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Falkland Islands Holdings PLC
20 August 2013

AGM Statement

Falkland Islands Holdings plc ("FIH" or the "Group"), the international services Group which owns essential services businesses focused on transport and logistics and which has a 4% shareholding in Falkland Oil and Gas Limited ("FOGL"), is holding its Annual General Meeting ("AGM") at 2.30pm today, 20 August 2013, at the offices of FTI Consulting, 26 Southampton Buildings, London WC2A 1PB.

At the AGM, David Hudd, Chairman, will make the following statement:

"Overall the Group's trading performance for the first four months of the financial year has been satisfactory, at a broadly similar level to last year and in line with the Board's expectations.

"In the Falkland Islands, the quieter winter months have seen a good illex squid catch which has boosted the fishing agency, whilst increased house building has helped sales of construction materials and household goods. However, the absence of offshore oil exploration drilling has meant that retail sales have fallen slightly. Planned increases in government capital spending and renewed seismic survey activity are expected to stimulate the economy in the second half of the year.

"At the Portsmouth Harbour Ferry Company ("PHFC"), as expected, the rate of decline in passenger volumes slowed significantly compared to the prior year. Passenger numbers in the first 19 weeks declined by 1.9% compared to a reduction of 8.6% in the same period in the prior year. This decline has been more than offset by annual fare increases of 3.5% implemented on 1 June 2013. PHFC has now ordered a new ferry, "Harbour Spirit", from Croatian shipyard, Tehnomont, at a total cost of £3.2million. On delivery in late 2014, the cost will be largely financed by a 10 year boat loan. This will complete PHFC's vessel modernisation programme for the foreseeable future.

"Momart, the Group's fine art logistics and storage business, continues to perform well and large exhibitions planned for the second half of the year, including the Damien Hirst exhibition in Doha starting in October, underpin confidence in the future.

"The Group's liquidity position remains strong with cash balances in excess of £9million, following a normal seasonal increase in working capital. Bank borrowings of £1.7million will be fully repaid within two years.

"At the close of business on 19 August 2013, the Group's unchanged holding of 12.8million shares in FOGL had a market value of £3.7 million representing c.30p for every FIH share in issue.

"Subject to approval by shareholders at today's AGM, a final dividend of 7.5p per FIH share will be paid on 18 September 2013, to shareholders registered as at 30 August 2013. This payment will take the total dividend for the year ended 31 March 2013 to 11.5p per share (2012: 11.0p per share).

"In the UK we expect our businesses to continue to perform well for the remainder of the year with Momart set for further growth on the back of an exceptional order book. In the Falkland Islands, we

await the detailed development plans for the Sea Lion discovery which will crystallise further opportunities for FIC. In the meantime, we are continuing to develop our property assets with house building, refurbished offices for rental and improvements to our retail facilities. Further 3D seismic activity will take place in FOGL's licensed area later in the year, with an expectation of further exploratory drilling in 2014."

- Ends -

Enquiries:

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