

FOR IMMEDIATE RELEASE
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**RETAIL HOLDINGS N.V. ANNOUNCES RESULTS FOR THE
SIX MONTHS ENDED JUNE 30, 2007**

August 16, 2007, Curaçao, Netherlands Antilles

Retail Holdings N.V. (Symbol: RHDGF)

Retail Holdings N.V. ("ReHo" or the "Company") announced today its results for the six months ended June 30, 2007.

The Company also announced that shareholders at ReHo's Annual Meeting on July 19, 2007 approved the payment of a special dividend of \$1.00 per Share and that the dividend has been paid to shareholders of record on that day.

2007 First Half Results

The Company's consolidated results for the first half of 2007 continued to be negatively impacted by the results for Thailand, reflecting, among other factors, continuing poor collection performance on Thailand's outstanding installment accounts, management's decision to provide a valuation allowance against Thailand's tax losses and the appreciation of the Thai Baht against the US dollar.

For the six months ended June 30, 2007, the Company reported consolidated revenue of \$133.4 million compared to consolidated revenue of \$122.7 million for the same period in 2006, an increase of \$10.7 million or 8.7%. The increase in consolidated revenue is due to the continued growth at the retail operating units in Bangladesh, Pakistan and Sri Lanka, which increased revenue by \$5.4 million for the six-month period to \$94.2 million, or by 6.1%, as compared to the same period in 2006. Revenue in Thailand also increased in 2007, by \$5.4 million as compared to the same period in 2006, primarily due to somewhat higher appliance sales and a lower level of product reverts.

The Company's revenue for the six months in 2007 includes \$21.1 million of finance earnings on consumer credit sales compared to \$25.1 million of finance earnings on consumer credit sales for the same period in 2006. The decrease in finance earnings is due to decreased credit earnings in Thailand, partially offset by increased credit earnings at the retail operating units in Bangladesh, Pakistan and Sri Lanka as a result of their strong sales and credit promotion.

Gross profit for the six months ended June 30, 2007 was \$54.4 million, representing a gross profit as a percentage of revenue of 40.8% as compared to \$57.9 million and a gross profit percentage of 47.1% for the same period in 2006. The decrease in gross profit percentage is primarily due to the significant increase in Thailand's used motorcycles sales which have a lower gross profit contribution and the decrease in finance earnings. Gross profit at the retail operating units in Bangladesh, Pakistan and Sri Lanka was \$33.2 million for the six months ended June 30, 2007, representing a gross profit as a percentage of revenue of 35.2%, as compared to \$28.5 million and a gross profit percentage of 32.1% for the six months ending June 30, 2006.

Selling and administrative expense for the six months ended June 30, 2007 was \$52.7 million, representing 39.5% of revenue, as compared to \$56.2 million and 45.8% of revenue for the same period in 2006. The decrease in selling and administrative expense as a percentage of revenue is primarily due to Thailand's sales increase without a corresponding increase in fixed selling and administrative expense. Selling and administrative expense at the retail operating units in Bangladesh, Pakistan and Sri Lanka was \$21.2 million, representing 22.5% of revenue, as compared to \$18.7 million and 21.0% of revenue for the same period in 2006.

Operating income for the six months ended June 30, 2007 and 2006 was \$1.7 million. Operating profit at the retail operating units in Bangladesh, Pakistan and Sri Lanka increased \$2.1 million to \$12.0 million, an increase of 21.7% over prior period, while Thailand's operating loss increased \$3.3 million to \$7.9 million for the six months ended June 30, 2007. There were improvements in operating profits in the Philippines and India and reduced corporate expense.

Interest expense was \$8.3 million and \$6.3 million for the six months ended June 30, 2007 and 2006, respectively. The increase in interest expense reflects higher interest rates, resulting both from an increase in rates generally and a shift in the mix of borrowings among the countries to those with higher rates.

Equity earnings from Operating Affiliates were \$0.9 million and \$0.6 million for the six months ended June 30, 2007 and 2006, respectively. The \$0.3 million improvement is primarily due to enhanced operating performance at affiliates in Bangladesh and Sri Lanka.

Royalty expense was \$1.3 million and \$1.2 million for the six months ended June 30, 2007 and 2006, respectively. The increase in royalty expense is due to increased revenue in Singer Asia. The royalty expense is for the use of the Singer[®] trademark by the companies of Singer Asia.

Miscellaneous other income was \$2.4 million and \$2.5 million for the six months ended June 30, 2007 and 2006, respectively. Other income is primarily interest income from investments and the KSIN and Jamaica Notes receivable. The slight decrease in Other income is due to foreign exchange losses of \$0.1 million in 2007 as compared to foreign exchange gains of \$0.2 million in 2006.

Provision for income taxes amounted to \$2.5 million and \$0.3 million for the six months ended June 30, 2007 and 2006, respectively. The \$2.2 million increase in the provision for income taxes is primarily due to management's decision to provide a valuation allowance for deferred tax due to the substantial Thailand loss in the first half of 2007. There was no valuation allowance established during the same period in 2006, resulting in a negative income tax provision reflecting the significant operating losses incurred during 2006.

Minority interest share in loss was \$5.3 million and \$2.3 million for the six months ended June 30, 2007 and 2006, respectively. The increase in minority interest share in loss is primarily due to the \$4.9 million increase in net loss in Thailand in 2007 as compared to the same period in 2006, which results are shared both by the 46.6% public shareholders of Singer Thailand and the 43.2% minority shareholder in Singer Asia.

The net income available to Common Shares was a loss of \$1.9 million for the six months ended June 30, 2007 as compared to a \$0.8 million net loss in 2006. This is equivalent to basic and diluted loss per Share of \$0.37 in 2007, as compared to basic and diluted loss per Share of \$0.15 in 2006.

Chairman's Comments

Commenting on the first half results, Stephen H. Goodman, ReHo's Chairman, President and Chief Executive Officer, noted, "The strong revenue and profit performance realized by our Asia retail operations during the first half of 2007 was again masked by the very poor results at Singer Thailand.

"While I remain optimistic that Thailand will again be profitable, it is taking more time than initially anticipated for the initiatives introduced by new management during the second half of 2006 and the first half of this year to restore credit and profit performance. Thailand will likely report a smaller but still substantial loss in the second half of this year.

"The Company's strategy continues to be to maximize the value of its assets, particularly ReHo's stake in Singer Asia, continuing to grow Singer Asia and improve its operating performance and profitability, including successfully addressing the challenges at Singer Thailand."

About Retail Holdings

The Company is a holding company with three principal assets: 1) a 56.8% equity interest in Singer Asia Limited, ("Singer Asia"), a distributor of consumer durable products in selected emerging markets in Asia, with consumer credit and other financial services available to qualified customers; 2) seller notes, primarily arising from the sale of the Singer® worldwide sewing business and trademark; and 3) cash and cash equivalents. The Company has no operating activities other than those carried out through Singer Asia.

The Company is a Netherlands Antilles public company which is the successor company to the Singer Company N.V. and its predecessor companies. The Company, formerly known as Singer N.V., changed its name to Retail Holdings N.V. following the sale of the sewing machine business and the Singer® trademark in September 2004.

Price quotations for the Company's shares are available on the "Pink Sheets" quotation service under the symbol "RHDGF". Brokers should be able to continue trading ReHo's shares using the "Pink Sheets" quotation service as long as the Company is current in submitting to the U.S. Securities and Exchange Commission the materials that it makes available to its shareholders or is required to file under its own country jurisdiction. 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 ReHo's audited consolidated financial statements for the twelve months ended December 31, 2006, 2005, 2004, 2003, 2002, and 2001 and for the three months ended December 31, 2000, together with the Auditor's Reports thereon; the 2006 Annual Report dated May 2007, and the prior Disclosure Statements and Reports dated April 2006, April 2005, April 2004, April 2003, May 2002 and September 2001; and copies of all semi-annual and quarterly reports and press releases since the conclusion of the Chapter 11 proceedings in September 2000, may be found at the Corporate/Investor section of the Company's website at www.retailholdings.com.

As described in greater detail in the ReHo 2006 Summary Annual Report dated May 2007, it is the Company's intention not to provide regular quarterly reports including the information that

might be included in a Form 10-Q quarterly report. The Company expects to issue only a Summary Annual Report and a Summary Semi-Annual Report, the latter to include an unaudited, six month, Consolidated Statement of Operations, Consolidated Balance Sheet and Consolidated Statement of Cash Flows with limited commentary.

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 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, particularly in Asia, including levels of consumer spending; exchange rate, particularly between the US dollar and the 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 Amy Pappas at (914) 241-3404.

RETAIL HOLDINGS N.V. AND SUBSIDIARIES**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**
FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006 (Unaudited)
(in thousands of U.S. dollars, except Share and per Share amounts)

	Six Months ended June 30, 2007	Six Months ended June 30, 2006
REVENUES	\$ 133,429	\$ 122,717
COST OF REVENUES	79,014	64,862
Gross profit	54,415	57,855
SELLING AND ADMINISTRATIVE EXPENSES	52,667	56,188
Operating income	1,748	1,667
OTHER INCOME (EXPENSE):		
Interest expense	(8,338)	(6,295)
Equity in earnings from affiliates	872	638
Royalty expense	(1,334)	(1,227)
Other, net	2,436	2,462
Other income (expense), net	(6,364)	(4,422)
Loss before provision for income taxes and minority interest	(4,616)	(2,755)
PROVISION FOR INCOME TAXES	2,528	277
MINORITY INTEREST SHARE IN LOSS	(5,253)	(2,275)
NET LOSS	\$ (1,891)	\$ (757)
Loss per Common Share – basic and diluted	\$ (0.37)	\$ (0.15)
Basic weighted average Common Shares outstanding	5,112,758	5,179,277
Diluted weighted average Common Shares outstanding	5,230,312	5,331,629

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

JUNE 30, 2007 (Unaudited) AND DECEMBER 31, 2006 (Audited)

(in thousands of U.S. dollars, except Share and per Share amounts)

	(Unaudited) June 30, 2007	(Audited) December 31, 2006
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 31,351	\$ 32,454
Accounts receivable	114,887	114,463
Inventories	56,768	56,785
Other current assets	24,026	19,610
Total current assets	<u>227,032</u>	<u>223,285</u>
Investment in affiliates	7,893	7,715
Installment receivables due in excess of one year	28,297	35,863
Property, plant and equipment	26,996	25,834
Goodwill and intangible assets	15,137	15,167
Other assets	27,657	27,629
Total assets	<u>\$ 333,012</u>	<u>\$ 335,493</u>
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Notes and loans payable	\$ 75,046	\$ 70,789
Current portion of long-term debt	23,101	24,278
Accounts payable	18,153	19,076
Accrued liabilities	20,021	18,911
Total current liabilities	<u>136,321</u>	<u>133,054</u>
Long-term debt, excluding current portion	50,033	53,560
Other non-current liabilities	17,279	15,157
Minority interest	47,760	51,451
Total liabilities	<u>251,393</u>	<u>253,222</u>
SHAREHOLDERS' EQUITY:		
Common Shares, \$0.01 par value, authorized 20,000,000 shares; issued and outstanding 5,161,516 in 2007 and 5,086,766 in 2006	52	51
Additional paid-in capital	91,105	90,926
Deficit	(5,736)	(3,845)
Accumulated other comprehensive loss	(3,802)	(4,861)
Total shareholders' equity	<u>81,619</u>	<u>82,271</u>
Total liabilities and shareholders' equity	<u>\$ 333,012</u>	<u>\$ 335,493</u>

