

FOR IMMEDIATE RELEASE
August 15, 2017

INFORMATION CONTACT
Amy Pappas at 1-914-241-3404

RETAIL HOLDINGS N.V. ANNOUNCES FIRST HALF 2017 RESULTS

August 15, 2017, 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 2017.

- Consolidated revenue from continuing operations for the first six months of 2017 was up 10.2% from prior year, to \$256.2 million, a record for this group of companies.
- All of the Company’s operations reported revenue growth, with revenue in local currency increasing 26.0% in Singer Bangladesh, 4.8% in Singer India, and 13.5% in Singer Sri Lanka.
- Results from operating activities remained unchanged from prior year, a profit of \$21.2 million, reflecting the growth in revenue and lower S&A expenses relative to revenue, offset by a decline in profit margin, particularly in Sri Lanka.
- The Company’s net profit was \$6.0 million for the first half of 2017, compared with a net profit of \$7.2 million prior year; the decline is largely a result of higher net finance costs reflecting higher interest rates and additional borrowings in Sri Lanka.

Commenting on the 2017 first half results, Stephen H. Goodman, Retail Holdings’ Chairman, President and CEO, noted, “I am encouraged by the Company’s performance during the first half of 2017 despite the decline in net profit. Performance in Sri Lanka and India were adversely impacted by the erosion in trading conditions and increased finance costs, due in Sri Lanka to higher import costs, higher VAT taxes and higher interest rates, and due in India to the disruptions caused by the surprise demonetization in the fall of 2016 and changes in the internal tax structure. Evidence suggests that both Singer Sri Lanka and Singer India gained market share during the first half of 2017, as competitors were less able to meet these challenges than were the Company’s operations. I believe that both Singer Sri Lanka and Singer India will show much improved results in the second half of 2017 as the recent initiatives to boost revenue, improve margins, reduce S&A expense and shrink the balance sheet, bear fruit. Singer Bangladesh should continue to report strong results.

“The Company continued to make strong progress in its strategic program to monetize the underlying value of the Company’s assets. Additional shares were sold in the public markets during the first half of 2017 for Singer Bangladesh, Singer India, and Singer Sri Lanka. I anticipate further placements in these markets in the second half of 2017.

“Retail Holdings paid a distribution of \$2.00 per Share to Shareholders of record on May 5, 2017; a further distribution of \$1.00 per Share will be paid to Shareholders of record on November 17, 2017. This brings the total distributions paid to Shareholders since inception of the program in 2007 to \$18.75. The Company anticipates making further distributions in 2018 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.”

About Retail Holdings

Retail Holdings N.V. 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 public subsidiaries in Bangladesh, India and Sri Lanka, with consumer credit and other financial services available to qualified customers. Retail Holdings N.V. has no operating activities other than those carried out through Sewko/Singer Asia. Additional financial and other information about Retail Holdings N.V. 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
CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2017 AND 2016 (Unaudited)

In thousands of US Dollars except per Share data

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Continuing operations		
Revenue	256,159	231,482
Cost of sales	181,739	159,880
Gross profit	74,420	71,602
Other income	1,185	884
Selling and administrative expenses	(51,870)	(48,924)
Other expenses	(2,562)	(2,319)
Results from operating activities	21,173	21,243
Finance income	383	398
Finance costs	(10,542)	(7,857)
Net finance costs	(10,159)	(7,459)
Share of profit/(loss) of equity-accounted investee, net of tax	181	(164)
Profit before income taxes	11,195	13,620
Income tax expense	(5,204)	(5,204)
Profit from continuing operations	5,991	8,416
Discontinued operations		
Loss from discontinued operation, net of tax	-	(1,243)
Profit for the period	5,991	7,173
Attributable to:		
Owners of Retail Holdings	1,201	1,850
Non-controlling interests	4,790	5,323
Profit for the period	5,991	7,173
Earnings per share (US Dollars)	0.26	0.35
Earnings per share – continuing operations (US Dollars)	0.26	0.48

RETAIL HOLDINGS N.V. AND SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017 (Unaudited) AND DECEMBER 31, 2016

In thousands of US Dollars

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
ASSETS:		
Property, plant and equipment	49,624	50,319
Intangible assets and goodwill	7,523	7,563
Trade and other receivables due in excess of one year	52,492	44,256
Equity accounted investee	3,681	3,622
Deferred tax assets	1,742	1,853
Other non-current assets	10,161	9,219
Total non-current assets	125,223	116,832
Inventories	108,097	98,077
Trade and other receivables	144,351	142,125
Cash and cash equivalents	29,018	17,527
Other current assets	12,638	12,261
Total current assets	294,104	269,990
Total assets	419,327	386,822
EQUITY		
Share capital	53	53
Treasury Shares	(7)	(7)
Share premium	3,618	3,618
Reserves	(8,610)	(6,411)
Retained earnings	53,090	51,921
Equity attributable to owners of Retail Holdings	48,144	49,174
Non-controlling interest	77,991	70,910
Total equity	126,135	120,084
LIABILITIES		
Loans and borrowings over one year	40,836	58,936
Employee benefits	6,028	5,754
Deferred income over one year	640	709
Warranty provision over one year	328	308
Deferred tax liabilities	904	968
Other non-current liabilities	9,416	9,148
Total non-current liabilities	58,152	75,823
Bank overdrafts	28,175	16,549
Current tax liabilities	1,380	2,106
Loans and borrowings	130,401	97,959
Trade and other payables	70,606	69,465
Deferred income	2,719	3,130
Warranty provision	1,759	1,706
Total current liabilities	235,040	190,915
Total liabilities	293,192	266,738
Total equity and liabilities	419,327	36,822

