

Falkland Islands Holdings PLC  
24 November 2004

Press Release

Falkland Islands Holdings plc

Offer for

The Portsmouth Harbour Ferry Company PLC

For immediate release

24 November 2004

The board of Falkland Islands Holdings plc ('FIH') made an Offer for the whole of the issued share capital of The Portsmouth Harbour Ferry Company PLC ('PHFC') on 11 October 2004 ('the Offer').

The Offer comprises:

- The Share Offer of 7 FIH Shares for every PHFC Share
- The Part Cash Alternative of £25 in cash and £10 in Loan Notes for every PHFC Share
- The Full Cash Alternative of £35 in cash for every PHFC Share

At the time the Offer was made, FIH held 61,149 PHFC Shares, representing 26.58% of PHFC's issued share capital. FIH has since purchased 12,782 PHFC Shares (5.56% of PHFC's issued share capital) and now holds 73,931 PHFC Shares representing 32.14% of its issued share capital. As this exceeds 30% of PHFC's issued share capital, the Offer is now a mandatory offer under Rule 9 of the Takeover Code.

In order to comply with Rule 9 of the Takeover code, the acceptance condition of the Offer has been changed so that the Offer is now subject to:

valid acceptances being received (and not, where permitted, withdrawn) by no later than 1.00 p.m. on 10 December 2004 (or such later time(s) and/or date(s) as FIH may, subject to the rules of the Takeover Code, decide) in respect of such number of PHFC Shares which, together with PHFC Shares acquired or agreed to be acquired by FIH before or during the Offer period, will result in FIH and any person acting in concert with it holding PHFC Shares carrying in aggregate more than 50 per cent. of the voting rights then normally exercisable at general meetings of PHFC, including, for this purpose (to the extent, if any, required by the Panel), any such voting rights attaching to any PHFC Shares that are unconditionally allotted or issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise.

As at 12pm today acceptances of the Offer had been received (and not withdrawn) in respect of 24,735 PHFC Shares (10.75% of PHFC's issued share capital). As stated above FIH already holds 32.14% of PHFC's issued share

capital. Thus the total percentage of acceptances received (and not withdrawn) and PHFC Shares held is currently 42.9%.

Dawnay, Day Corporate Finance Limited is satisfied that FIH has sufficient resources to satisfy full acceptance of the Offer. In order to assist with the servicing of the Loan Notes and the facilities arranged to fund part of the cost of the Full Cash Alternative out of the cash flows of the enlarged group, FIH proposes to apply the provisions of Sections 152-158 of the Companies Act 1985 to approve the granting of financial assistance by PHFC to FIH, if FIH acquires over 75 per cent. of PHFC's issued share capital.

The closing date for the Offer is 1pm on 10 December 2004.

#### Enquiries

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The issue of this announcement has been approved by the board of FIH. The Directors of FIH are the persons responsible for the information contained in this announcement. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this announcement is in accordance with the facts and does not omit anything likely to affect the import of such information. Each of the directors of FIH accepts responsibility accordingly.

Dawnay, Day Corporate Finance Limited ('Dawnay Day') has confirmed that FIH has sufficient cash resources and facilities to satisfy acceptance of the Full Cash Alternative.

This announcement has been approved for the purposes of section 21 of the Financial Services and Markets Act 2000 by Dawnay, Day Corporate Finance Limited ('Dawnay Day'). Dawnay Day, which is regulated by the Financial Services Authority, is acting for FIH and no-one else and will not be responsible to anyone other than FIH for providing the protections afforded to customers of Dawnay Day.

Words and expressions used in this announcement have the same meanings as in the Offer Document dated 11 October 2004.

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