

**FOR IMMEDIATE RELEASE**  
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**RETAIL HOLDINGS N.V. ANNOUNCES 2007 RESULTS  
AND 2008 PROPOSED DIVIDEND**

March 31, 2008, Curacao, Netherlands Antilles

Retail Holdings N.V. (Symbol: RHDGF)

Retail Holdings N.V. (“ReHo” or the Company”) announced today its results for the year ended December 31, 2007. The Company also announced that ReHo’s Board of Directors anticipates recommending for shareholder approval a dividend of \$0.60 a Share in 2008.

**2007 Year Results**

The Company’s consolidated results in 2007 continued to be impacted negatively by a still substantial, albeit smaller, loss at Singer Thailand, which masked the strong performance at Singer Asia’s retail operations.

For the year ended December 31, 2007, the Company reported consolidated revenue of \$276.2 million compared to consolidated revenue of \$243.7 million for the same period in 2006, an increase of \$32.5 million or 13.3%. Revenue at the retail operating units in Bangladesh, Pakistan and Sri Lanka increased by \$27.4 million for 2007 to \$205.3 million, or by 15.4% as compared to the same period in 2006. Revenue at Singer Thailand increased by \$5.0 million for 2007 to \$54.3 million, or by 10.2% as compared to the same period prior year.

The Company’s revenue in 2007 includes \$40.5 million of finance earnings on consumer credit sales compared to \$47.8 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, reflecting the decline in outstanding installment accounts, 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 year ended December 31, 2007 was \$107.1 million, representing a gross profit as a percentage of revenue of 38.8%, as compared to \$100.7 million and a gross profit percentage of 41.3% for the year ended December 31, 2006. The decline in gross profit percentage is primarily due to the decline in Thailand’s gross profit percentage, reflecting the higher share in revenue for 2007 as compared with 2006 of used and reverted products which carry a lower gross margin. Gross profit at the retail operating units in Bangladesh, Pakistan and Sri Lanka was \$68.7 million for the year ended December 31, 2007, representing a gross profit as a percentage of revenue of 33.5%, as compared to \$59.7 million and a gross profit percentage of 33.6% for the year ended December 31, 2006.

Selling and administrative expense for the year ended December 31, 2007 was \$101.0 million, representing 36.6% of revenue, as compared to \$111.4 million and 45.7% of revenue for the year ended December 31, 2006. The decline in selling and administrative expense as a percentage of revenue is primarily due to the reduction in Thailand's bad debt expense and to the growth in revenue in each of the operations with a less than corresponding increase in fixed and semi-variable selling and administrative expense. At the retail operating units in Bangladesh, Pakistan and Sri Lanka, selling and administrative expense for the year ended December 31, 2007 was \$44.6 million, representing 21.7% of revenue, as compared to \$41.0 million and 23.0% of revenue for the same period in 2006. Selling and administrative expense at Retail Holdings' corporate declined to \$2.0 million for 2007 as compared with \$2.8 million for the same period in the prior year.

Operating income for the year ended December 31, 2007 was \$6.2 million as compared to a loss of \$10.6 million for the same period in 2006. The improvement in operating income reflects the decline in Thailand's operating loss from \$23.4 million for the year ended December 31, 2006 to \$13.3 million for the year ended December 31, 2007, and the increase in operating profit at the retail operating units in Bangladesh, Pakistan and Sri Lanka from \$18.8 million for the year ended December 31, 2006 to \$24.1 million for the year ended December 31, 2007.

The continued operating loss at Singer Thailand largely reflects the legacy impact on revenue, S&A expense and operating profit of the motorcycle credit sales boom in 2004, 2005 and 2006, and the subsequent decline in motorcycle account collection performance and resulting higher levels of bad debt expense, product revert and inventory provision. The continued loss has also necessitated a larger valuation reserve for a portion of the deferred tax asset, further impacting the Thailand results. The introduction in 2006 continuing into 2007 of tighter credit granting procedures, Singer Thailand's exit from the motorcycle business (except for the continued sale of reverted products) and the restructuring and consolidation of the operation resulted in a significantly smaller loss for 2007 than for the prior year

Interest expense was \$17.2 million and \$13.8 million for the years ended December 31, 2007 and December 31, 2006, respectively. The increase in interest expense reflects higher interest rates in Sri Lanka and the increased financing required to support the increased level of sales and the promotion of credit in markets other than Thailand.

Equity earnings from Operating Affiliates were \$1.7 million and \$1.6 million for the years ended December 31, 2007 and December 31, 2006, respectively. The slightly higher level of affiliate income for 2007 was achieved despite the sale of the remaining stake in one of the Company's affiliates in Sri Lanka.

Royalty expense was \$2.8 million and \$2.4 million for the years ended December 31, 2007 and December 31, 2006, respectively. The increase in royalty expense is due to the increased revenue at Singer Asia. The royalty expense is for the use of the Singer trademark by Singer Asia and its operating companies.

Miscellaneous other income was \$6.1 million for the year ended December 31, 2007 and \$8.3 million for the year ended December 31, 2006. Other income in 2007 includes \$3.5 million of interest income from cash investments and the KSIN and Jamaica Notes receivable and \$1.1 million from disposal of property, plant and equipment. Other income in 2006 includes \$3.5 million of interest income and a \$3.0 million gain from reversal of a valuation reserve no longer required relating to a KSIN note.

The Company's loss before provision for income tax and minority interest declined from \$17.0 million for the year ended December 31, 2006 to \$6.0 million for the year ended December 31, 2007. The smaller loss reflects the improvement in operating income of \$16.8 million for 2007 as compared with 2006 as well as an increase in earnings from affiliates, offset, in part, by higher interest and royalty expense and lower other income, net.

Provision for income taxes amounted to \$7.7 million and \$0.7 million for the years ended December 31, 2007 and December 31, 2006, respectively. The increase in provision for income taxes primarily results from an increase of \$7.9 million in the valuation allowance for deferred taxes, reflecting uncertainties regarding the realization of the net operating loss carry forward in Thailand, as well as from additional provisions reflecting higher pre-tax income in the other operations.

Minority interest share in loss was \$10.4 million for the year ended December 31, 2007 as compared to minority interest share in loss of \$15.5 million the same period prior year. The decline in minority interest share in loss primarily reflects the smaller loss at Singer Thailand for 2007 as compared to 2006, which loss is shared by both the 46.6% public shareholders of Singer Thailand and the 43.2% minority shareholders of Singer Asia.

The Company's net loss for the year ended December 31, 2007 was \$3.3 million, as compared to a net loss of \$2.3 million for the year ended December 31, 2006. The \$1.0 million deterioration primarily reflects the increase in provision for income taxes and the decline in minority interest share in loss. The increase in provision for income taxes and the decline in minority interest share in loss both primarily relate to the additional valuation allowance for deferred taxes in Thailand -- a non-cash item.

The Company's net loss is equivalent to a basic and diluted loss per Share of \$0.64 in the year ended December 31, 2007, compared to a basic and diluted loss per Share of \$0.44 in the year ended December 31, 2006.

### **Chairman Comments**

Commenting on the 2007 results, Stephen H. Goodman, ReHo's Chairman, President and Chief Executive Officer, remarked, "I am very pleased that the key Singer Asia operations, the retail and consumer financial services businesses in Bangladesh, Pakistan and Sri Lanka, continued to perform extremely well during 2007; revenue grew 15.4% to \$205.3 million while operating profit increased 28.3% to \$24.1 million. With 743 shops, 1,496 distributors and dealers, 523,000 active installment accounts and over 3,470 dedicated employees, Singer in Bangladesh, Pakistan and Sri Lanka enhanced its position during 2007 as the number one retailer of durable products for the home. Following the anticipated entry during 2008 into the consumer durable market in India, Singer Asia will have a unique retail presence throughout the India subcontinent.

"I am, of course, disappointed by the slow recovery in Thailand and the resulting continued drag on Singer Asia's, and on Retail Holdings' consolidated results. While Thailand's revenue increased 10.2% to \$54.3 million, operating results improved by \$10.1 million and the operation continued to be strongly cash flow positive, reducing outstanding debt by a further \$25.0 million, Singer Thailand still had an operating loss for

2007 of \$13.3 million, 53.4% of which loss flows through to Singer Asia's, and 30.3% of which loss flows through to Retail Holdings' consolidated results. Management anticipates that Thailand's performance will continue to improve in 2008, largely reflecting the anticipated growth in appliance sales and the final exit from the unsuccessful motorcycle business.

"Retail Holdings' strategy remains unchanged, to maximize and monetize the value of its assets with the medium-term objective of liquidating the Company and distributing the resulting funds and any remaining assets to its shareholders. The Company's objective is to ultimately distribute to shareholders at least the value of its tangible net assets and possibly significantly more, although there is certainly no assurance that this can be achieved. Consistent with the strategy and this objective, the Company initiated a dividend program during 2007, paying a special dividend of \$1.00 per Share. The Company's Board of Directors anticipates recommending for shareholder approval a dividend of \$0.60 a Share for 2008.

"I encourage all shareholders to read the Company's complete Summary Annual Report and consolidated financial statements, which are available on the Retail Holdings website or by request to the Company."

### **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. ReHo 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 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, 2007, 2006, 2005, 2004, 2003, 2002, and 2001 and for the three months ended December 31, 2000, together with the Auditor's Reports thereon; the 2007 Annual Report dated April 2008, and the prior Disclosure Statements and Reports dated May 2007, 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](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 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 rates, 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**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2007 AND 2006**

*(in thousands of U.S. dollars, except share data)*

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 24,835	\$ 32,454
Accounts receivable	109,646	114,463
Inventories	56,503	56,758
Other current assets	17,359	19,610
Total current assets	<u>208,343</u>	<u>223,285</u>
Investment in affiliates	8,053	7,715
Installment receivables due in excess of one year	23,820	35,863
Property, plant and equipment	28,851	25,834
Goodwill and other intangible assets	15,693	15,167
Other assets	26,949	27,629
Total assets	<u>\$ 311,709</u>	<u>\$ 335,493</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Notes and loans payable	\$ 70,261	\$ 70,789
Current portion of long-term debt	25,483	24,278
Accounts payable	21,666	19,076
Accrued liabilities	21,476	18,911
Total current liabilities	<u>138,886</u>	<u>133,054</u>
Long-term debt, excluding current portion	40,061	53,560
Other non-current liabilities	15,013	15,157
Minority interest	42,753	51,451
Total liabilities	<u>236,713</u>	<u>253,222</u>
<b>SHAREHOLDERS' EQUITY</b>		
Preferred shares, redeemable, \$0.01 par value, authorized 1,000,000 shares; issued and outstanding Series A convertible, nil shares in 2006 and 2005	-	-
Common shares, \$0.01 par value, authorized 20,000,000 shares; issued and outstanding 5,166,766 in 2007 and 5,086,766 in 2006	51	51
Additional paid-in capital	86,035	90,926
Deficit	(7,158)	(3,845)
Accumulated other comprehensive loss	(3,932)	(4,861)
Total shareholders' equity	<u>74,996</u>	<u>82,271</u>
Total liabilities and shareholders' equity	<u>\$ 311,709</u>	<u>\$ 335,493</u>

**RETAIL HOLDINGS N.V. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**  
*(in thousands of U.S. dollars, except share data)*

	<u>2007</u>	<u>2006</u>
REVENUES	\$ 276,245	\$ 243,706
COST OF REVENUES	169,105	142,969
Gross profit	<u>107,140</u>	<u>100,737</u>
SELLING AND ADMINISTRATIVE EXPENSES	100,968	111,350
Operating income (loss)	<u>6,172</u>	<u>(10,613)</u>
OTHER INCOME (EXPENSE)		
Interest expense	(17,228)	(13,830)
Other, net	5,074	7,414
Other income (expense), net	<u>(12,154)</u>	<u>(6,416)</u>
Loss before provision for income taxes and minority interest	(5,982)	(17,029)
PROVISION FOR INCOME TAXES	7,682	739
MINORITY INTEREST SHARE IN LOSS	<u>(10,351)</u>	<u>(15,466)</u>
NET LOSS	<u>\$ (3,313)</u>	<u>\$ (2,302)</u>
SHARE DATA		
Basic loss per share	\$ (0.64)	\$ (0.44)
Diluted loss per share	\$ (0.64)	\$ (0.44)
Basic weighted average common shares outstanding	5,139,945	5,148,989
Diluted weighted average common shares outstanding	<u>5,249,461</u>	<u>5,291,017</u>