

FOR IMMEDIATE RELEASE
August 18, 2010

INFORMATION CONTACT
Amy Pappas at (914) 241-3404

**RETAIL HOLDINGS N.V. FORECASTS RECORD PROFITS
FOR FULL YEAR 2010**

August 18, 2010, Curaçao, Netherlands Antilles

Retail Holdings N.V. (Symbol: RHDGF)

Retail Holdings N.V. (“ReHo”, together with its subsidiaries and affiliates, the “Company”) announced today:

- **Significantly improved operating results for the first half of 2010,**
- **Subsequent, substantial one-time gain, and**
- **Likely higher future distributions**

Commenting on the 2010 first half results and other recent developments, Stephen H. Goodman, the Company’s Chairman, President and CEO, noted, “I am extremely pleased by the Company’s very strong performance during the first half of 2010, reflecting a substantial increase in revenue and the success of the efforts in late 2008 continuing in 2009 to reduce overheads and manage down debt and interest expense. On a like-to-like basis, excluding Thailand from both the 2009 and 2010 results, revenue was up 23.9%, and results from operations excluding other income was up 71.6% for the first six months of 2010, as compared to the same period prior year, while interest expense was down 37.0%. Revenue and results from operations at Singer Thailand increased 38.2% and 54.6%, respectively, in the first half of 2010 while interest expense declined 11.0%. Overall, the Company’s net profit for the six months ending June 30, 2010 was \$8.1 million, equivalent to earnings per share of \$0.80 attributable to ReHo equity holders. This compares with a net profit for the same period in 2009 of \$2.1 million.”

One-Time Gain, Record Profits

The Company realized an additional, extraordinary, net profit of \$22.2 million in July, equivalent to earnings per share of \$1.76 attributable to ReHo equity holders, as a consequence of the sale by the Company’s 75% owned operating subsidiary in Bangladesh of its remaining 35.6% equity interest in International Leasing and Financial Services Ltd. The transaction closed in August 2010, at which time the Company received cash consideration of approximately \$31.9 million.

Mr. Goodman added, “As a result of this sale, and the Company’s strong first-half year operating performance, which is likely to continue through the remainder of the year, the Company should report a record profit for 2010, probably in excess of \$37.0 million, equivalent to earnings per share of more than \$3.25 attributable to ReHo equity holders.

“Shareholders at the Annual General Meeting this year approved a distribution of \$0.80 per share to be paid on or about August 19, 2010 to shareholders of record on August 5, 2010. The record profit anticipated for 2010 should enable ReHo to increase the level of shareholder distributions in 2011 beyond this amount and to maintain ReHo’s dividend/distribution program in later years in line with the Company’s strategic goals.”

Mr. Goodman concluded, “I sincerely thank the Company’s 8,500 employees for their extraordinary contribution to enable the Company to realize this remarkable success. I encourage all shareholders to read the Company’s complete Summary Semi-Annual Report which is available on the Corporate/Investor section of the Retail Holdings’ website, www.retailholdings.com, or can be obtained free of charge by email, telephone or regular mail request to the Company.”

2010 First Half Results

Reflecting both improvement in the Company’s operations and an emerging economic recovery in many of the markets in which the Company operates, Company revenue and profits were substantially improved in the first six months of 2010 as compared with the same period prior year. Comparing the six months ended June 30, 2010 with earlier periods is difficult because of the Company’s sale, effective December 2009, of a controlling interest in Singer Thailand Public Company Limited (“STL”) which reduced its overall stake to 48.5%. Consequently, for the first six months of 2010, STL is considered as an equity accounted investee while in prior periods STL is considered as a subsidiary. The effect is to significantly reduce consolidated revenue and cost, but with only a small impact on profit after tax.

For the six months ended June 30, 2010, the Company had consolidated revenue of \$124.6 million compared to consolidated revenue of \$124.0 million for the same period in 2009 when STL was included in the consolidation. Excluding STL, consolidated revenue in the first six months of 2009 would have been \$100.6 million. On a like-to-like basis, revenue increased by \$24.0 million for 2010, or by 23.9% as compared to the same period in 2009. Revenue at the retail operating units in Bangladesh, Pakistan and Sri Lanka increased by \$18.4 million for 2010 to \$112.3 million, or by 19.6% as compared to the same period in 2009.

The Company’s revenue for 2010 includes \$10.3 million of finance earnings on consumer credit sales compared to \$16.8 million for the same period in 2009. The decrease in finance earnings is due to the deconsolidation of STL for the first six months of 2010 and a shrinkage in the outstanding credit book as a result of declining sales in 2009.

Gross profit for the six months ended June 30, 2010 was \$40.3 million, representing a gross profit as a percentage of revenue of 32.4%, as compared to \$48.6 million and a gross profit percentage of 39.2% for the six months ended June 30, 2009 when STL was included in the consolidation. Excluding STL, gross profit in the first six months of 2009 would have been \$33.0 million and the gross profit percentage 32.8%. Gross profit at the retail operating units was \$37.4 million for the six months ended June 30, 2010, representing a gross profit as a percentage of revenue of 33.3%, as compared to \$31.2 million and the same gross profit percentage for the six months ended June 30, 2009.

Other income for the six months ended June 30, 2010 was \$0.9 million as compared to \$1.5 million of other income for the six months ended June 30, 2009. Other income arises primarily from the sale of excess or non-core assets. Other income in the first half of 2009 was boosted by a gain on the sale of a portion of the Company’s stake in International Leasing and Financial Services Ltd., an operating affiliate in Bangladesh.

Selling and administrative expenses (“S&A”) for the six months ended June 30, 2010 were \$26.6 million, representing 21.4% of revenue, as compared to \$39.7 million and 32.0% of revenue for the six months ended June 30, 2009 when STL was included in the consolidation. Excluding STL, consolidated S&A in the first six months of 2009 would have been \$24.5 million, representing 24.4% of revenue. S&A at the retail operating units was \$22.9 million for the six months ended June 30, 2010, representing 20.4% of revenue as compared to \$21.4 million and 22.8% of revenue for the six months ended June 30, 2009. The decline in S&A relative to revenue reflects the flow through benefit of the cost saving measures introduced in late 2008 and early 2009.

Other expense, primarily royalty paid to SVP for the use of the Singer® trademark by Singer Asia and its operating companies, was \$1.2 million for the six months ended June 30, 2010 and June 30, 2009.

Results from operating activities for the six months ended June 30, 2010 was a profit of \$13.3 million as compared to a \$9.2 million profit for the same period in 2009 when STL was included in the consolidation. Excluding STL, results from operating activities in the first six months of 2009 would have been a profit of \$7.7 million. On a like-to-like basis, profit from operating activities increased by \$5.6 million for 2010 or by 72.7% as compared to the same period in 2009. The improvement in results from operating activities is due primarily to the increase in revenue on a like-to-like basis and the decrease in S&A. Results from operating activities at the retail operating units was a profit of \$13.8 million for the six months ended June 30, 2010 as compared with a profit of \$9.3 million for the same period prior year.

Finance income was at \$1.8 million and \$1.6 million for the six months ended June 30, 2010 and June 30, 2009 respectively. Finance costs (including exchange gain or loss) was \$5.4 million for the six months ended June 30, 2010 as compared to financial costs of \$9.5 million for the same period in 2009 when STL was included in the consolidation. Excluding STL, finance costs for the first six months of 2009 would have been \$8.5 million. The decrease in financial costs was due both to a reduction in interest rates from the prior period, particularly in Sri Lanka, and tighter balance sheet management and resulting reduction in outstanding debt.

Share of profit of equity accounted investees was \$1.6 million and \$0.3 million for the six months ended June 30, 2010 and June 30, 2009, respectively. \$0.9 million of the improvement in share of profit of equity accounted investees is due to the inclusion of STL as an equity accounted investee in 2010.

The Company’s profit before income tax was \$11.4 million for the six months ended June 30, 2010 as compared to a \$1.5 million profit from continuing operations before income tax for the same period in 2009. The higher profit before income tax primarily reflects the increase in revenue on a like-to-like basis and the decline in S&A and in finance costs compared with the same period prior year.

Income tax expense was \$3.3 million for the six months ended June 30, 2010 as compared to \$0.6 million for the six months ended June 30, 2009. The increase in income tax expense is due to the increase in taxable profits at the operating locations.

For the six months ended June 30, 2010 the Company’s net profit from continuing operations was \$8.1 million as compared to a profit of \$0.9 million for the same period in 2009. The improvement in net profit primarily reflects the improvement of operating performance and finance expense, offset, in part, by higher taxes.

For the six months ended June 30, 2010 the Company’s profit for the period was \$8.1 million as compared to a profit of \$2.8 million for the same period in 2009.

The profit attributable to equity holders of the Company was \$4.2 million for the six months ended June 30, 2010 as compared to a profit of \$0.8 million for the same period prior year. A profit of \$3.9 million is attributable to minority shareholders for the six months ended June 30, 2010 as compared to a profit of \$1.9 million for the six months ended June 30, 2009. The higher percentage of profit attributable to equity holders of the Company in the first half of 2010 as compared to the same period prior year, 61% and 30% respectively, reflects the relatively stronger performance of operations in Sri Lanka and Bangladesh, which have smaller minority participations, and higher finance income and the absence of a loss from discontinued operations at ReHo corporate.

The profit attributable to equity holders of the Company is equivalent to basic earnings and diluted earnings per share of \$0.80 for the six months ended June 30, 2010 as compared to basic and diluted earnings per share of \$0.06 per share from continuing operations and \$0.16 per share overall for the same period prior year.

About Retail Holdings

ReHo is a holding company with three principal assets: 1) a 56.2% equity interest in 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, arising from the sale of the Singer worldwide sewing business and trademark in 2004; and 3) cash and cash equivalents. ReHo has no operating activities other than those carried out through Singer Asia.

ReHo 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. Price quotations for the ReHo's shares are available on the "Pink Sheets" quotation service under the symbol "RHDGF".

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, 2009, and all prior statements since September 2000, together with Auditor's Reports thereon; the 2009 Annual Report dated May 2010, and all prior Disclosure Statements and Reports since September 2000; and copies of all semi-annual and quarterly reports and press releases since September 2000; may be found at the Corporate/Investor section of the Company's website: www.retailholdings.com.

For further information, please contact Amy Pappas at (914) 241-3404.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2010 (Unaudited) AND DECEMBER 31, 2009 (Audited)

In thousands of US Dollars

	<u>June 30, 2010</u>	<u>December 31, 2009</u>
ASSETS:		
Property, plant and equipment	30,517	31,444
Intangible assets	6,732	6,726
Trade and other receivables due in excess of one year	49,468	46,016
Investment in equity accounted investees	16,561	14,648
Deferred tax assets	1,030	997
Other non-current assets	6,281	5,195
Total non-current assets	110,589	105,026
Inventories	50,201	38,378
Trade and other receivables	61,233	53,241
Cash and cash equivalents	19,549	20,087
Other current assets	5,040	5,954
Total current assets	136,023	117,660
Total assets	246,612	222,686
EQUITY		
Share capital	53	52
Share premium	81,612	81,428
Reserves	(303)	(411)
Deficit	(4,291)	(8,501)
Total equity attributable to equity holders of the Company	77,071	72,568
Non-controlling interest	46,393	44,630
Total equity	123,464	117,198
LIABILITIES		
Loans and borrowings over one year	16,966	11,587
Employee benefits	2,833	2,811
Deferred income over one year	108	103
Warranty provision over one year	106	123
Other non-current liabilities	4,564	4,327
Total non-current liabilities	24,577	18,951
Bank overdraft	21,115	11,478
Loans and borrowings	40,110	46,354
Trade and other payables	35,738	26,949
Deferred income	782	1,051
Warranty provision	826	705
Total current liabilities	98,571	86,537
Total liabilities	123,148	105,488
Total equity and liabilities	246,612	222,686

RETAIL HOLDINGS N.V. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2010 AND 2009 (Unaudited)

In thousands of US Dollars

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Continuing operations		
Revenue	124,557	123,997
Cost of sales	84,242	75,382
Gross profit	40,315	48,615
Other income	890	1,470
Selling and administrative expenses	(26,617)	(39,669)
Other expenses	(1,246)	(1,240)
Results from operating activities	13,342	9,176
Finance income	1,839	1,574
Finance costs	(5,376)	(9,524)
Net finance costs	(3,537)	(7,950)
Share of profit of equity accounted investees (net of income tax)	1,643	272
Profit before income taxes	11,448	1,498
Income tax expense	(3,349)	(618)
Profit from continuing operations	8,099	880
Discontinued operation		
Profit from discontinued operation (net of income tax)	-	1,906
Profit for the period	8,099	2,786
Attributable to:		
Owners of the Company	4,202	839
Non-controlling interest	3,897	1,947
Profit for the period	8,099	2,786
Earnings per share		
Basic earnings per share (U.S. Dollars)	0.80	0.16
Diluted earnings per share (U.S. Dollars)	0.80	0.16
Continuing operations		
Basic earnings per share (U.S. Dollars)	0.80	0.06
Diluted earnings per share (U.S. Dollars)	0.80	0.06