

**31 August 2017**

**FIH group plc**

**AGM Statement**

FIH group plc ("FIH", "the Company" or the "Group"), the international services group which owns essential services businesses in the UK and Falkland Islands is holding its Annual General Meeting ("AGM") at the offices of FTI Consulting at 200 Aldersgate, London EC1A 4HD at 11.30 a.m. today.

At the meeting, interim Chairman, Jeremy Brade, will make the following statement:

**New Chairman**

"I have been privileged to be interim Chairman of FIH for the past 4 months. Following the announcement yesterday of the appointment of Robin Williams, on 11 September, as permanent non-executive Chairman, the AGM today is my last formal engagement as Chairman before I step down to continue my previous role as an independent non-executive director. I would like to state on behalf of the board that we are delighted Robin has decided to join FIH as Chairman and we look forward to his guidance and support in the coming years. I know Robin is looking forward to meeting shareholders and getting to know the Group and its operations in more detail.

**Resumption of Dividends**

"As announced in the Group's annual report issued on 13 June 2017, subject to approval by shareholders at today's AGM, a final dividend of 4.0p per FIH share will be paid on 22 September 2017 to shareholders on the register at the close of business on 1 September 2017.

**Update on Trading**

"The Group's trading performance for the first five months of the financial year was in line with the equivalent period in the prior year. The Group's liquidity position remains strong with cash balances of £15.25 million at 31 August 2017, compared to £13.0 million at same time last year. Profitability across the Group was broadly similar to last year and cash flow has remained strong.

"In the Falkland Islands, in the absence of oil exploration in the waters offshore, economic activity has reverted to a more normal level. The first 5 months of the current year have not benefitted from the final boost received from the departing oil companies in Q1 2016-17 and year on year retail sales (down by 6.9%) also reflect the impact of increased competition from the company's principal competitor, which increased its retail space by 33% in November 2016. On a more positive note, housebuilding remained buoyant, and there was an improved squid catch.

"During the period oil prices remained flat at around \$50bbl and although Premier Oil, the largest licence holder in the North Falklands basin, has made further progress in reducing its projected production costs to around \$45bbl, it seems unlikely that development will take place without a sustained uplift in oil prices.

"At Momart, activity in the early part of the financial year has been encouraging, showing a modest improvement compared to last year. Further gains have been made in the commercial Gallery Services market and the company has continued to maintain its market leading position with the foremost UK institutions and museums. There has been encouraging progress in securing storage clients for the new art storage warehouse at Leyton. Occupancy is slightly ahead of budget, although revenues are still insufficient to cover the facility's fixed costs. As noted in our 2017 Annual Report there will be an inevitable drag on profits in the current year until a break-even 66% occupancy is achieved which we hope to see by 31 March 2018.

“At Portsmouth Harbour Ferry Company, passenger numbers in the 22 weeks to date showed a year-on-year decline of 1.9%, less than the 5.1% decline experienced last year. The completion of the Hard Interchange in June 2017 and the warm early summer weather saw passenger numbers increase. The subsequent wet and windy mid-summer weather dampened this initial encouraging start but August saw passenger numbers move back once again into positive territory. The arrival of the new carrier HMS Queen Elizabeth on 16 August to its new home base in Portsmouth harbour and the longer term boost to the local economy that its presence will bring should prove a positive factor in the medium term. Ferry revenue and operating profitability in the first 5 months was on a par with the prior year.

#### **Strengthened Board**

“In addition to our new Chairman the Group’s board has also been strengthened by the arrival in May 2017 of Rob Johnston, a seasoned public company director with extensive international business experience. Rob represents the Company’s largest shareholder, the Article 6 Marital Trust which holds 28.9% of the Company’s shares, and I am delighted to welcome Rob to the board and his first FIH AGM.

#### **Progress on Acquisitions Search**

“The board has continued to seek out suitable strategic acquisitions to enhance shareholder value and attract greater investor interest. New specialist M&A advisers have been engaged to assist in the search and generate a flow of opportunities. The Group is currently pursuing a number of potential targets, although discussions remain in their early stages. The board aims to secure a value accretive deal that offers good prospects for growth in the medium term.

#### **Outlook**

“A flat trading performance is expected for the full year with modest progress in the Group’s UK businesses and continued quiet trading conditions in the Falklands.”

- **Ends** -

#### **Enquiries:**

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