

**FOR IMMEDIATE RELEASE**  
**August 20, 2005**

**INFORMATION CONTACT**  
**Barbara Wybraniec at (914) 220-5143**

**SINGER N.V. ANNOUNCES RESULTS FOR THE SECOND QUARTER OF 2005  
AND FOR ANNUAL SHAREHOLDERS MEETING**

August 20, 2005, Curacao, Netherlands Antilles

Singer N.V. (Symbol: SNGR)

Singer N.V. (“Singer” or “the Company”) announced today its results for the second quarter of 2005. The Company also announced the results from its Annual General Meeting of Shareholders held on August 18, 2005.

On June 23, 2005, the Company completed the sale of Singer Jamaica Limited (“Singer Jamaica”) to AON International Inc. for a total consideration of \$8.2 million. Singer Jamaica was Singer’s only remaining operating company outside of Asia. The consideration consists of \$2.7 million in cash and \$5.5 million in three promissory notes due through December 2009. The results of operations of Singer Jamaica, together with a loss on sale of \$1.9 million, are reported as part of discontinued operations.

**2005 Second Quarter Results**

For the second quarter of 2005 ended June 30, 2005, the Company reported consolidated revenues of \$84.3 million compared to \$64.9 million for the second quarter of 2004, an increase of \$19.4 million or 29.9%. The increase in revenues was primarily due to strong retail sales at almost all of the major Retail operating units in Asia, particularly in Thailand, Sri Lanka and Bangladesh. India's sales, however, were substantially below prior year. Excluding India, the Company would have shown a 39.9% revenue increase for the quarter.

The Company’s revenues for the second quarter of 2005 include \$12.8 million of finance earnings on consumer credit sales compared to \$10.3 million in the second quarter of 2004. The increase in finance earnings is due primarily to increased credit sales in Thailand and Sri Lanka as a result of strong retail sales and promotion of credit, including longer average credit terms.

Gross profit for the three months ended June 30, 2005 was \$28.0 million, representing a gross profit as a percentage of revenues of 33.2%, as compared to \$23.6 million and a gross profit percentage of 36.3% for the three months ended June 30, 2004. The decline in gross profit percentage is primarily due to a shift in Thailand’s sales mix from appliances to motorcycles, which have a lower gross profit contribution.

Selling and administrative expenses for the three months ended June 30, 2005 were \$24.3 million, representing 28.8% of revenues, as compared to \$22.3 million and 34.3% of revenues for the three months ended June 30, 2004. The decrease in selling and administrative expenses as a percent of revenues is primarily due to Thailand’s significant sales increase which exceeded

the increase in Thailand's fixed selling and administrative expenses. This was offset, in part, by India's significant decline in revenues without a corresponding decrease in fixed selling and administrative expenses. Excluding India, selling and administrative expenses as a percentage of revenue would have been 27.7% in the 2005 second quarter as compared to 34.1% in the 2004 second quarter.

Operating income for the three months ended June 30, 2005 and 2004 was \$3.7 million and \$1.3 million, respectively, while EBITDA (earnings before interest expense, taxes, depreciation and amortization) from continuing operations was \$3.2 million and \$1.1 million, respectively. The \$2.4 million increase in operating income and \$2.1 million increase in EBITDA were due to improved performance at the operating units, particularly in Thailand, Sri Lanka and the Philippines, coupled with a reduction in Corporate overhead expense.

Singer India Limited ("Singer India") has incurred substantial and growing losses over the last several years. These losses are primarily a result of the inability of the operation through new initiatives to generate adequate sales volume, coupled with the high turnover of personnel, increased competition and, during 2004 and continuing into the second quarter of 2005, a severe liquidity crunch reflecting the impact of prior losses. On May 31, 2005, Singer India was registered as a "Sick Company" by the Board for Industrial & Financial Reconstruction ("BIFR") pursuant to the Sick Industrial Companies (Special Provisions) Act, 1985 of India. The registration provides certain legal protection against creditors.

There can be no assurance that BIFR registration or any other steps being taken by Singer India will permit a successful reorganization of that company. The survival and restructuring of Singer India will require the support and assistance of Singer India's banks and other stake holders, which support has so far not been forthcoming. The Company has not guaranteed any debt or any other obligations of Singer India and has no legal obligation to provide any financial support.

Singer has established a new wholly owned subsidiary in India, which together with a third party distributor, may take on the role of distributing sewing machines and small appliances on a wholesale basis in India. Residual sourcing and retail activity may continue to be carried on by a smaller and more focused Singer India. Singer is also considering reducing its ownership stake in that company. Should a sufficient stake be sold and Singer India be deconsolidated, the Company would recognize a significant accounting gain from the reversal of prior losses in excess of that company's equity.

Interest expense was \$2.3 million and \$2.1 million for the three-month periods ended June 30, 2005 and 2004, respectively. The increase in interest expense reflects the increased financing required to support the increased installment receivables as a result of higher sales and promotion of credit, including longer average credit terms in Thailand and Sri Lanka.

Equity earnings from Operating Affiliates totaled a loss of \$0.3 million during the three-month period ended June 30, 2005 as compared to a loss of \$0.5 million for the same period in 2004. The \$0.2 million improvement was primarily due to lower losses at First Capital Ltd., an operating affiliate in Sri Lanka.

Royalty expense was \$0.8 million and \$0.7 million for the three-month periods ended June 30, 2005 and 2004, respectively. The increase in royalty expense is due to increased revenues in Singer Asia. The royalty expense is for the use of the SINGER® trademark by the Retail Operating Companies in Asia.

Miscellaneous other income was \$0.6 million for the three-month period ended June 30, 2005 as compared to other income of \$0.7 million for the same period in 2004. Other income in 2005 was primarily interest income from investments and the KSIN notes receivable and gain on sale of property in India, which was partially offset by foreign exchange losses of \$0.9 million. The other income for 2004 was primarily gain on sale of property in Thailand.

Provision for income taxes amounted to \$1.5 million in the three-month period ended June 30, 2005, as compared to a \$0.8 million tax provision for the same period in 2004. The \$0.7 million increase in provision for income taxes is primarily due to higher provision for income tax in Thailand and Sri Lanka during 2005 as compared to 2004.

Minority interest share in income was \$0.7 million for the 2005 second quarter compared to \$0.5 million for the same period in 2004. The increase in minority interest income was primarily due to the increase in profits in Thailand and Sri Lanka.

The Company's loss from continuing operations for the three months ended June 30, 2005 and 2004 was \$1.3 million and \$2.6 million, respectively. The reduction in loss of \$1.3 million is primarily due to improved performance at the operating units, particularly in Sri Lanka and the Philippines.

Income from discontinued operations for the three months ended June 30, 2005 was \$0.5 million as compared to a loss of \$29.5 million for the same period in 2004. The gain in 2005 was due to the final post closing purchase price adjustment relating to the KSIN transaction which resulted in a gain of \$2.3 million that was offset, in part, by loss on sale of Jamaica, net of earnings from operations, of \$1.7 million and additional termination benefits of \$0.1 million. The loss from discontinued operations in 2004 was primarily due to an impairment charge of \$35.9 million on assets of the Sewing business and trademark that were sold as part of the KSIN transaction.

The net loss available to common shares for the three months ended June 30, 2005 and 2004 was \$0.8 million and \$32.0 million, respectively. This is equivalent to basic and diluted loss per common share of \$0.14 and \$4.04, respectively.

### **2005 Six Months Results**

For the six months ended June 30, 2005, the Company reported consolidated revenues of \$163.9 million compared to \$133.1 million for the same period in 2004, an increase of \$30.8 million or 23.1%. The increase in revenues was primarily due to strong retail sales at almost all of the major Retail operating units in Asia, particularly in Thailand, Sri Lanka and Bangladesh. India's sales, however, were substantially below prior year. Excluding India, the Company would have shown a 34.2% revenue increase for the six months.

The Company's revenues for the six months ended June 30, 2005 include \$26.4 million of finance earnings on consumer credit sales compared to \$20.0 million for the same period in 2004. The increase in finance earnings is due primarily to increased credit sales in Thailand and Sri Lanka as a result of strong retail sales and promotion of credit, including longer average credit terms.

Gross profit for the six months ended June 30, 2005 was \$54.7 million, representing a gross profit as a percentage of revenues of 33.4%, as compared to \$48.9 million and a gross profit percentage of 36.7% for the six months ended June 30, 2004. The decline in gross profit percentage is primarily due to a shift in Thailand's sales mix from appliances to motorcycles, which have a lower gross profit contribution.

Selling and administrative expenses for the six months ended June 30, 2005 were \$48.2 million, representing 29.4% of revenues, as compared to \$43.2 million and 32.5% of revenues for the six months ended June 30, 2004. The decrease in selling and administrative expenses as a percent of revenues is primarily due to Thailand's significant sales increase which exceeded the increase in Thailand's fixed selling and administrative expenses. This was offset, in part, by India's significant decline in revenues without a corresponding decrease in fixed selling and administrative expenses. Excluding India, selling and administrative expenses as a percentage of revenue would have been 28.3% in the six months ended June 30, 2005 as compared to 32.8% for the same period in 2004.

Operating income for the six months ended June 30, 2005 and 2004 was \$6.6 million and \$5.7 million, respectively, while EBITDA from continuing operations was \$5.9 million and \$4.1 million, respectively. The \$0.9 million increase in operating income and \$1.8 million increase in EBITDA were due to improved performance at the operating units, particularly in the Philippines and Sri Lanka, coupled with a reduction in Corporate overhead expense.

For a discussion of Singer India, please see the 2005 Second Quarter Results, above.

Interest expense was \$4.3 million and \$4.1 million for the six-month periods ended June 30, 2005 and 2004, respectively. The increase in interest expense reflects the increased financing required to support the increased installment receivables as a result of higher sales and promotion of credit, including longer average credit terms in Thailand and Sri Lanka.

Equity earnings from Operating Affiliates totaled a loss of \$0.2 million during the six-month period ended June 30, 2005 as compared to a loss of \$0.8 million for the same period in 2004. The \$0.6 million improvement was primarily due to lower losses at First Capital Ltd., an operating affiliate in Sri Lanka.

Royalty expense was \$1.6 million and \$1.3 million for the six-month periods ended June 30, 2005 and 2004, respectively. The increase in royalty expense is due to increased revenues in Singer Asia. The royalty expense is for the use of the SINGER® trademark by the Retail Operating Companies in Asia.

Miscellaneous other income was \$1.2 million for the six-month period ended June 30, 2005 as compared to other income of \$1.5 million for the same period in 2004. Other income in 2005

was primarily interest income from investments and the KSIN notes receivable and gain on sale of property in India, which was partially offset by foreign exchange losses of \$0.7 million. The other income for 2004 was primarily gains on sale of property in Thailand and Indonesia.

Provision for income taxes amounted to \$2.8 million in the six-month period ended June 30, 2005, as compared to a \$2.6 million tax provision for the same period in 2004. The \$0.2 million increase in provision for income taxes is primarily due to higher provision for income tax in Thailand and Sri Lanka during 2005 as compared to 2004.

Minority interest share in income was \$1.5 million for the 2005 period compared to \$2.3 million for the same period in 2004. The decrease in minority interest share in income was primarily due to the lower net income in Singer Asia.

The Company's loss from continuing operations for the six months ended June 30, 2005 and 2004 was \$2.5 million and \$4.0 million, respectively. The improvement of \$1.5 million is primarily due to the increase in operating income coupled with the decline in minority interest share in income.

Loss from discontinued operations for the six months ended June 30, 2005 and 2004 was \$0.4 million and \$24.7 million respectively. The loss in 2005 was due to the loss on sale of Jamaica, net of earnings from operations, of \$1.7 million and additional termination benefits of \$1.0 million which were offset, in part, by the final post closing purchase price adjustment relating to the KSIN transaction which resulted in a gain of \$2.3 million. The loss from discontinued operations in 2004 was primarily due to an impairment charge of \$35.9 million on assets of the Sewing business and trademark that were sold as part of the KSIN transaction.

The net loss available to Common Shares was \$2.9 million and \$28.7 million for the six months ended June 30, 2005 and 2004, respectively. This is equivalent to basic and diluted loss per Common Share of \$0.50 and \$3.64, respectively.

### **Annual Shareholders Meeting**

The required quorum was present and all resolutions presented to shareholders were approved by the requisite majorities at Singer's Annual Shareholders Meeting, held in Curacao, Netherlands Antilles on August 18, 2005. Among the resolutions presented and approved at the meeting was a resolution to amend the Company's Articles of Association to, among other things, change the Company's name from "Singer N.V." to "Retail Holdings N.V." The name change was required by the terms of the agreements entered into in connection with the sale last year of the Sewing business and trademark to KSIN Holdings Ltd. Singer Asia Limited, the holding company subsidiary for the Asia Retail business will continue to use "Singer" as part of its company name, as will the individual Singer operating companies in Asia. These companies also will continue, with out change, to use the SINGER<sup>®</sup> trademark on stores and products.

## **Chairman's Comments**

Commenting on recent developments, Stephen H. Goodman, Singer's Chairman, President and CEO remarked, "The sale by the Company during the second quarter of Singer Jamaica and approval by the shareholders at the Annual General Meeting of the recommended changes to the Company's Articles of Association, including the change of the Company's name to Retail Holdings N.V., are the important final steps in the restructuring of the Company announced last year. Retail Holdings is now a smaller and more focused company, with a growing and improving retail operating business in Asia and significant financial liquidity and resources. I am pleased with the significant increase in Singer Asia's revenues, particularly in Thailand and Sri Lanka, and by the improvement in operating income, in both absolute dollars and as a percentage of revenue. Our objective going forward will be to continue to grow Singer Asia and improve its operating performance, including addressing the challenges in India, as we continue to seek to enhance shareholder value."

## **About Singer N.V./Retail Holdings N.V.**

Singer N.V. was incorporated under the laws of the Netherlands Antilles on December 21, 1999. Effective September 2000, as a result of a successful Chapter 11 reorganization, Singer became the parent company of several Operating Companies formerly owned by The Singer Company N.V. Effective following the 2005 Annual General Meeting, the name of the Company has been changed to Retail Holdings N.V.

The Singer Retail business in Asia, the only operating business remaining following the completion of the KSIN Transaction and sale of Singer Jamaica, consists primarily of the distribution, through Company-owned retail stores and direct selling, of a wide variety of consumer durable products in selected emerging markets in Asia. Retail sales activities in these markets are strengthened by the offer of consumer credit services provided by the Company to its customers. In some markets where it operates, Singer is recognized as a leading retailer of products for the home.

The Company does not anticipate that its Common Shares will be listed on any U.S. or overseas securities exchange, the NASDAQ National Market System, the NASDAQ Small Cap Market, the OTC Bulletin Board or a similar trading system. Price quotations for the Company's Common Shares became available on the "Pink Sheets" quotation service under the symbol "SNGR" in March 2002. Brokers should be able to continue trading Singer/Retail Holding's Common Shares using the "Pink Sheets" quotation service as long as the Company is current in submitting to the Securities and Exchange Commission ("SEC") the materials that it makes available to its shareholders or is required to file under its own country jurisdiction. If the Common Shares cease to be traded, shareholders seeking to sell or buy Shares will only be able to do so with considerable difficulty and at prices that may not reflect the Shares' theoretical inherent value. Even to the extent that quotations on the "Pink Sheets" service continue, there is no assurance that there will be adequate liquidity or that there will not be wide swings in prices and significant differences between "bid" and "asked" prices, which will make trading difficult and could cause prices for the Company's Shares to deviate substantially from their theoretical inherent value.

Additional financial and other information about the Company, including: a copy of Singer's audited consolidated financial statements for the twelve months ended December 31, 2004, 2003, 2002, and 2001 and for the three months ended December 31, 2000, together with the Auditor's Reports thereon; the 2004 Annual Report dated April 2005, and the prior Disclosure Statements and Reports dated April 2004, April 2003, May 2002 and September 2001; and copies of all quarterly reports and press releases since the conclusion of the Chapter 11 proceedings in September 2000, may be found at the investor section of the Company's website at [www.retailholdings.com](http://www.retailholdings.com).

Statements made herein with respect to the Company's current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of the Company. Forward-looking statements include but are not limited to those using words such as believe, expect, anticipate, plans, strategy, prospects, forecast, estimate, project, may or might, and words of similar meaning in connection with a discussion of future operations, financial performance, financial position, capital resources and strategy and plans and objectives of management. From time to time, oral or written forward-looking statements may also be included in other materials released to the public. These statements are based on management's assumptions and beliefs which are expressed in light of the information available to management at the time. The ultimate outcome in many cases is outside the Company's control. The Company cautions you that no assurance can be given that expectations reflected in such forward looking statements will prove to have been correct, that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and, therefore, you should not place undue reliance on such forward-looking statements. You should not rely on any obligation of the Company to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The Company disclaims any such obligation. Risks and uncertainties that might affect the Company include, but are not limited to: general economic conditions in the Company's markets worldwide, particularly in Asia, including levels of consumer spending; exchange rates, particularly between the US dollar and other currencies in which the Company makes significant sales or in which the Company's assets and liabilities are denominated; the Company's ability to continue to win acceptance of its products and services, which are offered in highly competitive markets; the payment at maturity of the unsecured subordinated promissory notes issued to the Company by KSIN Holdings, Ltd. and the secured promissory notes issued to the Company by AON International and Singer Jamaica; continuing relationships with financial institutions, suppliers and other creditors; and the outcome of contingencies.

For further information, please contact Barbara Wybraniec at (914) 220-5143.

**SINGER N.V.**  
**CONSOLIDATED BALANCE SHEETS**  
**June 30, 2005 and DECEMBER 31, 2004**  
(in thousands of US dollars, except share and per share amounts)

	(Unaudited) June 30, 2005	(Audited) December 31, 2004
<b>ASSETS:</b>		
Current assets-		
Cash and cash equivalents	\$ 36,650	\$ 40,038
Accounts receivable, net of allowances for doubtful accounts of \$28,072 and \$28,242, respectively	109,773	113,441
Inventories, net	50,432	51,898
Other current assets	15,541	13,773
Total current assets	212,396	219,150
Investment in operating affiliates	6,235	6,616
Installment receivables due in excess of one year	63,987	39,523
Property, plant and equipment, net	20,746	21,141
Goodwill and intangible assets, net	14,845	14,821
Other assets	40,653	34,525
Total assets	\$ 358,862	\$ 335,776
<b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>		
Current liabilities-		
Notes and loans payable	\$ 81,686	\$ 48,370
Accounts payable	21,843	27,069
Accrued liabilities	18,539	19,747
Current portion of long-term debt	23,378	24,668
Total current liabilities	145,446	119,854
Long-term debt	40,458	38,359
Other non-current liabilities	31,325	31,365
Minority interest	60,525	62,317
Total liabilities	277,754	251,895
<b>SHAREHOLDERS' EQUITY:</b>		
Common Shares, \$0.01 par value, authorized 20,000,000 shares, issued and outstanding 5,848,339 in 2005 and 5,984,375 in 2004	58	60
Additional paid-in capital	96,300	97,132
Deficit	(9,212)	(6,293)
Accumulated other comprehensive loss	(6,038)	(7,018)
Total shareholders' equity	81,108	83,881
Total liabilities and shareholders' equity	\$ 358,862	\$ 335,776

**SINGER N.V.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2005 and 2004 (Unaudited)**  
**(in thousands of US dollars, except share and per share amounts)**

	Three Months Ended June 30, 2005 and 2004		Six Months ended June 30, 2005 and 2004	
Revenues	\$ 84,270	\$ 64,918	\$ 163,945	\$ 133,105
Cost of revenues	56,235	41,355	109,197	84,205
Gross profit	28,035	23,563	54,748	48,900
Selling and administrative expenses	24,313	22,249	48,172	43,246
Operating income	3,722	1,314	6,576	5,654
Other income (expense)				
Interest expense	(2,312)	(2,147)	(4,301)	(4,091)
Equity earnings from operating affiliates	(298)	(502)	(157)	(803)
Royalty	(842)	(649)	(1,639)	(1,331)
Other, net	623	716	1,242	1,461
	(2,829)	(2,581)	(4,855)	(4,764)
Income (loss) from continuing operations before provision for income taxes and minority interest	893	(1,267)	1,721	891
Provision for income taxes	1,545	827	2,766	2,555
Minority interest share in income	(675)	(496)	(1,494)	(2,302)
Loss from continuing operations	(1,327)	(2,590)	(2,539)	(3,967)
Discontinued operations				
Income from operations of Sewing business and trademark	-	6,444	-	11,128
Gain (loss) on sale / impairment on assets of Sewing business and trademark, net of tax benefit	2,198	(35,923)	1,314	(35,923)
Income from operations of Jamaica	231	23	233	73
Loss on sale of Jamaica, net of tax benefit	(1,927)	-	(1,927)	-
Income (loss) from discontinued operations	502	(29,456)	(380)	(24,718)
Net loss available to common shares	\$ (825)	\$ (32,046)	\$ (2,919)	\$ (28,685)
Earnings (loss) per common share – basic and diluted				
Loss from continuing operations	\$ (0.23)	\$ (0.33)	\$ (0.43)	\$ (0.50)
Income (loss) from discontinued operations	\$ 0.09	\$ (3.71)	\$ (0.07)	\$ (3.14)
Net loss available to common shares	\$ (0.14)	\$ (4.04)	\$ (0.50)	\$ (3.64)
Basic weighted average common shares outstanding	5,840,982	7,934,414	5,805,763	7,902,620
Diluted weighted average common shares outstanding	6,159,042	8,285,034	6,170,529	8,301,377