6 December 2012

Falkland Islands Holdings plc

("FIH" or the "Group")

Results for the six months ended 30 September 2012

FIH, the AIM quoted international services group that owns essential services businesses focused on transport and logistics, and that has a material shareholding in AIM quoted oil exploration company Falkland Oil and Gas Limited, is pleased to announce its unaudited results for the six months ended 30 September 2012 (the "Period"). Comparisons shown below are for the same period in 2011-12 unless otherwise stated.

Group Financial Highlights

- Group revenue increased marginally to £16.52 million (2011: £16.51 million)
- Underlying Profit Before Tax* was unchanged at £1.19 million
- Diluted earnings per share based on underlying earnings were 7.8p (2011: 9.0p)
- The Board is proposing an unchanged interim dividend of 4.0p per share
- Net bank borrowings at 30 September 2012 were reduced to £2.5 million (31 March 2012: £3.0 million)
- In the period the Group raised £10 million gross from a share issue at 320p per share and £1 million from the sale of 1.175 million FOGL shares at 86p each
- The Group had cash on hand of £10.9 million at 30 September 2012 (31 March 2012 £2.8 million)

*Underlying profit before tax is defined as profit before tax, amortisation and non trading items

Operating Highlights

Falkland Islands Company

- Sales of £6.94 million (2011: £6.99 million)
- Profit Before Tax increased to £0.54 million (2011: £0.51 million)
- Total retail sales increased by 4.7% to £4.5 million (2011: £ 4.3 million)
- The Group will use the proceeds of the placing to develop the Group's assets in the Falkland Islands to take advantage of the opportunities that are expected to arise from the recent hydrocarbon discoveries

Portsmouth Harbour Ferry Company

- Sales up 3.3% to £2.22 million (2011: £2.15 million)
- Profit Before Tax of £0.31 million (2011: £0.39 million)
- Passenger numbers decreased by 7.6% to just over 1.6 million
- Travel pattern changes from dockyard and naval personnel led to the passenger number declines

Momart

- Sales maintained at £7.4 million
- Profit Before Tax and amortisation up 17.2% to £0.34 million (2011: £0.29 million)
- Major exhibitions included: The Damien Hirst Retrospective at Tate Modern and Bronzes at the Royal Academy

Falkland Oil & Gas Limited ('FOGL')

- FOGL announced farm-ins with Noble Energy Inc and Edison International s.p.a. FOGL now has a 40% interest in its northern licences and 52.5% in its southern licences
- Scotia and Loligo wells completed; hydrocarbons discovered at both wells confirming prospectivity of basins
- Further evaluation in progress and 3D seismic survey commences imminently
- Current shareholding in FOGL is 12.8 million shares representing a 4% stake. The market value of the holding on 5 December 2012 was £3.8 million
- On completion of the 2012 drilling campaign FOGL expects to have cash balances of approximately $220 million representing 43p for each FOGL share in issue.

David Hudd, Chairman of FIH, said:

"We are pleased to report another satisfactory set of results for the Group. Momart's Exhibition business performed particularly well with a number of leading UK exhibitions delivered for clients during the period, whilst the international commercial art market remained buoyant. The Portsmouth Harbour Ferry Company saw continued revenue growth and although it experienced a fall in passenger numbers we are confident that the earnings stream remains robust.

"We were disappointed by fall in the value of FOGL shares following the recent announcement of the initial findings from the Scotia well, but are encouraged that the results provide further endorsement of the hydrocarbon potential of the basin.

"At FIC, we are investing to take advantage of the economic growth that will follow from the exploitation of hydrocarbon discoveries. In July we completed a £10 million equity fundraising and since then, a succession of announcements has confirmed our view that the Islands have an exciting future. FIC has multiple development opportunities and our intent is demonstrated by the recent appointment of a property director to the FIC management team.

"The general outlook for the Group remains positive and we are confident that our portfolio of business will continue to perform well."

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Enquiries:

Falkland Islands Holdings plc David Hudd, Chairman John Foster, Managing Director	Tel: 01279 461 630 Tel: 07710 764556
WH Ireland Ltd. - NOMAD and Broker to FIH Adrian Hadden / Nick Field	Tel: 0207 220 1666
FTI Consulting Edward Westropp / Georgina Goodhew	Tel: 020 7831 3113

Copies of the Interim Report will be available on the Company's website www.fihplc.com

Chairman's and Managing Director's Review

Group overview

The Group is pleased to report satisfactory trading results for the six months to 30 September 2012, with revenues and underlying profits at the same level as the comparable period last year. In July 2012, the Group raised £10 million through an issue of ordinary shares, which will be used to develop the Group's assets in the Falkland Islands to take advantage of the opportunities which are expected to arise from the recent hydrocarbon discoveries.

Group revenue increased marginally to £16.52 million (2011: £16.51 million) and underlying Profit Before Tax (before amortisation) was unchanged at £1.19 million (2011: £1.19 million).

A summary of Group revenue and Underlying Profit Before Tax by business is shown below:

Revenue

Six months ended 30 September	**2012 £ million**	**2011 £ million**	Change %
Falkland Islands Company	**6.94**	6.99	-0.7%
Portsmouth Harbour Ferry	**2.22**	2.15	3.3%
Momart	**7.36**	7.37	-0.1%
Total	**16.52**	16.51	0.1%

Underlying Profit Before Tax

Six months ended 30 September	**2012 £ million**	**2011 £ million**	Change %
Falkland Islands Company	**0.54**	0.51	5.9%
Portsmouth Harbour Ferry	**0.31**	0.39	-20.5%
Momart	**0.34**	0.29	17.2%
Total	**1.19**	1.19	0.0%

Non Trading items comprise a profit of £0.8 million on the sale of FOGL shares and the costs of the capital raising of £0.7 million.

The charge for the amortisation of intangible assets was unchanged at £0.2 million.

After a full period's lease finance expense for the Gosport Pontoon of £0.12 million (2011: £0.06 million) financing costs for the six months to 30 September 2012 increased to £0.25 million (2011: £0.22 million) but were partially offset by increased interest income of £0.09 million (2011 £0.06 million) leaving net financing costs unchanged at £0.16 million.

After taking account of non trading items, amortisation of intangible assets and net financing costs, Profit Before Tax was £1.08 million (2011: £0.99 million)

As a result of the increased number of shares in issue diluted earnings per share based on reported earnings were 6.7p (2011: 6.8p) and based on underlying earnings were 7.8p (2011: 9.0p).

The Board is proposing an unchanged interim dividend of 4.0p per share (2011 4.0p per share) which will be paid on 25 January 2013 to shareholders on the register at the close of business on 14 December 2012.

At 30 September 2012, bank borrowings were £2.5 million (31 March 2012: £3.0 million), and the Group had cash on hand of £10.9 million (31 March 2012: £2.8 million).

Operating Review

Falkland Islands Company (FIC)

Whilst local demand remained muted and inflationary cost pressure continued during the period. FIC's underlying trading performance was encouraging. Overall revenue and operating profitability were maintained at £6.94 million (2011: £6.99 million) and £0.52 million respectively (2011: £0.52 million), despite the absence of property sales and northbound oil freight which together had boosted revenue last year by £0.4 million. After the allocation of finance charges and income from cash deposits, Profit Before Tax increased to £0.54 million (2011: £0.51 million).

Total retail sales increased by 4.7% to £4.5 million and the continued success of the enlarged store at the Mount Pleasant base ("West Store at MPA") that opened in November 2011 was a key contributor. Elsewhere like for like retail sales were unchanged despite reduced clothing sales in the West Store caused by the demise of Peacocks in the UK. A supply agreement with UK retailer BHS will see a broader clothing range introduced early in 2013.

Automotive sales increased by 23% to £0.85 million (2011: £0.69million) following investment in a new parts and accessories retail outlet and expansion of the vehicle hire fleet. In addition, £0.3 million was invested during the period to create a new Land Rover 4x4 showroom which opened in November 2012.

Rental income from FIC's property portfolio saw a small decline but we anticipate growing demand for rental accommodation and the intention is to build further properties for rental in central Stanley.

In order to meet the Group's own requirements and to bid for Falkland Islands Government and other contracts, FIC has established a joint venture (South Atlantic Construction Company (SAtCO) with a UK engineering and construction company Trant Construction Limited. There are encouraging signs of future work for SAtCO.

Portsmouth Harbour Ferry Company (PHFC)

PHFC saw continued revenue growth following the significant fare rises implemented at the end of June 2011 to fund the costs of the pontoon and a smaller fare increase in June 2012, with revenue rising 3.3% to £2.22 million (2011: £2.15 million).

Passenger numbers decreased by 7.6% to just over 1.6 million compared to a decline of 4.1% in the same period last year when fare increases were much greater (17.5% vs 3.5%). The major factor behind the decline in passengers has been a change in travel patterns by naval dockyard personnel who form a significant part of the ferry's core commuter traffic. The MoD's decision to withdraw travel to work expenses for the use of public transport has led to the loss of an estimated 300-400 regular week day ferry commuters (3-4,000 return ferry journeys per week). Combined with the poor summer weather and the economic situation, this led to a 9.8% fall in weekday traffic during the period, compared with a reduction of only 2.8% in the prior year. However, we expect this impact to be a one-off step change in traffic rather than a continuing trend, particularly given that overall employment levels in the Portsmouth area have held up reasonably well.

As a result of the decrease in passenger volumes and after absorbing a full six months of leasing costs for the Gosport Pontoon, Profit Before Tax was lower by £0.08 million at £0.31 million (2011 £0.39 million).

Momart

Following an improvement in profitability last year, Momart delivered a solid performance with first half revenues maintained at the same level as 2011 at £7.4 million, despite the absence of a one-off international contract which had accounted for sales of £0.9 million last year.

Museum Exhibition revenues increased by 15% to £3.95 million (2011: £3.44 million) and recurring storage revenues by 12.8% (from £0.77 million to £0.87 million), which offset a reduction in revenues from commercial clients and galleries of £0.63 million (20%).

Notable exhibitions delivered for clients in the period included: The Damien Hirst Retrospective at Tate Modern, Pre Raphaelites at Tate Britain, Bronzes at the Royal Academy, Lucien Freud at the National Portrait Gallery and British Design at the V&A.

The international commercial art market remained buoyant and Momart was increasingly able to benefit from its hard earned reputation for technical excellence and exemplary service by securing more added value work.

A 3% increase in overall gross margins more than covered an increase in costs and operating profit before amortisation increased from £0.35 million to £0.39 million with profit before tax and amortisation 17.2% ahead at £0.34 million.

Falkland Oil and Gas Limited (FOGL)

On 29 June 2012, the Group sold 1,175,000 shares in FOGL at a price of 86p per share realising £1.0 million in proceeds and generating a profit of £0.77 million. Following the sale the Group retains a holding of 12.825 million shares representing 4.0% of FOGL's issued share capital.

In the period, FOGL announced farm-outs to two substantial companies, US oil company Noble Energy Inc ("Noble") and Edison International s.p.a. As a result FOGL now has a 40% interest in its northern licences and 52.5% in its southern licences and Noble will assume the operatorship of the licences over the next two years. The resultant financial arrangements mean that at the conclusion of the 2012 drilling campaign FOGL is expected to have cash balances of approximately $220 million which should be sufficient to fund its share of currently planned exploration work.

During the period FOGL as operator spudded two wells. In September 2012, a gas discovery was declared on its Loligo well and on 27 November the result of the Scotia well was announced confirming that a working hydrocarbon system existed in that geological play. The well results showed that Scotia was a valid stratigraphic trap but the reservoir quality was poor at that location .

Further work is underway to evaluate the results of both wells. Substantial 3D surveys are expected to commence shortly and the expectation is that they will be followed by further exploration drilling.

At 30 September 2012, the market value of FIH's shareholding in FOGL was £8.4 million (based on a FOGL share price of 65.5p) or 67.6p per FIH share. The historic cost of the FOGL stake is £2.6 million or 20p per share. At 5 December 2012 the market value of the shareholding was £3.8 million.

Balance Sheet and Cash Flow

In July 2012, the Group issued 3.1 million new shares by means of a placing and open offer at 320 pence per share to raise £10 million before expenses to provide funds to invest in the Group's businesses in the Falkland Islands. The issue represented 25.1% of the enlarged share capital which has been increased to 12.4 million shares.

At 30 September 2012 the Group had bank borrowings of £2.5 million (31 March 2012: £3.0 million), HP liabilities of £0.4 million (31 March 2012: £0.4 million) and £4.9 million (31 March 2012 £4.9 million) in respect of the 50 year long term finance lease liabilities for the Gosport Pontoon. In addition the Group held cash balances of £10.9 million (31 March 2012: £2.8 million).

Outlook

Since the Group's equity fundraising in July 2012, a succession of announcements has confirmed our view that the Falkland Islands and the Group's interests there have an exciting future.

The two farm-ins to FOGL's licence area have secured the financing of further exploration to the South and East of the Islands, whilst Premier Oil's acquisition of control of the Sea Lion field should assure the exploitation of that discovery. These developments were followed in October 2012 by the Falkland Islands Government announcement that it would support the construction of a new port at Navy Point, Port William in Stanley's Outer Harbour, rather than expansion of the existing FIPASS facility in Stanley Harbour.

At FIC, we are investing now to take advantage of the economic growth which is expected to follow from the exploitation of hydrocarbon discoveries. We have added a property director to our FIC management team and are working with advisers in order to participate in the current port project. Particularly interesting is FIC's 300 acres of land that are contiguous with the Falkland Islands Government's land at Navy Point. Elsewhere in Stanley we are preparing plans for the possible development of each of our key sites encompassing residential, office and industrial uses. The related costs are being expensed which will depress profits in the short term but they are long term projects.

We are completing work on our automotive department by upgrading the service facility. We also intend to modernise our offices in Stanley which are housed in an iconic building but need refurbishment. The outlook for South Atlantic Construction (SAtCO) our construction joint venture remains promising.

In the UK the order book for Momart is strong and its service level and reputation as the UK market leader has continued to deliver prestigious contracts both in the UK and internationally. At PHFC, although current passenger numbers are disappointing the earnings stream remains robust.

The general outlook for the Group remains positive and we are confident that our portfolio of businesses will continue to perform well.

David Hudd
Chairman

John Foster
Managing Director

6 December 2012

Condensed Interim Consolidated Income Statement
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2012

Notes		Unaudited 6 months to 30 September 2012 £'000	Unaudited 6 months to 30 September 2011 £'000	Audited Year ended 31 March 2012 £'000
3	**Revenue**	**16,518**	16,510	34,109
	Cost of sales	(9,839)	(10,235)	(20,131)
	Gross profit	**6,679**	6,275	13,978
	Other administrative expenses	(5,327)	(4,929)	(10,410)
	Fund raising costs	(682)	-	-
	Gain on sale of FOGL shares	768	-	-
	Amortisation of intangible assets	(199)	(198)	(398)
	Administrative expenses	(5,440)	(5,127)	(10,808)
	Operating profit	**1,239**	1,148	3,170
	Finance income	92	64	123
	Finance expense	(250)	(222)	(457)
2	Net financing costs	(158)	(158)	(334)
	Profit before tax from continuing operations	**1,081**	990	2,836
4	Taxation	(346)	(357)	(580)
	Profit attributable to equity holders of the Company	**735**	633	2,256
5	**Earnings per share**			
	Basic	6.8p	6.9p	24.5p
	Diluted	6.7p	6.8p	24.4p

See note 5 for an analysis of earnings per share on underlying profit (defined as profit after tax before amortisation and non-trading items).

Condensed Consolidated Balance Sheet
AT 30 SEPTEMBER 2012

Notes		Unaudited 30 September 2012 £'000	Unaudited 30 September 2011 £'000	Audited 31 March 2012 £'000
	Non-current assets			
	Intangible assets	12,514	12,913	12,713
	Property, plant and equipment	13,391	12,839	12,911
	Investment properties	1,435	1,464	1,452
6	Shares held in Falkland Oil and Gas Limited	8,400	5,641	9,030
	Non-current assets held for sale	20	20	20
	Other financial assets	140	118	150
	Deferred tax assets	593	554	593
	Total non-current assets	36,493	33,549	36,869
	Current assets			
	Trading inventories	5,275	3,994	3,991
	Property inventories	1,010	1,006	1,010
	Inventories	6,285	5,000	5,001
	Trade and other receivables	5,181	5,473	5,620
	Other financial assets	426	337	385
	Cash and cash equivalents	10,876	2,376	2,751
	Total current assets	22,768	13,186	13,757
	TOTAL ASSETS	59,261	46,735	50,626
	Current liabilities			
	Interest bearing loans and borrowings	(1,160)	(1,116)	(1,140)
	Income tax payable	(632)	(666)	(508)
	Trade and other payables	(8,231)	(8,100)	(8,753)
	Total current liabilities	(10,023)	(9,882)	(10,401)
	Non-current liabilities			
	Interest bearing loans and liabilities	(6,665)	(7,555)	(7,145)
7	Employee benefits	(2,485)	(2,130)	(2,470)
	Deferred tax liabilities	(1,122)	(1,415)	(1,122)
	Total non-current liabilities	(10,272)	(11,100)	(10,737)
	TOTAL LIABILITIES	(20,295)	(20,982)	(21,138)
	Net assets	**38,966**	**25,753**	**29,488**
	Capital and reserves			
	Equity share capital	1,243	922	930
	Share premium account	17,436	7,618	7,871
	Other reserves	1,162	1,162	1,162
	Retained earnings	13,309	12,371	13,316
	Financial assets fair value reserve	5,816	3,680	6,209
	Total equity	**38,966**	**25,753**	**29,488**

Condensed Consolidated Cash Flow Statement
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2012

Notes		Unaudited 6 months to 30 September 2012 £'000	Unaudited 6 months to 30 September 2011 £'000	Audited Year ended 31 March 2012 £'000
	Profit for the period	**735**	633	2,256
	Adjusted for:			
	(i) Non-cash items:			
	Depreciation	560	507	1,069
	Amortisation	199	198	398
	Profit on disposal of fixed assets	-	-	(2)
	Amortisation of loan fees	8	-	16
	Expected return on pension scheme assets	-	(8)	(29)
	Interest cost on pension scheme liabilities	66	73	138
	Equity-settled share-based payment expenses	124	95	101
	Non-cash items adjustment	957	865	1,691
	(ii) Other items:			
	Bank interest receivable	(47)	(2)	(5)
	Bank interest payable	50	74	115
	Finance lease interest payable	126	75	-
	Gain on disposal of 1,175,000 FOGL shares	(768)	-	-
	Dividend approved not paid	-	(507)	-
	Income tax expense	346	357	580
	Other adjustments	(293)	(3)	690
	Operating cash flow before changes in working capital and provisions	**1,399**	1,495	4,637
	Decrease in trade and other receivables	439	338	127
	Decrease in property inventories	-	198	194
	(Increase)/decrease in trading inventories	(1,284)	221	224
	(Decrease)/increase in trade and other payables	(522)	(232)	419
	Decrease in provisions and employee benefits	(51)	-	(133)
	Changes in working capital and provisions	(1,418)	525	831
	Cash generated from operations	**(19)**	2,020	5,468
	Income taxes paid	(222)	(260)	(862)
	Net cash from operating activities	**(241)**	1,760	4,606
	Cash flows from investing activities			
	Purchase of 2 million FOGL shares	-	-	(860)
	Sale of 1,175,000 FOGL shares	1,005	-	-
	Purchase of property, plant and equipment	(1,023)	(5,726)	(1,277)
	Proceeds from disposal of property, plant & equipment	-	126	14
	Interest received	47	2	5
	Net cash from investing activities	**29**	(5,598)	(2,118)

Cash flow from financing activities			
Increase in other financial assets	(31)	(143)	(223)
Repayment of secured loan	(689)	(448)	(1,110)
Proceeds from new loans	95	4,957	260
Interest paid	(50)	(214)	(115)
Proceeds from the issue of ordinary share capital	9,878	-	261
Dividends paid	(866)	-	(872)
Net cash from financing activities	**8,337**	4,152	(1,799)
Net increase in cash and cash equivalents	**8,125**	314	689
Cash and cash equivalents at start of period	2,751	2,062	2,062
Cash and cash equivalents at end of period	**10,876**	2,376	2,751

Condensed Consolidated Statement of Comprehensive Income
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2012

Notes		Unaudited 6 months to 30 September 2012 £'000	Unaudited 6 months to 30 September 2011 £'000	Audited Year ended 31 March 2012 £'000
6	Gain/(loss) in fair value in shares of Falkland Oil and Gas Limited	128	(5,069)	(2,540)
	Transfer to the income statement on sale of shares in Falkland Oil and Gas Limited	(521)	-	-
7	Net actuarial loss on pension schemes net of tax	-	-	(319)
	Other comprehensive expense	(393)	(5,069)	(2,859)
	Profit for the period	735	633	2,256
	Total comprehensive income / expense	342	(4,436)	(603)

Condensed Consolidated Statement of Changes in Shareholders' Equity
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2012

	Unaudited 6 months to 30 September 2012 £'000	Unaudited 6 months to 30 September 2011 £'000	Audited Year ended 31 March 2012 £'000
Shareholders' funds at beginning of period	29,488	30,601	30,601
Profit for the period	735	633	2,256
Gain/(loss) in fair value in shares of Falkland Oil and Gas Limited	128	(5,069)	(2,540)
Transfer to the income statement on sale of shares in Falkland Oil and Gas Limited	(521)	-	-
Net actuarial loss on pension schemes net of tax	-	-	(319)
Total comprehensive income	342	(4,436)	(603)
Dividends paid or approved by shareholders	(866)	(507)	(872)
Proceeds from the issue of share capital	9,878	-	261
Share-based payments	124	95	101
Shareholders' funds at end of period	38,966	25,753	29,488

Notes to the Unaudited Interim Statements

1. Basis of preparation

This interim financial information comprises the condensed consolidated balance sheets at 30 September 2012, 30 September 2011 and 31 March 2012 and condensed consolidated statements of income, comprehensive income, cash flows and changes in shareholders' equity for the periods then ended and related notes of Falkland Islands Holdings plc (hereinafter 'the interim financial information').

The interim financial information has been prepared in accordance with the accounting policies set out in the Group's 2012 financial statements. As permitted, these interim financial statements have been prepared in accordance with AIM rules and not in accordance with IAS34 'Interim Financial Reporting'.

The adopted International Financial Reporting Standards ('IFRS') that will be effective (or available for early adoption) in the annual financial statements for the year ending 31 March 2013 are still subject to change and to additional interpretations and therefore cannot be determined with certainty. Accordingly, the accounting policies for that annual period will be determined finally only when the annual financial statements are prepared for the year ending 31 March 2013.

The Interim Report was approved by the Board on 6 December 2012.

Section 245 Statement

The comparative figures for the financial year ended 31 March 2012 are not the Company's full statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditor was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498 (2) or 498 (3) of the Companies Act 2006.

2. Finance income and expense

	Unaudited 6 months to 30 September 2012 £'000	Unaudited 6 months to 30 September 2011 £'000	Audited Year ended 31 March 2012 £'000
Bank interest receivable	47	2	5
Finance lease interest receivable	45	54	89
Expected return on pension scheme assets	-	8	29
Total financial income	**92**	64	123
Interest payable on bank loans	(50)	(74)	(115)
Interest cost on pension scheme liabilities	(66)	(73)	(138)
Amortisation of loan fees	(8)	-	(16)
Finance lease interest payable	(126)	(75)	(188)
Total financial expense	**(250)**	(222)	(457)
Net financing cost	**(158)**	(158)	(334)

3. Segmental revenue and profit analysis

	Unaudited 6 months to 30 September 2012				Unaudited 6 months to 30 September 2011			
	General trading (Falklands) £'000	Ferry services (Portsmouth) £'000	Arts logistics & storage (UK) £'000	Total £'000	General trading (Falklands) £'000	Ferry services (Portsmouth) £'000	Arts logistics & storage (UK) £'000	Total £'000
External revenue	6,942	2,216	7,360	**16,518**	6,989	2,148	7,373	16,510
Operating profit before amortisation and non-trading items	515	446	391	**1,352**	518	482	346	1,346
Open offer share issue costs	-	-	-	**(682)**	-	-	-	-
Gain on sale of FOGL shares	-	-	-	**768**	-	-	-	-
Amortisation	-	-	(199)	**(199)**	-	-	(198)	(198)
Amortisation and non-trading items	-	-	(199)	**(113)**	-	-	(198)	(198)
Segment operating profit	515	446	192	**1,239**	518	482	148	1,148
Finance income	90	2	-	**92**	62	-	2	64
Finance expense	(67)	(135)	(48)	**(250)**	(65)	(96)	(61)	(222)
Segment profit before tax	538	313	144	**1,081**	515	386	89	990
Assets and liabilities								
Segment assets	13,609	12,854	13,489	**39,952**	11,836	12,917	12,681	37,434
Segment liabilities	(6,698)	(6,974)	(4,307)	**(17,979)**	(7,410)	(6,983)	(4,368)	(18,761)
Unallocated assets and liabilities				**16,993**				7,080
Segment net assets	6,911	5,880	9,182	**38,966**	4,426	5,934	8,313	25,753
Other segment information								
Capital expenditure	611	115	297	**1,023**	370	5,054	302	5,726
Depreciation	221	159	180	**560**	196	160	151	507
Amortisation	-	-	199	**199**	-	-	198	198

Underlying profit before tax	General trading (Falklands) £'000	Ferry services (Portsmouth) £'000	Arts logistics & storage (UK) £'000	Total £'000	General trading (Falklands) £'000	Ferry services (Portsmouth) £'000	Arts logistics & storage (UK) £'000	Total £'000
Segment operating profit before amortisation and non-trading items	515	446	391	**1,352**	518	482	346	1,346
Finance income	90	2	-	**92**	62	-	2	64
Finance expense	(67)	(135)	(48)	**(250)**	(65)	(96)	(61)	(222)
Segment underlying profit before tax	538	313	343	**1,194**	515	386	287	1,188

3. Segmental revenue and profit analysis (continued)

	Audited Year ended 31 March 2012			
	General trading (Falklands) £'000	Ferry services (Portsmouth) £'000	Arts logistics & storage (UK) £'000	Total £'000
External revenue	14,979	4,160	14,970	34,109
Operating profit before amortisation	1,510	1,094	964	3,568
Amortisation	-	-	(398)	(398)
Segment operating profit	1,510	1,094	566	3,170
Finance income	86	33	4	123
Finance expense	(142)	(263)	(52)	(457)
Segment profit before tax	1,454	864	518	2,836
Assets and liabilities				
Segment assets	12,302	12,967	13,550	38,819
Segment liabilities	(7,006)	(7,060)	(4,261)	(18,327)
Unallocated assets and liabilities				8,996
Segment net assets	5,296	5,907	9,289	29,488
Other segment information				
Capital expenditure	632	5,080	524	6,236
Depreciation	435	303	331	1,069
Amortisation	-	-	398	398

Underlying profit before tax	General trading (Falklands) £'000	Ferry services (Portsmouth) £'000	Arts logistics & storage (UK) £'000	Total £'000
Segment operating profit before tax, amortisation and non-trading items	1,510	1,094	964	3,568
Finance income	86	33	4	123
Finance expense	(142)	(263)	(52)	(457)
Segment underlying profit before tax	1,454	864	916	3,234

4. Taxation
The taxation charge has been estimated to be 29.0% (2011: 30.0%).

5. Earnings per share

Earnings per share on underlying profit
To provide a comparison of earnings per share on underlying performance, the table below sets out basic and diluted earnings per share based on profits after tax before amortisation ('underlying profit after tax'):

	6 months to 30 September 2012 £'000	6 months to 30 September 2011 £'000	Year ended 31 March 2012 £'000
Weighted average number of shares in issue	10,798,400	9,220,414	9,227,351
Less: shares held under the ESOP	(37,712)	(36,499)	(36,499)
Average number of shares in issue excluding the ESOP	10,760,688	9,183,915	9,190,852
Maximum dilution with regards to share options	155,681	176,504	48,205
Diluted weighted average number of shares	10,916,369	9,360,419	9,239,057

	6 months to 30 September:		Year ended 31 March
	2012 £'000	2011 £'000	2012 £'000
Underlying profit before tax	**1,194**	1,188	3,234
Tax thereon	**(346)**	(357)	(817)
Tax rate	*29%*	*30%*	*25%*
Underlying profit after tax	**848**	831	2,417
Basic earnings per share on underlying profit	**7.9p**	9.1p	26.3p
Diluted earnings per share on underlying profit	**7.8p**	9.0p	26.2p

6 Financial assets - available for sale equity securities

(a) At fair value

The Group has an investment of 12,825,000 (2011:12,000,000) shares in the AIM quoted company Falkland Oil and Gas Limited ('FOGL').

	30 September 2012 £'000	30 September 2011 £'000	31 March 2012 £'000
FOGL share price	65.5p	47.0p	64.5p
Number of shares held by Group	12,825,000	12,000,000	14,000,000
Investment stated at fair value:			
Falkland Oil and Gas Limited	8,400	5,641	9,030

In June 2012, the Group sold 1,175,000 shares in FOGL, for a profit of £768,000 receiving net proceeds of £1,005,000. An unrealised gain of £128,000 (2011: loss of £5,071,000) has been recognised in the period and transferred to the Financial assets fair value reserve as a component of shareholders' funds.

(b) At cost

	30 September 2012 £'000	30 September 2011 £'000	31 March 2012 £'000
Investment at cost:			
Falkland Oil and Gas Limited	2,586	1,963	2,823

7 Employee benefits

The Company has elected to follow precedent and decided not to revalue its pension obligations at the half-year end. The Group's principal pension obligation, the Falkland Islands Company Limited Pension Scheme, is unfunded and therefore not subject to valuation volatility as a result of stock market fluctuations. At 31 March 2012 the Group's other pension fund, The Portsmouth Harbour Ferry Company Plc (1975) Retirement Scheme, showed a net deficit of £49,000.

8 Analysis of change in debt

	As at 1 April 2012 £'000	Cash flows £'000	As at 30 September 2012 £'000	As at 30 September 2011 £'000
Cash at bank and in hand	2,751	8,125	10,876	2,376
Debt due within one year	(1,140)	(20)	(1,160)	(1,116)
Debt due after one year - Bank loans	(1,987)	492	(1,495)	(2,467)
Debt due after one year - Hire Purchase	(245)	(24)	(269)	(156)
Debt due after one year - Pontoon Lease	(4,913)	12	(4,901)	(4,932)
Net debt at end of period	**(5,534)**	**8,585**	**3,051**	**(6,295)**