

FOR IMMEDIATE RELEASE
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RETAIL HOLDINGS N.V. ANNOUNCES FIRST HALF 2018 RESULTS

August 13, 2018, 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 2018.

- Consolidated revenue from continuing operations for the first six months of 2018 grew 20.7% from prior year, to \$111.8 million, a record for this group of companies.
- All of the Company’s operations reported revenue growth, with revenue in local currency increasing 26.2% in Singer Bangladesh and 16.1% in Singer India.
- Results from operating activities from continuing operations grew to a profit of \$7.3 million for the first six months of 2018, a jump of 124.0% from the first six months prior year, reflecting higher revenue, improved product margins and lower S&A expenses relative to revenue.
- The Company’s total net profit was \$3.2 million for the first half of 2018, compared with a net profit of \$6.0 million in the prior half year; the decline is largely a result of the divestment of Singer Sri Lanka in September 2017, which contributed \$5.8 million to 2017 first half earnings, and to higher finance costs reflecting higher interest rates and additional borrowings at Singer Bangladesh.

Commenting on the 2018 first half results, Stephen H. Goodman, Retail Holdings’ Chairman, President and CEO, noted, “I am pleased by the Company’s strong performance during the first half of 2018, which has continued into the second half. Our operation in Bangladesh is particularly well placed to grow in both revenue and profitability as that economy continues to expand. I sincerely appreciate and thank all of our stakeholders for helping to realize these strong results and for their ongoing efforts to grow revenue and enhance profitability.

“Retail Holdings strategy remains unchanged, to maximize and ultimately to monetize the value of its assets. In pursuing this strategy, the Company realized net proceeds of \$173.3 million in the 2015-2017 period from the divestitures of Sri Lanka, Thailand, and Pakistan, and from share sales in the markets in Bangladesh and India. Of this amount, approximately \$93.7 is attributable to Retail Holdings shareholders. No additional divestitures or share sales took place during the first six months in 2018.

“In the 2016-2018 period, through the first six months of 2018, Retail Holdings’ distributions to shareholders and share repurchases totaled \$89.3 million. Retail Holdings shareholders will receive an additional \$4.7 million in November 2018. The Company anticipates ending 2018 with a cash balance of more than \$8.0 million at Retail Holdings corporate, in addition to cash at Sewko and its operating subsidiaries.

“The Company is currently pursuing divestment opportunities in Bangladesh and India, has resumed share sales in the market, and will seek to divest its remaining shareholding in Sri Lanka. Pending their divestment, the Company will continue to seek to grow revenue and enhance profitability at both the Bangladesh and India operations.

“Retail Holdings paid a distribution of \$9.00 per Share to Shareholders of record on January 4, 2018; a further distribution of \$1.00 per Share will be paid to Shareholders of record on November 1, 2018. This brings the total distributions paid to Shareholders since inception of the program in 2007 to \$28.75 per Share.

“I encourage all shareholders to read the Retail Holdings complete Summary Semi-Annual Report for the period ended June 30, 2018, 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 and India, with a residual equity interest in a similar business in Sri Lanka. 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, 2018 AND 2017 (Unaudited)
In thousands of US Dollars except per Share data

	<u>June 30, 2018</u>	<u>June 30, 2017</u> <u>Restated</u>
Continuing operations		
Revenue	111,814	92,648
Cost of sales	82,193	68,268
Gross profit	29,621	24,380
Other income/(expense)	(35)	(109)
Selling and administrative expenses	(21,252)	(18,429)
External royalty	(987)	(2,562)
Results from operating activities	7,347	3,280
Finance income	172	29
Finance costs	(1,733)	(926)
Net finance costs	(1,561)	(897)
Share of profit/(loss) of equity-accounted investee, net of tax	-	181
Profit before income taxes	5,786	2,564
Income tax expense	(2,549)	(2,418)
Profit from continuing operations	3,237	146
Discontinued operations		
Profit from discontinued operation, net of tax	-	5,845
Profit for the period	3,237	5,991
Attributable to:		
Owners of Retail Holdings	108	1,201
Non-controlling interests	3,129	4,790
Profit for the period	3,237	5,991
Earnings per share (US Dollars)	0.02	0.26
Earnings per share – continuing operations (US Dollars)	0.02	0.03

RETAIL HOLDINGS N.V. AND SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018 (Unaudited) AND DECEMBER 31, 2017
In thousands of US Dollars

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
ASSETS:		
Property, plant and equipment	18,689	19,129
Intangible assets and goodwill	5,514	5,560
Trade and other receivables due in excess of one year	670	608
Employee benefits assets	5	-
Deferred tax assets	461	387
Other non-current assets	4,112	3,824
Total non-current assets	29,451	29,508
Inventories	62,105	45,166
Investments	10,854	10,854
Trade and other receivables	45,393	30,857
Current tax receivables	926	-
Other current assets	4,909	6,101
Cash and cash equivalents	16,856	57,325
Total current assets	141,043	150,303
Total assets	170,494	179,811
EQUITY		
Share capital	53	53
Treasury Shares	(7)	(7)
Reserves	(4,242)	(4,100)
Retained earnings	37,522	79,256
Equity attributable to owners of Retail Holdings	33,326	75,202
Non-controlling interest	41,677	43,141
Total equity	75,003	118,343
LIABILITIES		
Loans and borrowings over one year	31	38
Employee benefits	-	81
Warranty provision over one year	534	430
Deferred tax liabilities	247	72
Security deposits	2,590	2,551
Total non-current liabilities	3,402	3,172
Bank overdrafts	45,401	16,173
Current tax liabilities	-	537
Loans and borrowings	5,249	3,614
Trade payables	22,597	13,223
Other accruals and payables	17,276	23,318
Deferred income	243	259
Warranty provision	1,323	1,172
Total current liabilities	92,089	58,296
Total liabilities	95,491	61,468
Total equity and liabilities	170,494	179,811