

RNS Number : 2729E  
Falkland Islands Holdings PLC  
08 April 2014

8<sup>th</sup> April 2014

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

## Pre-Close Trading Update

Falkland Islands Holdings plc ("FIH"), the AIM quoted international group with specialist services businesses in the Falkland Islands and UK and which owns 12.8 million shares in Falkland Oil and Gas Limited ("FOGL"), is pleased to provide the following update on trading for the year ended 31 March 2014.

Trading in the second half improved with a strong performance from the Group's art handling and logistics business Momart, lifting the overall group result to record levels despite reduced profits from the Falklands.

The Group's trading performance for the year to 31 March 2014 is expected to show an encouraging increase in underlying pre-tax profits (before amortisation and non-trading items).

The Board anticipates that the total dividend payment will not be less than 11.5 pence per share (2013 11.5 pence per share).

### Highlights

- Falkland Islands Company ("FIC") - Although the trading environment in the Falklands remained subdued in the absence of offshore drilling, the second half saw the usual seasonal uplift. Retail demand remained soft but the shortfall in like for like sales seen in H1 was reduced and there was continued growth in automotive sales, house building, and a small first contribution from FIC's construction Joint Venture, "SAtCO". Therefore, whilst FIC will not make up the shortfall in contribution experienced in the first half, the trading performance for the year is expected to be satisfactory in the circumstances.

- Portsmouth Harbour Ferry Company ("PHFC") - The ferry's trading contribution is anticipated to be at a similar level to the prior year with revenues marginally ahead despite passenger numbers down 1.6%. Good progress is being made on the construction of the ferry "Harbour Spirit" which is expected to enter service in early 2015.

- Momart - Continuing the buoyant performance seen in the first half, Momart saw record levels of activity and a strong contribution from both Exhibition and Gallery Services boosted further by a favourable mix of contracts in the UK and overseas.
- FOGL - In February 2014 an extensive 3D seismic campaign was completed that will be used to identify the well locations for the planned 2015 drilling campaign and late March saw the arrival in Stanley harbour of the floating dock which will be used to support the campaign. An announcement on the rig contract is expected in the next few months.
- Cash and Bank Borrowings - At 31 March 2014 the Group had cash balances of approximately £5.5 million and bank borrowings of £1.0 million.

Chairman of FIH, David Hudd, commented:

"The Group's strong overall performance is encouraging. Momart has had an outstanding year with record levels of activity, while PHFC continues to perform well. In the Falkland Islands, significant growth awaits oil activity; during the year we continued to invest for that growth.

"For the year ahead we anticipate increasing activity in the Falklands as the 2015 drilling campaign approaches and continued good returns from Momart and PHFC."

"The Group's Preliminary Results for the year ended 31 March 2014 are expected to be released on Monday 9 June 2014."

- Ends -

Enquiries:

Falkland Islands Holdings plc

David Hudd, Chairman

Tel: 07771 893 267

John Foster, Managing Director

Tel: 01279 461 630

WH Ireland Ltd. - NOMAD and Broker to FIH

Tel: 020 7220 1666

Adrian Hadden / Nick Field

FTI Consulting

Edward Westropp / Georgina Goodhew

Tel: 020 3727 1206