

**FOR IMMEDIATE RELEASE
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**INFORMATION CONTACT
Amy Pappas at (914) 241-3404**

**RETAIL HOLDINGS N.V. ANNOUNCES FIRST HALF RESULTS
\$2.50 PER SHARE DISTRIBUTION**

August 17, 2012, Willemstad, Curaçao

Retail Holdings N.V. (“Retail Holdings”, together with its subsidiaries and affiliates, the “Company”) (Symbol: RHDGF)

Commenting on developments, Stephen H. Goodman, the Company’s Chairman, President and CEO, remarked, “Singer Asia realized record revenue, results from operating activities and profit excluding one-time items during the first six months of 2012 – revenue up 7.1%, operating profit up 20.1% and net income up 34.4%, as compared to prior year. This achievement reflects the breath of Singer Asia’s distribution system, the strength of the Singer brand, the Asia Company’s reputation for quality products and services, the offer by Singer Asia of consumer credit, and the capability and motivation of the Asia Company’s management and employees. However, as a result of a drop in other income of \$3.4 million, Retail Holdings’ profit for the period declined from \$12.9 million in 2011 to \$11.2 million in 2012.

“Retail Holdings’ strategy remains unchanged -- to maximize and monetize the value of its assets including Singer Asia, the Company’s most important asset, distributing the resulting funds to shareholders. While the Company believes this strategy is the most consistent both with shareholder objectives and the interests of other stakeholders, it will not agree to a disposal of Singer Asia, or of any of its other assets, at less than fair value, reflecting, in the case of Singer Asia, the strong performance to date and substantial future potential. Given current equity market and economic uncertainties the Company has concluded that it will not be possible to realize fair value from a sale in the immediate term.

“Retail Holdings elected during the first half of 2012 to sell \$5.8 million of the SVP Notes for a cash consideration of \$5.0 million as a means both to increase the 2012 distribution to shareholders and to reduce the concentration of credit risk. There is no current intention to sell additional SVP Notes prior to their maturity in 2018.

“Pending the ultimate disposition of Retail Holdings’ assets, the strategy remains to minimize administrative costs and to distribute cash in excess of requirements to shareholders. Consistent with this strategy, Retail Holdings Board of Directors is proposing for shareholder approval a distribution of \$2.50 per Share for 2012, bringing total distributions paid to shareholders since inception of the program in 2007 to \$7.75 per Share. Retail Holdings anticipates continuing to pay distributions annually in excess of \$1.00 per Share.”

Mr. Goodman concluded, “I encourage all shareholders to read the Company’s complete Summary Semi-Annual Report for the period ended June 30, 2012, which is available at the Corporate/Investor section of the Retail Holdings website, www.retailholdings.com, or can be obtained free of charge by email, telephone or regular mail request.”

2012 First Half Results

Company operating results and profit excluding one-time items increased in the first six months of 2012 as compared with the same period prior year, reflecting further improvements in the Singer Asia operations and market position. Company profit for the period including one-time items declined, however, as a result of a \$3.4 million drop in other income.

For the six months ended June 30, 2012, Company consolidated revenue was \$166.0 million compared to consolidated revenue of \$155.0 million for the same period in 2011, an increase of 7.1%. Revenue at the retail operating units in Bangladesh, Pakistan and Sri Lanka increased by 6.8% to \$149.0 million for the first six months of 2012. This growth in dollar revenue was achieved despite significant local currency depreciations. Measuring in local currency, revenue in Bangladesh, Pakistan and Sri Lanka increased by 19.0%, 6.5% and 22.7%, respectively, for the first six months of 2012. Revenue at the Company's unconsolidated affiliate in Thailand increased by 23.3% to \$46.7 million, while revenue at the India wholesale operating units increased by 12.8% to \$16.3 million.

The Company's revenue for the first six months of 2012 includes \$15.5 million of finance earnings on consumer credit sales compared to \$11.9 million of such earnings for the same period in 2011. The more rapid growth in finance earnings compared to total revenue reflects the somewhat higher proportion of credit sales compared to cash sales in 2012.

Gross profit for the six months ended June 30, 2012 was \$55.3 million, representing a gross profit margin of 33.3%, as compared to \$52.3 million and a gross profit margin of 33.7% for the six months ended June 30, 2011. The decline in gross profit margin is mainly due to a lag in adjusting local currency prices to compensate for the impact of currency depreciation on the price of imports, compensated, in part, by an increase in finance income as a proportion of total revenue.

Other income for the six months ended June 30, 2012 was \$1.2 million as compared to \$4.6 million for the six months ended June 30, 2011. Other income in 2012 includes a gain of \$0.9 million from a sale of shares of Singer Thailand, offset by a \$0.9 million loss from a sale of \$5.9 million of the SVP Notes. Other income in 2011 includes a gain of \$3.4 million from the settlement of a legal case, \$1.0 million from the sale of shares of Singer Thailand and \$0.4 million from a liquidation settlement.

Selling and administrative expenses ("S&A") for the six months ended June 30, 2012 were \$35.8 million, representing 21.6% of revenue, as compared to \$34.9 million and 22.5% of revenue for the six months ended June 30, 2011. The decline in S&A relative to revenue reflects both the Company's continuing effort to control costs and the impact of local currency depreciation on local expenses.

Other expenses, primarily royalty paid to SVP for the use of the Singer trademark by Singer Asia and its operating companies, were \$1.7 million and \$1.6 million for the six months ended June 30, 2012 and June 30, 2011, respectively, reflecting the increase in revenue.

Results from operating activities for the six months ended June 30, 2012 were a profit of \$19.1 million, compared to \$20.4 million for the same period in 2011. The drop in results from operating activity is largely due to the decline in other income, offset, in part, by the growth in revenue and gross profit.

Net finance costs for the six months ended June 30, 2012 were \$5.3 million as compared to \$2.9 million of such costs for the same period in 2011. The increase in net finance costs primarily reflects higher debt levels as a result of the growth in the business and of working capital, the substantial distribution paid last year and higher interest rates, particularly in Sri Lanka.

Share of profit of equity accounted investees was \$1.9 million and \$1.2 million for the six months ended June 30, 2012 and June 30, 2011, respectively. The increase is due to the growth in profits at Singer Thailand.

The Company's profit before income tax was \$15.7 million for the six months ended June 30, 2012 compared to \$18.7 million in pre-tax profit for the same period in 2011. The lower profit before income tax reflects the flow through of the decline in results from operating activities and higher net finance costs.

Income tax expense was \$4.5 million for the six months ended June 30, 2012 compared to \$5.8 million for the six months ended June 30, 2011. This represents a decline in the effective tax rate from 31.5% in 2011 to 28.9% in 2012. The drop in the effective tax rate is largely due to a reduction in the income tax rate in Sri Lanka, the Company's largest market, from 35% to 28%, offset, in part, by a shift in profit from ReHo, which is incorporated in Curacao, a low income tax jurisdiction, to the operating units.

For the six months ended June 30, 2012, the Company's net profit was \$11.2 million compared to a net profit of \$12.9 million for the same period in 2011. Excluding other income, the Company's net profit grew to \$10.0 million in the first six months of 2012 from \$8.3 million in the same period prior year, an increase of 20.2%.

The profit attributable to equity holders of the Company was \$5.1 million for the six months ended June 30, 2012 as compared to \$8.2 million for the same period prior year. A profit of \$6.1 million is attributable to minority shareholders for the six months ended June 30, 2012 as compared to \$4.7 million for the six months ended June 30, 2011. The much lower percentage of Company profit attributable to equity holders of the Company in the first half of 2012 as compared to the same period prior year, 45.4% and 63.7%, respectively, reflects a shift in profit mix from ReHo to the Singer Asia operating companies, primarily because of the change in the mix of other income.

The profit attributable to ReHo shareholders is equivalent to basic earnings and diluted earnings per share of \$0.96 for the six months ended June 30, 2012 as compared to basic and diluted earnings per share of \$1.55 per share for the same period prior year.

About Retail Holdings

Retail Holdings holds three principal assets: 1) a 56.13% 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) the SVP Notes, 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.

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: 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 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.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012 (Unaudited) AND DECEMBER 31, 2011 (Audited)

In thousands of US Dollars

	<u>June 30, 2012</u>	<u>December 31, 2011</u>
ASSETS:		
Property, plant and equipment	38,231	42,131
Intangible assets	6,503	6,289
Trade and other receivables due in excess of one year	54,897	59,545
Investment in equity accounted investees	14,037	13,647
Deferred tax assets	349	538
Other non-current assets	7,402	7,209
Total non-current assets	<u>121,419</u>	<u>129,359</u>
Inventories	73,331	63,515
Trade and other receivables	79,380	79,938
Cash and cash equivalents	27,616	20,709
Other current assets	10,273	10,752
Total current assets	<u>190,600</u>	<u>174,914</u>
Total assets	<u>312,019</u>	<u>304,273</u>
EQUITY		
Share capital	53	53
Share premium	64,166	64,151
Reserves	(5,765)	(609)
Surplus	30,270	24,008
Total equity attributable to equity holders of the Company	<u>88,724</u>	<u>87,603</u>
Non-controlling interest	<u>65,425</u>	<u>66,873</u>
Total equity	<u>154,149</u>	<u>154,476</u>
LIABILITIES		
Loans and borrowings over one year	17,030	16,815
Employee benefits	3,341	3,554
Deferred income over one year	237	208
Warranty provision over one year	115	103
Deferred tax liabilities	2,409	2,531
Other non-current liabilities	5,239	5,273
Total non-current liabilities	<u>28,371</u>	<u>28,484</u>
Bank overdraft	18,924	15,511
Current tax liabilities	2,465	2,212
Loans and borrowings	64,756	59,005
Trade and other payables	40,915	41,812
Deferred income	1,374	1,638
Warranty provision	1,065	1,135
Total current liabilities	<u>129,499</u>	<u>121,313</u>
Total liabilities	<u>157,870</u>	<u>149,797</u>
Total equity and liabilities	<u>312,019</u>	<u>304,273</u>

RETAIL HOLDINGS N.V. AND SUBSIDIARIES**CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND 2011 (Unaudited)***In thousands of US Dollars*

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Revenue	165,971	154,977
Cost of sales	110,629	102,690
Gross profit	<u>55,342</u>	<u>52,287</u>
Other income	1,180	4,570
Selling and administrative expenses	(35,794)	(34,891)
Other expenses	(1,660)	(1,550)
Results from operating activities	<u>19,068</u>	<u>20,416</u>
Finance income	2,193	2,465
Finance costs	(7,475)	(5,394)
Net finance costs	<u>(5,282)</u>	<u>(2,929)</u>
Share of profit of equity accounted investees (net of income tax)	1,868	1,204
Profit before income taxes	<u>15,654</u>	<u>18,691</u>
Income tax expense	(4,455)	(5,784)
Profit for the period	<u>11,199</u>	<u>12,907</u>
Attributable to:		
Owners of the Company	5,085	8,226
Non-controlling interest	6,114	4,681
Profit for the period	<u>11,199</u>	<u>12,907</u>
Earnings per share (U.S. Dollars)		
Basic and diluted earnings per share	0.96	1.55