



Dolphin Fund Ltd. -
POSSIBLE OFFER FOR FIH GROUP PLC
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**Dolphin Fund Ltd ("Dolphin" or the "Company")
Possible offer for FIH Group plc ("FIH")**

Dolphin notes the recent announcements by Staunton Holdings Limited ("**Staunton**") and the independent directors of FIH ("**Independent Directors**"). Dolphin notes the very low level of FIH shareholder acceptances of the offer by Staunton, save for that received from its associated shareholder, Blackfish Capital Alpha Fund SPC ("**Blackfish**").

Dolphin reiterates its desire to enter into a constructive dialogue with FIH with a view to making an offer at a significant premium to the current offer by Staunton of 300 pence in due course depending on the outcome of those discussions.

Dolphin's constructive approach is not new to FIH. The Company has been a shareholder of FIH for almost a decade, which has been publicly disclosed both to the London Stock Exchange and in FIH Annual Reports. Senior executives of both companies have been in communication during this period, discussing business developments of FIH. FIH has never expressed any concern regarding Dolphin's involvement in FIH and Dolphin's support of FIH has been constant throughout this period despite FIH's poor share performance.

For this reason, reading the Independent Directors' unfortunate response, which states that Dolphin's request for information "*seriously threatens to undermine the Falkland Islands Company business and the interests of its employees*", not only comes as a surprise to Dolphin but also appears to be an attempt by the Independent Directors (Messrs. John Foster and Jeremy Blade) to avoid their fiduciary duty to act in the best interests of FIH and its shareholders as a whole. The very poor level of FIH shareholder acceptances of Staunton's offer it is a clear indication of the lack of shareholder enthusiasm for this offer.

Dolphin has sought information from FIH under Rule 21.3 of the City Code on Takeovers and Mergers (the "Code") to help with its evaluation of the FIH businesses. However the Independent Directors of FIH have stated that they are not required to provide this information for technical reasons under the Code. Furthermore FIH's advisers informed Dolphin's advisers that no information has been passed to Staunton or its associates (Blackfish, Mr Edmund Rowland and Albany Treasury Limited etc.). The Independent Directors have also made certain assumptions relating to FIC and Dolphin's intentions, which are based on conjecture. Dolphin can only assume that these scaremongering statements are intended to prevent a higher offer being put before FIH shareholders.

Dolphin's intentions regarding FIH and its businesses are purely commercial and Dolphin has no intention to disrupt the status quo in the Falkland Islands. Dolphin and its affiliates (the "Group") have decades of successful expertise in the real estate, hospitality, retail, agriculture, tourism and transportation sectors, which experience Dolphin believes will help FIH's businesses. Furthermore, the Group owns businesses in a wide variety of countries including Argentina, Brazil, the USA, Israel, India and the UK, being a worldwide enterprise with significant resources and commercial experience. Dolphin is committed to building mutual trust with the Falkland Islands Government and its local population by expanding FIH's existing enterprises on the islands, creating new jobs, attracting new capital and further investment into the Falkland Islands economy, while complying with all relevant regulation and building a long-term relationship with the local community. Dolphin intends to maintain a British management in FIH, should an offer be made by Dolphin.

Dolphin urges FIH shareholders not to take any action with regard to the offer by Staunton for the time being while Dolphin seeks further information from FIH and assesses the level at which it is prepared to make an offer for the Company. It also would point out to accepting FIH shareholders that once the 42nd day of the Staunton offer period has expired, being 6 April 2017, they can withdraw those acceptances.

Further announcements will be made, as appropriate.

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Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and

rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Additional information

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Publication on Website

A copy of this announcement will be made available at www.arden-partners.com no later than 12.00 noon (London time) on 24 March 2017 (being the business day following the date of this announcement) in accordance with Rule 26.1(a) of the Code. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

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