

RNS Number : 5853K
Falkland Islands Holdings PLC

22 April 2010

Falkland Islands Holdings plc
Pre Close Trading Update

Falkland Islands Holdings plc ("FIH" or the "Group"), the AIM quoted international services group which owns essential services businesses focused on transport and logistics and which has a major shareholding in AIM quoted oil exploration company Falkland Oil and Gas Limited ("FOGL"), is pleased to provide the following update on trading for the year ended 31 March 2010.

The FIH Board expects the results for the financial year ended 31 March 2010 to be above market expectations with underlying pre-tax profits (before amortisation and non trading items) a little ahead of the re-stated prior year figure of £2.3 million.

Highlights

- Falkland Islands Company - Stronger results than anticipated from the Group's business in the Falkland Islands, with freight and local service businesses boosted by oil exploration activity and mine clearance operations. Profits from property disposals and encouraging year on year growth at the newly extended West Store also contributed.
- Portsmouth Harbour Ferry Company - Previously implemented fare rises and tight control of operating costs offset a 4.3% decline in annual passenger numbers.
- Momart - Recovery in the commercial art market and success in winning large exhibition contracts boosted revenues and performance in the second half resulting in results ahead of budget.
- Liquidity - Helped by the sale of three million FOGL shares for £3.6 million in November 2009, the Group's cash position will show cash balances in excess of £3 million and net borrowings reduced to below £2 million at 31 March 2010.
- The Group's pre-tax profits will be boosted materially by the £3.1 million profit on the sale of FOGL shares in November 2009 together with £0.2 million of cash compensation received for the early surrender of a property lease at Momart.
- FOGL stake - The initial disappointing results reported by other companies now drilling the North Falklands basin have not affected prospects for success in the geologically separate South Falklands Basin where FOGL has its licence. Drilling on FOGL's Toroa prospect is expected to commence by the middle of the year.
- FIH retains 12 million FOGL shares (8.2% holding). At a price per FOGL share of 130p the market value of this holding at 31 March 2010 was £15.6 million.

Chairman David Hudd commented:

"I am delighted with the recovery in performance in both our Falklands operations and at Momart. Despite the global recession, the Group, with its family of resilient, cash generative businesses, is weathering the storm well. However, market conditions generally remain challenging and increased freight costs are likely to impact our Falklands business in the coming year.

"We continue to watch developments in the South Atlantic with keen interest and remain excited by the prospect of the potential upside that will flow from any commercial discoveries of hydrocarbons near the Falkland Islands."

The Group's preliminary results will be released on 23 June 2010.

Enquiries:

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