

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 which has a 4.4% shareholding in Falkland Oil and Gas Limited ("FOGL"), is pleased to provide the following update on trading for the year ended 31 March 2012.

Overall, the Group's trading for the year was ahead of market expectations and the FIH Board expects to report underlying Group pre-tax profits (before amortisation and non trading items) of approximately £3million for the year ended 31 March 2012 (2011 £2.7 million).

The FIH Board anticipates that the total dividend payment will be not less than the 10 pence per share (2011 9.5 pence per share).

### Highlights

- Falkland Islands Company (FIC) - Experienced continued good trading, with local demand augmented by oil exploration. Turnover increased to record levels with slightly lower retail sales offset by growth in support services and freight income. The contribution from FIC was at a similar level to the record level achieved last year.
- Portsmouth Harbour Ferry Company - The fare increase in June 2011 offset the increased operating and financing costs of the new Gosport Pontoon and a smaller decline in passenger volumes than expected, saw improved profitability.
- Momart - The strength of the global art market helped lift Gallery Services turnover and enabled Momart to continue the progress seen in the first half and produced an encouraging recovery in profitability.
- FOGL has made excellent progress in preparing for its two well programme using the Leiv Eiriksson drilling rig. The first well Loligo is now likely to spud in June 2012, followed by a second well thereafter.

Chairman of FIH, David Hudd; commented:

"I am pleased to report another good year for the Group with profits ahead of market expectations. In the UK, both the Group's businesses are performing well with the recovery in profits at Momart being particularly encouraging.

"In the Falklands attention has now shifted to the Southern basin where any drilling success will further underwrite the prospects for the Islands economy. FOGL is expected to commence drilling in June with any success promising a substantial increase in the value of FIH's shareholding.

"Looking further ahead we are working to ensure that FIC fully participates in the further growth of the Falkland Islands economy.

"The Group's preliminary results for the year ended 31 March 2012 are expected to be released on Monday 11 June 2012."

- 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: 0207 220 1666

Adrian Hadden / Nick Field

FTI Consulting

Billy Clegg / Edward Westropp / Georgina Bonham Tel: 020 7831 3113