

FIRST FINANCIAL HOLDINGS, INC.

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FIRST FINANCIAL HOLDINGS, INC. REPORTS THIRD QUARTER RESULTS

Charleston, South Carolina (July 21, 2006) – First Financial Holdings, Inc. (“Company”) (NASDAQ GSM: FFCH) today reported results for the third quarter of the fiscal year ended September 30, 2006. Net income for the third quarter of fiscal 2006 totaled \$7.2 million, or \$0.59 per diluted share, an increase of 16.6% and 20.4%, respectively, from net income of \$6.2 million, or \$0.49 per diluted share, earned in the third quarter of fiscal 2005. Net income for the nine months ended June 30, 2006 and 2005 totaled \$20.7 million, or \$1.70 per diluted share, and \$19.1 million, or \$1.52 per diluted share, respectively.

President and Chief Executive Officer A. Thomas Hood commented, “Operations during the third quarter have produced improved results during fiscal 2006. One of the highlights during the June 2006 quarter was strong annualized loan growth of 12.8%. We believe that growth in average earning assets of \$32.1 million during the quarter and a higher mix of loans relative to securities contributed to an expansion of 10 basis points in the net interest margin on a linked quarter basis and an increase of three basis points over the comparable quarter in fiscal 2005. The net interest margin for the quarter ended June 30, 2006 was 3.37% compared with 3.27% for the quarter ended March 31, 2006 and 3.34% for the quarter ended June 30, 2005. Net interest income increased \$973 thousand to \$20.2 million for the quarter ended June 30, 2006, compared to \$19.3 million for the quarter ended June 30, 2005. We find these results encouraging; however, we remain cautious as the Federal Reserve continues to increase short-term interest rates. Since June 2004, the Federal Reserve has increased short-term rates by a total of 425 basis points.”

Hood noted, “Results during the current quarter demonstrate the success of our efforts to continue to diversify non-spread based revenue. Non-interest income was \$14.1 million for the third quarter of fiscal 2006, an increase of \$3.2 million, or 29.7%, from \$10.9 million for the comparable quarter last year. Total revenues, defined as net interest income plus total other income, excluding gains on sales on investments and gains from property sales, increased \$3.8 million to \$33.6 million during the quarter ended June 30, 2006, an increase of 12.6% from \$29.8 million for the comparable quarter ended June 30, 2005. On the same basis, total revenues were up \$8.0 million, or 8.7%, for the first nine months of fiscal 2006 compared with the first nine months of fiscal 2005. Deposit account revenues totaled \$4.4 million during the quarter ended June 30, 2006 compared with \$3.0 million during the comparable quarter ended June 30, 2005. The \$1.4 million increase in deposit fees during the current quarter is primarily attributable to the introduction of a courtesy overdraft privilege program in July 2005. Commissions on insurance increased by 8.9% to \$5.0 million during the quarter ended June 30, 2006 compared with \$4.6 million during the quarter ended June 30, 2005. Loan servicing operations, net, totaled \$850 thousand during the quarter ended June 30, 2006 compared with a net loss of \$117 thousand during the quarter ended June 30, 2005. The results for the quarter ended June 30, 2005 reflected a \$507 thousand increase in the impairment reserve for originated mortgage servicing values while the current quarter’s results included a \$200 thousand recovery. Gains on disposition of assets totaled \$801 thousand during the quarter ended June 30, 2006 compared with gains of \$344 thousand recorded in the quarter ended June 30, 2005.”

Total non-interest expenses increased by \$2.2 million, or 11.0%, to \$21.8 million for the quarter ended June 30, 2006 compared to \$19.7 million for the quarter ended June 30, 2005. Salaries and employee benefits increased by \$1.3 million to \$13.5 million for the quarter ended June 30, 2006 from \$12.2 million for the quarter ended June 30, 2005. The increase in the current quarter is attributable principally to staffing for in-store branch expansion, higher health benefit costs and merit increases since June 2005. On a linked quarter basis, non-interest expenses in the quarter ended June 30, 2006 increased \$1.0 million from the quarter ended March 31, 2006. For the first nine months of fiscal 2006, non-interest expense increased 7.8%, or \$4.6 million, to \$64.2 million from \$59.6 million for the comparable nine month period in fiscal 2005. Excluding a \$964 thousand prepayment penalty on the repayment of FHLB advances incurred during the nine months ended June 30, 2005, total non-interest expense increased 9.6%.

The Company's provision for loan losses was \$1.4 million during the quarter ended June 30, 2006 compared with \$1.0 million during the comparable quarter in fiscal 2005. The increase was principally attributable to increased credit risk due to strong loan growth in the current quarter as charge-offs were 8.6% lower in the quarter ended June 30, 2006 compared with the quarter ended June 30, 2005. The Company's reserve coverage of non-performing loans was 284.4% at June 30, 2006 compared to 210.6% at June 30, 2005 and 321.7% at March 31, 2006. Annualized loan net charge-offs as a percentage of net loans was 0.22% for the quarter ended June 30, 2006 compared with 0.26% for the comparable quarter a year ago and 0.27% for the quarter ended March 31, 2006. Problem assets, which include problem loans as well as properties acquired, as a percentage of total assets was 0.26% for the quarters ended June 30, 2006 and March 31, 2006, respectively, improving from 0.36% for the quarter ended June 30, 2005.

Hood also noted, "During late June, we opened our eleventh Wal-Mart Superstore retail sales office, with several more of these in-store offices planned. Deposit growth slowed as expected during the June 2006 quarter, although deposits have increased 12.2% over the past year. Deposit price competition has been strong in all of our markets."

Hood commented, "We identified several significant goals for fiscal 2006. After having completed our first nine months of fiscal 2006, we have increased diluted earnings per share by 11.8%, ahead of our goal of 10% or greater for the year."

"As reflected in the current quarter's results we continue to enjoy success in the growth of our advice businesses – insurance, brokerage and trust. Revenue growth in these businesses has increased 8.6% for the first nine months of fiscal 2006 compared to the first nine months of fiscal 2005."

"We have aggressively grown our in-store banking program with three new stores opened in the nine months ended June 30, 2006 and have commitments to open two additional in-store offices in fiscal 2007. We continue to evaluate possible additional in-store branches in the near term future. We recently began construction of a regional office in North Myrtle Beach, which will allow us to consolidate operations from several offices in the immediate region."

"Loan growth has been particularly strong in the current quarter, especially to businesses and consumers. On an annualized basis, loans receivable increased by 11.3% during the first nine months of fiscal 2006." Hood concluded.

As of June 30, 2006, total assets of First Financial were \$2.7 billion, loans receivable totaled \$2.0 billion and deposits were \$1.8 billion. Stockholders' equity was \$176.8 million and book value per common share totaled \$14.73 at June 30, 2006.

First Financial is the holding company of First Federal, which operates 52 offices located in the Charleston metropolitan area, Horry, Georgetown, Florence and Beaufort counties in South Carolina and Brunswick County in coastal North Carolina. The Company also provides insurance, brokerage and trust services through First Southeast Insurance Services, The Kimbrell Insurance Group, First Southeast Investor Services and First Southeast Fiduciary and Trust Services.

NOTE: A. Thomas Hood, President and CEO of the Company, and Susan E. Baham, Executive Vice President, COO and CFO, will discuss these results in a conference call at 11:00 AM (ET), July 24, 2006. 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, 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, 2005. Accordingly, these factors should be considered in evaluating the forward-looking statements, and undue reliance should not be placed on these statements.

For additional information about First Financial, please visit our web site at www.firstfinancialholdings.com or contact Susan E. Baham, Executive Vice President, COO and CFO, (843) 529-5601.

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

	Three Months Ended			Nine Months Ended	
	06/30/06	06/30/05	03/31/06	06/30/06	06/30/05
Statements of Income					
Interest income	\$ 38,652	\$ 33,051	\$ 36,783	\$ 110,670	\$ 96,944
Interest expense	18,413	13,785	17,357	51,593	39,600
Net interest income	20,239	19,266	19,426	59,077	57,344
Provision for loan losses	(1,413)	(1,010)	(1,309)	(3,622)	(3,610)
Net interest income after provision	18,826	18,256	18,117	55,455	53,734
Other income					
Net gain on sale of loans	437	816	515	1,689	1,656
Net gain (loss) on sale of investments and mortgage-backed securities	(9)	1	3	(6)	(55)
Brokerage fees	694	634	914	2,113	1,938
Commissions on insurance	4,986	4,578	5,808	14,686	14,090
Other agency income	313	361	301	882	955
Service charges and fees on deposit accounts	4,386	2,985	4,222	13,367	8,674
Net gain on loan servicing operations	850	(117)	685	2,417	1,205
Gains on disposition of assets	801	344	92	915	1,946
Other	1,675	1,297	1,663	4,789	5,203
Total other income	14,133	10,899	14,203	40,852	35,612
Other expenses					
Salaries and employee benefits	13,549	12,201	13,387	40,603	37,446
Occupancy costs	1,603	1,351	1,249	4,193	3,828
Marketing	690	490	622	1,777	1,459
Depreciation, amort., etc.	1,360	1,432	1,295	4,011	4,070
Prepayment fees	-				964
Other	4,629	4,185	4,271	13,611	11,780
Total other expenses	21,831	19,659	20,824	64,195	59,547
Income before income taxes	11,128	9,496	11,496	32,112	29,799
Provision for income taxes	3,949	3,338	4,087	11,401	10,681
Net income	7,179	6,158	7,409	20,711	19,118
Earnings per common share:					
Basic	0.60	0.50	0.62	1.72	1.55
Diluted	0.59	0.49	0.61	1.70	1.52
Average shares outstanding	12,013	12,303	12,023	12,030	12,309
Average diluted shares outstanding	12,163	12,511	12,190	12,195	12,562
Ratios:					
Return on average equity	16.38%	14.35%	17.19%	15.95%	15.08%
Return on average assets	1.10%	0.99%	1.15%	1.07%	1.03%
Net interest margin	3.37%	3.34%	3.27%	3.33%	3.35%
Total other expense/average assets	3.33%	3.15%	3.23%	3.31%	3.21%
Efficiency ratio (1)	64.74%	65.45%	61.75%	64.49%	63.96%
Net charge-offs/average net loans, annualized	0.22%	0.26%	0.27%	0.22%	0.30%

(1) Excludes from income - (losses) gains on sales of securities, net real estate operations, gains on disposition of assets; excludes from expenses - prepayment fees

	06/30/06	06/30/05	03/31/06
Statements of Financial Condition			
Assets			
Cash and cash equivalents	\$ 131,502	\$ 126,702	\$ 113,898
Investments	56,813	58,996	53,476
Mortgage-backed securities	298,022	355,953	319,729
Loans receivable, net	2,047,966	1,867,627	1,984,423
Office properties, net	53,885	51,995	53,184
Real estate owned	1,725	2,291	2,410
Intangible assets	22,859	23,094	22,770
Other assets	40,668	39,882	41,207
Total Assets	2,653,440	2,526,540	2,591,097
Liabilities			
Deposits	1,813,748	1,616,056	1,804,780
Advances from FHLB	517,000	494,000	456,000
Other borrowings	74,029	186,461	98,913
Other liabilities	71,878	57,632	57,473
Total Liabilities	2,476,655	2,354,149	2,417,166
Stockholders' equity			
Stockholders' equity	268,109	247,760	263,195
Treasury stock	(86,096)	(73,684)	(84,711)
Accumulated other comprehensive loss	(5,228)	(1,685)	(4,553)
Total stockholders' equity	176,785	172,391	173,931
Total liabilities and stockholders' equity	2,653,440	2,526,540	2,591,097
Stockholders' equity/assets	6.66%	6.82%	6.71%
Common shares outstanding	12,000	12,243	12,025
Book value per share	\$ 14.73	\$ 14.08	\$ 14.46
	06/30/06	06/30/05	03/31/06
Credit quality-quarterly results			
Total reserves for loan losses	\$ 14,461	\$ 14,196	\$ 14,161
Loan loss reserves/net loans	0.71%	0.76%	0.71%
Reserves/non-performing loans	284.44%	210.59%	321.69%
Provision for losses	\$ 1,413	\$ 1,010	\$ 1,309
Net loan charge-offs	\$ 1,113	\$ 1,218	\$ 1,315
Problem assets			
Non-accrual loans	\$ 5,020	\$ 6,715	\$ 4,361
Accruing loans 90 days or more past due	64	26	41
Renegotiated loans			
REO through foreclosure	1,725	2,291	2,410
Total	\$ 6,809	\$ 9,032	\$ 6,812
As a percent of total assets	0.26%	0.36%	0.26%