

FOR IMMEDIATE RELEASE
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RETAIL HOLDINGS N.V. ANNOUNCES RECORD PROFIT FOR 2010

March 31, 2011, Curacao

Retail Holdings N.V. (Symbol: RHDGF)

Retail Holdings N.V. (“ReHo” or the “Company”) announced today results for the year ended December 31, 2010. The Company also announced that ReHo’s Board of Directors anticipates recommending a distribution of at least \$1.00 a share for shareholder approval at the Annual General Meeting.

Financial highlights from today’s announcement include:

- Record profit of \$36.1 million for the year, \$16.6 million of which is attributable to the Company’s shareholders, equivalent to \$3.14 per share.
- Revenue up 25.9% to \$264.1 million on a like-to-like basis, excluding Singer Thailand from both the 2009 and 2010 results.
- Results from operating activities up 68.0% to \$49.9 million.
- After tax profit up 108.8% to \$36.1 million.
- Equity attributable to ReHo shareholders up 24.9% to \$90.7 million.

Chairman’s Comments

Commenting on the 2010 results, Stephen H. Goodman, the Company’s Chairman, President and CEO, noted, “I am extremely pleased by the Company’s very strong performance during 2010, reflecting a substantial increase in revenue and the success of the efforts to control overhead and reduce debt and interest expense. As a result of its enhanced performance and stronger financial condition, lower cost structure and improved balance sheet, and with its extensive distribution network and dedicated personnel in Asia, the Company is well positioned to take advantage of the emerging economic recovery in Asia. This is reflected in the results for the first quarter of 2011, with revenue and profit both significantly higher than for the same quarter in 2010 and exceeding the projections in the Company’s plan.

“ReHo’s medium- to long-term strategy remains unchanged--to maximize and monetize the value of its assets, with the 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 its shareholders at least the equivalent of its net asset value, but potentially up to and possibly in excess of its derived market valuation. Consistent with this strategy, the Company intends to continue both its dividend/distribution and its share repurchase programs.

“I encourage all shareholders to read the Company’s complete Summary Annual Report and the audited consolidated financial statements, which are both 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 Year Results

The Company realized a record profit of \$36.1 million for the year ended December 31, 2010, \$16.6 million of which is attributable to the ReHo shareholders. This was a result of the emerging economic recovery in the countries where Singer Asia operates, continued improvement in operating margins and better working capital management, supplemented by a profit from disposal of the Company’s remaining equity stake in its equity accounted investee in Bangladesh, International Leasing and Financial Services Limited (“ILFS”).

The overall results of operations, particularly comparisons to prior year, are impacted by the characterization of Singer Thailand as an equity accounted investee for the year ended December 31, 2010, Singer Thailand was a consolidated subsidiary of the Company in the year ended December 31, 2009, and by the sale of ILFS in July 2010.

For the year ended December 31, 2010, the Company reported consolidated revenue from continuing operations of \$264.1 million, compared to \$256.6 million for the same period in 2009, an increase of \$7.5 million or 2.9%. If the results of Singer Thailand are excluded from the 2009 comparatives, consolidated revenue increased by \$54.3 million or 25.9%. Revenue at the retail operating units in Sri Lanka, Bangladesh and Pakistan increased by 36.9%, 9.1% and 3.2%, respectively, compared to the same period in 2009. The especially strong revenue growth in Sri Lanka reflects the boost in consumer sentiment and demand following cessation of the civil war.

The Company’s revenue from continuing operations for the year ended December 31, 2010 includes \$21.3 million of finance earnings on consumer credit sales, compared to \$33.6 million for the same period in 2009. If Singer Thailand is excluded from the 2009 comparatives, finance earnings would have totaled \$20.5 million in 2009. The slower growth in finance earnings than revenue reflects the higher growth in cash sales as compared to credit sales.

Gross profit from continuing operations for the year ended December 31, 2010 was \$85.3 million, representing a gross profit as a percentage of revenue of 32.3%, compared to \$100.5 million and a gross profit percentage of 39.2% for the year ended December 31, 2009. If the Singer Thailand’s results are excluded from the 2009 comparatives, gross profit percentage for the year ended December 31, 2009 would have amounted to 33.0%. The slight drop in gross margin percentage is primarily due to the decrease in finance earnings as a proportion of consolidated revenue.

Other income from continuing operations for the year ended December 31, 2010 was \$26.2 million, compared to \$10.7 million for the year ended December 31, 2009. Other income in 2010 includes a \$24.5 million profit from the disposal by the Company’s subsidiary, Singer Bangladesh, of its remaining 35.6% equity interest in ILFS. Other income in 2009 includes a \$3.5 million profit from reversal of a KSIN Notes warranty provision and gains from the sale of 5.0% of Singer Bangladesh (\$2.9 million), 9.4% of ILFS (\$2.0 million), and 5.1% of Singer India (\$0.3 million).

Selling and administrative expenses from continuing operations for the year ended December 31, 2010 were \$58.9 million, representing 22.3% of revenue, compared to \$78.9 million and 30.7% of revenue for the year ended December 31, 2009. If the results of Singer Thailand are excluded from the 2009 comparatives, selling and administrative expenses from continuing operations in 2009 would have amounted to 23.9% of revenue. The decline in selling and administrative expenses as a percentage of revenue is due to the implementation, beginning in the fall of 2008, of cost-saving measures throughout the Company to improve operational efficiency.

Other expenses from continuing operations, royalty payments, were \$2.6 million both for the years ended December 31, 2010 and December 31, 2009. The royalty is for the use of the Singer trademark by Singer Asia and its operating companies and is calculated based on the Company's consolidated revenue.

Results from operating activities from continuing operations for the year ended December 31, 2010 were a profit of \$49.9 million, compared to a profit of \$29.7 million for the same period in 2009, an increase of \$20.2 million or 68.0%. If the results of Singer Thailand are excluded from the 2009 comparatives, results from operating activities in 2009 would have been \$26.2 million. The improvement in results from operating activities is due to the increase in other income and the reduction in selling and administrative expenses, offset, in part, by lower gross margin.

Finance income, primarily interest on the KSIN Notes at ReHo corporate, was \$3.6 million and \$3.3 million, respectively, for the years ended December 31, 2010 and December 31, 2009.

Finance costs from continuing operations, which represents interest expense on borrowings at the Singer Asia operating companies to finance working capital, were \$10.5 million and \$16.8 million for the years ended December 31, 2010 and December 31, 2009, respectively. If the results of Singer Thailand are excluded from the 2009 comparatives, finance costs in 2009 would have amounted to \$15.0 million. The decrease in finance costs is due both to lower interest rates, especially in Sri Lanka, and to the lower average levels of borrowings reflecting better working capital management and the pay down of debt in Singer Bangladesh from the proceeds from the sale of the ILFS shares. Funded debt increased marginally from \$69.4 million at December 31, 2009 to \$70.2 million at December 31, 2010.

Share of profit of equity accounted investees from continuing operations was \$2.5 million and \$1.1 million for the year ended December 31, 2010 and December 31, 2009, respectively. The increase is due to Singer Thailand becoming an equity accounted investee effective from January 2010.

The Company's profit from continuing operation before income tax was \$45.5 million for the year ended December 31, 2010, compared to \$17.3 million for the same period in 2009. The increase in profit of \$28.2 million reflects the flow through of the improved results from operating activities and lower finance expense.

Income tax expense from continuing operations increased to \$9.4 million for the year ended December 31, 2010 from \$1.9 million for the same period prior year. The effective tax rate, which is calculated based on total income tax expenses as a percentage of profit before tax from continuing operations excluding share of profit of equity accounted investees, was 21.8% for the year ended December 31, 2010, compared to 11.6% for the year ended December 31, 2009. The increase in the effective tax rate is due primarily to a shift in the profit mix from lower tax jurisdictions such as ReHo in Curacao and Singer Asia in the Cayman Islands to Singer Bangladesh and Singer Sri Lanka, which operate in higher tax jurisdictions. In addition, Singer Thailand's profits, which are not tax effected because of unutilized tax losses from previous years, were consolidated in the Company's

results for the year ended December 31, 2009, which had the effect of reducing the effective tax rate in 2009. For the year ended December 31, 2010, Singer Thailand's results are accounted for as an equity accounted investee and, therefore, have no impact on the calculation of the effective tax rate.

The Company's profit from discontinued operations was \$1.9 million for the year ended December 31, 2009. This was comprised of a \$0.2 million loss from the Philippines operations, a \$0.5 million loss on the write-off of receivables due from the Philippines company and a \$2.6 million gain on disposal, primarily reflecting a reversal of the Company's negative equity from past losses in the Philippines. The gain on disposal also includes \$0.9 million for foreign currency translation differences, which is reversed in the statement of comprehensive income.

The Company's profit for the year ended December 31, 2010 was \$36.1 million, compared to a \$17.3 million profit for the same period in 2009. The increase in profit of \$18.8 million reflects the flow through of the improved profit from continuing operations partly offset by higher tax charges.

The profit attributable to ReHo shareholders was \$16.6 million for the year ended December 31, 2010, compared to \$9.9 million for the same period prior year. A profit of \$19.5 million was attributable to non-controlling interests for the year ended December 31, 2010, compared to \$7.4 million for the year ended December 31, 2009. The improvement in profit attributable to owners of the Company is less than the improvement in profit attributable to non-controlling interests. This is mainly due to a shift of profit mix from ReHo and Singer Asia in 2009 to Singer Bangladesh and Singer Sri Lanka in 2010, in which the non-controlling interests have a larger share of the profits earned.

The profit attributable to equity holders of the Company from continuing operations is equivalent to basic and diluted earnings per Share of \$3.14 for the year ended December 31, 2010, compared to \$1.78 for the year ended December 31, 2009.

The profit attributable to equity holders of the Company is equivalent to basic and diluted earnings per Share of \$3.14 for the year ended December 31, 2010, compared to \$1.87 for the year ended December 31, 2009. This is an increase in basic and diluted earnings per Share of \$1.27.

About Retail Holdings

The Company holds three principal assets: 1) a 56.2% equity interest in Singer Asia, a distributor of consumer durable products in Bangladesh, India, Pakistan, Sri Lanka and Thailand 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. The Company has no operating activities other than those carried out through Singer Asia.

Retail Holdings is a Curaçao public company, which is the successor company to the Singer Company N.V. and its predecessor companies. Retail Holdings, 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 Retail Holdings' shares are available on the OTC Pink "Pink Sheets" quotation service under the symbol "RHDGF".

Additional financial and other information about the Company including: a copy of Retail Holdings' audited consolidated financial statements for the twelve months ended December 31, 2010, and all prior statements since September 2000, together with Auditor's Reports thereon; the 2010 Annual

Report dated March 2011, 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 Retail Holdings' website: www.retailholdings.com.

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

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER

In thousands of U.S. Dollars

	<u>2010</u>	<u>2009</u>
ASSETS		
Property, plant and equipment	43,360	31,444
Intangible assets	6,751	6,726
Trade and other receivables over one year	43,995	46,016
Investments in equity accounted investees	13,140	14,648
Deferred tax assets	-	997
Other non-current assets	7,888	5,195
Total non-current assets	115,134	105,026
Inventories	47,039	38,378
Trade and other receivables	68,872	53,241
Cash and cash equivalents	39,744	20,087
Other current assets	8,570	5,954
Total current assets	164,225	117,660
Total assets	279,359	222,686
EQUITY		
Share capital	53	52
Share premium	77,418	81,428
Reserves	4,232	(411)
Surplus / (Deficit)	8,969	(8,501)
Total equity attributable to equity holders of the Company	90,672	72,568
Non-controlling interest	71,084	44,630
Total equity	161,756	117,198
LIABILITIES		
Loans and borrowings over one year	16,323	11,587
Employee benefits	3,027	2,811
Deferred income over one year	132	103
Warranty provision over one year	95	123
Deferred tax liabilities	2,908	-
Other non-current liabilities	4,773	4,327
Total non-current liabilities	27,258	18,951
Bank overdraft	12,756	11,478
Loans and borrowings	41,086	46,354
Trade and other payables	34,515	26,949
Deferred income	1,185	1,051
Warranty provision	803	705
Total current liabilities	90,345	86,537
Total liabilities	117,603	105,488
Total equity and liabilities	279,359	222,686

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME

FOR THE YEAR ENDED 31 DECEMBER

In thousands of U.S. Dollars

	<u>2010</u>	<u>2009</u>
Continuing operations		
Revenue	264,130	256,557
Cost of sales	<u>(178,842)</u>	<u>(156,062)</u>
Gross profit	85,288	100,495
Other income	26,159	10,674
Selling and administrative expenses	(58,935)	(78,926)
Other expenses	<u>(2,641)</u>	<u>(2,566)</u>
Results from operating activities	49,871	29,677
Finance income	3,602	3,306
Finance costs	<u>(10,455)</u>	<u>(16,824)</u>
Net finance costs	(6,853)	(13,518)
Share of profit of equity accounted investees (net of income tax)	<u>2,519</u>	<u>1,124</u>
Profit before income tax	45,537	17,283
Income tax expense	<u>(9,398)</u>	<u>(1,882)</u>
Profit from continuing operations	36,139	15,401
Discontinued operations		
Profit from discontinued operations (net of income tax)	<u>-</u>	<u>1,905</u>
Profit for the period	36,139	17,306
Attributable to:		
Owners of the Company	16,612	9,866
Non-controlling interest	<u>19,527</u>	<u>7,440</u>
Profit for the period	36,139	17,306
Earnings per share		
Basic earnings per share (U.S. Dollars)	<u>3.14</u>	<u>1.87</u>
Diluted earnings per share (U.S. Dollars)	<u>3.14</u>	<u>1.87</u>
Continuing operations		
Basic earnings per share (U.S. Dollars)	<u>3.14</u>	<u>1.78</u>
Diluted earnings per share (U.S. Dollars)	<u>3.14</u>	<u>1.78</u>