

# *FIRST FINANCIAL HOLDINGS, INC.*

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***NEWS NEWS NEWS NEWS NEWS***

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## **FIRST FINANCIAL HOLDINGS, INC. RECEIVES \$65 MILLION INVESTMENT FROM THE U.S. TREASURY'S CAPITAL PURCHASE PROGRAM**

Charleston, South Carolina (December 5, 2008) – First Financial Holdings, Inc. (“First Financial” or “Company”) (NASDAQ GSM: FFCH), the parent company of First Federal Savings and Loan Association of Charleston (“First Federal”), today announced that it has received \$65 million from the U.S. Treasury Department as a part of the Treasury’s Capital Purchase Program. This funding marks First Financial’s successful completion of the sale to the U.S. Treasury of \$65 million in senior preferred stock, with a related warrant to purchase up to \$9.7 million in First Financial common stock. The transaction is part of the Treasury’s program to encourage qualified financial institutions to build capital to increase the flow of financing to businesses and consumers and to support the U.S. economy.

A. Thomas Hood, President and Chief Executive Officer commented, “We are very pleased that the Company is participating in the Treasury’s Capital Purchase Program. This is recognition of the fundamental strength of First Financial and it enhances our efforts to support economic development and expand banking activities in the markets we serve. This participation also provides flexibility for future growth.”

The preferred stock will pay a 5% dividend for the first five years, after which the rate will increase to 9% if the preferred shares are not redeemed by the Company. The terms and conditions of the transaction and the preferred stock conform to those provided by the U.S. Treasury. A summary of the Capital Purchase Program can be found on the Treasury’s web site at [www.ustreas.gov/initiatives/eesa](http://www.ustreas.gov/initiatives/eesa). In addition to the preferred shares, the Treasury received a warrant to purchase 483,391 shares of First Financial common stock at a price of \$20.17 per share at any time during the next ten years.

On June 20, 2008, the Company announced the commencement of a stock repurchase plan to acquire up to 350,000 shares of its common stock. No shares have been repurchased as a part of this plan and effective with First Financial’s participation in the U. S. Treasury Department’s Capital Purchase Program, this plan was terminated.

First Financial is the holding company for First Federal Savings and Loan Association of Charleston, 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.

## Forward Looking Statements

*This press release contains statements that the Company believes are “forward-looking statements.” These statements relate to the Company’s financial condition, results of operations, plans, objectives, future performance or business. You should not place undue reliance on these statements, as they are subject to risks and uncertainties. When considering these forward-looking statements, you should keep in mind these risks and uncertainties, as well as any cautionary statements the Company may make. Moreover, you should treat these statements as speaking only as of the date they are made and based only on information then actually known to the Company. There are a number of important factors that could cause future results to differ materially from historical performance and these forward-looking statements. Factors which could cause actual results to differ materially include, but are not limited to, (1) adverse developments in the capital markets in general or in the markets for financial institutions stock in particular; (2) changes in legislation or regulatory requirements affecting financial institutions, including the current debate in Congress as to restructuring the financial services industry; (3) changes in the interest rate environment; and (4) adverse changes in general economic conditions and other risks detailed in First Financial’s reports filed with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended September 30, 2007 and Form 10-Q for the quarter ended June 30, 2008. Accordingly, these factors should be considered in evaluating the forward-looking statements, and undue reliance should not be placed on such statements.*

*For additional information about First Financial, please visit our web site at [www.firstfinancialholdings.com](http://www.firstfinancialholdings.com) or contact Dorothy B. Wright, Vice President-Investor Relations and Corporate Secretary, (843) 529-5931 or (843) 729-7005.*