

FIRST FINANCIAL HOLDINGS, INC.

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NEWS NEWS NEWS NEWS NEWS

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FIRST FINANCIAL HOLDINGS, INC. ANNOUNCES FOURTH QUARTER AND FISCAL 2008 EARNINGS AND QUARTERLY DIVIDEND PAYMENT

Charleston, South Carolina (October 24, 2008) – First Financial Holdings, Inc. (“Company”) (NASDAQ GSM: FFCH) today reported net income for the fourth quarter of its fiscal year ended September 30, 2008. Net income for the quarter ended September 30, 2008 was \$6.3 million and increased \$1.1 million or 21.5% from the comparative quarter ended September 30, 2007. Basic and diluted earnings per share totaled \$0.54 for the current quarter, compared to \$0.44 per basic and diluted share for the quarter ended September 30, 2007. Net income and diluted earnings per share for the twelve months ended September 30, 2008 totaled \$22.6 million, or \$1.94, compared with \$25.1 million, or \$2.07, for the twelve months ended September 30, 2007.

President and Chief Executive Officer A. Thomas Hood commented, “We are very pleased with our solid fourth quarter fiscal year results and with operations during fiscal 2008. Our operating results are due in large part to the quality of our management team and staff, our credit culture and the confidence of our customers in our ability to provide the banking, financing, investment, trust and insurance products and services they need in this challenging environment. It is clear that our strategy of diversifying our revenues and providing our customers with a broad selection of financial solutions is also benefiting our customers, our bank and our shareholders.”

Compared with the quarter ended June 30, 2008, the net interest margin decreased by eight basis points from a net interest margin of 3.56% to 3.48% for the quarter ended September 30, 2008. Net interest income for the quarter ended September 30, 2008 was \$24.2 million, increasing from \$24.0 million or 0.6% for the linked quarter ended June 30, 2008. Hood commented, “We continue to face significant pricing competition however our focus remains on increasing our core deposits and developing long-term customer relationships.”

Hood noted, “Credit quality weakened during the fourth fiscal quarter. Consumers in our markets are experiencing higher unemployment, lower home values and increased living expenses. We are closely monitoring credit trends in our markets and specific loans in our loan portfolio. The Company continues to experience higher levels of non-performing loans and net loan charge-offs as compared to our historical lows; but when compared to industry averages, our problem loans and charge-offs are very low. We remain confident in our underwriting and the quality of loans originated. Annualized net loan charge-offs as a percentage of net loans totaled 0.39% for the quarter ended September 30, 2008.”

The Company recognized a provision for loan losses of \$5.2 million for the quarter ended September 30, 2008 compared to \$4.9 million for the quarter ended June 30, 2008, and \$1.9 million for the quarter ended September 30, 2007. The increase in the provision on both a linked and comparative quarter basis is attributable to increased delinquencies and non-performing loans and an ongoing assessment of current economic conditions specific to the markets we serve. The Company increased its allowance for loan losses as a percent of total loans from 92 basis points during the quarter ended June 30, 2008 to 102 basis points during the quarter ended September 30, 2008. Problem assets, which include non-accrual loans, accruing loans more than 90 days past due and real estate owned, as a percentage of total assets were 0.84% at September 30, 2008 compared with 0.28% at September 30, 2007 and 0.76% at June 30, 2008. The Company’s loan loss reserve coverage of non-performing loans was 116.3% at September 30, 2008 compared to 251.4% at

September 30, 2007 and 126.3% at June 30, 2008. The Company continues to work with borrowers searching for alternatives to mortgage foreclosure.

Mortgage banking income decreased by \$104 thousand or 11.3% for the comparative quarter ended September 30, 2007. This change was the result of the narrowing spreads between the 10-year Treasury yield and 30-year mortgage rates. During fiscal 2008, our hedging program offset \$2.4 million mark to market losses on mortgage servicing rights.

During the quarter ended September 30, 2008, we had one investment considered other than temporarily impaired (OTTI) and we recorded a \$486 thousand loss for that adjustment. The company had no exposure to preferred stock issued by the Federal Home Loan Mortgage Corporation (FHLMC) or the Federal National Mortgage Association (FNMA).

Total non-interest revenues were \$15.1 million for the fourth quarter of fiscal 2008, an increase of \$1.7 million from \$13.4 million for the quarter ended September 30, 2007. This increase is primarily attributable to increases in insurance commissions as a result of the acquisition of The Somers-Pardue Agency, Inc., service charges and fees on deposit accounts and gains on disposition of assets from the sale of a building once used as an operations center in Conway, South Carolina. Total revenues, defined as net interest income plus total other income, excluding gains on sales of investments and gains on disposition of assets, increased to \$38.3 million for the quarter ended September 30, 2008, an increase of \$4.3 million, or 12.8%, from \$34.0 million during the comparable quarter ended September 30, 2007.

Total non-interest expenses increased by \$1.1 million or 4.7%, to \$23.9 million for the quarter ended September 30, 2008 compared to \$22.8 million for the quarter ended September 30, 2007. Salary and employee benefits costs increased in the fourth quarter of fiscal 2008 as a result of the acquisition of the operations of Somers-Pardue. Additionally, we continue to have higher occupancy expenses as a result of our recently completed renovations on the building adjacent to our operations center. We expect that leases on this property will reduce occupancy costs in future quarters. Several new leases to third-party businesses have been executed and increased occupancy levels are expected during the first quarter of fiscal 2009.

Hood noted, "During the fourth quarter of fiscal 2008, we relocated two financial service centers: Shoppers Port on Highway 17 South in Charleston and our Southpark location in Florence. We expect to open our second in-store financial service center in the new Wal-mart Superstore in Florence on October 29, 2008 and we are relocating our Mall Drive financial center in North Charleston in March 2009. These relocations allow for more exposure as traffic patterns change."

Hood commented, "The housing market outlook remains challenging and we are continuing to see slowness in the housing market as a result of increased inventories of residential units and fewer housing starts. We expect the housing market to continue to be very weak for the foreseeable future."

Hood continued, "While current market conditions continue to present many challenges for all financial institutions, we are committed to finding the best financial solutions for our customers and the best results for our shareholders. Our Board of Directors, officers and employees welcome the new fiscal year and are focused on achieving our financial and operational goals for fiscal 2009."

The Company also announced today that its Board of Directors has declared a regular quarterly cash dividend of .255 cents per share. The dividend is payable November 21, 2008, to stockholders of record as of November 7, 2008. Hood concluded, "The Company continues to achieve solid earnings and the Board believes strongly that shareholders should share in the Company's success."

As of September 30, 2008, First Financial's total assets were \$3.0 billion, loans receivable totaled \$2.4 billion and deposits were \$1.9 billion. Stockholders' equity was \$183.5 million and book value per common share totaled \$15.69 at September 30, 2008. First Federal's capital ratio (i.e., equity divided by assets) was 6.9% at September 30, 2008, compared to 7.0% and 7.4% at June 30, 2008 and September 30, 2007, respectively. Tangible equity to assets was 7.5% at September 30, 2008, compared to 7.2% and 7.4% at June 30, 2008 and September 30, 2007, respectively. As of September 30, 2008, First Federal remained categorized "well capitalized" under regulatory standards.

First Financial is the holding company for First Federal Savings and Loan Association of Charleston ("First Federal"), which operates 58 offices located in the Charleston metropolitan area, Horry, Georgetown, Florence and Beaufort counties in South Carolina and Brunswick County in coastal North Carolina offering banking and trust services. The Company also provides insurance and brokerage services through First Southeast Insurance Services, The Kimbrell Insurance Group and First Southeast Investor Services.

NOTE: A. Thomas Hood, President and CEO of the Company, and R. Wayne Hall, Executive Vice President and CFO, will discuss these results in a conference call at 2:00 PM (EDT), October 24, 2008. The call can be accessed via a webcast available on First Financial's website at www.firstfinancialholdings.com.

Forward Looking Statements

Certain matters in this news release constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements relate to, among others, expectations of the business environment in which the Company operates, projections of future performance, including operating efficiencies, perceived opportunities in the market, potential future credit experience, and statements regarding the Company's mission and vision. These forward-looking statements are based upon current management expectations, and may, therefore, involve risks and uncertainties. Management's ability to predict results or the effect of future plans or strategies is inherently uncertain. The Company's actual results, performance or achievements may differ materially from those suggested, expressed or implied by forward-looking statements due to a wide range of factors including, but not limited to, the general business environment, general economic conditions nationally and in the State of South Carolina, interest rates, the South Carolina real estate market, the demand for mortgage loans, the credit risk of lending activities, including changes in the level of and trend of loan delinquencies and charge-offs, results of examinations by our banking regulators, competitive conditions between banks and non-bank financial services providers, regulatory changes and other risks detailed in the Company's reports filed with the Securities and Exchange Commission, including the Annual Report on Form 10-K for the fiscal year ended September 30, 2007. Accordingly, these factors should be considered in evaluating the forward-looking statements, and undue reliance should not be placed on these statements.

Such forward-looking statements may include projections. Such projections were not prepared in accordance with published guidelines of the American Institute of Certified Public Accountants or the SEC regarding projections and forecasts nor have such projections been audited, examined or otherwise reviewed by independent auditors of the Company. In addition, such projections are based upon many estimates and inherently subject to significant economic and competitive uncertainties and contingencies, many of which are beyond the control of management of the Company. Accordingly, actual results may be materially higher or lower than those projected. The inclusion of such projections herein should not be regarded as a representation by the Company that the projections will prove to be correct. The Company does not undertake to update any forward-looking statement that may be made on behalf of the Company.

For additional information about First Financial, please visit our web site at www.firstfinancialholdings.com or contact Dorothy B. Wright, Vice President-Investor Relations and Corporate Secretary, (843) 529-5931.

FIRST FINANCIAL HOLDINGS, INC.
Unaudited Consolidated Financial Highlights
(in thousands, except share data)

| | Three Months Ended | | | Twelve Months Ended | |
|--|--------------------|-----------|-----------|---------------------|------------|
| | 09/30/08 | 09/30/07 | 06/30/08 | 09/30/08 | 09/30/07 |
| Statements of Income | | | | | |
| Interest income | \$ 43,371 | \$ 42,931 | \$ 43,229 | \$ 174,772 | \$ 168,044 |
| Interest expense | 19,216 | 22,239 | 19,220 | 83,408 | 85,214 |
| Net interest income | 24,155 | 20,692 | 24,009 | 91,364 | 82,830 |
| Provision for loan losses | (5,218) | (1,850) | (4,907) | (16,939) | (5,164) |
| Net interest income after provision | 18,937 | 18,842 | 19,102 | 74,425 | 77,666 |
| Other income | | | | | |
| Net gain on sale of investments and mortgage-backed securities | - | - | 4 | 750 | 266 |
| Brokerage fees | 672 | 664 | 665 | 2,923 | 2,551 |
| Commissions on insurance | 6,068 | 4,883 | 7,136 | 23,773 | 20,865 |
| Other agency income | 274 | 288 | 296 | 1,057 | 1,181 |
| Service charges and fees on deposit accounts | 6,132 | 5,818 | 5,912 | 23,901 | 21,566 |
| Mortgage banking income | 818 | 922 | 1,828 | 7,456 | 4,255 |
| Gains on disposition of assets | 913 | 40 | 43 | 1,052 | 230 |
| Other | 176 | 759 | 504 | 1,970 | 2,303 |
| Total other income | 15,053 | 13,374 | 16,388 | 62,882 | 53,217 |
| Other expenses | | | | | |
| Salaries and employee benefits | 14,686 | 14,172 | 16,625 | 65,282 | 58,669 |
| Occupancy costs | 2,181 | 1,810 | 2,016 | 8,243 | 6,632 |
| Marketing | 459 | 522 | 685 | 2,408 | 2,261 |
| Furniture and equipment expense | 1,631 | 1,516 | 1,445 | 5,876 | 5,406 |
| Other | 4,936 | 4,801 | 4,944 | 18,501 | 17,468 |
| Total other expenses | 23,893 | 22,821 | 25,715 | 100,310 | 90,436 |
| Income before income taxes | 10,097 | 9,395 | 9,775 | 36,997 | 40,447 |
| Provision for income taxes | 3,788 | 4,204 | 3,873 | 14,359 | 15,375 |
| Net income | 6,309 | 5,191 | 5,902 | 22,638 | 25,072 |
| Earnings per common share: | | | | | |
| Basic | 0.54 | 0.44 | 0.51 | 1.94 | 2.10 |
| Diluted | 0.54 | 0.44 | 0.51 | 1.94 | 2.07 |
| Average shares outstanding | 11,683 | 11,741 | 11,668 | 11,664 | 11,929 |
| Average diluted shares outstanding | 11,688 | 11,842 | 11,679 | 11,692 | 12,089 |
| Ratios: | | | | | |
| Return on average equity | 13.59% | 11.09% | 12.60% | 12.16% | 13.99% |
| Return on average assets | 0.86% | 0.77% | 0.81% | 0.79% | 0.94% |
| Net interest margin | 3.48% | 3.31% | 3.56% | 3.41% | 3.36% |
| Total other expense/average assets | 3.24% | 3.39% | 3.54% | 3.50% | 3.38% |
| Efficiency ratio (1) | 61.36% | 67.81% | 63.47% | 64.33% | 67.16% |
| Net charge-offs/loans, annualized | 0.39% | 0.30% | 0.32% | 0.37% | 0.21% |

(1) Excludes from income - (losses) gains on sales of securities, net real estate operations, gains on disposition of assets; excludes from expenses - non-recurring compensation expenses.

Please Note: Certain prior period amounts have been reclassified to conform to current period presentation.
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FIRST FINANCIAL HOLDINGS, INC.
Unaudited Consolidated Financial Highlights
(in thousands, except share data)

| | 09/30/08 | 09/30/07 | 06/30/08 |
|---|------------------|------------------|------------------|
| Statements of Financial Condition | | | |
| Assets | | | |
| Cash and cash equivalents | \$ 62,949 | \$ 77,334 | \$ 72,735 |
| Investments | 60,969 | 55,629 | 61,760 |
| Mortgage-backed securities | 351,110 | 297,011 | 353,257 |
| Loans receivable, net | 2,333,268 | 2,140,769 | 2,268,484 |
| Office properties, net | 78,738 | 74,303 | 77,673 |
| Real estate owned | 4,286 | 1,513 | 5,442 |
| Intangible assets | 36,241 | 22,627 | 40,401 |
| Mortgage servicing rights | 12,550 | 12,831 | 12,754 |
| Other assets | 33,883 | 29,353 | 31,522 |
| Total Assets | 2,973,994 | 2,711,370 | 2,924,028 |
| Liabilities | | | |
| Deposits | 1,851,102 | 1,854,051 | 1,865,261 |
| Advances from FHLB | 818,000 | 554,000 | 747,000 |
| Other borrowings | 75,205 | 52,207 | 69,204 |
| Other liabilities | 46,209 | 65,397 | 54,585 |
| Total Liabilities | 2,790,516 | 2,525,655 | 2,736,050 |
| Stockholders' equity | | | |
| Stockholders' equity | 302,831 | 290,091 | 298,835 |
| Treasury stock | (103,387) | (103,197) | (103,274) |
| Accumulated other comprehensive loss | (15,966) | (1,179) | (7,583) |
| Total stockholders' equity | 183,478 | 185,715 | 187,978 |
| Total liabilities and stockholders' equity | 2,973,994 | 2,711,370 | 2,924,028 |
| Stockholders' equity/assets | 6.17% | 6.85% | 6.43% |
| | | | |
| Common shares outstanding | 11,692 | 11,635 | 11,674 |
| Book value per share | \$ 15.69 | \$ 15.96 | \$ 16.10 |
| | | | |
| | 09/30/08 | 09/30/07 | 06/30/08 |
| Credit quality-quarterly results | | | |
| Total reserves for loan losses | \$ 23,990 | \$ 15,428 | \$ 21,023 |
| Loan loss reserves / loans | 1.02% | 0.72% | 0.92% |
| Reserves/non-performing loans | 116.27% | 251.43% | 126.34% |
| Provision for losses | \$ 5,218 | \$ 1,850 | \$ 4,907 |
| Net loan charge-offs | \$ 2,251 | \$ 1,610 | \$ 1,785 |
| | | | |
| Problem assets | | | |
| Non-accrual loans | \$ 20,557 | \$ 6,087 | \$ 16,562 |
| Accruing loans 90 days or more past due | 76 | 49 | 79 |
| REO through foreclosure | 4,286 | 1,513 | 5,442 |
| Total | \$ 24,919 | \$ 7,649 | \$ 22,083 |
| As a percent of total assets | 0.84% | 0.28% | 0.76% |