17 November 2016

FIH group plc

(“FIH” or the “Group”)

Results for the six months ended 30 September 2016

FIH, the AIM quoted group that owns essential services businesses in the UK and Falkland Islands, is pleased to announce its unaudited results for the six months ended 30 September 2016 (“the period”). Comparisons shown below are for the same period in 2015 unless otherwise stated.

Group Financial Highlights

- Group revenue £19.77 million (2015: £17.73 million)
- Profit Before Tax £1.02 million (2015: £1.41 million)
- Underlying Profit Before Tax* £1.05 million (2015: £1.10 million)
- Diluted earnings per share based on underlying earnings were 6.5p (2015: 6.8p)
- Bank borrowings at 30 September 2016 were £3.1 million (30 September 2015: £3.5 million)
- Group cash balances of £12.5 million at 30 September 2016 (30 September 2015: £10.8 million).

* Underlying Profit Before Tax is shown after bank interest and financing costs and excludes non-trading items and non-cash charges for the amortisation of intangible assets

Operating Highlights

Falkland Islands Company (“FIC”) – Return to normal profit and performance levels

- Overall 8.5% rise in FIC’s turnover to £8.56 million (2015: £7.89 million)
- Underlying Profit Before Tax declined to more normal levels of £0.52 million (2015: £0.73 million) following the departure of the Eirik Raude drilling rig and onshore support workers
- Overall retail sales down by 1.9% reflecting weakened consumer demand, but encouraging progress in Home Living and Building following recent investment
- Falklands 4x4 revenues +21.7% to £1.52 million (2015: £1.25 million) with strong demand for the last production run of the rugged Land Rover Defender.

Portsmouth Harbour Ferry Company (“PHFC”) – Stable performance with cost measures largely mitigating external challenges

- Profits broadly in line with the prior year; revenue +1% to £2.28 million (2015: £2.26 million)
- Passenger volumes down 4.7%, with external pressure from cheap petrol and subsidised Park & Ride scheme in addition to disruption from rebuilding of harbour rail/bus passenger interchange in Portsmouth
- Tight cost-control minimised decline in profitability : PBTa £0.36 million (2015: £0.39 million) with 2% increase in operating costs from rising fuel prices and increased vessel depreciation
- Performance expected to remain solid. Completion of Portsmouth passenger interchange early in 2017 and arrival of new carrier in May 2017 expected to boost local demand.

Momart - Strong sales growth with key contract wins, despite pressures on global art market

- Total revenue +17.8% to £8.93 million (2015: £7.58 million). Record levels of revenue from museums and 6.8% growth in sales revenue from Galleries and Private Clients
- Underlying Profit Before Tax improved to £0.17 million (2015: £0.02 million loss)
- Notable exhibitions included: Abstract Expressionism at the Royal Academy; Sunken Cities at the British Museum; Painters’ Paintings at the National Gallery; William Eggleston at the National Portrait Gallery; You Say You Want a Revolution at the V&A and The Radical Eye at Tate Modern
- Headwinds from increased competition and pricing pressure in the museum sector in particular. Museum order book at start of H2 has returned to an equivalent level to that of prior year, with lower margins
- Longer term outlook for private client services is good following completion of new state-of-the-art unit at Leyton which adds 33% to storage space.

Edmund Rowland, Chairman of FIH, said:

"Overall, we are pleased with the performance of the Group, in a year where we have seen a return to more normal trading levels in the Falklands, against the former period's uplift from oil exploration and in the UK, a solid performance from our ferry business and a record string of contract wins at Momart.

"The outlook for the second half of the year remains positive. In the Falklands we expect a return to quieter more normalised "pre-oil" trading and in the UK, the focus will be on securing new long term tenants for Momart's newly opened art storage facilities. Group cash reserves are strong and the long term prospects for all 3 group businesses are sound. Our strategy will be to continue to invest for long term growth whilst seeking out quality acquisitions in complementary areas of business that will help increase the Group's scale, earnings potential, and sustainable long term returns for shareholders."

- Ends –

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Chairman's and Chief Executive's Review

Group overview

The Group's trading results for the six months to 30 September 2016 were in line with expectations with underlying profitability being maintained at prior year levels despite the expected slow-down in the Falklands economy following the departure of the Eirik Raude exploration drilling rig.

Overall Group revenues grew by 11.5% but with the absence of £0.4 million of non-trading profits seen last year from the sale of the Group's remaining shares in Falkland Oil and Gas ("FOGL"), Profit Before Tax was lower by £0.4 million at £1.0 million (2015: £1.4 million). At a trading level, after a strong recovery by Momart, underlying profit before tax was £1.05 million, a similar level to that seen in H1 last year (2015: £1.10 million).

An analysis by business is shown below:

Revenue

Six months ended 30 September	**2016 £ million**	2015 £ million	Change %
Falkland Islands Company ("FIC")	**8.56**	7.89	8.5
Portsmouth Harbour Ferry ("PHFC")	**2.28**	2.26	1.0
Momart	**8.93**	7.58	17.8
Total Revenue	**19.77**	17.73	11.5

Underlying Profit Before Tax*

Six months ended 30 September	**2016 £ million**	2015 £ million	Change %
Falkland Islands Company	**0.52**	0.73	-28.4
Portsmouth Harbour Ferry	**0.36**	0.39	-6.8
Momart	**0.17**	(0.02)	-
Total Underlying Profit Before Tax	**1.05**	1.10	-4.1
Amortisation	**(0.03)**	(0.07)	-50.0
Profit on sale of FOGL shares	**-**	0.38	
Profit Before Tax	**1.02**	1.41	-28.1

As expected, profits in the Group's Falklands' business, FIC, returned to more normal levels as the local economy cooled and lucrative oil related revenue fell back following the end of the current round of oil exploration in Falklands' waters in early summer 2016. Despite an increase in lower margin sales of vehicles and housing, overall profitability at FIC returned to more normal levels with a pre-tax contribution of £0.52 million (2015: £0.73 million). At the Group's passenger ferry business, PHFC contribution was marginally lower at £0.36 million (2015: £0.39 million) due to increased costs linked to the arrival of the new vessel, Harbour Spirit. On a positive note, profits at the Group's art handling business, Momart, saw a welcome recovery, increasing by £0.19 million from a break even result last year, as the benefits of recent investments in sales and marketing began to emerge.

Diluted earnings per share (EPS) based on reported earnings were 6.3p (2015: 9.5p) and based on underlying earnings, diluted EPS were 6.5p (2015: 6.8p). At 30 September 2016, the Group had cash balances of £12.5 million (31 March 2016: £14.0 million) and bank borrowings of £3.1 million (31 March 2016: £3.3 million).

* *Underlying Profit Before Tax is shown after the allocation of central overheads and related financing costs and excludes non-trading items and non-cash charges for the amortisation of intangible assets.*

Operating Review

Falkland Islands Company (FIC)

In 2015, the arrival of the Eirik Raude drilling rig and its onshore rig support workers, saw activity lift sharply and profits in FIC rise by 31%. With the cessation of drilling and the departure of the rig in early 2016, profits at FIC returned to more normal levels falling back by 28.4% to £0.52 million (2015: £0.73 million) in line with the £0.55 million contribution seen in H1 2014.

The effects of the rig's departure were also exacerbated by a dramatic decline in the illex squid catch in Spring 2016, which led to a sharp reduction in profits from FIC's Fishing Agency as well as a further weakening in general consumer confidence in Stanley. With exploration drilling ended for the time being, H1 2016 saw a fall in southbound freight volumes and a decline in oil related demand for property rentals and vehicle hire. As a result, monthly rental rates in Stanley fell by 35% as corporate oil services tenants departed. Retail sales also came under pressure despite the completion of new customer parking facilities at the Crozier Place mini-retail park and the creation of a new in-shop café which helped boost sales at Home Living. With a much quieter Falklands economy, wholesale income from sales to local pubs and small retailers fell back sharply. Despite encouraging progress at Home Living and Home Builder, reflecting the positive impact of recent investment, overall retail sales decreased by 1.9% and with pressure on prices caused by weakening demand, retail gross margins also experienced a squeeze. These factors taken together led to a significant fall in profitability at FIC's largest business unit in H1 and the decline in retail contribution was the largest single factor in the reduction in FIC's pre-tax contribution.

FIC **Six months ended 30 September**	**2016** **£ million**	2015 £ million	Change %
Revenue			
Retail	**4.26**	4.34	-1.9
Falklands 4x4	**1.52**	1.25	21.7
Freight & Port Services	**0.57**	0.41	38.4
Support services	**0.54**	0.67	-19.6
Property Rental	**0.21**	0.27	-24.3
FBS (construction)	**1.46**	0.95	54.7
Total FIC revenue	**8.56**	7.89	8.5
FIC underlying profit before tax, before joint venture	**0.50**	0.62	-20.3
Share of results of Joint venture	**0.02**	0.11	-76.4
Underlying Profit Before Tax	**0.52**	0.73	-28.4

Despite the impact of the oil rig's departure, in areas unrelated to oil there were some encouraging increases in activity leading to an overall rise in FIC's turnover of 8.5% to £8.56 million (2015: £7.89 million).

In contrast to the decline seen in property rental and vehicle hire income, strong demand for the last production run of the rugged Land Rover Defender helped boost Falklands 4x4 revenues, with total vehicle sales increasing to 43 units vs 34 in H1 2015. Total 4x4 sales increased by 21.7% to £1.52 million (2015: £1.25 million). At Falklands Building Services (FBS), a continuing pipeline of government subsidised plots saw FBS turnover increase by 54.7% to £1.46 million (2015: £0.95 million) as FIC's construction arm completed 9 new homes in Stanley for mainly first time buyers. FIC's insurance broking and other support services all performed satisfactorily and a significant reduction in FIC's central administration costs helped mitigate the impact of the cessation of exploration drilling.

Supporting FIC's retail operations and 4x4 vehicle sales FIC's HP and vehicle leasing activities continued to expand with finance income rising by 26% to £123,000 (2015: £98,000).

SAtCO, the construction Joint Venture with Trant Engineering, was also heavily affected by the departure of the rig. Crane rental income declined sharply, ending in May 2016 and the 250 tonne crawler crane was shipped to the UK where it was sold in early November 2016. Despite modest continuing income from local government contracts, FIC's share of the JV's after tax contribution fell from £106,000 to £25,000. The contribution from SAtCO is included in the reported profits of FIC of £0.52 million.

Profit Before Tax from FIC in H1 decreased to £0.52 million (2015: £0.73 million).

In contrast to the record profits generated by FIC in H2 last year, the second half of the current year is also expected to see a return to more normal trading levels.

Portsmouth Harbour Ferry Company

The overall trading performance of the Group's passenger ferry business, PHFC, continues to be stable with profits broadly in line with the prior year. Overall ferry revenues increased by 1% to £2.28 million (2015: £2.26 million), in contrast to the small decline seen last year. Annual fare increases averaging 5% were put through in June 2016 and were again balanced by promotional discounts over the summer to stimulate increased ferry usage. However, passenger numbers continued to come under pressure as the ongoing impact of cheap petrol and Portsmouth Council's heavily subsidised Park & Ride scheme (offering regular commuters and shoppers a combined bus and car parking ticket for only £2) was further increased by the disruption caused by the rebuilding of the rail/bus passenger interchange on the Portsmouth side of the harbour. As a result, passenger volumes declined by 4.7% in H1 compared to last year. With these volume declines largely offset by increased fares, H1 ferry revenues were essentially unchanged at £2.3 million.

PHFC : **Six months ended 30 September**	**2016** **£ million**	2015 £ million	Change %
Revenue			
Ferry fares	**2.16**	2.15	0.7
Cruising and Other income	**0.12**	0.11	8.0
Total Ferry Revenue	**2.28**	2.26	1.0
Underlying Profit Before Tax	**0.36**	0.39	-6.8

Ferry operating expenses were again tightly controlled but with rising fuel prices and increased vessel depreciation, overall ferry operating costs increased by 2%.

With this small increase in costs and stable revenues, after the allocation of Group overheads and financing charges (PBTa), ferry profitability saw a small decline to £0.36 million (2015: £0.39 million).

Momart

Momart, the Group's art handling and logistics business saw an encouraging increase in revenue of 17.8%, lifting total H1 sales from £7.58 million last year to £8.93 million.

Momart : **Six months ended 30 September**	**2016** **£ million**	2015 £ million	Change %
Revenue			
Museums & Exhibitions	**5.06**	3.90	29.6
Commercial Galleries and Auction Houses	**2.88**	2.70	6.8
Art Storage	**0.99**	0.98	1.3
Total Revenue	**8.93**	7.58	17.8
Underlying profit Before Tax	**0.17**	(0.02)	-

Museum sales showed strong growth with a string of large contract wins in late 2015 manifesting themselves in a 29.6% increase in H1 sales, taking total Museum & Exhibition revenues in the 6 months to 30 September 2016, to a record level of £5.06 million (2015: £3.90 million).

Helped by the sharp rise in Museum revenue and an encouraging 6.8% growth in revenue from Galleries and Private Clients, underlying PBT at Momart recovered from an operating loss of £0.02 million in the prior year, to a profit of £0.17 million.

Although the increase in Museum sales was encouraging, museum budgets in the UK and overseas are under intense and increasing pressure with ever more emphasis being placed on price in the tender process. In order to win high profile museum contracts, Momart has had to maintain its innovative, efficient and expert approach whilst at the same time paying ever more attention to fine tuning pricing leading to margins and contract profitability becoming increasingly squeezed.

Notable museum exhibitions delivered for UK clients in the period included the installation of "Abstract Expressionism" at the Royal Academy, "Sunken Cities" at the British Museum, "Painters Paintings" at the National Gallery, "William Eggleston" at National Portrait Gallery "You Say You Want a Revolution" " at the V&A and "The Radical Eye" at Tate Modern.

After such a strong run, Momart's success was always likely to be challenged by competitors and whereas the large exhibition order book entering H1 at 31 March 2016 was at record levels, over 37% ahead of the prior year, the relative strength of this order book at the start of H2 (30 September 2016) has fallen back to an equivalent position to that of the prior year, albeit because of continued fierce competition and pricing pressure, these new contracts have been won at lower margins.

Revenues from commercial galleries and auction houses (Gallery Services) again showed a year on year increase building on the 5.6% rise seen in H1 last year, moving up by a further 6.8% this year to £2.88 million (2015: £2.70 million). This growth was achieved despite a cooling in the global commercial art market as evidenced by lower sales prices and reduced activity at art auctions in Europe and the US which was reflected in decreased work from leading auction houses. Revenues from private clients and sales to commercial galleries rose as Momart placed renewed focus on building new and existing client relationships and leveraging its recent investment in marketing and sales. In this less price sensitive area of the market margins too showed some improvement and despite a more modest increase in revenue, Gallery Services increased its contribution to Momart's overall gross profitability at a similar level to that of Momart's Museum Exhibition business.

With existing storage facilities at capacity pending the completion of the new state of the art unit at Leyton, which will add 33% to existing storage space in H2, overall storage revenue was flat in H1 at £0.99 million (2015: £0.98 million).

Although overheads remain tightly controlled, Momart continued to increase expenditure on marketing and business development. Recent marketing activity included the sponsoring of the International Art Fair Survey launched by the Art Newspaper, further improvements to the website and closer collaboration with trusted partners in joint promotional activities as well as additional digital marketing initiatives. Momart's partnership arrangements with the Christie's-owned online Collection Management portal, "Collectrium", were maintained and we continue to see significant long term potential growth prospects with this new digital platform for private collectors.

The global commercial art market continues to offer good long term prospects for growth despite the slowing in investor activity and softening of prices seen in recent months. Although near term challenges remain particularly in the Museum sector, the longer-term outlook for private client services particularly linked to state of the art storage facilities are good and the Group remains committed to the further development of its market leading art handling and storage business.

Balance Sheet and Cash Flow

During the six months to 30 September 2016, total capital expenditure amounted to £0.9 million, including £0.6 million spent on the new storage facilities at Momart and £0.1 million spent on refurbishing the pontoon in Portsea for PHFC.

Total inventories decreased by £0.2 million to £6.1 million (September 2015: £6.3 million) reflecting continuing improvements in Retail stock control offset by a small increase in construction activity. Retail inventories in Stanley have fallen £0.3 million to £3.8 million (September 2015: £4.1 million).

Operating cash flow (Operating Profit plus amortisation & depreciation) at £1.9 million was in line with the prior period (September 2015: £1.9 million), however the Group's cash balances decreased by £1.5 million to £12.5 million at 30 September 2016 due to capital investment of £0.9 million, and an increase in trade debtors at Momart.

At 30 September 2016, the Group had cash balances of £12.5 million (31 March 2016: £14.0 million) and bank borrowings of £3.1 million (31 March 2016: £3.3 million). In addition the Group had hire purchase liabilities of £0.3 million (31 March 2016: £0.3 million) and long term finance lease liabilities in respect of the Gosport Pontoon of £4.8 million (31 March 2016: £4.8 million).

Outlook

In contrast to the prior year where activity in Stanley was buoyed to record levels by the extended stay of the Eirik Raude rig, the outlook for H2 in the current year, is for a much quieter, more "normal" trading period, albeit one which will benefit from the usual seasonal upturn linked to the convergence of Christmas holidays and the summer tourist season in the Southern hemisphere. Increased construction activity at the Mount Pleasant military base (a new power station and an extension to existing dock facilities) should provide a modest indirect stimulus to the Stanley economy in Q4. In the longer term, more sustained growth in the economy will depend on improved air links with South America. This would offer real scope to expand land based tourism and the resulting ability to organise large scale passenger interchanges would greatly increase the Islands' appeal to cruise ship operators. In this regard, the recent warming of relations with the new Macri administration in Argentina is encouraging, although the recent positive initiatives from Buenos Aires will need to be consistently maintained in order to have lasting value. Beyond tourism and further development of onshore added value fishing services, the most significant growth factor in the future of the Falklands and FIC will be the development of oil production in the Islands. The timing of this turns largely on a further recovery in the oil price and the consolidation of the significant supply chain cost savings which have brought the break-even point for commercial production to below $50 bbl in mid-2016. Although in the near term, profits at FIC will be lower than the record levels seen last year, when oil production does move forward with its wide, well established portfolio of profitable service businesses and legacy property assets, FIC is well placed to take full advantage of the growth which will follow.

At Momart, the art handling market remains highly competitive with particular pricing pressure evident in the Museums Exhibitions market. In the commercial art market, serving galleries artists and private collectors, despite the recent cooling and near term challenges, the longer term prospects remain bright. This is particularly true when considering the expansion of Momart's storage facilities, and although in the short run, the fixed costs of the newly opened unit 14 at Leyton will be a drag on profits in H2, the medium term view and the prospects for expansion via selective acquisitions remains encouraging.

At PHFC, performance is expected to remain solid and some recovery is expected early in 2017 when redevelopment of the Portsmouth passenger interchange is complete. Later in 2017 (currently scheduled for May) the arrival of HMS Queen Elizabeth and the related expansion of the Portsmouth naval base will be a further positive factor.

The outlook for the Group remains positive. Cash reserves are strong and the long term prospects for all 3 group businesses are sound. Our strategy will be to continue to invest for long term growth whilst seeking out quality acquisitions in complementary areas of business that will help increase the Group's scale, earnings potential, and sustainable long term returns for shareholders.

Edmund Rowland
Executive Chairman

John Foster
Chief Executive

17 November 2016

Condensed Interim Consolidated Income Statement
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2016

Notes		Unaudited 6 months to 30 September 2016 £'000	Unaudited 6 months to 30 September 2015 £'000	Audited Year ended 31 March 2016 £'000
2	**Revenue**	**19,771**	17,727	38,996
	Cost of sales	**(11,232)**	(10,413)	(23,497)
	Gross profit	**8,539**	7,314	15,499
	Other administrative expenses	**(7,401)**	(6,200)	(12,398)
	Restructuring costs	**-**	-	(261)
	Amortisation of intangible assets	**(36)**	(72)	(136)
	Administrative expenses	**(7,437)**	(6,272)	(12,795)
	Operating profit	**1,102**	1,042	2,704
	Gain on sale of FOGL shares	**-**	388	388
	Gain on sale of vessel	**-**	-	60
	Share of result of joint venture	**25**	106	(130)
	Profit before finance income and expense	**1,127**	1,536	3,022
	Finance income	**136**	109	233
	Finance expense	**(247)**	(232)	(456)
3	Net financing costs	**(111)**	(123)	(223)
	Profit before tax	**1,016**	1,413	2,799
4	Taxation	**(234)**	(236)	(577)
	Profit attributable to equity holders of the Company	**782**	1,177	2,222
5	**Earnings per share**			
	Basic	**6.3p**	9.5p	18.0p
	Diluted	**6.3p**	9.5p	17.9p

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 2016

Notes		**Unaudited 30 September 2016 £'000**	Unaudited 30 September 2015 £'000	Audited 31 March 2016 £'000
	Non-current assets			
	Intangible assets	**11,972**	12,128	12,037
	Property, plant and equipment	**20,084**	19,907	19,930
	Investment properties	**3,596**	3,666	3,632
	Investment in joint venture	**161**	372	136
	Loan to joint venture	**-**	378	-
	Hire purchase debtors	**707**	553	755
	Deferred tax assets	**687**	750	687
	Total non-current assets	**37,207**	37,754	37,177
	Current assets			
	Inventories	**6,120**	6,330	6,241
	Trade and other receivables	**6,340**	5,510	4,853
	Hire purchase debtors	**902**	689	810
	Cash and cash equivalents	**12,503**	10,750	14,037
	Total current assets	**25,865**	23,279	25,941
	TOTAL ASSETS	**63,072**	61,033	63,118
	Current liabilities			
	Interest bearing loans and borrowings	**(538)**	(533)	(546)
	Income tax payable	**(313)**	(94)	(191)
	Trade and other payables	**(10,538)**	(10,139)	(11,244)
	Total current liabilities	**(11,389)**	(10,766)	(11,981)
	Non-current liabilities			
	Interest bearing loans and liabilities	**(7,610)**	(7,989)	(7,855)
7	Employee benefits	**(2,655)**	(2,884)	(2,644)
	Deferred tax liabilities	**(2,069)**	(1,987)	(2,069)
	Total non-current liabilities	**(12,334)**	(12,860)	(12,568)
	TOTAL LIABILITIES	**(23,723)**	(23,626)	(24,549)
	Net assets	**39,349**	37,407	38,569
	Capital and reserves			
	Equity share capital	**1,243**	1,243	1,243
	Share premium account	**17,447**	17,447	17,447
	Other reserves	**1,162**	1,162	1,162
	Retained earnings	**19,600**	17,555	18,799
	Hedging reserve	**(103)**	-	(82)
	Total equity	**39,349**	37,407	38,569

Condensed Consolidated Cash Flow Statement
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2016

Notes	Unaudited 6 months to 30 September 2016 £'000	Unaudited 6 months to 30 September 2015 £'000	Audited Year ended 31 March 2016 £'000
Profit for the period	**782**	1,177	2,222
Adjusted for (i) Non-cash items:			
Depreciation and amortisation	**791**	792	1,595
Loss on disposal of fixed assets	**-**	-	(49)
Share of joint venture profit	**(25)**	(106)	130
Equity-settled share-based payment expenses	**26**	34	61
Non-cash items adjustment	**792**	720	1,737
(ii) Other items:			
Net financing costs	**111**	123	223
Cash outflow on exercise of nil cost options	**(7)**	-	-
Gain on disposal of FOGL shares	**-**	(388)	(388)
Income tax expense	**234**	236	577
Other adjustments	**338**	(29)	412
Operating cash flow before changes in working capital and provisions	**1,912**	1,868	4,371
(Increase) / decrease in trade and other receivables	**(1,487)**	(202)	455
Decrease / (increase) in trading inventories	**199**	(809)	(742)
(Decrease) / increase in trade and other payables	**(727)**	(80)	900
Decrease in provisions and employee benefits	**(49)**	(60)	(115)
Changes in working capital and provisions	**(2,064)**	(1,151)	498
Cash generated from operations	**(152)**	717	4,869
Income taxes paid	**(112)**	(169)	(324)
Net cash from operating activities	**(264)**	548	4,545
Cash flows from investing activities			
Purchase of property, plant and equipment	**(922)**	(1,083)	(1,854)
Proceeds from disposal of property, plant & equipment	**-**	-	141
Proceeds received from the sale of FOGL shares	**-**	1,396	1,396
Cash inflow on loans to joint venture	**-**	-	378
Bank, finance lease and credit card interest received	**136**	109	233
Net cash from investing activities	**(786)**	422	294
Cash flows from financing activities			
Increase in hire purchase debtors	**(163)**	(137)	(460)
Repayment of secured loans	**(278)**	(362)	(760)
Interest paid	**(68)**	(46)	(117)
Proceeds from new loans	**25**	2,890	3,048
Net cash receipts on sale and purchase of Treasury shares	**-**	-	52
Net cash from financing activities	**(484)**	2,345	1,763
Net increase in cash and cash equivalents	**(1,534)**	3,315	6,602
Cash and cash equivalents at start of year	**14,037**	7,435	7,435
Cash and cash equivalents at end of year	**12,503**	10,750	14,037

Condensed Consolidated Statement of Comprehensive Income
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2016

Notes		Unaudited 6 months to 30 September 2016 £'000	Unaudited 6 months to 30 September 2015 £'000	Audited Year ended 31 March 2016 £'000
	Cash flow hedges - effective portion of changes in fair value	(21)	-	(82)
6	Transfer to the income statement on sale of shares in Falkland Oil and Gas Limited	-	(492)	(492)
	Items that are or may be reclassified subsequently to profit or loss	(21)	(492)	**(574)**
7	Actuarial gain on pension schemes net of tax	-	-	159
	Items which will not ultimately be recycled to the income statement	-	-	159
	Other comprehensive expense	(21)	(492)	(415)
	Profit for the period	782	1,177	2,222
	Total comprehensive income	**761**	**685**	**1,807**

Condensed Consolidated Statement of Changes in Shareholders' Equity
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2016

	Unaudited 6 months to 30 September 2016 £'000	Unaudited 6 months to 30 September 2015 £'000	Audited Year ended 31 March 2016 £'000
Shareholders' funds at beginning of period	**38,569**	36,688	36,688
Profit for the period	**782**	1,177	2,222
Cash flow hedges - effective portion of changes in fair value	**(21)**	-	(82)
Transfer to the income statement on sale of shares in Falkland Oil and Gas Limited	**-**	(492)	(492)
Net actuarial gain on pension schemes net of tax	**-**	-	159
Total comprehensive income	**761**	685	1,807
Purchase of Treasury shares	**-**	-	(720)
Sale of Treasury shares	**-**	-	733
Share-based payments granted to employees	**26**	34	61
Nil cost options vested in the period	**(7)**	-	-
Shareholders' funds at end of period	**39,349**	37,407	38,569

Notes to the Unaudited Interim Statements

1. Basis of preparation

This interim financial information comprises the condensed consolidated balance sheets at 30 September 2016, 30 September 2015 and 31 March 2016 and condensed consolidated statements of income, comprehensive income, cash flows and changes in shareholders' equity for the periods then ended and related notes of FIH group 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 2016 annual 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 2017 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 2017.

The Interim Report was approved by the Board on 17 November 2016.

Section 245 Statement

The comparative figures for the financial year ended 31 March 2016 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. Segmental revenue and profit analysis

	Unaudited - Six months to 30 September 2016				
	General trading (Falklands) £'000	Ferry services (Portsmouth) £'000	Arts logistics & storage (UK) £'000	Unallocated £'000	Total £'000
External revenue	8,561	2,284	8,926	-	19,771
Operating profit before amortisation and non-trading items	**423**	**538**	**177**	**-**	**1,138**
Amortisation of intangible assets	-	-	(36)	-	(36)
Amortisation and non-trading items	-	-	(36)	-	(36)
Segment operating profit	423	538	141	-	1,102
Share of results of joint venture	25				25
Profit before finance income and expense	448	538	141	-	1,127
Finance income	136	-	-	-	136
Finance expense	(63)	(179)	(5)	-	(247)
Segment profit before tax	**521**	**359**	**136**	**-**	**1,016**
Assets and liabilities					
Segment assets	30,096	16,800	16,168	8	63,072
Segment liabilities	(9,279)	(9,676)	(4,110)	(658)	(23,723)
Segment net assets	20,817	7,124	12,058	(650)	39,349
Other segment information					
Capital expenditure					
Property, plant and equipment	149	112	661	-	922
Depreciation	312	244	199	-	755
Amortisation of non-trading items	-	-	36	-	36

Underlying profit before tax	General trading (Falklands) £'000	Ferry services (Portsmouth) £'000	Arts logistics & storage (UK) £'000	Unallocated £'000	Total £'000
Segment operating profit before tax, amortisation and non-trading items	423	538	177	-	1,138
Share of results of Joint Venture	25				25
Profit before finance income and expense	**448**	**538**	**177**	**-**	**1,163**
Finance income	136	-	-	-	136
Finance expense	(63)	(179)	(5)	-	(247)
Segment underlying profit before tax	**521**	**359**	**172**	**-**	**1,052**

2. Segmental revenue and profit analysis (continued)

	Unaudited - Six months to 30 September 2015				
	General trading (Falklands) £'000	Ferry services (Portsmouth) £'000	Arts logistics & storage (UK) £'000	Unallocated £'000	Total £'000
External revenue	7,891	2,261	7,575	-	17,727
Operating profit before amortisation and non-trading items	**582**	**545**	**(13)**	**-**	**1,114**
Amortisation of intangible assets	-	-	(72)	-	(72)
Amortisation and non-trading items	-	-	(72)	-	(72)
Segment operating profit	582	545	(85)	-	1,042
Gain on sale of FOGL shares	-	-	-	388	388
Share of results of joint venture	106	-	-	-	106
Profit before finance income and expense	688	545	(85)	388	1,536
Finance income	109	-	-	-	109
Finance expense	(69)	(160)	(3)	-	(232)
Segment profit before tax	728	385	(88)	388	1,413
Assets and liabilities					
Segment assets	28,560	19,059	13,407	7	61,033
Segment liabilities	(9,990)	(9,864)	(3,216)	(556)	(23,626)
Segment net assets	18,570	9,195	10,191	(549)	37,407
Other segment information					
Capital expenditure					
Property, plant and equipment	797	88	188	-	1,073
Investment properties	10	-	-	-	10
Depreciation	342	212	166	-	720
Amortisation of non-trading items	-	-	72	-	72

Underlying profit before tax	General trading (Falklands) £'000	Ferry services (Portsmouth) £'000	Arts logistics & storage (UK) £'000	Unallocated £'000	Total £'000
Segment operating profit before tax, amortisation and non-trading items	582	545	(13)	-	1,114
Share of results of Joint Venture	106	-	-	-	106
Profit before finance income and expense	**688**	**545**	**(13)**	**-**	**1,220**
Finance income	109	-	-	-	109
Finance expense	(69)	(160)	(3)	-	(232)
Segment underlying profit before tax	**728**	**385**	**(16)**	**-**	**1,097**

2. Segmental revenue and profit analysis (continued)

	Audited – Year to 31 March 2016				
	General trading (Falklands) £'000	Ferry services (Portsmouth) £'000	Arts logistics & storage (UK) £'000	Unallocated £'000	Total £'000
External revenue	18,495	4,244	16,257	-	38,996
Operating profit before amortisation and non-trading items	**1,613**	**1,028**	**460**	**-**	**3,101**
Restructuring costs	(178)	-	(83)	-	(261)
Gain on sale of vessel	-	60	-	-	60
Gain on sale of 5,000,000 FOGL shares	-	-	-	388	388
Amortisation of intangible assets	-	-	(136)	-	(136)
Amortisation and non-trading items	(178)	60	(219)	388	51
Segment operating profit	**1,435**	**1,088**	**241**	**388**	**3,152**
Share of results of joint venture	200	-	-	-	200
Impairment of Joint Venture fixed assets	(330)	-	-	-	(330)
Profit before net finance expense	1,305	1,088	241	388	3,022
Finance income	223	3	7	-	233
Finance expense	(99)	(347)	(10)	-	(456)
Segment profit before tax	1,429	744	238	388	2,799
Assets and liabilities					
Segment assets	33,150	16,323	13,630	15	63,118
Segment liabilities	(10,821)	(9,632)	(3,463)	(633)	(24,549)
Segment net assets	22,329	6,691	10,167	(618)	38,569
Other segment information					
Capital expenditure					
Property, plant and equipment	1,213	223	402	-	1,838
Investment properties	16	-	-	-	16
Total Capital Expenditure	1,229	223	402	-	1,854
Depreciation	652	440	367	-	1,459
Amortisation of non-trading items	-	-	136	-	136

Underlying profit before tax	General trading (Falklands) £'000	Ferry services (Portsmouth) £'000	Arts logistics & storage (UK) £'000	Unallocated £'000	Total £'000
Segment operating profit before tax, amortisation and non-trading items	1,613	1,028	460	-	3,101
Share of results of Joint Venture	200	-	-	-	200
Profit before finance income and expense	**1,813**	**1,028**	**460**	**-**	**3,301**
Finance income	223	3	7	-	233
Finance expense	(99)	(347)	(10)	-	(456)
Segment underlying profit before tax	**1,937**	**684**	**457**	**-**	**3,078**

3. Finance income and expense

	Unaudited 6 months to 30 September 2016 £'000	Unaudited 6 months to 30 September 2015 £'000	Audited Year ended 31 March 2016 £'000
Bank interest receivable	13	11	27
Finance lease interest receivable	123	98	206
Total finance income	**136**	**109**	**233**
Interest payable on bank loans	(68)	(46)	(117)
Interest cost on pension scheme liabilities	(60)	(60)	(90)
Finance lease interest payable	(119)	(121)	(240)
Unwinding of deferred consideration payable	-	(5)	(9)
Total finance expense	**(247)**	**(232)**	**(456)**
Net financing cost	**(111)**	**(123)**	**(223)**

4. Taxation

The taxation charge has been estimated to be 23.0% (2015: 23.0%).

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'):

	Unaudited 6 months to 30 September 2016 £'000	Unaudited 6 months to 30 September 2015 £'000	Audited Year ended 31 March 2016 £'000
Weighted average number of shares in issue	12,431,623	12,431,623	12,431,623
Less: shares held in Treasury	-	(18,381)	(31,725)
Less: shares held under the ESOP	(25,677)	(28,016)	(28,016)
Average number of shares in issue excluding the ESOP and Treasury shares	12,405,946	12,385,226	12,371,882
Maximum dilution with regards to share options	10,526	25,523	11,830
Diluted weighted average number of shares	12,416,472	12,410,749	12,383,712

5. Earnings per share (continued)

	Unaudited 6 months to 30 September 2016 £'000	Unaudited 6 months to 30 September 2015 £'000	Audited Year ended 31 March 2016 £'000
Underlying profit before tax	**1,052**	1,097	3,078
Tax thereon	**(241)**	(250)	(699)
Tax rate	***23%***	*23%*	*23%*
Underlying profit after tax	**811**	847	2,379

Basic earnings per share on underlying profit	**6.5p**	6.8p	19.2p
Diluted earnings per share on underlying profit	**6.5p**	6.8p	19.2p

Analysis of Taxation charge			
Taxation on underlying profits	**(241)**	(250)	(699)
Taxation related to amortisation and non-trading items	**7**	14	122
Total taxation charge	**(234)**	(236)	**(577)**

6 Employee benefits

The Company has elected to follow precedent and decided not to revalue its pension obligations at the half-year. The Group's 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.

7 Analysis of cash, bank borrowings / HP and long term finance leases

	As at 1 April 2016 £'000	Cash flows £'000	**As at 30 September 2016 £'000**	As at 30 September 2015 £'000
Cash at bank and in hand	14,037	(1,534)	**12,503**	10,750
Debt due within one year - Bank loans	(401)	(6)	**(407)**	(392)
Debt due within one year - Hire purchase	(114)	15	**(99)**	(110)
Debt due within one year - Pontoon Lease	(31)	(1)	**(32)**	(31)
Debt due after one year - Bank loans	(2,863)	205	**(2,658)**	(3,069)
Debt due after one year - Hire Purchase	(195)	23	**(172)**	(108)
Debt due after one year - Pontoon Lease	(4,797)	17	**(4,780)**	(4,812)
Cash less bank loans, HP & long term finance leases	5,636	(1,281)	**4,355**	2,228
Bank Debt	(3,264)	199	**(3,065)**	(3,461)
Cash	14,037	(1,534)	**12,503**	10,750
Cash less bank loans	10,773	(1,335)	**9,438**	7,289
Hire purchase and long term finance leases				
Hire Purchase Leases	(309)	38	**(271)**	(218)
Pontoon Lease	(4,828)	16	**(4,812)**	(4,843)
Total Hire purchase and long term finance leases	(5,137)	54	**(5,083)**	(5,061)
Cash less bank loans, HP & long term finance leases	5,636	(1,281)	**4,355**	2,228

9 Capital commitments

At 30 September 2016 the Group had capital commitments of £105,000 in respect of the new warehouse at Leyton and £22,000 in respect of the Portsea pontoon refurbishment. (At 30 September 2015 the Group had no capital commitments), which have not been provided for in these financial statements.

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