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Falkland Islands Holdings PLC
09 September 2010

Falkland Islands Holdings Plc

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 major shareholding in Falkland Oil and Gas Limited ("FOGL"), is holding its Annual General Meeting ("AGM") at 2.30pm today, 9 September 2010, at the offices of Financial Dynamics, 26 Southampton Buildings, London WC2A 1PB.

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

"Overall the Group continues to trade in line with management's expectations with satisfactory performances at each of the operating businesses despite challenging trading conditions.

At the Falkland Islands Company, the disappointing illex squid catches in April and May 2010 resulted in a quiet start to the year. However, oil exploration has boosted activity on the islands, especially in the retail sector. Benefiting from the expanded West Store, year to date retail sales are up 24% on the comparable period last year. However, automotive sales have remained subdued and profits from property sales are currently behind last year.

Momart, the Group's fine art logistics and storage business, has performed solidly in the year to date with pressure on exhibition activity being partially offset by increased demand from commercial galleries and collectors.

At the Portsmouth Harbour Ferry Company, passenger journeys for the year to date are 3% lower than last year, with discretionary weekend journeys particularly affected. We are pleased to report that good progress has been made in securing a 50 year lease from Gosport Borough Council for a new ferry pontoon. With the appointment of a locally based contractor imminent, installation of the new pontoon is now expected in Spring 2011.

The reduction in Group borrowings and the elimination of an interest rate collar in January 2010 have seen interest charges fall sharply and interest cover correspondingly improve to even healthier levels.

The Group's 12 million FOGL shares had a market value at the close of business on 8 September 2010 of approximately £14.2 million, equivalent to 153.7p for every FIH share in issue.

Assuming approval is granted by shareholders at today's AGM, a final dividend of 5.0p per FIH share will be paid on 29 October 2010 to shareholders registered as at 17 September 2010. This payment will take the total dividend for the year ended 31 March 2010 to 9.0p per share (2009: 8.0p per share).

We anticipate that the economic environment will continue to be challenging for the remainder of the financial year. However, the Group's overall financial position is robust and we remain well placed to take advantage of any further positive news from oil exploration activity in the Falklands."

- Ends -

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