

Market Announcement

FHL acquires South Sea Cruises Ltd.

In a press release made today, the Board of Fijian Holdings Limited announced the acquisition of South Sea Cruises Ltd (SSC) for a financial consideration of FJD62.57m.

It was also announced that prior to the acquisition of SSC, Fijian Holdings Ltd will sell its wholly owned subsidiary, Blue Lagoon Cruises Holdings Limited (BLCHL) to SSC for a price of FJD12.57m. BLCHL owns 93.2% of Blue Lagoon Cruises (BLC), a public company that owns and operates two luxury cruise ships along the Yasawa Group. This is the largest acquisition ever by Fijian Holdings Ltd following its acquisition of RB Patel Group in 2008. The FHL Board valued SSC at FJD50m as a standalone company and as such the combined value of SSC and BLC is FJD62.57m.

SSC is the country's largest and most experienced marine tourism operator and was owned by New Zealand based Marine Tourism Holdings (MTH). SSC operates 4 vessels out of Port Denarau providing resort transfers of tourist out of Denarau to the Mamanuca and Yasawa groups of islands. In addition, it also operates under the brand "Awesome Adventures" for backpacker and flashpacker markets. In Australia, MTH owns and operates similar operations in the Whitsunday Islands in Queensland through its subsidiary, Cruise Whitsunday Pty Limited (CWP).


FHL will also sign a management agreement with CWP to manage SSC and BLC for the next 8 years.

In commenting on the impact of the transactions, FHL Group Chairman, Iowane Naiveli said "This investment accelerates our strategy in growing the FHL portfolio in strong sectors of the tourism market that will continue to perform and provide positive return on investments.

FHL Acting Group CEO, Nouzab Fareed said "In addition to the clear strategic benefits, SSC will not only complement FHL's investment in BLC but has positioned us as market leaders in this sector of the Tourism industry. This will also provide the FHL Group opportunities to access further growth and business development."

He also added that following the initial payment of \$10 million, another \$20 million will be paid within next 60 days and the rest would be spread within a period of seven years. The combined entity will handle in excess of 210,000 passengers in the coming year.

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Chairman - FHL

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