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RETAIL HOLDINGS N.V. ANNOUNCES FIRST HALF 2015 RESULTS

August 13, 2015, Willemstad, Curaçao

Retail Holdings N.V. (Symbol: RHDGF)

Retail Holdings N.V. (“Retail Holdings”, together with its subsidiaries and affiliates, the “Company”) announced today results for the first half of 2015.

- Revenue from continuing operations up 14.3% for the first six months of the year to \$206.2 million, boosted by the very strong performance at Singer Sri Lanka. Net profit for the period of \$24.2 million, compared to a profit of \$11.5 million prior year.
- Sale of Singer Thailand resulted in a gain of \$26.6 million, 54.1% of which flows through to Retail Holdings shareholders; \$43.4 million cash was received. No decision has yet been made as to use of proceeds.
- Impairment loss, a non-cash charge of \$10.9 million arising from the SVP Notes, was recognized, all of which is attributable to Retail Holdings shareholders.
- Recommendation by the Board of Directors of a \$1.00 per Common Share distribution.

Commenting on the results, Stephen H. Goodman, the Company’s Chairman, President and CEO, noted: “Our operating subsidiary, Sewko Holding Limited (“Sewko”), the parent company of Singer Asia Limited, again realized double digit revenue growth and improved operating results despite political uncertainties in a couple of the Company’s markets. The sale of Singer Thailand generated a substantial profit and cash. The Company, consequently, was able to report a substantial net profit increase despite the need to recognize an impairment charge with respect to the SVP Notes.

“Significant progress continued to be made with respect to several of the initiatives underway at Sewko. Of particular note is the imminent launch by the Company’s Sri Lanka subsidiary, Singer Finance, of the first true credit card targeted to that countries growing number of middle-income consumers. The Board of Directors is recommending for approval at the Retail Holdings Annual General Meeting on September 8, 2015 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 \$10.75 per Common Share.

“I encourage all shareholders to read the Retail Holdings complete Summary Semi-Annual Report for the period ended June 30, 2015, which is available at the Corporate/Investor Section of the Retail Holdings’ website, www.retailholdings.com or can be obtained by email, telephone or regular mail request.”

2015 First Half Results

The Company's financial results for the six months ended June 30, 2015 were impacted significantly by the sale on June 5, 2015, on the stock exchange of Thailand, of all of the Company's equity interest in Singer Thailand Public Company Limited, amounting to 40% of that company's issued share capital. Reflecting the sale, Singer Thailand has been reclassified as a discontinued operation shown separately from continuing operations both for the first five months of 2015 and the first six months of 2014. A substantial gain was also recognized as a consequence of the sale. The Company's financial results were also impacted by management's decision to recognize an impairment loss with respect to the SVP Notes.

For the six months ended June 30, 2015, consolidated revenue from continuing operations was \$206.2 million. This compares to consolidated revenue from continuing operations of \$180.4 million for the same period in 2014, an increase, as measured in U.S. dollars, of 14.3%. The increase reflects the very strong revenue growth at Singer Sri Lanka, and, to a lesser extent, at Singer India, offset, in part, by revenue declines at Singer Bangladesh and Singer Pakistan.

Measured in local currency, revenue at Singer Sri Lanka grew 28.5% during the first half of 2015, as compared with the same period prior year. Revenue measured in local currency declined 7.4% at Singer Bangladesh. Revenue at the Company's operations in Cambodia, which commenced business in the second half of 2014, was relatively small for the six months ended June 30, 2015. The relatively weak performance at Singer Bangladesh and also at Singer Pakistan largely reflects continuing local political uncertainties and turmoil in each of these markets.

The Company's revenue from continuing operations for the first six months of 2015 includes \$17.2 million of finance earnings on consumer credit sales, compared to \$16.9 million of such earnings for the same period in 2014, an increase of 1.8%. The slower growth in finance earnings compared to total revenue is due to more rapid growth in cash sales versus credit sales, particularly at Singer Sri Lanka.

Gross profit from continuing operations for the six months ended June 30, 2015 was \$63.9 million, representing a gross profit margin of 31.0%, compared to \$58.4 million and a gross profit margin of 32.4% for the six months ended June 30, 2014. The reduction in gross profit margin is due mainly to changes in product mix, and also a decrease in finance earnings as a proportion of total revenue.

Other income from continuing operations for the six months ended June 30, 2015 and June 30, 2014 remained the same at \$1.4 million.

Selling and administrative expenses ("S&A") from continuing operations for the six months ended June 30, 2015 were \$46.4 million, representing 22.5% of revenue, as compared to \$42.3 million and 23.4% of revenue for the six months ended June 30, 2014. The decrease in S&A expenses relative to revenue is mainly due to aggressive cost control, particularly of fixed expenses.

Other expenses, primarily royalty paid to SVP for the use of the Singer trademark by Singer Asia and its operating companies, increased from \$1.8 million for the six months ended June 30, 2014 to \$2.1 million for the six months ended June 30, 2015, reflecting the growth in revenue.

Results from operating activities from continuing operations for the six months ended June 30, 2015 was a profit of \$16.8 million, compared to a profit of \$15.7 million for the same period in 2014. The 6.7% increase in results from operating activity is largely due to the flow through of the strong performance from Sri Lanka.

Impairment loss arising from the SVP Notes, a non-cash charge of \$10.9 million, was recognized during the six months ended June, 30, 2015. The impairment loss reflects management's estimate, subject to adjustment, that the fair value of the SVP Notes at June 30, 2015 of \$13.0 million approximates 50% of the SVP Notes nominal value at that date.

Net finance costs from continuing operations for the six months ended June 30, 2015 were \$7.3 million as compared to \$6.1 million of such costs for the same period in 2014. The increase in net finance costs primarily reflects a decrease in interest income reflecting a change in accounting treatment for the SVP Notes, partly offset by a reduction in interest rates, especially in Sri Lanka. A decision was made, effective July 1, 2014, to change the method by which interest income from the SVP Notes is recognized to a cash basis, excluding the interest income received in the form of additional SVP Notes.

The Company's loss before income tax from continuing operations was \$1.4 million for the six months ended June 30, 2015, compared to a profit of \$9.6 million for the same period in 2014. The decrease largely reflects the flow through of the impairment loss on the SVP Notes. Excluding the impairment loss, the Company had a profit before income tax of \$9.5 million for the six months ended June 30, 2015.

Income tax expense from continuing operations was \$4.0 million for the six months ended June 30, 2015, compared to \$4.4 million for the six months ended June 30, 2014. If the effect of the impairment loss on the SVP Notes is excluded, the effective tax rate for the 2015 and 2014 periods would be 42.1% and 45.8% respectively. The decrease in effective tax rate is mainly attributable to a decrease in dividends declared by the operating companies, and resulting less dividend withholding tax.

For the six months ended June 30, 2015, the Company's net loss from continuing operations was \$5.4 million compared to a net profit of \$5.2 million for the same period in 2014. Excluding the impairment loss on the SVP Notes, the Company's net profit from continuing operations was \$5.5 million for the six months ended June 30, 2015.

The net profit from discontinued operation for the six months ended June 30, 2015 was \$29.6 million, compared to a net profit of \$6.2 million for the same period in 2014. The increase is mainly due to the sale of Singer Thailand, which gave rise to a gain of \$26.6 million and generated \$43.4 million cash. No decision has yet been made as to the use of the proceeds.

The Company's total net profit for the period ended June 30, 2015 was \$24.2 million, compared to a profit of \$11.5 million in the same period prior year.

The profit attributable to equity holders of the Company was \$6.0 million for the six months ended June 30, 2015 as compared to \$3.9 million for the same period prior year. A profit of \$18.2 million is attributable to minority shareholders for the six months ended June 30, 2015 as compared to \$7.6 million for the six months ended June 30, 2014. The decrease in the share of profit attributable to the owners of the Company in the first half of 2015 as compared to the same period prior year, 24.7% and 33.6%, respectively, largely reflects the impairment loss on the SVP Notes, which is wholly attributable to ReHo.

The profit attributable to ReHo shareholders is equivalent to earnings per share of \$1.13 for the six months ended June 30, 2015 as compared to \$0.73 per share for the same period prior year. Loss per share from continuing operations for the six months ended June 30, 2015 was \$1.71, compared to earnings of \$0.47 per share for the same period last year. This decrease is largely due to the reduction in interest income from, and the impairment loss with respect to the SVP Notes. If the effect of the SVP Notes is excluded from the calculation of earnings per share from continuing operations, the corresponding amounts for the six months ended June 30, 2015 and the same period last year would be \$0.34 and \$0.21, respectively.

About Retail Holdings

Retail Holdings N.V. (“ReHo”, together with its subsidiaries, the “Group” or the “Company”) is a holding company with three principal assets: 1) a 54.10 % equity interest in Sewko Holdings Limited (“Sewko”), the parent company of Singer Asia Limited; (“Singer Asia”); 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 is a Curacao public company, which is the successor company to the Singer Company N.V. and its predecessor companies. Price quotations for the ReHo Shares are available on the “Pink Sheets” quotation service under the symbol “RHDGF”. The Shares’ CUSIP number is N74108106.

Sewko/Singer Asia is a distributor of consumer durable products in Bangladesh, Cambodia, India, Pakistan, and Sri Lanka, with consumer credit and other financial services available to qualified customers. The Company has no operating activities other than those carried out through Sewko/Singer Asia.

Additional financial and other information about the Company, including: a copy of the Company’s audited consolidated financial statements for the twelve months ended December 31, 2014, and all prior statements since September 2000, together with the Auditor’s Reports thereon; the 2014 Annual Report dated March 2015, 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 at www.retailholdings.com. Investor relations requests may be addressed to Ms. Amy Pappas, Company Secretary, at the NV Adminservice Corporation office located at 118 North Bedford Road, Mt. Kisco, New York 10549; email apappas@retailholdings.com.

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

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014 (Unaudited)

In thousands of US Dollars except per Share data

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Continuing operations		
Revenue	206,223	180,359
Cost of sales	142,371	121,985
Gross profit	63,852	58,374
Other income	1,434	1,431
Selling and administrative expenses	(46,433)	(42,264)
Other expenses	(2,062)	(1,803)
Results from operating activities	16,791	15,738
Impairment loss	(10,889)	-
Finance income	404	2,202
Finance costs	(7,697)	(8,321)
Net finance costs	(7,292)	(6,119)
(Loss) / profit before income taxes	(1,391)	9,619
Income tax expense	(4,001)	(4,405)
(Loss) / profit from continuing operations	(5,392)	5,214
Discontinued operations		
Profit from discontinued operation, net of tax	29,600	6,240
Profit for the period	24,208	11,454
Attributable to:		
Owners of the Company	5,974	3,854
Non-controlling interests	18,234	7,600
Profit for the period	24,208	11,454
Earnings per share (U.S. Dollars)	1.13	0.73
(Loss) / earnings per share – continuing operations (U.S. Dollars)	(1.71)	0.47