

**RETAIL HOLDINGS N.V. ANNOUNCES RECORD OPERATING RESULTS**

April 1, 2013, 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, 2012. The Company’s Board of Directors anticipates recommending for shareholder approval at the Annual General Meeting, planned for, September a distribution of \$1.00 a Share.

Financial highlights for 2012 include:

- Consolidated revenue measured in local currency up 17.5%. Taking into account the effect of local currency depreciation, revenue in US Dollars was up 3.8% to \$343.9 million. Revenue at Singer Thailand, which is not included in consolidated revenue, up 22.0% in US Dollars to \$92.0 million.
- Results from operating activities, excluding one-time gains, up 15.0% to \$39.1 million; including one-time gains, results from operating activities were \$41.5 million.
- After-tax profit was \$24.9 million in 2012, of which \$12.0 million is attributable to the ReHo shareholders.
- Including this year’s anticipated distribution of \$1.00 per Share, dividends and distributions paid to shareholders since 2007 will total \$8.75 a Share.

**Chairman’s Comments**

Commenting on the 2012 results, Stephen H. Goodman, ReHo’s Chairman, President and CEO, noted, “I am pleased by the Company’s positive performance during 2012 despite the challenges Singer Asia faced, including the very significant depreciation of the currencies of the Singer Asia operating companies against the US Dollar, and the economic correction in Sri Lanka, the Company’s most important market. I believe that Singer Asia is especially well positioned to benefit from the growth of the emerging middle class in the Company’s core markets, Bangladesh, India, Pakistan, Sri Lanka and Thailand, as well as in additional Asian markets. Especially notable is the growth during 2012 in Singer Asia’s store base, the broadening of the product and brand offering, and the extension of the range and penetration of the financial services offered. I am also pleased to report that in February 2013, the Company’s subsidiary in India, Singer India Limited, emerged from BIFR, a local form of restructuring.

“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. Consistent with this strategy, the Company intends to continue its dividend/distribution program, including an anticipated distribution this year of \$1.00 per Share, bringing total dividends/distributions paid its shareholders since inception of a dividend/distribution program in 2007 to \$8.75 per share.

“I encourage all shareholders to read the Summary Annual Report and the audited, consolidated Financial Statements, both of which are available at 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.”

## **2012 Year Results**

The Company again achieved record revenue and results from operating activities for the year ended December 31, 2012. Profit for the year ended December 31, 2012 was \$24.9 million, of which \$12.0 million was attributable to the ReHo shareholders. This compares with a prior year profit of \$25.1 million, of which \$14.1 million was attributable to the ReHo shareholders. The decline in profit is more than explained by a shift from a one-time gain at ReHo corporate of \$3.8 million in 2011 from settlement of a long-standing legal case and a liquidation proceeding, to a one-time loss of \$0.9 million in 2012 from the sale of a portion of the SVP Notes at a discount -- a swing of \$4.7 million.

Comparisons to prior years are also negatively impacted by the significant depreciation during 2012 of the currencies of the Singer Asia operating companies against the US Dollar.

For the year ended December 31, 2012, the Company reported consolidated revenue of \$343.9 million, compared to consolidated revenue of \$331.3 million for the same period of 2011, an increase of \$12.6 million or of 3.8%. Consolidated revenue measured in local currency grew 17.5% for the year ended December 31, 2012. Revenue at the retail operating units in Sri Lanka, Bangladesh and Pakistan, measured in local currency, increased by 15.4%, 24.3% and 2.4%, respectively, compared to the same period prior year. Taking into account the effect of depreciation of the local currencies, revenue measured in US Dollars, at the operating units in Sri Lanka and Bangladesh increased by 0.2% and 13.2%, respectively, compared to prior year, while in Pakistan, revenue declined by 5.0%.

Revenue grew by 32.3% and by 15.7%, from the same period prior year measured in local currency and US dollars, respectively, at Singer India. Revenue at Singer Thailand, which is not included in ReHo’s consolidated revenue, grew 24.3% in local currency and by 22.0% in US Dollars, to \$92.0 million for the year ended December 31, 2012, as compared to revenue of \$74.4 million for the year ended December 31, 2011.

The Company’s revenue for the year ended December 31, 2012 includes \$31.9 million of finance earnings on consumer credit sales, compared to \$26.7 million in finance earnings for the same period in 2011. The 19.5% growth in finance earnings is greater than the growth in revenue, reflecting a higher portion of credit sales than in prior year, and also the growth of Singer Finance in Sri Lanka, which realized record finance revenue of \$11.7 million for the year ended December 31, 2012, an increase of 22.3% as compared to the same period prior year.

Gross profit for the year ended December 31, 2012 was \$114.2 million, representing a gross profit as a percentage of revenue of 33.2%, compared to \$111.8 million and a gross profit percentage of 33.7% for the year ended December 31, 2011. The slight decline in gross profit percentage 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 by an increase of finance earning as a proportion of total revenue.

Other income for the year ended December 31, 2012 was \$4.8 million compared to \$6.7 million in other income for the year ended December 31, 2011. Other income in 2012 mainly consists of a \$3.2 million gain from disposal of a 4.4% shareholding in Singer Thailand, offset, in part, by a \$0.9 million loss from the sale of \$5.9 million face value of the SVP notes at a 15% discount. 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.

Selling and administrative expense for the year ended December 31, 2012 was \$74.1 million, representing 21.5% of revenue, compared to \$76.3 million and 23.0% of revenue for the year ended December 31, 2011. The decrease in selling and administrative expense as a percentage of revenue reflects the Company's effort to drive down costs as well as the impact of currency depreciation on semi-variable and fixed costs.

Other expenses, representing royalty payments to SVP, amounted to \$3.4 million and \$3.3 million for the years ended December 31, 2012 and December 31, 2011, 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, 2012 were a profit of \$41.5 million, compared to a profit of \$38.8 million for the same period in 2011. Excluding the gain from disposal of 4.4% of the shares of Singer Thailand and the loss on the sale of the SVP Notes from the 2012 results, on the one hand, and excluding the profit 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, on the other hand, results from operating activities for the years ended December 31, 2012 and December 31, 2011 would have amounted to \$39.1 million and \$34.0 million, respectively. The improvement in results from operating activities on a like-for-like basis would have been \$5.1 million, a 15.0% increase, reflecting the growth in revenue, supplemented by a decrease in selling and administrative expense as a percentage of revenue.

Finance income, primarily interest on the SVP Notes and cash at ReHo corporate, was \$4.0 million and \$4.4 million for the years ended December 31, 2012 and December 31, 2011, respectively. The decline in finance income primarily reflects the reduction in principal from the sale of a portion of the SVP Notes.

Finance cost, which represents interest expense on borrowings at the Singer Asia operating companies to finance working capital, was \$16.5 million and \$10.8 million for the years ended December 31, 2012 and December 31, 2011, respectively. Finance cost increased by \$5.7 million compared to the same period in 2011, primarily because of increased interest rates, most notably in Sri Lanka, and also increased funding for working capital requirements, reflecting the growth in revenue and in accounts receivable, especially in Sri Lanka. Funded debt increased from \$91.3 million at December 31, 2011 to \$116.0 million at December 31, 2012.

Share of profit of equity accounted investee, Singer Thailand, was \$4.1 million and \$2.3 million for the years ended December 31, 2012 and December 31, 2011, respectively. Net profit at Singer Thailand, an equity accounted investee, doubled from \$4.8 million in the year ended December 31, 2011 to \$9.6 million in the year ended December 31, 2012.

The Company's profit before income tax was \$33.1 million for the year ended December 31, 2012, compared to a profit before income tax of \$34.7 million for the same period in 2011. If the one-time gains are excluded from the 2012 results and from the 2011 comparatives, profit before income tax for the year ended December 31, 2012 and December 31, 2011 would have amounted to \$30.7 million and \$29.9 million, respectively. The increase in profit on a like-for-like basis of \$0.8 million, or by 2.8%, reflects the flow through of the improved results from operating activities.

Income tax expense decreased to \$8.2 million for the year ended December 31, 2012 from \$9.6 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 28.3% for the year ended December 31, 2012, compared to an effective tax rate of 29.6% for the year ended December 31, 2011. The slight decline in the effective tax rate in the year ended December 31, 2012 is due primarily to a reduction in dividends paid by the Asia Company's subsidiaries to Singer Asia corporate compared to the same period prior year, offset, in part, by smaller one-time gains in the year ended December 31, 2012, which are generally taxed at lower rates.

The Company's profit for the year ended December 31, 2012 was \$24.9 million, compared to a \$25.1 million profit for the same period in 2011. If the one-time gains are excluded from the 2012 results and from the 2011 comparatives, the Company's profit for the years ended December 31, 2012 and December 31, 2011 would have amounted to \$22.5 million and \$20.3 million, respectively. The increase in profit on a like-for-like basis of \$2.2 million, or by 10.8%, reflects the flow through of the improved results from operating activities, improvements in Singer Thailand's profitability and reduction in income tax, offset, in part, by higher finance costs.

The profit attributable to ReHo shareholders was \$12.0 million for the year ended December 31, 2012, compared to \$14.1 million for the same period prior year. A profit of \$12.9 million was attributable to non-controlling interest for the year ended December 31, 2012, compared to \$11.0 million for the year ended December 31, 2011. ReHo shareholders' share of profit has declined to 48.2% of the total for the year ended December 31, 2012 from 56.0% for the year ended December 31, 2011. The decline is due to the \$4.7 million swing in ReHo corporate other income, which is wholly attributable to ReHo shareholders.

The profit attributable to equity holders of the Company is equivalent to basic and diluted earnings per Share of \$2.26 and \$2.22, respectively, for the year ended December 31, 2012, compared to \$2.65 and \$2.63, respectively, for the year ended December 31, 2011.

### **About Retail Holdings**

The Company holds three principal assets: 1) a 55.9% 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 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: Retail Holdings’ audited, consolidated financial statements for the twelve months ended December 31, 2012, and all prior statements since September 2000, together with Auditor’s Reports thereon; the 2012 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).

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**RETAIL HOLDINGS N.V. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
31 DECEMBER**

**In thousands of U.S. Dollars**

	<b>2012</b>	<b>2011</b>
<b>ASSETS</b>		
Property, plant and equipment	48,278	42,131
Intangible assets and goodwill	6,735	6,289
Trade and other receivables	57,404	59,545
Equity accounted investees	16,609	13,647
Deferred tax assets	298	-
Other non-current assets	8,676	7,209
<b>Total non-current assets</b>	<b>138,000</b>	<b>128,821</b>
Inventories	80,839	63,515
Trade and other receivables	88,756	79,938
Cash and cash equivalents	13,353	20,709
Other current assets	11,326	10,752
<b>Total current assets</b>	<b>194,274</b>	<b>174,914</b>
<b>Total assets</b>	<b>332,274</b>	<b>303,735</b>
<b>EQUITY</b>		
Share capital	53	53
Share premium	50,758	64,151
Reserves	(2,502)	(609)
Retained earnings	37,559	24,008
<b>Total equity attributable to owners of the Company</b>	<b>85,868</b>	<b>87,603</b>
<b>Non-controlling interest</b>	<b>74,480</b>	<b>66,873</b>
<b>Total equity</b>	<b>160,348</b>	<b>154,476</b>
<b>LIABILITIES</b>		
Loans and borrowings	17,640	16,815
Employee benefits	4,144	3,554
Deferred income	164	208
Warranty provision	458	103
Deferred tax liabilities	2,842	1,993
Other non-current liabilities	5,826	5,273
<b>Total non-current liabilities</b>	<b>31,074</b>	<b>27,946</b>
Bank overdraft	21,981	15,511
Current tax liabilities	1,408	2,212
Loans and borrowings	76,405	59,005
Trade and other payables	38,479	41,812
Deferred income	1,019	1,638
Warranty provision	1,560	1,135
<b>Total current liabilities</b>	<b>140,852</b>	<b>121,313</b>
<b>Total liabilities</b>	<b>171,926</b>	<b>149,259</b>
<b>Total equity and liabilities</b>	<b>332,274</b>	<b>303,735</b>

## RETAIL HOLDINGS N.V. AND SUBSIDIARIES

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

	2012	2011
Revenue	343,927	331,297
Cost of sales	(229,688)	(219,540)
<b>Gross profit</b>	<b>114,239</b>	<b>111,757</b>
Other income	4,771	6,654
Selling and administrative expenses	(74,081)	(76,318)
Other expenses	(3,439)	(3,313)
<b>Results from operating activities</b>	<b>41,490</b>	<b>38,780</b>
Finance income	4,030	4,392
Finance costs	(16,538)	(10,827)
<b>Net finance costs</b>	<b>(12,508)</b>	<b>(6,435)</b>
Share of profit of equity accounted investees, net of tax	4,085	2,326
<b>Profit before tax</b>	<b>33,067</b>	<b>34,671</b>
Tax expense	(8,206)	(9,558)
<b>Profit for the year</b>	<b>24,861</b>	<b>25,113</b>
<b>Attributable to:</b>		
Owners of the Company	11,962	14,070
Non-controlling interests	12,899	11,043
<b>Profit for the year</b>	<b>24,861</b>	<b>25,113</b>
<b>Earnings per share (U.S. Dollars)</b>		
Basic earnings per share	2.26	2.65
Diluted earnings per share	2.22	2.63