

**FOR IMMEDIATE RELEASE**  
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## **RETAIL HOLDINGS N.V. ANNOUNCES FIRST HALF RESULTS**

August 18, 2014, Willemstad, Curaçao

Retail Holdings N.V. (Symbol: RHDGF)

Retail Holdings N.V. (“Retail Holdings”, together with its subsidiaries and affiliates, the “Company”) announced today its results for the first half of 2014.

Commenting on the results, Stephen H. Goodman, the Company’s Chairman, President and CEO, noted: “Our operating subsidiary, Sewko Holdings Limited (“Sewko”), the parent company of Singer Asia Limited (“Singer Asia”), again achieved record revenue -- \$235.1 million – for the first six months of the year, despite weak consumer durable demand and currency depreciation in several of the important Sewko markets. Net profit declined, however, largely due, both to an increase in S&A expenses relative to revenue, reflecting the Company’s continuing commitment to opening new stores, renovating and expanding existing stores, and introducing new products, brands and services, despite what is perceived to be a temporary economic slowdown in a number of the Company’s markets, and to an increase in income tax from 2013, which benefitted from a one-time tax credit.

“The Board of Directors is recommending for approval at the Retail Holdings upcoming Annual General Meeting a distribution of \$1.00 per Common Share, bringing the total dividends and distributions paid to shareholders since inception of the program in 2007 to \$9.75 per Common Share.

“I also am pleased to report progress in the many initiatives now under way at Sewko to grow revenue and profit. Of particular note are the successful launch of furniture manufacturing and marketing in Bangladesh, the development of additional consumer credit and financial service in Bangladesh and Sri Lanka, the launch of more robust e-commerce platforms and TV marketing in India and Sri Lanka, and the entrance into new markets with the opening of the first Singer store in Cambodia scheduled for September 2014.

“I encourage all shareholders to read the Retail Holdings complete Summary Semi-Annual Report for the period ended June 30, 2014, which is available at the Corporate/Investor Section of the Retail Holdings’ website, [www.retailholdings.com](http://www.retailholdings.com) or can be obtained by email, telephone or regular mail request.”

### **2014 First Half Results**

For the six months ended June 30, 2014, consolidated revenue was \$235.1 million, record revenue for the first half of the year. This compares to consolidated revenue of \$229.3 million for the same period in 2013, an increase, as measured in U.S. dollars, of 2.5%.

The Company’s financial results for the six months ended June 30, 2014 were adversely impacted by the depreciation against the U.S. dollar of the currencies of all of the Company’s countries of operation, except Bangladesh. The depreciation (comparing the six-month period ended June 30,

2014 against the same period in 2013) was especially large in India (9.4%) and Thailand (8.4%), with less substantial depreciations in Sri Lanka (2.9%) and Pakistan (2.2%), and a modest appreciation in Bangladesh of 0.9%.

Measured in local currency, revenue at Singer India grew 26.8% during the first half of 2014, as compared with the same period prior year. Revenue at Singer Bangladesh grew 19.7% and at Singer Sri Lanka 11.2%, while revenue in local currency declined 5.6% at Singer Thailand and 19.5% at Singer Pakistan. Revenue, as measured in U.S. dollars, grew 20.8% at Singer Bangladesh during the first half of 2014, as compared with the same period prior year. U.S. dollar revenue grew 14.8% at Singer India and 7.9% at Singer Sri Lanka, while revenue, as measured in U.S. dollars, declined 13.5% at Singer Thailand and 21.2% at Singer Pakistan. The relatively weak performance at Singer Sri Lanka largely reflects economy-wide factors, particularly sluggish consumer durable demand that became evident in the second half of 2013 and continued through the first half of 2014. The revenue decline at Singer Thailand and Singer Pakistan largely reflect local political uncertainties and turmoil in each of these markets, which intensified in the first half of 2014.

The Company's revenue for the first six months of 2014 includes \$29.6 million of finance earnings on consumer credit sales, compared to \$29.4 million of such earnings for the same period in 2013, an increase of 0.7%. The slower growth in finance earnings compared to total revenue is due largely to the reduced revenue contribution from Thailand, which has the highest proportion of credit sales.

Gross profit for the six months ended June 30, 2014 was \$89.5 million, representing a gross profit margin of 38.1%, compared to \$89.4 million and a gross profit margin of 39.0% for the six months ended June 30, 2013. The reduction in gross profit margin is due mainly to the decrease in revenue contribution from Thailand, which has the highest gross profit margin.

Other income for the six months ended June 30, 2014 was \$0.9 million as compared to \$1.3 million in other income for the six months ended June 30, 2013.

Selling and administrative expenses ("S&A") for the six months ended June 30, 2014 were \$65.7 million, representing 27.9% of revenue, as compared to \$62.8 million and 27.4% of revenue for the six months ended June 30, 2013. The increase in S&A expenses relative to revenue reflects the continuing commitment to opening new stores, renovating and expanding existing stores, and introducing new products, brands and services, despite what is perceived to be a temporary economic slowdown in a number of the Company's markets.

Other expenses, primarily royalty paid to SVP for the use of the Singer trademark by Singer Asia and its operating companies, increased from \$1.7 million for the six months ended June 30, 2013 to \$1.8 million for the six months ended June 30, 2014, reflecting the growth in revenue.

Results from operating activities for the six months ended June 30, 2014 were a profit of \$22.9 million, compared to a profit of \$26.2 million for the same period in 2013. The 12.6% decrease in results from operating activity is largely due to the increase in S&A.

Net finance costs for the six months ended June 30, 2014 were \$7.0 million as compared to \$8.1 million of such costs for the same period in 2013. The decrease in net finance costs primarily reflects the reduction in interest rates, especially in Sri Lanka.

The Company's profit before income tax decreased by 12.2% to \$15.9 million for the six months ended June 30, 2014, from \$18.1 million for the same period in 2013. The lower profit before income tax reflects the flow through of the drop in results from operating activities, offset, in part, by lower net finance costs.

Income tax expense was \$4.4 million for the six months ended June 30, 2014, compared to \$1.4 million for the six months ended June 30, 2013. This represents an increase in the effective tax rate from 7.7% in the 2013 period to 27.7% in the 2014 period. For the six months ended June 30, 2013, a one-time deferred tax credit of \$1.8 million from unutilized tax losses was recognized at Singer India, following its exit from BIFR. In addition, the share of pre-tax profit from Singer Thailand, which has one of the lowest effective tax rates in the Company, reflecting prior tax losses, decreased for the six months ended June 30, 2014 as compared to the same period in 2013.

For the six months ended June 30, 2014, the Company's net profit was \$11.5 million compared to a net profit of \$16.6 million for the same period in 2013, a decrease of 30.7%.

The profit attributable to equity holders of the Company was \$3.9 million for the six months ended June 30, 2014 as compared to \$5.7 million for the same period prior year. A profit of \$7.6 million is attributable to minority shareholders for the six months ended June 30, 2014 as compared to \$10.9 million for the six months ended June 30, 2013. A reduction in the share of profit attributable to the owners of the Company in the first half of 2014 as compared to the same period prior year, 33.9% and 34.3%, respectively, largely reflects the decline in the share of attributable after-tax profit from Singer Sri Lanka, where the Company's equity ownership is the highest amongst the subsidiaries.

The profit attributable to Retail Holdings shareholders is equivalent to basic earnings and diluted earnings per share of \$0.73 for the six months ended June 30, 2014 as compared to basic and diluted earnings per share of \$1.08 per share for the same period prior year.

### **About Retail Holdings**

Retail Holdings holds three principal assets: 1) a 54.10% equity interest in Sewko, the parent company of Singer Asia Limited, 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 Sewko/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 Company's Shares are available on the "Pink Sheets" quotation service under the symbol "RHDGF".

Additional financial and other information about the Company, including: audited consolidated financial statements for the twelve months ended December 31, 2013, and all prior statements since September 2000, together with the Auditor's Reports thereon; the 2013 Annual Report, dated March 2014, 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.

For further information, please contact Amy Pappas at 1-914-241-3404.

**RETAIL HOLDINGS N.V. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2014 (Unaudited) AND DECEMBER 31, 2013 (Restated)**

In thousands of US Dollars

	<b>June 30, 2014</b>	<b>Restated December 31, 2013</b>
<b>ASSETS:</b>		
Property, plant and equipment	61,807	61,306
Intangible assets and goodwill	6,733	6,741
Trade and other receivables due in excess of one year	87,215	80,950
Deferred tax assets	6,796	5,846
Employee benefits	-	34
Other non-current assets	11,250	10,005
<b>Total non-current assets</b>	<b>173,801</b>	<b>164,882</b>
Inventories	88,598	78,140
Trade and other receivables	149,076	141,410
Cash and cash equivalents	33,167	31,118
Other current assets	23,053	18,010
<b>Total current assets</b>	<b>293,894</b>	<b>268,678</b>
<b>Total assets</b>	<b>467,695</b>	<b>433,560</b>
<b>EQUITY</b>		
Share capital	53	53
Share premium	47,152	47,152
Reserves	(5,862)	(6,340)
Retained earnings	48,030	44,092
<b>Equity attributable to owners of the Company</b>	<b>89,373</b>	<b>84,957</b>
<b>Non-controlling interest</b>	<b>106,393</b>	<b>104,512</b>
<b>Total equity</b>	<b>195,766</b>	<b>189,469</b>
<b>LIABILITIES</b>		
Loans and borrowings over one year	56,652	63,971
Employee benefits	13,675	13,410
Deferred income over one year	166	158
Warranty provision over one year	554	532
Deferred tax liabilities	1,157	1,340
Other non-current liabilities	7,296	6,680
<b>Total non-current liabilities</b>	<b>79,500</b>	<b>86,091</b>
Bank overdrafts	27,896	20,008
Current tax liabilities	1,808	1,428
Loans and borrowings	96,598	76,824
Trade and other payables	63,371	57,259
Deferred income	915	764
Warranty provision	1,841	1,717
<b>Total current liabilities</b>	<b>192,429</b>	<b>158,000</b>
<b>Total liabilities</b>	<b>271,929</b>	<b>244,091</b>
<b>Total equity and liabilities</b>	<b>467,695</b>	<b>433,560</b>

**RETAIL HOLDINGS N.V. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME**

**FOR THE SIX MONTHS ENDED JUNE 30, 2014 AND 2013 (Unaudited)**

In thousands of US Dollars except per Share data

	<b>June 30, 2014</b>	<b>June 30, 2013</b>
<b>Revenue</b>	235,063	229,293
Cost of sales	145,598	139,902
<b>Gross profit</b>	<b>89,465</b>	<b>89,391</b>
Other income	943	1,265
Selling and administrative expenses	(65,710)	(62,843)
Other expenses	(1,803)	(1,660)
<b>Results from operating activities</b>	<b>22,895</b>	<b>26,153</b>
Finance income	2,220	1,972
Finance costs	(9,256)	(10,069)
<b>Net finance costs</b>	<b>(7,036)</b>	<b>(8,097)</b>
<b>Profit before income taxes</b>	<b>15,859</b>	<b>18,056</b>
Income tax expense	(4,405)	(1,420)
<b>Profit for the period</b>	<b>11,454</b>	<b>16,636</b>
<b>Attributable to:</b>		
Owners of the Company	3,854	5,741
Non-controlling interests	7,600	10,895
<b>Profit for the period</b>	<b>11,454</b>	<b>16,636</b>
<b>Earnings per share (U.S. Dollars)</b>		
Basic and diluted earnings per share	0.73	1.08