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**RETAIL HOLDINGS N.V. ANNOUNCES STRONG FIRST HALF 2016
OPERATING RESULTS, STOCK BUYBACK PROGRAM**

August 12, 2016, 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 2016.

- Consolidated revenue from continuing operations for the first six months of 2016 was up 17.8% from prior year, to \$231.5 million, a new record for this group of companies.
- All of the Company’s operations reported strong results, with revenue in local currency growing 37.0% for Singer Bangladesh, 26.1% for Singer India, and 23.0% for Singer Sri Lanka.
- Results from operating activities from continuing operations grew 28.5% from prior year, to a profit of \$21.2 million, largely reflecting the flow though of the growth in revenue and lower S&A expenses relative to revenue.
- The Company’s net profit from continuing operations was \$8.4 million for the first half of 2016, compared with a loss of \$5.1 million prior year, which included an impairment loss related to the SVP Notes of \$10.9 million.

Retail Holdings also announced its intention to purchase up to 400,000 shares of Retail Holdings’ common stock. This is in addition to the 200,000 shares of Retail Holdings’ stock purchased in May 2016.

Commenting on the 2016 first half results, Stephen H. Goodman, Retail Holdings’ Chairman, President and CEO, noted: “I am very pleased by the Company’s performance during the first half of 2016, particularly that all of the Company’s continuing operations contributed to the strong results, with double-digit percentage growth both in income and operating profit. We also continued to make progress in our strategic program to monetize the underlying value of the Company’s assets, with the public placement during the first half of 2016 of an additional 6.4% of the Company’s equity stake in Singer Sri Lanka and the conclusion of the Sri Lanka restructuring, for a total cash consideration to the holding companies of approximately \$15.9 million.

“Retail Holdings paid a distribution of \$5.00 a share to shareholders of record on April 5, 2016, bringing the total distributions paid since inception of the program in 2007 to \$15.75. In light of this distribution, and in the belief that the market price for Retail Holdings’ shares is meaningfully below Retail Holdings’ intrinsic or underlying value, Retail Holdings has elected not to make a further distribution to shareholders this calendar year, but rather to use the funds surplus to its operating requirements to repurchase, through open market and negotiated transactions, up to 400,000 shares of Retail Holdings’ stock. The Company anticipates making additional cash distributions in 2017 and later years.

“I encourage all shareholders to read the Retail Holdings complete Summary Semi-Annual Report for the period ended June 30, 2016, 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.”

First Half Results

The Company’s financial results for the six months ended June 30, 2016 and comparative financial results for the six months ended June 30, 2015 are impacted significantly by a series of divestments: 1. in June 2015, the Company sold its entire 40.0% shareholding in Singer Thailand; 2. at yearend 2015, the Company made the decision to sell, with the subsequent sale in January 2016, of its entire 70.3% shareholding in Singer Pakistan; and 3. in April 2016 the Company made the decision to liquidate, now largely completed, its wholly-owned operation in Cambodia. As a consequence, Singer Thailand, Singer Pakistan and the Company’s operation in Cambodia are shown as discontinued operations for 2015 and, as appropriate, for 2016, including five months operating results for Singer Thailand in the first half of 2015, six months operating results for Singer Pakistan in the first half 2015, and six months operating results for the Cambodian operation in both the first half of 2015 and the first half of 2016. As Singer Pakistan and the Company’s Cambodian operation were not classified at the time as “held for sale”, the Company’s consolidated statement of income and comprehensive income for the first half 2015 has been restated to show discontinued operations separately from continuing operations.

The Company’s comparative financial results for the six months ended June 30, 2015, were also impacted by the decision to recognize an impairment loss of \$10.9 million with respect to the SVP Notes at June 30, 2015. The carrying value of the SVP Notes was reduced to nil at yearend 2015.

Continuing operations

(continuing operations exclude Singer Thailand, Singer Pakistan and Brand Trading Cambodia)

For the six months ended June 30, 2016, consolidated revenue from continuing operations was \$231.5 million. This compares to consolidated revenue from continuing operations of \$196.5 million for the same period in 2015, an increase, as measured in U.S. dollars, of 17.8%. The increase reflects the very strong revenue growth at all locations.

Measured in local currency, revenue at Singer Bangladesh, Singer India and Singer Sri Lanka grew 37.0%, 26.1% and 23.0%, respectively, during the first half of 2016, as compared with the same period prior year.

The Company’s revenue from continuing operations for the first six months of 2016 includes \$16.4 million of finance earnings on consumer credit sales, compared to \$15.8 million of such earnings for the same period in 2015, an increase of 3.8%. The slower growth in finance earnings compared to total revenue is due to more rapid growth in cash sales versus credit sales, in both Sri Lanka and Bangladesh.

Gross profit from continuing operations for the six months ended June 30, 2016 was \$71.6 million, representing a gross profit margin of 30.9%, as compared to \$60.9 million and a gross profit margin of 31.0% for the six months ended June 30, 2015. The decline in gross profit margin reflects the drop in finance earnings, with a higher gross profit margin, as a proportion of total revenue.

Other income from continuing operations for the six months ended June 30, 2016 and June 30, 2015 remained largely unchanged at \$0.9 million and \$1.0 million, respectively.

Selling and administrative expenses (“S&A”) from continuing operations for the six months ended June 30, 2016 were \$48.9 million, representing 21.1% of revenue, as compared to \$43.3 million and 22.0% of revenue for the six months ended June 30, 2015. The decrease in S&A expenses relative to revenue is due to strong revenue growth relative to fixed period costs.

Other expenses, primarily royalty paid to SVP for the use of the Singer trademark by Singer Asia and its operating companies, increased to \$2.3 million for the six months ended June 30, 2016 from \$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, 2016 was a profit of \$21.2 million, compared to a profit of \$16.5 million for the same period in 2015. The 28.5% increase in results from operating activity is largely due to the flow through of the strong revenue performance at all locations and the decline in S&A expenses relative to revenue.

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 reflected management’s estimate at June 30, 2015 of the fair value of the SVP Notes. The SVP notes fair value estimate was reduced to nil at year end 2015. No impairment charge was required in the first six months of 2016.

Net finance costs from continuing operations for the six months ended June 30, 2016 were \$7.5 million as compared to \$6.4 million of such costs for the same period in 2015. The increase in net finance costs primarily reflects an increase in interest expense in Sri Lanka, as a result both of higher borrowings and higher interest rates.

The share of loss from an equity-accounted investee was \$0.2 million for the six months ended June 30, 2016. The investee was set up in early 2016 to engage in the manufacture of refrigerators in Bangladesh. There was no comparable expense in 2015.

The Company’s profit before income tax from continuing operations was \$13.6 million for the six months ended June 30, 2016, compared to a loss of \$0.8 million for the same period in 2015. The improvement largely reflects the flow through of the improvement in results from operating activities, supplemented by the absence of the one-time impairment loss in the six months ended June 30, 2016. Excluding the impairment loss, the Company had a profit before income tax of \$10.0 million for the six months ended June 30, 2015.

Income tax expense from continuing operations was \$5.2 million for the six months ended June 30, 2016, compared to \$4.3 million for the six months ended June 30, 2015. If the effect of the impairment loss on the SVP Notes and the share of loss from equity-accounted investee is excluded, the effective tax rate for the 2016 and 2015 periods would be 37.8% and 42.6%, 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, 2016, the Company’s net profit from continuing operations was \$8.4 million compared to a loss of \$5.1 million for the same period in 2015. Excluding the impairment loss on the SVP Notes, the Company’s net profit from continuing operations was \$5.8 million for the six months ended June 30, 2015.

Discontinued operations

For the six months ended June 30, 2015, the results from discontinued operations include five months of operating results from Singer Thailand, and six months of operating results from Singer Pakistan and the company's wholly own subsidiary in Cambodia. For the six months ended June 30, 2016, the results from discontinued operations include four months of operating results from Cambodia.

The loss from discontinued operation for the six months ended June 30, 2016 was \$1.2 million, compared to a net profit of \$29.3 million for the same period in 2015. This swing is mainly due to Singer Thailand, which gave rise to an operating profit and a gain on disposal totaling \$30.0 million in the period ended June 30, 2015.

The Company's total net profit for the period ended June 30, 2016 was \$7.2 million, compared to a profit of \$24.2 million in the same period prior year.

The profit attributable to equity holders of the Company was \$1.9 million for the six months ended June 30, 2016 as compared to \$6.0 million for the same period prior year. A profit of \$5.3 million is attributable to minority shareholders at the Company and at the Company's subsidiaries for the six months ended June 30, 2016, as compared to \$18.2 million for the six months ended June 30, 2015. The increase in the percentage of the profit attributable to the owners of the Company in the first half of 2016 as compared to the same period prior year, 25.8% and 24.7%, respectively, largely reflects the impairment loss on the SVP Notes for the six months ended June 30, 2015, which is wholly attributable to the shareholders of Retail Holdings NV.

The profit attributable to ReHo shareholders is equivalent to earnings per share of \$0.35 for the six months ended June 30, 2016 as compared to \$1.13 per share for the same period prior year. Profit per share from continuing operations for the six months ended June 30, 2016 was \$0.48, compared to a loss of \$1.67 per share for the same period last year.

About Retail Holdings

Retail Holdings is a holding company with one principal asset: a 54.1% equity interest in Sewko Holdings Limited ("Sewko"), the parent company of Singer Asia Limited, a distributor of consumer durable products through subsidiaries in Bangladesh, India and Sri Lanka, with consumer credit and other financial services available to qualified customers. Retail Holdings has no operating activities other than those carried out through Sewko/Singer Asia.

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

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RETAIL HOLDINGS N.V. AND SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015 (Unaudited)

In thousands of US Dollars except per Share data

	June 30, 2016	June 30, 2015 (restated)
Continuing operations		
Revenue	231,482	196,510
Cost of sales	159,880	135,598
Gross profit	71,602	60,912
Other income	884	984
Selling and administrative expenses	(48,924)	(43,309)
Other expenses	(2,319)	(2,062)
Results from operating activities	21,243	16,525
Impairment loss	-	(10,890)
Finance income	398	394
Finance costs	(7,857)	(6,842)
Net finance costs	(7,459)	(6,448)
Share of loss of equity-accounted investee, net of tax	(164)	-
Profit / (loss) before income taxes	13,620	(813)
Income tax expense	(5,204)	(4,293)
Profit / (loss) from continuing operations	8,416	(5,106)
Discontinued operations		
(Loss) / profit from discontinued operation, net of tax	(1,243)	29,313
Profit for the period	7,173	24,207
Attributable to:		
Owners of the Company	1,850	5,973
Non-controlling interests	5,323	18,234
Profit for the period	7,173	24,207
Earnings per share (US Dollars)	0.35	1.13
(Loss) / earnings per share – continuing operations (US Dollars)	0.48	(1.67)

RETAIL HOLDINGS N.V. AND SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016 (Unaudited) AND DECEMBER 31, 2015

In thousands of US Dollars

	<u>June 30, 2016</u>	<u>December 31, 2015</u>
ASSETS:		
Property, plant and equipment	44,629	44,392
Intangible assets and goodwill	7,317	7,313
Trade and other receivables due in excess of one year	49,680	46,442
Equity accounted investee	2,166	2,200
Deferred tax assets	2,014	2,116
Other non-current assets	12,598	9,772
Total non-current assets	118,404	112,235
Inventories	89,480	74,332
Trade and other receivables	131,789	109,462
Cash and cash equivalents	24,268	61,598
Other current assets	17,100	11,388
Assets held for sale	-	22,379
Total current assets	262,637	279,159
Total assets	381,041	391,394
EQUITY		
Share capital	53	53
Share premium	34,895	37,655
Reserves	(8,865)	(7,229)
Retained earnings	21,798	44,165
Equity attributable to owners of the Company	47,881	74,644
Non-controlling interest	69,612	89,605
Total equity	117,493	164,249
LIABILITIES		
Loans and borrowings over one year	80,456	61,820
Employee benefits	6,286	6,366
Deferred income over one year	639	571
Warranty provision over one year	263	254
Deferred tax liabilities	947	781
Other non-current liabilities	8,536	7,611
Total non-current liabilities	97,127	77,403
Bank overdrafts	14,279	6,279
Current tax liabilities	4,745	3,935
Loans and borrowings	77,548	59,942
Trade and other payables	65,459	55,537
Deferred income	2,755	2,474
Warranty provision	1,635	1,521
Liabilities held for sale	-	20,054
Total current liabilities	166,421	149,742
Total liabilities	263,548	227,145
Total equity and liabilities	381,041	391,394

