

10 July 2019

FIH group plc

("FIH" or the "Group")

New debt facilities agreed and new commercial flight to the Falkland Islands

FIH group plc ("FIH"), the AIM quoted international group which owns essential services businesses focused on retail, transport and logistics, is pleased to provide an update on recent developments.

New Long-Term Commercial Mortgage

FIH has refinanced a short-term temporary bank facility of £10 million that was used to assist with the £19.6 million purchase of the 100,000sq ft art storage warehouse in Leyton as announced on 5 December 2018. With effect from 30 June 2019 the Group has drawn down a £13.9 million long-term mortgage, which has increased overall bank borrowings by £3.9 million and boosted the Group's cash reserves by £3.9 million. Net borrowings are unaffected. The loan has a 20-year repayment profile and following the draw down the Group has entered into an interest rate Swap which will fix the cost of borrowing for the loan at 3.0% p.a. for 10 years.

New Commercial Air link to the Falkland Islands from Brazil

On Friday 5 July 2019, the Falkland Islands Government issued a press release to confirm that a new commercial air link has been agreed that will connect the Falkland Islands to the international hub airport in Sao Paulo, Brazil. This will greatly improve accessibility to the Islands and will offer much greater opportunity for tourists to visit the Islands and experience its unique culture and environmental heritage. In addition the Falkland Islands Government has plans for a new port and air terminal, to support long term economic growth in the islands.

The text of the government press release issued on Friday 5 July is included in full further below.

John Foster FIH Group CEO said: *"With the draw-down of new long-term bank facilities, the Group has strengthened its cash reserves and locked in funding at historically low rates. With the Group's finances on a solid long-term footing FIH remains well placed over the medium-term to take advantage of opportunities across the Group and the exciting developments emerging in the Falklands."*

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Agreement reached for historic commercial flight between the Falkland Islands and Brazil

“An agreement has been finalised with LATAM Airlines Brazil to introduce a second international commercial air link to the Falkland Islands with a weekly service from São Paulo/Guarulhos (with a monthly stop in Cordoba, Argentina), complementing the existing weekly flight to Santiago, Chile.

This significant achievement comes following the successful conclusion of a formal commercial process which identified LATAM as the preferred operator last year.

LATAM is Latin America’s leading airline group, serving over 140 destinations in 27 countries worldwide. The new route will allow passengers to make onward connections to multiple destinations in South and North America and Europe, and once a month it will transit in both directions via Cordoba in Argentina.

The inaugural flight has been scheduled for Wednesday 6 November 2019 with further details regarding ticket sales and itinerary to be communicated in the coming weeks.

The process of establishing the flight has followed the principles set out in the 14 July 1999 Joint Statement and Exchange of Letters, later supported through the signing of the 2016 Joint Communiqué, between Britain and Argentina where it was agreed to make further progress in establishing additional air links between the Falkland Islands and third party countries.

The Government is working in partnership with the Ministry of Defence to ensure that interim arrangements will be in place to accommodate this new flight at Mount Pleasant International Airport in November. Plans for a new permanent terminal development are being progressed.

Speaking of this historic event, MLA Barry Elsbey, Portfolio Lead said: “We have made no secret of our determination to build better air links between the Falkland Islands and the rest of the world, and I am certain that this latest development will be successful.

“This new flight, together with our plans for a new port and air terminal, will support long term economic growth in the islands and will result in significant growth for our tourist industry in particular.”