

**FOR IMMEDIATE RELEASE**  
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## **RETAIL HOLDINGS N.V. ANNOUNCES RECORD OPERATING RESULTS**

March 28, 2012, Curaçao

Retail Holdings N.V. (Symbol: RHDGF)

Retail Holdings N.V. (“ReHo” or the “Company”) announced today record operating results for the year ended December 31, 2011. The ReHo Board of Directors anticipates recommending for shareholder approval a distribution of at least \$1.00 a Share.

Financial highlights from today’s announcement include:

- Consolidated revenue up 25.4% to \$331.3 million in 2011.
- Revenue at the operating units in Sri Lanka, India, Bangladesh and Pakistan up 40.0%, 25.9%, 5.4% and 4.5%, respectively. Revenue at Singer Thailand, which is not included in consolidated revenue, up 21.3% to \$75.4 million.
- Results from operating activities, excluding one-time gains, up 33.9% to \$34.0 million in 2011; including one-time gains, results from operating activities were \$38.8 million.
- After-tax profit was \$25.1 million in 2011, of which \$14.1 million is attributable to ReHo shareholders.
- Including this year’s anticipated distribution of at least \$1.00 per Share, dividends and distributions paid to shareholders since 2007 will total at least \$6.25 a Share.

### **Chairman’s Comments**

Commenting on the 2011 results, Stephen H. Goodman, the Company’s Chairman, President and CEO, noted, “I continue to be extremely pleased by the Company’s very strong operating performance. Revenue and profit, excluding one-time items, were substantially improved in 2011 as compared to earlier years, reflecting the validity of the strategies being pursued by Singer Asia management and their successful implementation.

“Singer Asia’s revenue and profit in 2011 continued to outperform the growth in its markets. This strong performance is continuing into 2012, with revenue and profit both meaningfully higher than for the same period in 2011, and exceeding the projections in the Company’s internal Plan.

“Capitalizing on the reputation of the Singer brand and the many millions of consumer interactions across its markets, Singer Asia significantly expanded its financial services offerings during 2011 with over 10 million transactions completed.

“ReHo’s medium- to long-term strategy remains unchanged--to maximize and monetize the value of its assets, with the objective of liquidating the Company and distributing the resulting funds and any remaining assets to its shareholders. The Company’s objective is to ultimately distribute to its shareholders at least the equivalent of its net asset value of \$16.51 per Share, but potentially up to and possibly in excess of its derived market valuation of \$35.20 per Share. Consistent with this strategy, the Company intends to continue its dividend/distribution program, including an anticipated distribution this year of at least \$1.00 a Share, bringing total dividends/distributions paid to shareholders to at least \$6.25 a Share.

“I encourage all shareholders to read the Company’s complete Summary Annual Report and the audited, consolidated financial statements, which are both available on the Corporate/Investor section of the Retail Holdings website, [www.retailholdings.com](http://www.retailholdings.com), or can be obtained free of charge by email, telephone or regular mail request to the Company.”

## **2011 Year Results**

The Company realized record revenue and record results from operating activities and profit, excluding one-time items, for the year ended December 31, 2011. Profit for the year was \$25.1 million, of which \$14.1 million is attributable to the ReHo shareholders. This performance reflects the continuing economic recovery in the countries where Singer Asia operates, especially Sri Lanka, which benefitted both from the end of the long civil war and more liberal government economic policies, continuing improvements in operating margins and better working capital management.

Comparisons to prior years are impacted by the sale in 2010 of the Company’s equity stake in ILFS in Bangladesh, with a resulting gain on disposal of \$24.5 million and, to a much lesser extent, by the \$3.8 million gain from settlement of a long outstanding legal case in the United States and a liquidation proceeding.

For the year ended December 31, 2011, the Company reported consolidated revenue of \$331.3 million, compared to consolidated revenue of \$264.1 million for the same period in 2010, an increase of \$67.2 million or 25.4%. Revenue at the retail operating units in Sri Lanka, Bangladesh and Pakistan increased by 40.0%, 5.4% and 4.5%, respectively, compared to the same period prior year. Excluding the effects of fluctuations in foreign currency exchange rates, revenue growth at these operating units were 37.1%, 12.4% and 5.9%, respectively. Revenue grew by 25.9% and 28.7% measured in U.S. dollars and local currency, respectively, at Singer India. Revenue at Singer Thailand, which is not included in consolidated revenue, increased 21.3% to \$75.4 million in the year ended December 31, 2011 as compared to \$62.2 million in the year ended December 31, 2010.

The Company’s revenue for the year ended December 31, 2011 includes \$26.7 million of finance earnings on consumer credit sales, compared to \$21.3 million in finance earnings for the same period in 2010. The growth in finance earnings is proportionate to the growth in revenue as the Company continued to promote credit sales while maintaining strong credit management policies.

Gross profit for the year ended December 31, 2011 was \$111.8 million, representing a gross profit as a percentage of revenue of 33.7%, compared to \$85.3 million and a gross profit percentage of 32.3% for the year ended December 31, 2010. The improvement in gross margin percentage reflects both better sourcing and less need for promotional pricing to boost revenue.

Other income for the year ended December 31, 2011 was \$6.7 million compared to \$26.2 million in other income for the year ended December 31, 2010. Other income in 2011 mainly consists of a \$3.8 million gain from settlement of a long standing legal case in the United States and a liquidation proceeding, and a gain of \$1.0 million from disposal of a 3.0% shareholding in Singer Thailand. Other income in 2010 includes a \$24.5 million gain from the disposal of the Company's equity interest in ILFS.

Selling and administrative expenses for the year ended December 31, 2011 were \$76.3 million, representing 23.0% of revenue, compared to \$58.9 million and 22.3% of revenue for the year ended December 31, 2010. The increase in selling and administrative expenses as a percentage of revenue is due to a planned increase in advertising and promotion, an increase in rental and occupancy costs for new shops and renewed shop leases, and recognition of a goodwill impairment loss of \$0.4 million.

Other expenses, royalty payments to SVP, amounted to \$3.3 million and \$2.6 million for the years ended December 31, 2011 and December 31, 2010, respectively. The royalty is for the use of the Singer trademark by Singer Asia and its operating companies and is calculated based on Singer Asia's consolidated revenue.

Results from operating activities for the year ended December 31, 2011 were a profit of \$38.8 million, compared to a profit of \$49.9 million for the same period in 2010. Excluding the gains from the settlement of the legal case in the United States, the liquidation proceeding and from disposal of 3.0% of the shares in Singer Thailand from the 2011 results, and the profit from the sale of the ILFS equity stake from the 2010 results, results from operating activities for the years ended December 31, 2011 and December 31, 2010 would have amounted to \$34.0 million and \$25.4 million, respectively. The improvement in results from operating activities on a like-for-like basis would have been \$8.6 million, a 33.9% gain, reflecting an increase in revenue and improvement in gross margin, partially offset by an increase in selling and administrative expenses.

Finance income, primarily interest on the SVP Notes at ReHo corporate, was \$4.4 million and \$3.6 million for the years ended December 31, 2011 and December 31, 2010, respectively. Finance cost, which represents interest expense on borrowings at the Singer Asia operating companies to finance working capital, was \$10.8 million and \$10.5 million for the years ended December 31, 2011 and December 31, 2010, respectively. Finance cost increased modestly compared to the same period in 2010, despite a growth in working capital and bank borrowings, reflecting a decline in interest rates, especially in Sri Lanka, and the full year effect of the pay down of debt in Singer Bangladesh from the proceeds from the sale of the ILFS equity stake. Funded debt increased from \$70.2 million at December 31, 2010 to \$91.3 million at December 31, 2011. The increase is a direct result of the increase in working capital, especially in Sri Lanka, reflecting the growth in revenue and in accounts receivable.

Share of profit of equity accounted investees was \$2.3 million and \$2.5 million for the years ended December 31, 2011 and December 31, 2010, respectively. If the share of profit from ILFS, an equity accounted investee in 2010, is excluded from the 2010 comparative, the share of profit of equity accounted investees would have been \$1.3 million that year.

Net profit at Singer Thailand, an equity accounted investee, increased 65.7% to \$5.8 million in the year ended December 31, 2011, as compared to a net profit of \$3.5 million in the year ended December 31, 2010.

The Company's profit before income tax was \$34.7 million for the year ended December 31, 2011, compared to a profit of \$45.5 million for the same period in 2010. If the one-time gains are excluded from the 2011 results and from the 2010 comparatives, profit before income tax for the year ended December 31, 2011 and December 31, 2010 would have amounted to \$29.9 million and \$21.0 million, respectively. The increase in profit on a like-for-like basis of \$8.9 million, or by 42.4%, reflects the flow through of the improved results from operating activities.

Income tax expense increased to \$9.6 million for the year ended December 31, 2011 from \$9.4 million for the same period prior year. The effective tax rate, which is calculated based on total income tax expense as a percentage of profit before tax, excluding share of profit of equity accounted investees, was 29.6% for the year ended December 31, 2011, compared to an effective tax rate of 21.8% for the year ended December 31, 2010. The increase in the effective rate is due primarily to smaller one-time gains, which are generally taxed at lower rates, offset, in part, by a reduction in the statutory tax rate in Sri Lanka.

The Company's profit for the year ended December 31, 2011 was \$25.1 million, compared to a \$36.1 million profit for the same period in 2010. If the one-time gains are excluded from the 2011 results and from the 2010 comparatives, the Company's profit for the years ended December 31, 2011 and December 31, 2010 would have amounted to \$20.3 million and \$13.8 million, respectively. The increase in profit on a like-for-like basis of \$6.5 million, or by 47.1%, reflects the flow through of the improved results from operating activities, offset, in part, by a higher effective tax rate.

The profit attributable to ReHo shareholders was \$14.1 million for the year ended December 31, 2011, compared to \$16.6 million attributable profit for the same period prior year. A profit of \$11.0 million was attributable to non-controlling interest for the year ended December 31, 2011, compared to a \$19.5 million profit for the year ended December 31, 2010. ReHo shareholders' share of the profit has increased to 56.0% of the total for the year ended December 31, 2011 from 46.0% for the year ended December 31, 2010. This is mainly due to a shift in profit mix from Singer Bangladesh, reflecting the ILFS sale in 2010, where non-controlling interest have a 25.0% stake, to Singer Sri Lanka and ReHo Corporate where non-controlling interest have a 14.0% and zero stake, respectively.

The profit attributable to equity holders of the Company is equivalent to basic and diluted earnings per Share of \$2.65 for the year ended December 31, 2011, compared to \$3.14 for the year ended December 31, 2010.

### **About Retail Holdings**

The Company holds three principal assets: 1) a 56.2% equity interest in Singer Asia, a distributor of consumer durable products in Bangladesh, India, Pakistan, Sri Lanka and Thailand 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.

Retail Holdings is a Curaçao public company, which is the successor company to the Singer Company N.V. and its predecessor companies. Price quotations for the Retail Holdings Shares are available on the OTC Pink “Pink Sheets” quotation service under the symbol “RHDGF”.

Additional financial and other information about the Company including: the Retail Holdings’ audited, consolidated financial statements for the twelve months ended December 31, 2011, and all prior statements since September 2000, together with Auditor’s Reports thereon; the 2011 Annual Report dated March 2012, 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 Retail Holdings website: [www.retailholdings.com](http://www.retailholdings.com).

For further information, please contact Amy Pappas at (914) 241-3404.

## RETAIL HOLDINGS N.V. AND SUBSIDIARIES

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER

In thousands of U.S. Dollars

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Property, plant and equipment	42,131	43,360
Intangible assets and goodwill	6,289	6,751
Trade and other receivables over one year	59,545	43,995
Equity accounted investees	13,647	13,140
Other non-current assets	7,209	7,888
<b>Total non-current assets</b>	<b>128,821</b>	<b>115,134</b>
Inventories	63,515	47,039
Trade and other receivables	79,938	68,872
Cash and cash equivalents	20,709	39,744
Other current assets	10,752	8,570
<b>Total current assets</b>	<b>174,914</b>	<b>164,225</b>
<b>Total assets</b>	<b>303,735</b>	<b>279,359</b>
<b>EQUITY</b>		
Share capital	53	53
Share premium	64,151	77,418
Reserves	(609)	4,232
Retained earnings	24,008	8,969
<b>Total equity attributable to owners of the Company</b>	<b>87,603</b>	<b>90,672</b>
<b>Non-controlling interest</b>	<b>66,873</b>	<b>71,084</b>
<b>Total equity</b>	<b>154,476</b>	<b>161,756</b>
<b>LIABILITIES</b>		
Loans and borrowings over one year	16,815	16,323
Employee benefits	3,554	3,027
Deferred income over one year	208	132
Warranty provision over one year	103	95
Deferred tax liabilities	1,993	2,908
Other non-current liabilities	5,273	4,773
<b>Total non-current liabilities</b>	<b>27,946</b>	<b>27,258</b>
Bank overdraft	15,511	12,756
Current tax liabilities	2,212	2,196
Loans and borrowings	59,005	41,086
Trade and other payables	41,812	32,319
Deferred income	1,638	1,185
Warranty provision	1,135	803
<b>Total current liabilities</b>	<b>121,313</b>	<b>90,345</b>
<b>Total liabilities</b>	<b>149,259</b>	<b>117,603</b>
<b>Total equity and liabilities</b>	<b>303,735</b>	<b>279,359</b>

**CONSOLIDATED STATEMENT OF INCOME  
FOR THE YEAR ENDED 31 DECEMBER  
In thousands of U.S. Dollars**

	<u>2011</u>	<u>2010</u>
Revenue	331,297	264,130
Cost of sales	(219,540)	(178,842)
<b>Gross profit</b>	<b>111,757</b>	<b>85,288</b>
Other income	6,654	26,159
Selling and administrative expenses	(76,318)	(58,935)
Other expenses	(3,313)	(2,641)
<b>Results from operating activities</b>	<b>38,780</b>	<b>49,871</b>
Finance income	4,392	3,602
Finance costs	(10,827)	(10,455)
<b>Net finance costs</b>	<b>(6,435)</b>	<b>(6,853)</b>
Share of profit of equity accounted investees (net of income tax)	2,326	2,519
<b>Profit before income tax</b>	<b>34,671</b>	<b>45,537</b>
Income tax expense	(9,558)	(9,398)
<b>Profit for the year</b>	<b>25,113</b>	<b>36,139</b>
<b>Attributable to:</b>		
Owners of the Company	14,070	16,612
Non-controlling interest	11,043	19,527
<b>Profit for the year</b>	<b>25,113</b>	<b>36,139</b>
<b>Earnings per share (U.S. Dollars)</b>		
Basic earnings per share	2.65	3.14
Diluted earnings per share	2.65	3.14