SUMMARY SEMI-ANNUAL REPORT

Retail Holdings N.V.

For the Semi-Annual Period Ended
June 30, 2010

ABOUT RETAIL HOLDINGS

Retail Holdings N.V. ("ReHo", together with its subsidiaries, the "Company") is a holding company with three principal assets: 1) a 56.2% equity interest in Singer Asia Limited, ("Singer Asia"), 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, arising from the sale of the Singer worldwide sewing business and trademark in 2004; and 3) cash and cash equivalents. The Company has no operating activities other than those carried out through Singer Asia.

ReHo is a Netherlands Antilles public company which is the successor company to the Singer Company N.V. and its predecessor companies. ReHo, formerly known as Singer N.V., changed its name to Retail Holdings N.V. following the sale of the sewing business and the Singer trademark.

Price quotations for ReHo shares are available on the "Pink Sheets" quotation service under the symbol "RHDGF". The Shares CUSIP number is N74108106.

Additional financial and other information about the Company, including: a copy of the Company's audited consolidated financial statements for the twelve months ended December 31, 2009, and all prior financial statements since September 2000, together with the Auditor's Reports thereon; the 2009 Annual Report dated May 2010, and all prior Disclosure Statements and Reports since September 2000; and copies of all semi-annual and quarterly reports and press releases since September 2000; may be found at the Corporate/Investor section of the Company's website at www.retailholdings.com. Investor relations requests may be addressed to Ms. Amy Pappas, Company Secretary, at the NV Adminservice Corporation office (indicated below); email apappas@retailholdings.com

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The Company prepares its consolidated financial statements in U.S. dollars, in accordance with International Financial Reporting Standards ("IFRSs"); prior to 2008, the Company prepared its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The ReHo registered office 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 ReHo's subsidiary, NV Adminservice Corporation, located at 280 North Bedford Road, Mt. Kisco, New York, 10549, telephone number 914-241-3404. ReHo's share transfer agent is Mellon Investor Services LLC, at P.O. Box 3315, South Hackensack, New Jersey 07606, telephone number 800-522-6645 (or from non-US locations, 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 the Company and 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 and Singer Asia. 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 that no assurance can be given that expectations reflected in such forward-looking statements will prove to be 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 Singer Asia disclaim any such obligation. Risks and uncertainties that might affect the Company and Singer Asia include, but are not limited to: general economic conditions, particularly in Asia, including levels of consumer spending; the payment of periodic interest and of principal at maturity on the unsecured, subordinated promissory notes issued to ReHo by KSIN Holdings Ltd. (now known as SVP Holdings Ltd.); exchange rates, particularly between the U.S. dollar and the currencies in which Singer Asia makes significant sales or in which assets and liabilities are denominated; Singer Asia's ability to continue to win acceptance of its products and services, which are offered in highly competitive markets; continuing relationships with financial institutions, suppliers and other creditors; and the outcome of contingencies.

Important information regarding risks and uncertainties is set forth in the Company's 2009 Summary Annual Report.

The information included in this Summary Semi-Annual Report does not purport to be inclusive of all of the information that might be included in a Form 10Q quarterly report. It only contains summary information that, in the opinion of management, is most relevant for understanding the Company's financial results during the first six months of 2010.

As described in greater detail in the Company's 2009 Summary Annual Report, 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, including audited consolidated financial statements and notes, with limited commentary, and a Summary Semi-Annual Report, including unaudited six-month financial statements, with limited notes and commentary, all prepared in accordance with IFRSs.

RETAIL HOLDINGS N.V.

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PART I

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2010 (Unaudited) AND DECEMBER 31, 2009 (Audited)
In thousands of US Dollars

	Notes	June 30, 2010	December 31, 2009
ASSETS:			
Property, plant and equipment		30,517	31,444
Intangible assets		6,732	6,726
Trade and other receivables due in excess of one year	*8*	49,468	46,016
Investment in equity accounted investees		16,561	14,648
Deferred tax assets		1,030	997
Other non-current assets		6,281	5,195
Total non-current assets		**110,589**	**105,026**
Inventories		50,201	38,378
Trade and other receivables		61,233	53,241
Cash and cash equivalents		19,549	20,087
Other current assets		5,040	5,954
Total current assets		**136,023**	**117,660**
Total assets		**246,612**	**222,686**
EQUITY			
Share capital	*9*	53	52
Share premium		81,612	81,428
Reserves		(303)	(411)
Deficit		(4,291)	(8,501)
Total equity attributable to equity holders of the Company		**77,071**	**72,568**
Non-controlling interest		**46,393**	**44,630**
Total equity		**123,464**	**117,198**
LIABILITIES			
Loans and borrowings over one year	*10*	16,966	11,587
Employee benefits		2,833	2,811
Deferred income over one year		108	103
Warranty provision over one year		106	123
Other non-current liabilities		4,564	4,327
Total non-current liabilities		**24,577**	**18,951**
Bank overdraft		21,115	11,478
Loans and borrowings	*10*	40,110	46,354
Trade and other payables		35,738	26,949
Deferred income		782	1,051
Warranty provision		826	705
Total current liabilities		**98,571**	**86,537**
Total liabilities		**123,148**	**105,488**
Total equity and liabilities		**246,612**	**222,686**

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2010 AND 2009 (Unaudited)
In thousands of US Dollars

	Notes	June 30, 2010	June 30, 2009
Continuing operations			
Revenue		124,557	123,997
Cost of sales		84,242	75,382
Gross profit		**40,315**	**48,615**
Other income		890	1,470
Selling and administrative expenses		(26,617)	(39,669)
Other expenses		(1,246)	(1,240)
Results from operating activities		**13,342**	**9,176**
Finance income		1,839	1,574
Finance costs		(5,376)	(9,524)
Net finance costs		**(3,537)**	**(7,950)**
Share of profit of equity accounted investees (net of income tax)		1,643	272
Profit before income taxes		**11,448**	**1,498**
Income tax expense	*7*	(3,349)	(618)
Profit from continuing operations		**8,099**	**880**
Discontinued operation			
Profit from discontinued operation (net of income tax)		-	1,906
Profit for the period		**8,099**	**2,786**
Attributable to:			
Owners of the Company		4,202	839
Non-controlling interest		3,897	1,947
Profit for the period		**8,099**	**2,786**
Earnings per share			
Basic earnings per share (U.S. Dollars)		0.80	0.16
Diluted earnings per share (U.S. Dollars)		0.80	0.16
Continuing operations			
Basic earnings per share (U.S. Dollars)		0.80	0.06
Diluted earnings per share (U.S. Dollars)		0.80	0.06

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2010 AND 2009 (Unaudited)
In thousands of US Dollars

	June 30, 2010	June 30, 2009
Profit for the period	**8,099**	**2,786**
Other comprehensive income		
Foreign currency translation differences for foreign operations	456	(896)
Other comprehensive income for the period, net of income tax	**456**	**(896)**
Total comprehensive income for the period	**8,555**	**1,890**
Total comprehensive income attributable to:		
Owners of the Company	4,335	683
Non-controlling interest	4,220	1,207
Total comprehensive income for the period	**8,555**	**1,890**

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY)
FOR THE SIX MONTHS ENDED June 30, 2009 (Unaudited)
In thousands of US Dollars

	Attributable to equity holders of the Company							
	Share capital	Share premium	Translation reserve	Revaluation reserve	Deficit	Total	Non-controlling interest	Total equity
Balance at January 1, 2009	53	82,551	(5,948)	5,877	(18,502)	64,031	47,218	111,249
Total comprehensive income for the period								
Profit	-	-	-	-	839	839	1,947	2,786
Other comprehensive income								
Foreign currency translation differences	-	-	(156)	-	-	(156)	(740)	(896)
Total other comprehensive income	-	-	(156)	-	-	(156)	(740)	(896)
Total comprehensive income for the period	-	-	(156)	-	839	683	1,207	1,890
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Dividends from subsidiaries paid to minority shareholders	-	-	-	-	-	-	(251)	(251)
Total contributions by and distributions to owners	-	-	-	-	-	-	(251)	(251)
Changes in ownership interests in subsidiaries								
Acquisition of subsidiaries							(276)	(276)
Revaluation gains adjusted	-	-	-	(109)	107	(2)	-	(2)
Total change in ownership interests in subsidiaries	-	-	-	(109)	107	(2)	(276)	(278)
Total transactions with owners	-	-	-	(109)	107	(2)	(527)	(529)
Balance at June 30, 2009	53	82,551	(6,104)	5,768	(17,556)	64,712	47,898	112,610

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY)
FOR THE SIX MONTHS ENDED June 30, 2010 (Unaudited)

In thousands of US Dollars

	Attributable to equity holders of the Company							
	Share capital	Share premium	Translation reserve	Revaluation reserve	Deficit	Total	Non-controlling interest	Total equity
Balance at January 1, 2010	52	81,428	(6,041)	5,630	(8,501)	72,568	44,630	117,198
Total comprehensive income for the period								
Profit	-	-	-	-	4,202	4,202	3,897	8,099
Other comprehensive income								
Foreign currency translation differences	-	-	132	(4)	5	133	323	456
Total other comprehensive income	-	-	132	(4)	5	133	323	456
Total comprehensive income for the period	-	-	132	(4)	4,207	4,335	4,220	8,555
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Purchase of Retail Holdings shares	-	(189)	-	-	-	(189)	-	(189)
Retail Holdings share option exercise	1	399	-	-	-	400	-	400
Singer Asia share option exercise	-	184	-	-	-	184	143	327
Dividends from subsidiaries paid to minority shareholders	-	-	-	-	-	-	(2,827)	(2,827)
Total contributions by and distributions to owners	1	394	-	-	-	395	(2,684)	(2,289)
Changes in ownership interests in subsidiaries								
Divestment of non-controlling interests	-	(210)	8	(28)	3	(227)	227	-
Total change in ownership interests in subsidiaries	-	(210)	8	(28)	3	(227)	227	-
Total transactions with owners	1	184	8	(28)	3	168	(2,457)	(2,289)
Balance at June 30, 2010	53	81,612	(5,901)	5,598	(4,291)	77,071	46,393	123,464

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2010 AND 2009 (Unaudited)
In thousands of US Dollars

	June 30, 2010	June 30, 2009
Cash flows from operating activities		
Profit for the period	8,099	2,786
Adjustments for:		
Depreciation	1,536	1,926
Gain from sale of property, plant and equipment	(54)	(385)
Net finance costs	3,537	7,950
Share of profit of equity accounted investees	(1,643)	(272)
Gain on sale of discontinued operation, net of tax	-	(1,906)
Income tax expense	3,349	618
	14,824	**10,717**
Changes in inventories	(11,784)	11,273
Changes in trade receivables	(11,470)	12,146
Changes in other current assets	939	3,187
Changes in trade and other payables	5,135	925
Changes in provision and employee benefits	22	(4,366)
Changes in deferred income	264	98
Cash generated from operating activities	**(2,070)**	**33,980**
Interest paid	(5,047)	(9,223)
Income tax paid	(828)	(723)
Net cash from operating activities	**(7,945)**	**24,034**
Cash flows from investing activities		
Interest received	1,839	1,190
Proceeds from sale of property, plant and equipment	66	2,439
Repayment / return of investment	(284)	-
Acquisition of subsidiary, net of cash acquired	-	113
Acquisition of property, plant and equipment	(450)	(2,164)
Net cash used in investing activities	**1,171**	**1,578**
Cash flows from financing activities		
(Decrease) increase in borrowings	(1,199)	(12,133)
Proceeds from stock options exercised	728	-
Repurchase of own shares	(189)	-
Subsidiary dividend paid to minority shareholders	(2,827)	(264)
Net cash used in financing activities	**(3,487)**	**(12,397)**
Net increase in cash and cash equivalents	**(10,261)**	**13,215**
Cash and cash equivalents at January 1	8,609	(14,032)
Effect of exchange rate fluctuations on cash held	86	(1,245)
Cash and cash equivalents at June 30	**(1,566)**	**(2,062)**

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Reporting entity

Retail Holdings N.V. ("ReHo") is a company domiciled in the Netherlands Antilles, incorporated in December 1999. The address of ReHo's registered office is Schottegatweg Oost 44, Willemstad, Curacao, Netherlands Antilles. These condensed consolidated interim financial statements as at and for the six months ended June 30, 2010 comprise ReHo and subsidiaries (together referred to as the "Group") and the Company's interest in associates.

The consolidated financial statements of the Group as at and for the year ended December 31, 2009 may be found at the Corporate/Investor section of the Company's website at www.retailholdings.com. Investor relations requests may be addressed to Ms. Amy Pappas, Company Secretary, at the NV Adminservice Corporation office 280 North Bedford Road, Mt. Kisco, NY 10549; or via email to apappas@retailholdings.com.

2. Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with, IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited consolidated financial statements of the Company as at and for the year ended December 31, 2009 (the "2009 Statements").

These condensed consolidated interim financial statements were approved by the ReHo Board of Directors on August 12, 2010.

Results for the six month period ended June 30, 2010 are not necessarily indicative of the results that may be expected for the year ending December 31, 2010.

3. Significant accounting policies

Except as described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its 2009 Statements and as described therein.

(a) Accounting for business combinations

Effective 1 January 2010 the Group adopted IFRS 3 Business Combinations (2008) in accounting for business combinations, The change in accounting policy has been applied prospectively; there was no impact on earnings per share in the current period.

For acquisitions on or after 1 January 2010, the Group measures goodwill as the fair value of the consideration transferred (including the fair value of any previously-held equity interest in the acquiree) and the recognized amount of any non-controlling interests in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interests at fair value, or at their proportionate share of the recognized amount of the identifiable net assets of the acquiree, at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(b) Accounting for acquisition of non-controlling interest

Effective 1 January 2010 the Group adopted IAS 27 Consolidated and Separate Financial (2008) in accounting for acquisitions of non-controlling interests. The change in accounting policy has been applied prospectively; there was no impact on earnings per share in the current period.

From 1 January 2010, acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and, therefore, no goodwill is recognized. Previously, goodwill arising on the acquisition of non-controlling interests in a subsidiary has been recognized, and represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of the transaction.

4. Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty are the same as those that applied to the 2009 Statements and as described therein.

5. Financial risk management

The Group’s financial risk management objectives and policies are consistent with those disclosed in the 2009 Statements and as described therein.

6. Operating segments

The Group has determined that it operates in one business segment, which is the operation of a retail business; and in one geographical segment, which is Asia.

7. Income tax expenses

Income tax expense is recognized based on management’s best estimate of the weighted average income tax rate expected for the full financial year applied to the pre-tax income of the interim period. The Group’s consolidated effective tax rate in respect of the six months ended June 30, 2010 was 34 percent (six months ended June 30, 2009: 50 percent).

The change in effective tax rate was caused mainly by non-deductible expenses such as advertising (50% non deductible), value added tax on financial service, foreign travel and entertainment, bad debts provisions and Nation Building Taxes in Sri Lanka (66%). Compared to 2010, the profits before taxes in 2009 were much lower resulting in a high impact of these items on the effective tax rate. However, the growth in profits before taxes in 2010 reduced the impact of these non-deductible expenses on the 2010 effective tax rate.

8. Trade and other receivables due in excess of one year

Trade and other receivables due in excess of one year include unsecured, subordinated promissory notes due from KSIN Holdings, Ltd (“KSIN”) (the “KSIN Notes”) in the amount of USD 25,266 thousand as at June 30, 2010 (December 31, 2009: USD 24,241 thousand). As at December 2009 one third of the principal amount of the notes was due in September 2010, the balance was due in September 2011.

As of December 31, 2009 the KSIN Notes were in default and consequently interest was payable at the rate of 12%. In May 2010 KSIN cured the outstanding default and the interest rate of the Notes reverted to 10%. At the same time, in consideration for an increase in the interest rate on the KSIN Notes from 10% to 11%, effective October 2010, and from 11.0% to 12.0%, effective October 2011, with a minimum interest payment in cash of at least 7% of the outstanding principal, ReHo agreed to an extension of the maturity of the KSIN Notes to February 2014 from September 2010 and September 2011.

9 Share capital

Issuance and repurchase of ordinary shares

During the six months ended June 30, 2010, 100,000 ordinary shares were issued as a result of the exercise of vested options arising from the 2000 Management Stock Plan granted to key employees of the Company (2009: nil). Options were exercised at the price of USD 4.00 per option. All issued share are fully paid.

During the six months ended June 30, 2010, 35,000 ordinary shares were repurchased at an average cost of USD 5.40 per share. (2009: nil).

10. Loans and borrowings

In thousands of U.S. Dollars	**Currency**	**Interest rate nominal**	**Face value**	**Carrying amount**	**Year of maturity**
Balance at January 1, 2010				57,941	
New Issues					
Debentures	SLR	13.0%	20,207	20,207	2010-2012
Secured bank loans	SLR	12.2%	1,614	1,614	2010-2014
Public Deposits	SLR	16.6%	1,600	1,600	2010-2013
Promissory Notes	SLR	17.8%	17	17	2011
Repayments					
Unsecured bank loans	SLR	9.3%	21,854	21,854	-
Secured bank loans	BDT	13.4%	1,780	1,780	-
Secured bank loans	PKR	13.9%	521	521	-
Secured bank loans	INR	12.0%	76	76	-
Finance Leases	PKR	13.37% - 16.37%	72	72	-
Balance at June 30, 2010				57,076	

11. Subsequent events

In July 2010, Singer Bangladesh Limited ("SBL"), the Company's 75% owned operating subsidiary in Bangladesh, entered into an agreement with a number of third parties to sell them SBL's remaining 35.6% equity interest in International Leasing and Financial Services Ltd. The transaction closed in August 2010, at which time SBL received a cash consideration of approximately USD 31,870 thousand (before taxes, worker profit participation and miscellaneous expenses) and realized a profit from the transaction of approximately USD22,195 thousand (net of taxes, worker profit participation and miscellaneous expenses).

PART II

Management Summary Discussion and Analysis

The following summary discussion and analysis should be read in conjunction with the unaudited consolidated interim financial statements of the Company for the six months ended June 30, 2010 and 2009 and the audited consolidated financial statements of the Company for the twelve months ended December 31, 2009. This section contains forward-looking statements that are subject to the "Cautionary Statement With Respect To Forward-Looking Statements" appearing elsewhere herein. Risks to the Company are also discussed in the Company's 2009 Summary Annual Report, dated May 10, 2010.

Results of Operations

Six months ended June 30, 2010 and June 30, 2009

Reflecting both improvement in the Company's operations and an emerging economic recovery in many of the markets in which the Company operates, Company revenue and profits were substantially improved in the first six months of 2010 as compared with the same period prior year. Comparing the six months ended June 30, 2010 with earlier periods is difficult because of the Company's sale, effective December 2009, of a controlling interest in Singer Thailand Public Company Limited ("STL") which reduced its overall stake to 48.5%. Consequently, for the first six months of 2010, STL is considered as an equity accounted investee while in prior periods STL is considered as a subsidiary. The effect is to significantly reduce consolidated revenue and cost, but with only a small impact on profit after tax.

For the six months ended June 30, 2010, the Company had consolidated revenue of $124.6 million compared to consolidated revenue of $124.0 million for the same period in 2009 when STL was included in the consolidation. Excluding STL, consolidated revenue in the first six months of 2009 would have been $100.6 million. On a like-to-like basis, revenue increased by $24.0 million for 2010, or by 23.9% as compared to the same period in 2009. Revenue at the retail operating units in Bangladesh, Pakistan and Sri Lanka increased by $18.4 million for 2010 to $112.3 million, or by 19.6% as compared to the same period in 2009.

The Company's revenue for 2010 includes $10.3 million of finance earnings on consumer credit sales compared to $16.8 million for the same period in 2009. The decrease in finance earnings is due to the deconsolidation of STL for the first six months of 2010 and a shrinkage in the outstanding credit book as a result of declining sales in 2009.

Gross profit for the six months ended June 30, 2010 was $40.3 million, representing a gross profit as a percentage of revenue of 32.4%, as compared to $48.6 million and a gross profit percentage of 39.2% for the six months ended June 30, 2009 when STL was included in the consolidation. Excluding STL, gross profit in the first six months of 2009 would have been $33.0 million and the gross profit percentage 32.8%. Gross profit at the retail operating units was $37.4 million for the six months ended June 30, 2010, representing a gross profit as a percentage of revenue of 33.3%, as compared to $31.2 million and the same gross profit percentage for the six months ended June 30, 2009.

Other income for the six months ended June 30, 2010 was $0.9 million as compared to $1.5 million of other income for the six months ended June 30, 2009. Other income arises primarily from the sale of excess or non-core assets. Other income in the first half of 2009 was boosted by a gain on the sale of a portion of the Company's stake in International Leasing and Financial Services Ltd., an operating affiliate in Bangladesh.

Selling and administrative expenses ("S&A") for the six months ended June 30, 2010 were $26.6 million, representing 21.4% of revenue, as compared to $39.7 million and 32.0% of revenue for the six months ended June 30, 2009 when STL was included in the consolidation. Excluding STL, consolidated S&A in the first six months of 2009 would have been $24.5 million, representing 24.4% of revenue. S&A at the retail operating units was $22.9 million for the six months ended June 30, 2010, representing 20.4% of revenue as compared to $21.4 million and 22.8% of revenue for the six months ended June 30, 2009. The decline in S&A relative to revenue reflects the flow through benefit of the cost saving measures introduced in late 2008 and early 2009.

Other expense, primarily royalty paid to SVP for the use of the Singer® trademark by Singer Asia and its operating companies, was $1.2 million for the six months ended June 30, 2010 and June 30, 2009.

Results from operating activities for the six months ended June 30, 2010 was a profit of $13.3 million as compared to a $9.2 million profit for the same period in 2009 when STL was included in the consolidation. Excluding STL, results from operating activities in the first six months of 2009 would have been a profit of $7.7 million. On a like-to-like basis, profit from operating activities increased by $5.6 million for 2010 or by 72.7% as compared to the same period in 2009. The improvement in results from operating activities is due primarily to the increase in revenue on a like-to-like basis and the decrease in S&A. Results from operating activities at the retail operating units was a profit of $13.8 million for the six months ended June 30, 2010 as compared with a profit of $9.3 million for the same period prior year.

Finance income was at $1.8 million and $1.6 million for the six months ended June 30, 2010 and June 30, 2009 respectively. Finance costs (including exchange gain or loss) was $5.4 million for the six months ended June 30, 2010 as compared to financial costs of $9.5 million for the same period in 2009 when STL was included in the consolidation. Excluding STL, finance costs for the first six months of 2009 would have been $8.5 million. The decrease in financial costs was due both to a reduction in interest rates from the prior period, particularly in Sri Lanka, and tighter balance sheet management and resulting reduction in outstanding debt.

Share of profit of equity accounted investees was $1.6 million and $0.3 million for the six months ended June 30, 2010 and June 30, 2009, respectively. $0.9 million of the improvement in share of profit of equity accounted investees is due to the inclusion of STL as an equity accounted investee in 2010.

The Company's profit before income tax was $11.4 million for the six months ended June 30, 2010 as compared to a $1.5 million profit from continuing operations before income tax for the same period in 2009. The higher profit before income tax primarily reflects the increase in revenue on a like-to-like basis and the decline in S&A and in finance costs compared with the same period prior year.

Income tax expense was $3.3 million for the six months ended June 30, 2010 as compared to $0.6 million for the six months ended June 30, 2009. The increase in income tax expense is due to the increase in taxable profits at the operating locations.

For the six months ended June 30, 2010 the Company's net profit from continuing operations was $8.1 million as compared to a profit of $0.9 million for the same period in 2009. The improvement in net profit primarily reflects the improvement of operating performance and finance expense, offset, in part, by higher taxes.

For the six months ended June 30, 2010 the Company's profit for the period was $8.1 million as compared to a profit of $2.8 million for the same period in 2009.

The profit attributable to equity holders of the Company was $4.2 million for the six months ended June 30, 2010 as compared to a profit of $0.8 million for the same period prior year. A profit of $3.9 million is attributable to minority shareholders for the six months ended June 30, 2010 as compared to a profit of $1.9 million for the six months ended June 30, 2009. The higher percentage of profit attributable to equity holders of the Company in the first half of 2010 as compared to the same period prior year, 61% and 30% respectively, reflects the relatively stronger performance of operations in Sri Lanka and Bangladesh, which have smaller minority participations, and higher finance income and the absence of a loss from discontinued operations at ReHo corporate.

The profit attributable to equity holders of the Company is equivalent to basic earnings and diluted earnings per share of $0.80 for the six months ended June 30, 2010 as compared to basic and diluted earnings per share of $0.06 per share from continuing operations and $0.16 per share overall for the same period prior year.

Liquidity and Capital Resources

Six Months Ended June 30, 2010

For the six months ended June 30, 2010, the Company had a net cash outflow from operations of $7.9 million. This is primarily due to the $18.1 million increase in net working capital (changes in inventories, receivables and payables) offset, in part, by the $8.1 million profit for the period. The increase in net working capital reflects the growth in revenue and accompanying growth of the balance sheet.

Net cash from investing activities for the six months ended June 30, 2010 was an inflow of $1.2 million, primarily reflecting interest received of $1.8 million. Dividends paid by the Company's subsidiaries to minority shareholders during the six months ended June 30, 2010 utilized $2.8 million of cash.

Net loans and borrowings decreased by $0.9 million during the first six months of 2010.

The net effect of the cash flow movements and exchange rate fluctuations was to decrease the Company's cash and cash equivalents by $10.2 million for the six months ended June 30, 2010. As a result, cash and cash equivalents, net of bank overdrafts, went from a positive $8.6 million as at December 31, 2009 to a negative $1.6 million as at June 30, 2010.

Current assets less current liabilities as at June 30, 2010 were $37.5 million compared to $31.1 million as at December 31, 2009, an improvement of $6.4 million.

For a discussion of liquidity and capital resources during 2009, see the Company's 2009 Annual Report, dated May 2010.

Neither the Company nor Singer Asia nor any of the Company's other subsidiaries were in default at June 30, 2010, at December 31, 2009, or at any time during 2010 or 2009 with respect to any interest or principal payments or with respect to any financial covenants under any of their lending arrangements.

Other

Research and Development; Environment

The Company does not carry out significant research and development, thus amounts spent on research and development for the six months ended June 30, 2010 and 2009 were not material.

The Company believes that any costs resulting from environmental matters known to it will not have a material, adverse impact on the Company's financial condition or results of operation. The amount spent on environmental and pollution matters was not material for the six months ended June 30, 2010 and June 30, 2009.

Market Risks

The Company is exposed to default risk. ReHo is owed principal and interest pursuant to the terms of the KSIN Notes. The issuer of the Notes is current in all of its obligations to ReHo: ultimate repayment of the Notes in February 2014 may be difficult, however, in the absence of a capital restructuring by SVP, the sale of the business or significant economic improvement. An economic downturn could adversely impact that company's results of operations and make it more difficult for them to meet their obligations to ReHo.

Singer Asia, in turn, is subject to default risk with respect to consumer installment and trade receivables. There has been an ongoing improvement in overall arrears and defaults on receivables outstanding; nevertheless, an economic downturn in Singer Asia's markets could impair collection performance, impairing the value of Singer Asia's receivables.

The Company is exposed to various foreign currency risks including, but not limited to, foreign denominated assets and liabilities, and revenues and expenses. Primary currency exposures include the currencies of the Indian subcontinent countries (Bangladesh, India, Pakistan and Sri Lanka) and Thailand. The Company mitigates the risk from foreign currency fluctuations by seeking to match the currency of its liabilities with the currency of its assets. The Company has no foreign exchange forward contracts outstanding.

The Company is exposed to market risk for changes in interest rates relating principally to its debt obligations, primarily those with variable interest rates. The Company mitigates the risk from interest rate increases by seeking to reduce the mismatch between the duration of its assets, and its liabilities and equity, and by adjusting the interest rate charged on installment receivables. The Company has no interest rate forward contracts outstanding.

The Company does not have any derivative financial instruments outstanding to hedge default, foreign currency, interest rate or other risks. The Company does not hold or issue financial instruments for trading purposes.

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