

17<sup>th</sup> April 2013

Falkland Islands Holdings plc

## Pre-Close Trading Update

Falkland Islands Holdings plc ("FIH" or the "Group"), the AIM quoted international group which owns essential services businesses focused on retail, transport and logistics and 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 2013.

The Group's trading performance for the year was in line with market expectations and the FIH Board expects to report underlying Group pre-tax profits (before amortisation and non trading items) of approximately £3 million for the year ended 31 March 2013 (2012 £3.2 million).

The Board anticipates that the total dividend payment will not be less than 11 pence per share (2012 11 pence per share).

### Highlights

- Falkland Islands Company (FIC) - Trading was satisfactory with retail sales experiencing renewed growth and the company's new Building Services arm enjoying its first sales. Tourist activity declined with fewer cruise ship visits following Argentine pressure but this issue had largely been resolved by the year end. Preparations for the increase in activity related to the Sea Lion discovery have continued, including further strengthening of the management team in Stanley and preliminary work on planning for related infrastructure projects. As a result, although turnover increased on the record levels seen last year, FIC's contribution is expected to be slightly lower.
- Portsmouth Harbour Ferry Company - Revenues were little changed on lower passenger numbers but an increase in costs resulted in reduced profits.
- Momart - Encouraging further progress was made in the second half of the year. Large exhibitions continued to show growth and the strength of the global commercial art market helped deliver record levels of revenue and an increase in contribution.
- FOGL - The 2012 drilling campaign proved a working hydrocarbon system in the South and East Falklands Basins and an extensive 3D seismic campaign is currently underway to de-risk further the prospectivity and identify the next prospects for drilling. FOGL is fully funded for its current planned exploration work program, including the next planned drilling campaign which will be operated by Noble Energy who have a record of exploration success.

Net Assets - At 31 March 2013 the Group had cash balances of £11.4 million and bank borrowings of £2.0 million.

Chairman of FIH, David Hudd; commented:

"I am pleased to report another year of solid trading for the Group across the portfolio of businesses. Momart delivered a particularly encouraging performance as it continued to

benefit from its market leading position and reputation for excellence, in a strengthening global commercial art market and a busy exhibition schedule which included Manet at the Royal Academy, Pompeii and Herculaneum at the British Museum, Schwitters at Tate Britain, and David Bowie at the V&A.

"2012/13 was a particularly significant year for the Group, as we raised an additional £10 million of equity funds which will enable us to participate in the opportunities now emerging in the Falkland Islands. We expect that there will be a quantum leap in the economy over the next decade and momentum is expected to build in 2014 as the development of Sea Lion commences. However in the short term conditions are expected to be quieter in the absence of drilling activity which has been a factor since 2010.

"The Group's preliminary results for the year ended 31 March 2013 are expected to be released on Monday 10 June 2013."

- 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 7831 3113