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Falkland Islands Holdings PLC  
10 September 2008

Falkland Islands Holdings plc ("FIH", "the Company" or "the Group")

AGM Statement and Trading update

Speaking today at the Annual General Meeting of Falkland Islands Holdings plc the Chairman, David Hudd will make the following statement:

As is usual at the AGM I would like to give shareholders an update on current trading. Prior to commenting I would just note that following approval by our shareholders, the final dividend of 8p per share will be paid on 31 October.

We are currently five months into the financial year and despite the challenging economic conditions and in particular the volatility in oil prices and exchange rates which impacts all our businesses, the Group's three operating businesses have continued to trade satisfactorily and the outlook for the current year for the Group remains positive.

Integration of the Group's recently acquired fine art logistics business, Momart, has progressed well and we have seen strong year on year growth in revenue. Momart's performance has continued to move ahead and its order book for the important Autumn season is encouraging.

The Group's operations in the Falkland Islands have had a quieter start to the year without the positive impact of the exceptional factors which boosted trading last year . Work is underway on the conversion of the Upland Goose into housing and planning permission has recently been received for an extension and car parking for the West Store. Consumer demand in the Islands remains subdued, although our wide spread of interests in the Islands should ensure a satisfactory overall performance.

Despite the increase in the cost of marine diesel in the early part of the year, our ferry business at Portsmouth Harbour has continued to perform well with passenger numbers for the year to date showing encouraging growth of 2%. This suggests a possible change in customer behaviour and a switch from the use of private cars to the use of our ferry and underlines the value for money, convenience, and reliability offered by the service. Discussions continue with Gosport Council regarding the installation of a new pontoon and landing stage.

The exploration activities of Falkland Oil & Gas Limited, in which the Group holds 15 million shares representing a 16.3% stake, have continued to progress.

I am pleased to report that the Group's family of well established, specialist service businesses continues to provide a solid foundation for the continued creation of shareholder value. Trading is progressing well, the balance sheet remains strong and I am confident of the outlook for our interim results which we will report in December.

-Ends-

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