



**Falkland
Islands
Holdings**

**David Hudd - Chairman
John Foster - Managing Director**

FIH - Results Overview Y/e 31 March 2008



- Record levels of underlying profit - PBTa £1.94m + 17.6%
- Operating Cash Flow £3.0m (£2.0m) + 50%
- Strong Balance Sheet - NAV per share 376p (292p)
- Net Borrowings £6.1m - Shareholders Funds £34.0m
- Acquisition of Momart successfully completed March 5, 2008
- Solid, diverse platform of niche service businesses with strong market positions
- Falkland Oil & Gas (FOGL) - 16.3% holding unchanged - 15m shares Mkt value £18.45m
 - Farm in with BHP Billiton agreed December 2007
 - Exploration drilling expected to commence in late 2009
- EPS on Underlying Profit (PBTa) 16.3p (2007 13.9) + 17.3%
- Dividend proposed 8.0 pence per share (2007 7.0p) +14.3%



FIH Group Profitability



	12months to 31 Mar 2008 £000	12months to 31 Mar 2007 £000	Change +/-
Turnover -continuing operations	17,200	15,618	+10.1%
Trading Profit	2,038	1,751	16.4%
Interest net incl pensions costs	(101)	(97)	(4)
Underlying PBTa	1,937	1,654	+17.1%
Goodwill amortisation	(28)	(-)	-
Profit on sale of investments	-	485	
Exceptional costs		(105)	
Reported PBT	1,909	2,034	(125)
Diluted EPS on Underlying PBTa	16.3p	13.9p	17.3%

Segmental Analysis



	31 March 2008 £000	31 March 2007 £000	Change £000
Falklands	12,603	12,256	2.8%
PHFC	3,531	3,362	5.0%
Momart	1,066	-	
Turnover from Continuing Operations	17,200	15,618	10.1%
Falklands	1,209	1,159	4.3%
PHFC	717	592	21.1%
Momart	112	-	
Operating Profit	2,038	1,751	16.4%
Bank & Finance Interest -net	28	27	1
Pension Financing costs	(129)	(124)	(5)
Net Financing costs	(101)	(97)	(4)
Underlying Profit (PBTa)	1,937	1,654	17.1%
Diluted EPS on Taxed PBTa	16.3p	13.9p	17.3%

Falkland Islands Company FIC

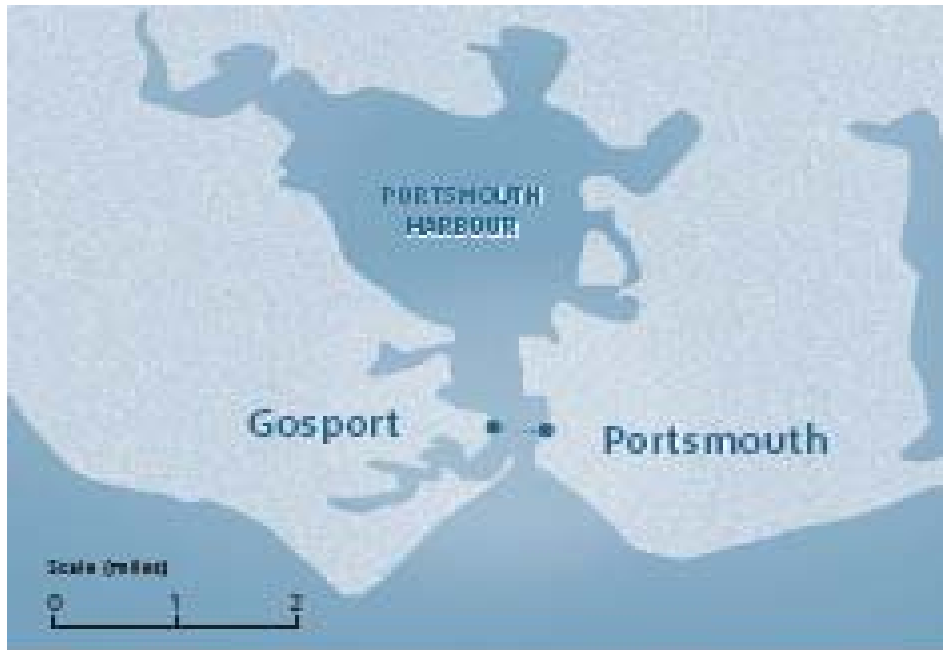


Falklands FIC - 12 months to 31 March 2008

- Solid Performance from FIC - PBIT up 4.3% to £1,209k (2007 £1,159k)
- Fishing Agency - Excellent Illex squid catch - boosted Agency income
- Land Rover dealership - Record sales year - 95 vehicles (2007: 84) Sales +5%
- West Store - Sales +1.2% but increased competitive pressure saw reduced margins
- Capstan Gift Shop - Sales ahead +10.2% - Falklands 25th Commemoration in H1
- DIY - successful rebranding - separation of Homebuilder and Home Living - sales ahead by 9.7% but pressure on margins
- Overall retail sales ahead 1.9% vs 2006/7
- Upland Goose Hotel - Slipped back into losses - closed for conversion to 11 residential units March 2008
- Darwin Shipping - Strong 3rd party volumes +17% e.g. windmill turbines
- Insurance and Property rental activities, Port services - further progress



Portsmouth Harbour Ferry Company



Ferry - PHFC - Year ended 31 March 2008

- Strong contribution - PBIT up 21.1% to £717k (2007 £592k)
- Standard Return Fares increased 5% June 2007
- Passenger numbers 1% higher at c3.66 million (c10,000 per day)
- Costs tightly controlled - sharp increase in fuel costs post year end
- Ferry reliability 99.6% (364 days pa, 18.5 hours per day) (2007 99.7%)
- Leisure cruising activities scaled back - turning losses into small contribution
- PHFC won "Service to the Community" award in December 2007
- Council slowly progressing replacement of Gosport pontoon- installation not until Q4 2009
- Peppercorn pontoon rent likely to increase to commercial levels in 2009/10 - fare increases to compensate



Acquisition of Momart International

Momart set up the Henry Moore Exhibition at Kew Gardens in 2007



Acquisition of Momart 5 March 2008

- Specialist transport & logistics company serving the fine art market in UK and overseas
- Market leading position - High barriers to entry - Solid growth record over 20 years
- Consideration £ 10.2m - £4.6m cash , £2.5m FIH shares , £3.1m deferred consideration
- Turnover of £12.2m and EBITa £1.5m (Y/e Aug 2007) – (Consid = 6.8x EBITa)
- New share issue represents only 7% of FIH existing share capital
- Significant EPS enhancement in year 1 (Y/e March 2009)
- Improves quality of the Group's earnings while retaining exposure to the Falkland Islands



Momart - Impact on FIH

- Near doubling of group turnover and employees [+ £12m , + 112 staff] (2007 figs)
- One month's contribution in current year (27 days post 5 March 2008)
 - Turnover £1,066k , PBITa - £112k
- Significant increase in Goodwill and Intangibles with acquisition
 - Net Tangible Assets acquired £1.3m
 - Intangibles (Brand Name , Customer relationships) £4.8m - £0.4m amortisation charge pa
 - Goodwill £7.6m – No automatic amortisation under IFRS – annual impairment review
- Group Borrowings £9.1m (incl £3.1m deferred contingent consideration) (2007 £2.7m)
- Cash balances £3m (2007 £2.3m cash)
- Pro-forma interest cover - post deal c.8x



FIH Balance sheet



	31 March 2008 £000	31 March 2007 £000	Change £000
Property , Plant and Equipment	7,383	6,268	1,115
Investment properties	1,557	1,588	(31)
Intangibles & Goodwill	16,335	3,979	12,356
Deferred Tax assets & sundry other	747	693	54
Investment in FOGL at Mkt value	18,450	12,900	5,550
Total Fixed Assets and Investments	44,472	25,428	19,044
Working Capital - Net	1,167	946	221
Cash	2,995	4,959	(1,964)
Net Operating Assets	48,634	31,333	17,301
Income Tax payable	(1,356)	(570)	(786)
Bank Loans & Deferred Consideration	(9,056)	(2,733)	(6,323)
Pension Provisions & Deferred tax	(4,194)	(3,312)	(882)
Equity Shareholders funds	34,028	24,718	9,310
Net Assets per share	£3.76	£2.92	£0.84

FIH Group -Cash flow



	31 March 2008	31 March 2007
	£000	£000
PBTa	1,937	1,654
Depreciation	534	468
Interest and share based payment charges	243	198
Tax paid	(460)	(338)
Decrease in working capital	671	92
Other	54	(109)
Net Cash Flow from Operating Activities	2,979	1,965
Capital expenditure	(930)	(282)
Dividends paid	(591)	(545)
Other	16	120
Loan Repayments (incl £1.4m Momart loans)	(1936)	(575)
Loans drawn down re acquisition	3,841	-
Cash paid for Momart	(5,343)	-
Sale of investment in FGML		675
Net Cash Flow	(1,964)	1,358

FIH Group - Net borrowings and liquidity



	31 March 2008	31 March 2007
	£000	£000
Bank Loans due within 1 year	(536)	(499)
Bank loans due after 1 year *	(5,458)	(2,191)
Contingent Consideration due within 1 year	(1505)	-
Contingent Consideration due after 1 year	(1,517)	-
Other borrowings - Leases etc	(40)	(43)
Total Borrowings	(9,056)	(2,733)
Cash	2,995	4,959
Net (Borrowings) Cash	(6,061)	2,226
(Increase) / Decrease in Net Borrowings	(8,287)	1,933
Net Tangible Assets	17,693	20,739
Capital Gearing - gross	50.4%	13.2%
Capital Gearing - net	34.3%	n/a
NOTES		
Base Rate Collar taken out on £3m (Floor 4.25% , Cap 6.25%)	Contingent Consideration is guaranteed by HSBC	

FOGL : Seismic & CSEM Survey Boats



Falkland Oil and Gas (FOGL)

- FIH Shareholding 15million shares - held free of CGT
- Represents 16.3% holding - held as long term investment
- FIH holding now equates to 1.67 FOGL shares for every FIH share
- Book value £2.4m at cost - Market value March 2008 £18.5million (@123p)
- Licences over 48,853 sq km -equivalent to 220 North Sea blocks
- Farm-in announced with BHP Billiton with cash reimbursement of \$12.75 million
- Commitment for 2 wells to be drilled by 31 Dec 2010 - funded 68% by BHPB
- Massive upside potential with knock on benefits to FIC operations



FIH Outlook

- **FIC**
 - Slower start to year in absence Falklands 25 celebrations
 - Retail faces strengthening local competition but further investment planned Conversion of Upland Goose progressing - expected completion 2009
 - Commercial feasibility study of 350 unit residential development at Dairy Paddock
- **PHFC**
 - Discussions continuing with local council over replacement of ageing Gosport pontoon
 - Pressure on costs with increase in fuel charges
 - Passenger numbers showing steady increase
- **Momart**
 - Exhibition and Gallery activity continues to grow
 - Additional capacity being added to remove bottlenecks and maintain service levels
 - Options for further overseas expansion under review
- **Overall**
 - Solid cash generative, profitable portfolio of businesses, with strong Balance Sheet and Net Asset position
 - Full year of Momart will significantly enhance profitability
 - Major upside linked to FOGL exploration potential
 - The new financial year has started in line with the Board's expectations and the Group is well positioned to make further progress during the year



Momart - Background information



Momart Clients

THE NATIONAL GALLERY



Damien Hirst



Antony Gormley



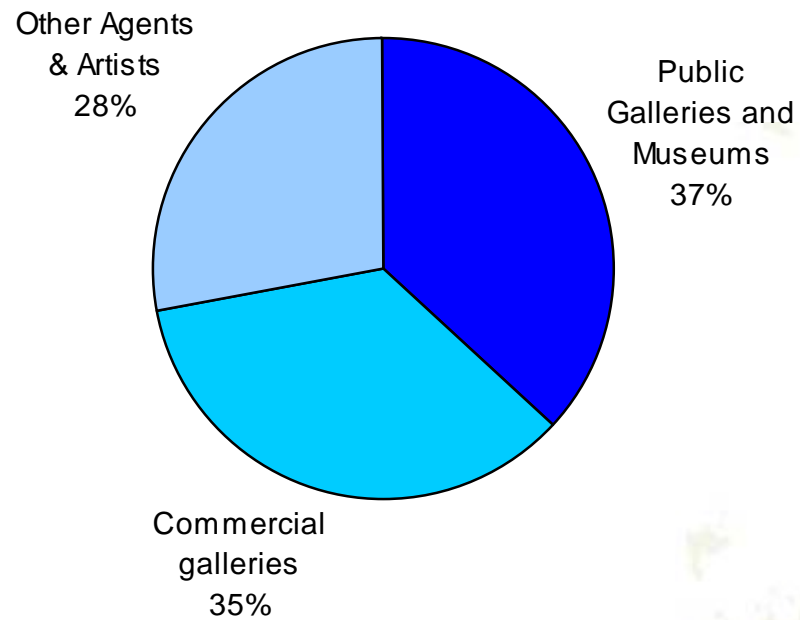
Recent Contracts include

- 2008 From Russia Exhibition, Royal Academy of Arts (ex Pushkin & Hermitage) Klimt -Tate Liverpool , Gilbert Collection move to V&A .
- 2007 Henry Moore Exhibition, Kew Gardens, Turner Exhibition to National Gallery of Arts Washington .
- 2007 Basel Art Fair working with UK's top commercial galleries to deliver and display their artwork to this prestigious annual fair
- 2006 Bolshoi Theatre Instruments Transhipment from London to Moscow
- 2006 Rodin Exhibition, Royal Academy – bringing “The Gates of Hell “ to London
- 2005 China The Three Emperors 1662- 1795 Exhibition Royal Academy of Arts 2004
- 2005 Movement of British Library Collection of Rare Books to new site at St Pancras
- 2004 Damien Hirst Exhibition, Museo Archeologico Naples

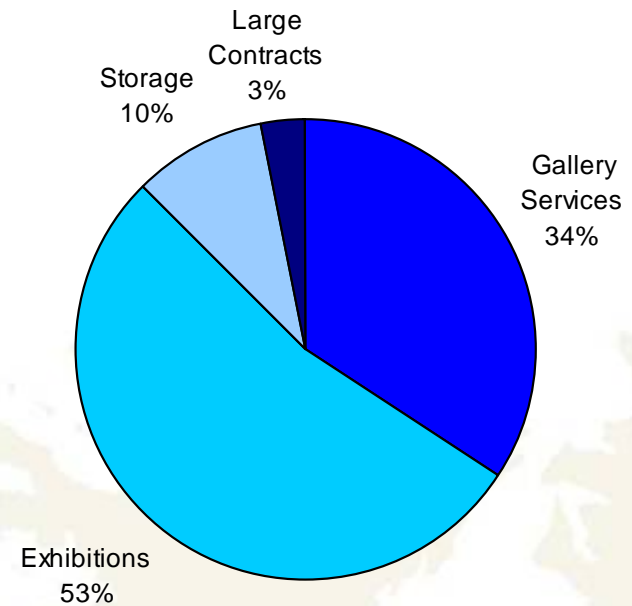


Clients by Revenue

Analysis of Top 100 Clients

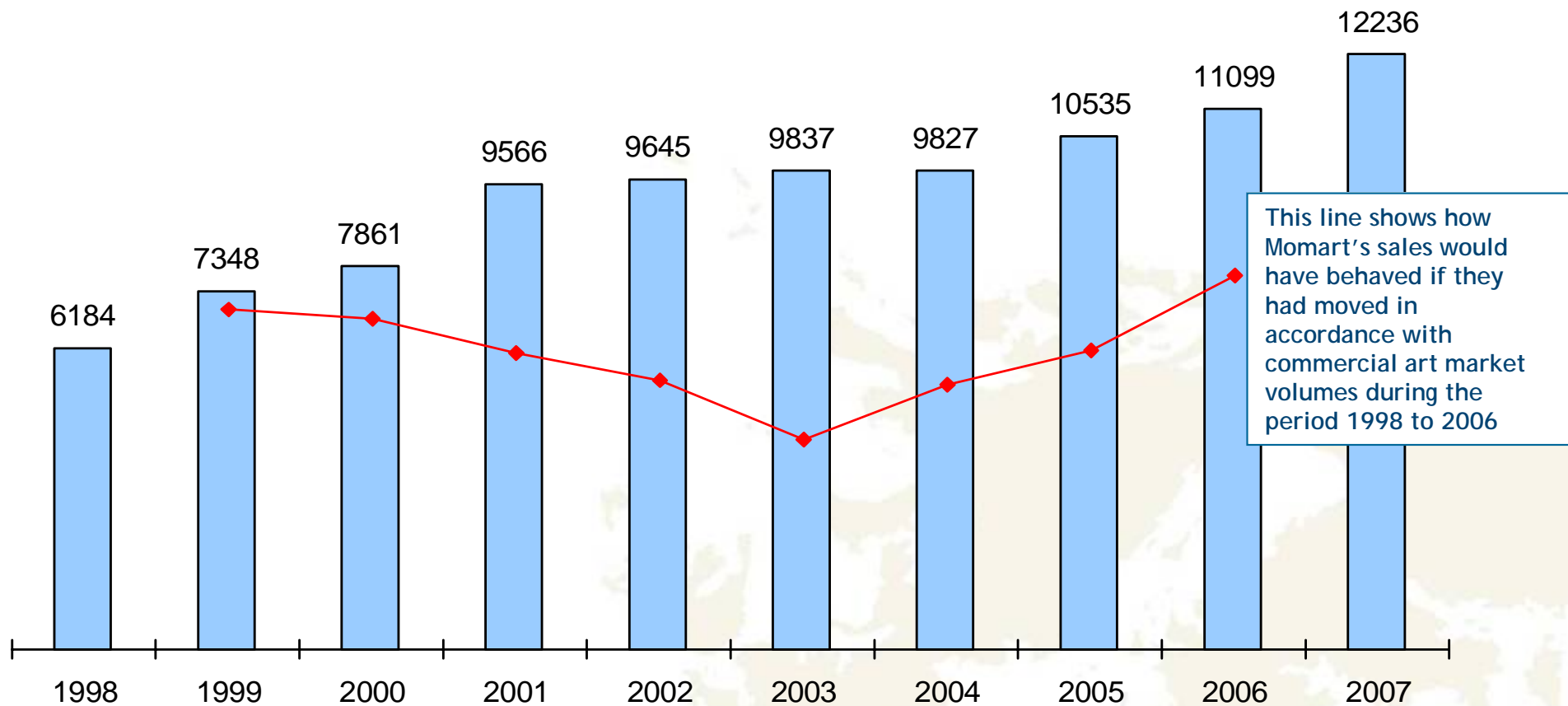


Revenue by Category



Historic Sales - Defensive qualities within business model

Momart historic sales compared with art market volumes, 1998-2007 (£000)



Momart Financial History - £'000

Years ended 31st August

