opinion of management, is most relevant for understanding the Company's and the Asia Company's financial results during 2007.

As described in greater detail below, it is the Company's intention not to provide regular quarterly reports including the information that might be included in a Form 10-Q quarterly report. The Company expects to issue only a Summary Annual Report and a Summary Semi-Annual Report, the latter to include an unaudited, six-month Consolidated Statement of Operations and Consolidated Balance Sheet, with limited commentary. See, Risk Factors, Limited Disclosure, included herein.

RISK FACTORS

Risks to the Company and to the Asia Company are also discussed elsewhere herein, including, without limitation, in the other sections referred to in the Cautionary Statement With Respect to Forward-Looking Statements.

Economic Trends and Exogenous Events May Adversely Impact Results

Purchases of the Asia Company's products are to a significant extent discretionary. Economic downturns and resulting declines in consumption in Singer Asia's major markets (Sri Lanka, Thailand, Bangladesh and Pakistan), and in Asia generally, may adversely impact the Asia Company's level of sales and financial position. Economic developments in these countries may also be impacted significantly by exogenous, unanticipated political or natural events.

The Consumer Finance Business Is Subject to Non-Performance Risks

Extension of consumer credit is an integral part of Singer Asia's operations. In most countries, accounts receivable are financed by the local operating companies. A significant economic downturn in a market, a sharp drop in the market price of products sold on credit, a negative exogenous shock, a loss of critical personnel, changes in local laws or practice, or civil disorder, among other factors, could reduce collection performance, impairing the value of the Asia Company's receivables, negatively impacting the consolidated results and financial position.

International Operations Have Special Risks

All of Singer Asia's operating activities are conducted in emerging markets. There are a number of special risks inherent in doing business in these markets, including, among others, less stable political systems, uncertainty with respect to regulatory and legal procedures, breakdowns in civil order, difficulties in recruiting and retaining personnel, reduced protection for intellectual property rights, and potential adverse changes in tax regimes. If Singer Asia is unable to manage the risks inherent in its international activities, this may adversely affect the consolidated results and financial position.

There Are Intense Competitive Pressures

Singer Asia's operations face a broad range of competitors and potential competitors, from large international companies to small independent dealers. Some of these competitors have greater financial, technical and marketing resources available to them than does the Asia Company. Others may be willing to engage in unethical or illegal business practices that may give them at least a temporary advantage. The competitive environment has become increasingly demanding due to a number of factors, including increased price competition reflecting global over-capacity for most of the products that the Company sells, the growth of new, more efficient sales channels, such as mass merchants, and the broadening of consumer credit alternatives in certain markets.

Foreign Exchange Fluctuations May Negatively Impact Results

Local currency denominated financial results in each of the operating companies around the world are translated into U.S. dollars by applying the weighted average market exchange rate during each financial reporting period. Local currency denominated assets and liabilities are translated into U.S. dollars by applying the market exchange rate at the end of each financial reporting period. Accordingly, the financial results as reported in the consolidated profit and loss statement, and the assets and liabilities as reported in the consolidated balance sheet, are subject to foreign exchange rate fluctuations.

Facilities and Information Systems Are Subject to Damage

Facilities are located throughout the world and are subject to the possibility of disaster or outage or similar disruption as a result of any of a number of events. As the role of information systems becomes more important in the Company's and the Asia Company's operating activities, shutdowns of information systems due to disasters, software and hardware defects, and computer viruses pose increasing risks. This may affect operating activities, generate expenses relating to physical or personal damage, or may otherwise have a negative impact on the consolidated results and financial position.

The Company's Shares Are Currently Quoted Only On "Pink Sheets"

The Company does not anticipate that its common shares (the "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. Price quotations for the Company's Shares are only available on the "Pink Sheets" quotation service, under the symbol "RHDGF". Brokers should be able to continue trading ReHo's Shares using the "Pink Sheets" quotation service as long as the Company is current in providing to the U. S. Securities and Exchange Commission ("SEC") the materials that it makes available to its shareholders or is required to file in the Netherlands Antilles. If the 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 may 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.

The Company Provides Only Limited Disclosure

Pursuant to the laws and regulations of the Netherlands Antilles, the Company is only required to provide certain information to shareholders on an annual and semi-annual basis. The Company also intends to make available the information required by Rule 15c2-11 under the Securities Exchange Act of 1934, as amended, although it is not required to do so. The Company expects to issue only a Summary Annual Report, including audited consolidated financial statements and notes, with limited commentary, and a Summary Semi-Annual Report, including an unaudited, six-month, Consolidated Statement of Operations and Consolidated Balance Sheet, with limited commentary. The decision to not provide quarterly reports and more comprehensive annual and semi-annual reports could make it more difficult for investors to assess the Company and its results and prospects and, thereby, could result in less liquidity for the Company's Shares and prices that may not reflect the Shares' theoretical inherent value.

INFORMATION ABOUT THE COMPANY

Overview

ReHo is a holding company with three principal assets:

1. A 56.8% equity interest in Singer Asia which, through operating units located in selected emerging markets in Asia, acts as a distributor of consumer durable products, with consumer credit and other financial services available to qualified customers (more fully described in the next section);
2. Seller notes, primarily arising from the sale of the Singer worldwide sewing business and trademark in September 2004 (more fully described below and in Note 7 to the Financial Statements); and
3. Cash and cash equivalents, \$5.9 million as of December 31, 2007.

ReHo has no operating activities other than those carried out through the Asia Company.

Singer Asia was formed in 2003 to hold the Company's interests in the Singer distribution companies in Asia (Bangladesh, India, Indonesia, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam). In July 2003, ReHo concluded the placement with a private investment fund (the "Fund") of a 43.2% minority equity interest in Singer Asia. The Fund paid \$30.0 million in cash to acquire the stake in Singer Asia. ReHo retains a 56.8% equity interest in Singer Asia and continues to consolidate the results of these operations in its own financial statements.

In September 2004, ReHo completed the sales of the Singer worldwide sewing business and of the ownership of the SINGER® trademark to KSIN Holdings, Ltd. ("KSIN"), now called "SVP," an affiliate of funds managed by Kohlberg & Co., LLC (the "KSIN Transaction"). The total consideration consisted of approximately \$65.1 million of cash, \$22.5 million of unsecured, subordinated, promissory notes due September 2010 and 2011, and the pay off or assumption by KSIN of approximately \$47.0 million of sewing-related debt, subject to a post-closing price adjustment. Singer Asia continues to have a royalty bearing license for the use of the SINGER® trademark in most Asian countries and Australia/New Zealand and continues to be the exclusive distributor of Singer-brand sewing machines in most of Asia.

The tangible net asset value on an unconsolidated basis of ReHo, the holding company, at December 31, 2007 was \$59.8 million, equivalent to \$11.58 per Share outstanding. Including the goodwill associated with the Company's investment in Singer Asia, the total net asset value, including intangibles, on an unconsolidated basis of ReHo, the holding company, at December 31, 2007 was \$74.1 million, equivalent to \$14.35 per Share outstanding. This is a decline of \$1.65 per Share from the corresponding value at December 31, 2006 reflecting the \$1.00 per Share dividend paid by the Company to shareholders of record on July 19, 2007, the loss at Singer Asia resulting from the loss at Singer Thailand, and the modest increase in the number of Shares outstanding.

The underlying assets and liabilities at December 31, 2007 on a book value basis (which may be greater or less than realizable value) are as follows (in US\$ millions):

Tangible Assets:	
Cash and cash equivalents	\$ 5.9
Investment in Singer Asia	33.7
KSIN and Jamaica Notes	22.1
Tangible Assets	<u>61.7</u>
Goodwill	14.3
Total Assets	<u>76.0</u>
Other Assets and liabilities, net	(1.9)
Net Asset Value:	<u>\$ 74.1</u>

ReHo's strategy is to maximize and monetize the value of its assets with the medium-term objective of liquidating the Company and distributing the resulting funds and any remaining assets to its shareholders. The Company will seek to grow, to enhance the profitability of, and to increase the potential public market and private sales value of Singer Asia, with the objective of monetizing ReHo's investment in Singer Asia, either through a public offering and subsequent distribution of any remaining Singer Asia shares or through a sale of the Asia Company.

Principal repayments of \$7.5 million and \$19.1 million from the KSIN Notes are due September 2010 and 2011, respectively, subject to possible revision for additional, optional cash interest payments before then and for successful indemnity claims, if any, by SVP in connection with certain representations and warranties given by the Company in the KSIN Transaction (see Note 19 to the Financial Statements). Principal repayments totaling \$1.9 million in the period through December 2009 are due from certain notes received in connection with the sale of Singer Jamaica in June 2005.

In the interim, pending the ultimate liquidation of the Company, ReHo's strategy is to minimize holding company personnel and cost of administration.

ReHo in the 2004-2006 period used a portion of the cash and cash equivalents in excess of its requirements, initially, to purchase general, unsecured claims against Old Singer that would have resulted in the claimant receiving the Company's Shares, and, more recently, to purchase Shares in both private and market transactions and to purchase unexercised options (see below, Additional Information - Shareholding).

During 2007, the Company introduced a dividend program, paying a special dividend of \$1.00 a Share in that year. The Company's Board of Directors anticipates recommending for shareholder approval at the 2008 Annual General Meeting of Shareholders ("AGM") a proposal to pay a dividend of \$0.60 a Share for 2008. The Company anticipates making dividend recommendations in subsequent years.

INFORMATION ABOUT SINGER ASIA LIMITED

Overview

Singer Asia is a holding company whose operating subsidiaries are engaged in the distribution of a wide variety of consumer durable products in selected emerging markets in Asia, with consumer credit and other financial services available to qualified customers. Distribution is through three principal channels: 1) retail; 2) direct selling; and 3) wholesale, licensing and third party distribution.

The Asia Company has been engaged for many years in the distribution of consumer durable products, with credit, in the markets where it currently operates retail or direct selling businesses:

Bangladesh	since 1905
Pakistan	since 1905
Sri Lanka	since 1877
Thailand	since 1905

In each of these countries, Singer Asia is the leading retailer or direct seller of durable products for the home. In these markets, and throughout Asia, the Asia Company is recognized by consumers as a trusted source of reliable, quality, consumer products, as well as being identified with the availability of consumer credit. This is a business with significant potential to grow along with the emerging economies of Asia and the expansion of their consumer middle-and lower-income classes.

Singer Asia's ongoing business strategy is:

- To grow the Asia Company's retail and consumer financial services businesses in Bangladesh, Pakistan and Sri Lanka, and to seek to develop a retail business in India. The objective is to enhance the Asia Company's status in its existing retail markets as the number one retailer of durable products for the home and the number one provider of consumer credit to middle-and lower-income consumers, and to build a meaningful presence as a consumer home durables retailer in India. This will give Singer Asia a unique retail presence throughout the Indian subcontinent.
- To restore the profitability of the Asia Company's direct selling business in Thailand, the largest direct seller of consumer durables in that country, with the objective of Singer Asia again becoming a leading provider of durables for the home, and of credit and other financial services, to middle-and-lower income consumers outside of Bangkok.
- To grow the Asia Company's wholesale, licensing and third party distribution activities in those markets where it currently is either operating a wholesale business, has licensees, or has third party distributors, and to develop a similar presence in most of the rest of developing Asia.

Singer Asia's revenues are somewhat seasonal, generally increasing during certain holidays or festival periods. Overall, revenues tend to be slightly higher than average in the fourth quarter and, to a lesser extent, in the first quarter of each year, with the lowest revenues generally in the third quarter.

For additional information regarding Singer Asia, see the Singer Asia website: www.singerasia.com

Products

Singer Asia distributes a variety of durable products, especially products for the home. Products include: home appliances, such as air conditioners, dishwashers, deep freezers and bottle coolers, kitchen ranges, microwaves, refrigerators, washing machines and dryers, as well as small kitchen appliances and sewing machines; electronic equipment, such as color televisions, including digital, plasma and LCD products and home theatre, DVD players, personal computers, portable audio products, and telephone and satellite television equipment; motorcycles; small generators; and additional consumer products depending on the market, such as home furnishings in Sri Lanka and water heaters in Bangladesh and Pakistan.

It is the Asia Company's strategy to significantly broaden and update the product offering. New types of products are reviewed and added to the local product offerings on a regular basis.

Most products, other than motorcycles, continue to be sold using the Singer brand although an increasing share, especially in Sri Lanka, and, to a lesser extent, in Bangladesh and Pakistan, are now being sold using a variety of other well-known names, often under exclusive brand distribution arrangements. During 2007 Singer Asia became the exclusive co-distributor for Samsung® home appliances and electronics in Bangladesh and Sri Lanka.

Most of the consumer durable products sold by the Asia Company are sourced from third party manufacturers either in fully assembled or kit form. Singer Asia has maintained strong historical relationships with several leading global and local Asian manufacturers.

In some cases, where there are local efficiencies or tax or duty incentives, assembly of certain products is carried out by the local Singer Asia operating company. Presently, televisions and motorcycles are assembled in Bangladesh; refrigerators, freezers, gas appliances and sewing machines are manufactured and televisions and washing machines are assembled in Pakistan; and refrigerators, furniture, domestic and agricultural water pumps and paddy threshers are manufactured, and washing machines and sewing machines are assembled in Sri Lanka. Singer Asia also manufactures consumer and industrial, electric wire and cable in Bangladesh.

Historically, each Singer Asia operating company independently sourced its consumer durable products. Singer Asia in 2004 introduced a central sourcing program for those products not sourced from suppliers in the operating company's own country with the objective of realizing price and feature improvements. This effort is facilitated by a trend to greater standardization of the product line throughout the Asia Company's markets.

Consumer Credit Operations and Financial Services

Extension of consumer credit has been an integral part of the Company's operations since shortly after the business was founded over 150 years ago. Consumer credit is a key element of the sales offering in the emerging markets in which the Asia Company operates as other forms of credit are less readily available for the middle-and lower-income consumers in these markets than is the case in more developed countries.

Approximately 50% of Singer Asia's sales are on credit. In addition to providing a strong impetus to sales, consumer credit continues to be an important component of revenue; finance charges on consumer installments represented approximately 15% of the Asia Company's total revenue in 2007.

The Asia Company's credit activities generate installment accounts receivable which are outstanding from three to 48 months and bear interest at rates based upon prevailing consumer interest rates in the various local markets. These accounts receivable are financed by the local Singer Asia companies. It is the Asia Company's consistent practice to finance such accounts receivable by borrowing funds in the country and in the currency where such accounts receivable originate. Singer Asia had a total of over 772,000 active installment accounts as at December 31, 2007, with a total installment accounts receivable, net of unearned finance charges and allowances, of \$141.4 million.

Singer Asia is seeking to improve the credit granting and collection process. Steps taken include: introducing automated point scoring systems; joining and, where not available, helping to establish credit bureaus and nationwide consumer blacklists; introducing call centers to make welcome and collection calls; making greater use of third-party collection agencies; and enforcing strict repossession policies.

In addition to credit, Singer Asia also offers a variety of consumer protection plans including extended warranties, protection against product loss or damage due to fire, theft or natural calamities, and debt forgiveness in the event of the death or other extraordinary interruption in a customer's repayment ability.

Singer Asia's ongoing business strategy is to significantly broaden the financial product and services offering. Through selected Singer stores in Sri Lanka customers can now receive remittances from overseas friends and relatives, pay utility and credit card bills and purchase insurance. These and other financial services will be extended to additional Sri Lanka stores and to Singer stores in other countries over the next several years.

The Asia Company, through a finance company subsidiary in Sri Lanka and a finance company affiliate in the Philippines, helps promote dealer and related consumer financing in these markets. Through a financial services affiliate in Bangladesh and the finance company subsidiary and a financial services affiliate in Sri Lanka, the Asia Company also is engaged in commercial leasing.

Retail

The cornerstones of the Singer Asia operations are the retail and consumer financial services businesses in Bangladesh, Pakistan and Sri Lanka and the retail business to be developed in India.

Retail Financial Highlights

(\$ millions)	<u>2007</u>	<u>2006</u>	<u>% Change</u>
Revenue	205.3	177.9	15.4
Operating Profit	24.1	18.8	28.3
Net Income	9.1	7.5	21.4

In Bangladesh, Pakistan and Sri Lanka, Singer Asia operates nationwide chains of Asia Company retail stores and smaller satellite shops, supplemented by an extensive network of wholesale dealers. In each of these countries, Singer Asia is the number one retailer of durables for the home, with the largest number of stores. Store size ranges from approximately 200 square feet to approximately 14,360 square feet, with the largest stores in Sri Lanka.

