

FOR IMMEDIATE RELEASE
March 31, 2015

INFORMATION CONTACT
Amy Pappas at (914) 241-3404

RETAIL HOLDINGS N.V. ANNOUNCES 2014 RESULTS
PROPOSES \$1.00 A SHARE DISTRIBUTION

March 31, 2015, Curaçao

Retail Holdings N.V. (Symbol: RHDGF)

Retail Holdings N.V. ("ReHo" or the "Company"), announced today results for the year ended December 31, 2014. The Company's Board of Directors anticipates recommending for shareholder approval a distribution of \$1.00 a Share.

Financial highlights for 2014 include:

- Consolidated revenue of \$487.0 million, up 7.7% from prior year to a new record.
- Results from operating activities and profit before tax, both up from prior year, to \$39.6 million and \$24.8 million, respectively. Net income down from prior year to \$18.9 million.
- Profit attributable to shareholders is \$6.4 million, equivalent to \$1.20 per Share, up 13.2% from prior year.
- Including this year's anticipated distribution of \$1.00 per Share, dividends and distributions paid to shareholders since 2007 will total \$10.75 a Share.

Chairman's Comments

Commenting on the 2014 results, Stephen H. Goodman, ReHo's Chairman, President and CEO, noted, "While improved from prior year, the Company's financial performance in 2014 was below expectations, primarily reflecting the challenges faced by Sewko, the Company's operating subsidiary. Through most of 2014: political uncertainties in Bangladesh and Thailand depressed economic activity in these markets; currency depreciation, severe in Thailand and India, hurt results as measured in U.S. dollars; and management failures in Pakistan exacerbated problems in operating in that country. Sri Lanka, particularly in the fourth quarter, and India, both performed well. Results were also impacted by management's decision, effective July 2014, to recognize in income only the cash portion of the interest received on the SVP Notes.

"I remain optimistic about 2015 and later years. I anticipate a marked improvement in Sri Lanka's performance, reflecting accelerating economic growth, helped by lower oil prices, an improving agriculture picture, an increase in government salaries, and an uptick in consumer confidence, as well as the launch of a major new financial services initiative. In Bangladesh, a lot will depend on political developments, but the Company's performance should improve in any case, particularly in the second half of the year, as the Company's new refrigerator factory begins production, and other improvements now under way impact results. Pakistan and Thailand's performance should also improve as new initiatives impact results. I expect India to continue to grow strongly. Revenue and profits in 2015 and later years will also benefit from the rollout of the new Cambodian business and from the Company's ongoing investment in new and renovated shops and in new products, brands and services.

“ReHo’s strategy remains unchanged. 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 the total payout to shareholders since inception of the program in 2007 to \$10.75

“I encourage all shareholders to read the 2014 Summary Annual Report and the audited, Consolidated Financial Statements with Notes, 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 to the Company.”

2014 Year Results

Certain comparative figures for the year ended December 31, 2013 are restated. Additional information about the restatement is included below and in the Notes to the Consolidated Financial Statement.

For the year ended December 31, 2014, the Company reported consolidated revenue of \$487.0 million, compared to consolidated revenue of \$452.1 million for the same period of 2013, an increase of \$34.8 million or of 7.7%. Consolidated revenue measured at constant exchange rates (assuming no change in the average exchange rate of each of the foreign currencies against the U.S. Dollar in 2014 as compared to 2013) grew 10.0% for the year.

Reflecting the economic recovery that began in the second half of 2014, accelerating at year-end, revenue at the retail operating unit in Sri Lanka increased by 15.2% to \$226.6 million for the year ended December 31, 2014. Despite recurring political disturbances, revenue at the retail operating unit in Bangladesh increased by 10.7% to \$92.9 million for the year ended December 31, 2014.

At the retail operating unit in Pakistan, revenue declined by 24.5% to \$17.9 million for the year ended December 31, 2014, reflecting the political and security uncertainties in that country and the need to rebuild that company’s management. Subsequent to the issue of the Company’s 2013 Summary Annual Report in March 2014, certain misstatements were discovered at Singer Pakistan. The misstatements mainly related to overstatements of inventory as at December 31, 2013, as measured under IFRS and the Company’s accounting policies, amounting to \$3.1 million. As a consequence of the identification of such misstatements, changes were made in Singer Pakistan management in 2014.

Revenue at Singer India increased by 19.5% to \$43.5 million for the year ended December 31, 2014, despite the depreciation of the Indian currency against the U.S. Dollar; India revenue measured at constant exchange rates grew by 24.6% for the year. Revenue at Singer Thailand fell by 4.0% to \$105.6 million for the year ended December 31, 2014 reflecting the impact on the economy of the political turmoil during the year.

The currencies of several of Sewko’s countries of operation declined against the U.S. Dollar in 2014, negatively impacting results when measured in U.S. Dollars. The depreciation was relatively severe in Thailand (5.8%) and India (4.1%) and modest in Sri Lanka (1.2%), with modest appreciation in Bangladesh and Pakistan (0.6% each).

The Company’s revenue for the year ended December 31, 2014 includes \$57.8 million of finance earnings, compared to \$58.9 million in finance earnings for the same period of 2013. Finance earnings did not grow in line with revenue because of the Company’s decision to remain cautious in extending credit in uncertain economic environments.

Gross profit for the year ended December 31, 2014 was \$177.2 million, representing a gross profit as a percentage of revenue of 36.4%, compared to \$171.1 million and a gross profit percentage of 37.8% for the year ended December 31, 2013. The reduction in gross profit percentage is mainly due to a decrease in the share of revenue attributable to Singer Thailand, which has the highest gross profit percentage of the Sewko operating companies.

Other income for the year ended December 31, 2014 was \$2.0 million, compared to \$2.2 million for the year ended December 31, 2013. Other income mainly consists of penalty charges on late payments, commission income, and fees from the provision of financial services.

S&A expenses for the year ended December 31, 2014 were \$135.7 million, representing 27.9% of revenue, compared to \$128.3 million and 28.4% of revenue for the year ended December 31, 2013. The reduction in selling and administrative expenses as a percentage of revenue reflects: the Company's decision to remain cautious in its store opening and renovation program, introduction of new products, new hires and extension of credit; and the decrease in share of revenue attributable to Singer Thailand, which has the highest S&A expenses relative to revenue of the Sewko operating companies.

Other expenses, representing royalty payments to SVP in both years and expenses relating to a deferred IPO in 2013, amounted to \$3.8 million for the year ended December 31, 2014, compared to \$5.9 million for the year ended December 31, 2013. Royalty expense is incurred for the use of the Singer trademark by Singer Asia and its subsidiaries and is calculated based on Singer Asia's consolidated U.S. GAAP revenue. IPO expenses of \$2.5 million were recognized in the year ended December 31, 2013; nil in the year ended December 31, 2014. Although some of the work product related to these IPO expenses will be of value should the Company pursue an IPO or other strategic transaction in the future, all of the expenses have been recognized and none deferred.

Results from operating activities for the year ended December 31, 2014 were a profit of \$39.6 million, compared to a profit of \$39.1 million for the same period in 2013. Results from operating activity grew only slightly from the same period last year as the increase in revenue and gross profit was almost offset by an increase in S&A expenses.

Finance income, primarily interest on the Notes, was \$3.6 million for the year ended December 31, 2014 compared to finance income of \$3.8 million for the year ended December 31, 2013. The reduction in finance income is mainly due to the decision, commencing from July 1, 2014, to change the method by which interest income from the Notes is recognized to a cash basis, excluding the interest received in the form of additional Notes.

Finance costs, which represent interest expense on borrowings at the Sewko operating companies to finance working capital, was \$18.4 million and \$20.0 million for the years ended December 31, 2014 and December 31, 2013, respectively. Finance costs decreased by \$1.6 million compared to the same period in 2013 primarily because of reductions in interest rates, particularly in Sri Lanka. Funded debt increased from \$160.8 million at December 31, 2013 to \$167.6 million at December 31, 2014.

The Company's profit before income tax was \$24.8 million for the year ended December 31, 2014, compared to a profit before income tax of \$22.9 million for the same period in 2013. The increase in profit before income tax of \$1.9 million, or of 8.3%, reflects the flow through of the slight growth in results from operating activities and the lower net finance costs.

Income tax expense increased to \$5.8 million for the year ended December 31, 2014 from \$3.5 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, was 23.4% for the year ended December 31, 2014, compared to an effective tax rate of 15.3% for the year ended December 31, 2013. The effective tax rate for the year ended December 31, 2013 was exceptionally low because of the recognition of a deferred tax asset in respect of accumulated past losses at Singer India, following that company's emergence from BIFR in February 2013.

The Company's profit for the year ended December 31, 2014 was \$18.9 million, compared to a \$19.4 million profit for the same period in 2013. The decrease in profit of \$0.5 million, or by 2.6%, reflects the flow through of the higher profit before tax, more than offset by an increase in income tax expenses.

Total comprehensive income for the year ended December 31, 2014 was \$25.6 million compared to \$14.1 million for the year ended December 31, 2013. The \$11.5 million increase or 81.6% improvement in comprehensive income reflects the results of the Company's biennial revaluation of property, plant and equipment and the much smaller loss from foreign currency translation differences in the twelve months ended December 31, 2014, than in the prior year.

The profit attributable to ReHo shareholders is \$6.4 million for the year ended December 31, 2014, compared to \$5.7 million for the same period prior year, an increase of 12.3%. A profit of \$12.5 million is attributable to non-controlling interests for the year ended December 31, 2014, compared to \$13.7 million for the year ended December 31, 2013. ReHo shareholders' share of profit increased to 33.9% of the total for the year ended December 31, 2014 from 29.4% for the year ended December 31, 2013. This increase is due to the relatively weak performance of Singer Thailand where the Company's share of profit is the lowest of the operating companies, the relatively strong performance of Singer Sri Lanka where the Company's share of profit is the highest, and the absence in 2014 of IPO expense which are not shared by the minority interests in the Sewko operating companies.

The profit attributable to equity holders of the Company is equivalent to basic and diluted earnings per Share of \$1.20, for the year ended December 31, 2014, compared to \$1.07 and \$1.06, respectively, for the year ended December 31, 2013.

About Retail Holdings

Retail Holdings holds three principal assets: 1) a 54.10% equity interest in Sewko/Singer Asia, a distributor of consumer durable products in Bangladesh, Cambodia, India, Pakistan, Sri Lanka and Thailand, with consumer credit and other financial services; 2) seller notes, arising from the sale of the non-Asian sewing business and Singer trademark in 2004; and 3) cash and cash equivalents. The Company has no operating activities other than those carried out through Sewko/Singer Asia.

Additional financial and other information about the Company may be found at the Corporate/Investor section of the Company's website: www.retailholdings.com. Price quotations for the Company's Shares are available on the "Pink Sheets" quotation service under the symbol "RHDGF".

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

RETAIL HOLDINGS N.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME

FOR THE YEAR ENDED 31 DECEMBER

In thousands of U.S. Dollars

	2014	2013 Restated
	<hr/>	<hr/>
Revenue	486,993	452,149
Cost of sales	(309,838)	(281,029)
Gross profit	177,155	171,120
Other income	1,990	2,163
Selling and administrative expenses	(135,732)	(128,309)
Other expenses	(3,814)	(5,922)
Results from operating activities	39,599	39,052
Finance income	3,568	3,779
Finance costs	(18,412)	(19,966)
Net finance costs	(14,844)	(16,187)
Profit before tax	24,775	22,865
Tax expense	(5,836)	(3,515)
Profit for the year	18,919	19,350
Attributable to:		
Owners of the Company	6,375	5,643
Non-controlling interests	12,544	13,707
Profit for the year	18,919	19,350
Earnings per share (U.S. Dollars)		
Basic earnings per share	1.20	1.07
Diluted earnings per share	1.20	1.06

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

In thousands of U.S. Dollars

	31 December 2014	31 December 2013 Restated
ASSETS		
Property, plant and equipment	70,712	61,306
Intangible assets and goodwill	6,810	6,741
Trade and other receivables	83,156	80,950
Deferred tax assets	7,397	5,846
Employee benefits	-	34
Other non-current assets	10,690	10,005
Total non-current assets	178,765	164,882
Inventories	85,484	78,140
Trade and other receivables	150,964	141,410
Cash and cash equivalents	30,150	31,118
Other current assets	19,556	18,010
Total current assets	286,154	268,678
Total assets	464,919	433,560
EQUITY		
Share capital	53	53
Share premium	41,961	47,152
Reserves	(3,821)	(6,340)
Retained earnings	50,687	44,092
Total equity attributable to owners of the Company	88,880	84,957
Non-controlling interest	109,823	104,512
Total equity	198,703	189,469
LIABILITIES		
Loans and borrowings	60,180	63,971
Employee benefits	14,427	13,410
Deferred income	553	158
Warranty provision	438	532
Deferred tax liabilities	1,968	1,340
Other non-current liabilities	7,302	6,680
Total non-current liabilities	84,868	86,091
Bank overdrafts	19,908	20,008
Current tax liabilities	2,476	1,428
Loans and borrowings	87,521	76,824
Trade and other payables	67,067	57,259
Deferred income	2,468	764
Warranty provision	1,908	1,717
Total current liabilities	181,348	158,000
Total liabilities	266,216	244,091
Total equity and liabilities	464,919	433,560