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RETAIL HOLDINGS N.V. ANNOUNCES IMPROVED RESULTS
\$2.50 PER SHARE DISTRIBUTION

August 11, 2011, Willemstad, Curaçao

Retail Holdings N.V. (Symbol: RHDGF)

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

- **Significant improved operating results and profit for the first half of 2011**
- **A recommendation by the Board of Directors of a distribution of \$2.50 a Common Share.**

Commenting on developments, Stephen H. Goodman, the Company’s Chairman, President and CEO remarked, “I am extremely pleased by the Company’s continued strong performance. Consolidated revenue increased 24.4% during the first six months of 2011 as compared to the same period prior year, while profit attributable to Retail Holdings shareholders increased 95.8%. Retail Holdings continues to pursue its strategy 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. Reflecting the remarkable improvement in operating results and profit, the Company’s strong cash position and this strategy, the Board of Directors is recommending a \$2.50 per Share distribution.”

Mr. Goodman concluded, “I sincerely thank the Company’s 7,600 employees and associates for their extraordinary contribution in enabling the Company to realize this success. I encourage all shareholders to read the Company’s complete Summary Semi-Annual Report for the period ended June 30, 2011, which is available at 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.”

2011 First Half Results

Company operating results and profit were substantially improved in the first six months of 2011 as compared with the same period prior year, reflecting both the continuing recovery in many of the markets in which the Company operates, particularly Sri Lanka, and further improvements in the Company’s operations and market position.

For the six months ended June 30, 2011, the Company had consolidated revenue of \$155.0 million compared to consolidated revenue of \$124.6 million for the same period in 2010, an increase of 24.4%. Revenue at the retail operating units in Bangladesh, Pakistan and Sri Lanka increased by 24.2% to \$139.5 million for the first six months of 2011. Revenue at the Company’s unconsolidated affiliate in Thailand increased by 17.3% to \$37.9 million.

The Company's revenue for the first six months of 2011 includes \$11.9 million of finance earnings on consumer credit sales compared to \$10.3 million for the same period in 2010. The slower growth in finance earnings compared to total revenue reflects the somewhat higher proportion of cash sales in 2011 as compared to credit sales.

Gross profit for the six months ended June 30, 2011 was \$52.3 million, representing a gross profit margin of 33.7%, as compared to \$40.3 million and a gross profit margin of 32.4% for the six months ended June 30, 2010. The increase in gross profit margin is mainly due to a shift in revenue mix from Singer Bangladesh to Singer Sri Lanka, which has a somewhat higher gross margin.

Other income for the six months ended June 30, 2011 was \$4.6 million as compared to \$0.9 million of other income for the six months ended June 30, 2010. The increase in 2011 is mainly due to the favorable settlement of long running litigation by ReHo in the United States, which generated net pre-tax income of \$3.8 million.

Selling and administrative expenses ("S&A") for the six months ended June 30, 2011 were \$36.1 million, representing 23.3% of revenue, as compared to \$26.6 million and 21.4% of revenue for the six months ended June 30, 2010. The increase of S&A relative to revenue primarily reflects the decision to increase advertising and promotion during the first half of 2011 to coincide with the Cricket World Cup, which contributed to the growth in sales during this period, particularly in Sri Lanka, and to higher withholding taxes due to an increase in dividends from Singer Asia subsidiaries to Singer Asia.

Other expense, primarily royalty paid to SVP for the use of the Singer trademark by Singer Asia and its operating companies, was \$1.6 million and \$1.2 million for the six months ended June 30, 2011 and June 30, 2010 respectively, reflecting the increase in revenue.

Results from operating activities for the six months ended June 30, 2011 was a profit of \$19.2 million, an increase of \$5.9 million or 44.0%, as compared to the same period in 2010. The improvement in results from operating activities is due primarily to the increase in revenue, gross profit margin and other income, partly offset by the increase in S&A.

Net finance costs for the six months ended June 30, 2011 were \$2.9 million as compared to \$3.5 million for the same period in 2010. The reduction in net finance costs primarily reflects higher finance income from the KSIN Notes and larger cash balances.

Share of profit of equity accounted investees was \$1.2 million and \$1.6 million for the six months ended June 30, 2011 and June 30, 2010, respectively. The decrease is mainly due to a loss of income as a result of the sale during the third quarter of 2010 of the Company's equity interest in its operating affiliate, International Leasing and Financial Services Limited, in Bangladesh, compensated by an improvement in Singer Thailand's results. Singer Thailand's after tax profit increased 37.8% to \$2.5 million for the six months ended June 30, 2011, from \$1.8 million for the same period in 2010.

The Company's profit before income tax was \$17.5 million for the six months ended June 30, 2011 compared to \$11.4 million in pre-tax profit for the same period in 2010, representing an increase of 52.7% or \$6.0 million. The higher profit before income tax reflects the flow through of the improvement in results from operating activities and the lower net finance costs.

Income tax expense was \$4.6 million for the six months ended June 30, 2011 compared to income tax expense of \$3.3 million for the six months ended June 30, 2010. This represents a decrease in the effective tax rate from 29.3% in 2010 to 26.2% in 2011. The decrease in the effective tax rate

primarily reflects a shift in profit mix from Singer Sri Lanka and Singer Bangladesh, which operate in relatively high tax jurisdictions, to Singer Asia and to ReHo, which are incorporated in the Cayman Islands and Curacao, respectively, which have a lower tax structure, as well as a reduction in the corporate income tax rate in Sri Lanka from 35% to 28%.

For the six months ended June 30, 2011 the Company's net profit was \$12.9 million compared to a net profit of \$8.1 million for the same period in 2010. The \$4.8 million or 59.4% improvement in net profit reflects the improvement in profit before tax and the lower effective tax rate.

The profit attributable to equity holders of the Company was \$8.2 million for the six months ended June 30, 2011 as compared to \$4.2 million for the same period prior year. A profit of \$4.7 million is attributable to minority shareholders for the six months ended June 30, 2011 as compared to \$3.9 million for the six months ended June 30, 2010. The higher percentage of profit attributable to equity holders of the Company in the first half of 2011 as compared to the same period prior year, 63.7% and 51.9%, respectively, reflects a shift in profit mix from the Singer Asia operating companies and Singer Asia to ReHo, primarily because of the \$3.8 million other income from litigation settlement in the six months ended June 30, 2011.

The profit attributable to ReHo shareholders is equivalent to basic earnings and diluted earnings per share of \$1.55 for the six months ended June 30, 2011 as compared to basic and diluted earnings per share of \$0.80 per share for the same period prior year.

About Retail Holdings

ReHo 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.

ReHo is a Curaçao public company, which is the successor company to the Singer Company N.V. and its predecessor companies. ReHo, 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 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, 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 ReHo website: www.retailholdings.com.

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

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION JUNE 30, 2011 (Unaudited) AND DECEMBER 31, 2010 (Audited)

In thousands of US Dollars

	<u>June 30, 2011</u>	<u>December 31, 2010</u>
ASSETS:		
Property, plant and equipment	42,638	43,360
Intangible assets	6,769	6,751
Trade and other receivables due in excess of one year	48,241	43,995
Investment in equity accounted investees	13,646	13,140
Other non-current assets	8,654	7,888
Total non-current assets	119,948	115,134
Inventories	59,227	47,039
Trade and other receivables	83,215	68,872
Cash and cash equivalents	26,704	39,744
Other current assets	9,371	8,570
Total current assets	178,517	164,225
Total assets	298,465	279,359
EQUITY		
Share capital	53	53
Share premium	77,418	77,418
Reserves	3,099	4,232
Surplus	18,090	8,969
Total equity attributable to equity holders of the Company	98,660	90,672
Non-controlling interest	64,509	71,084
Total equity	163,169	161,756
LIABILITIES		
Loans and borrowings over one year	20,770	16,323
Employee benefits	3,376	3,027
Deferred income over one year	185	132
Warranty provision over one year	66	95
Deferred tax liabilities	2,746	2,908
Other non-current liabilities	5,246	4,773
Total non-current liabilities	32,389	27,258
Bank overdraft	17,303	12,756
Loans and borrowings	41,562	41,086
Trade and other payables	42,203	34,515
Deferred income	1,072	1,185
Warranty provision	767	803
Total current liabilities	102,907	90,345
Total liabilities	135,296	117,603
Total equity and liabilities	298,465	279,359

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010 (Unaudited)**

In thousands of US Dollars

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Revenue	154,977	124,557
Cost of sales	102,690	84,242
Gross profit	52,287	40,315
Other income	4,570	890
Selling and administrative expenses	(36,101)	(26,617)
Other expenses	(1,550)	(1,246)
Results from operating activities	19,206	13,342
Finance income	2,465	1,839
Finance costs	(5,394)	(5,376)
Net finance costs	(2,929)	(3,537)
Share of profit of equity accounted investees (net of income tax)	1,204	1,643
Profit before income taxes	17,481	11,448
Income tax expense	(4,574)	(3,349)
Profit for the period	12,907	8,099
Attributable to:		
Owners of the Company	8,226	4,202
Non-controlling interest	4,681	3,897
Profit for the period	12,907	8,099
Earnings per share (U.S. Dollars)		
Basic earnings per share	1.55	0.80
Diluted earnings per share	1.55	0.80