
DIVIDEND REINVESTMENT AND DIRECT PURCHASE PLAN

For the Common Stock of FIRST FINANCIAL HOLDINGS, INC.

Dear Investor:

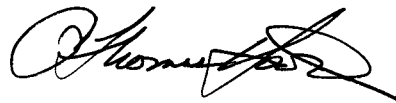
It is my pleasure to send to you First Financial Holdings, Inc.'s ("First Financial") Dividend Reinvestment and Direct Purchase Plan ("the Plan").

The Plan outlines alternatives for purchasing First Financial common stock without incurring broker commissions or fees and shows you how to increase the number of shares you currently hold through Dividend Reinvestment. The Plan provides participants with the opportunity to:

- Purchase initial shares of First Financial's Common Stock, par value \$0.01 ("Common Stock");
- Purchase shares of First Financial's Common Stock through optional cash contributions;
- Reinvest all or a portion of cash dividends to purchase additional shares of Common Stock;
- Have your bank account directly debited to make monthly purchases of Common Stock;
- Gift shares of stock and enroll the recipient into dividend reinvestment;
- Deposit certificates into the Plan for safekeeping; and,
- Sell shares of Common Stock held in the Plan.

We hope you will take advantage of this opportunity whether you are considering the purchase of our stock for the first time or you have been a First Financial shareholder for years. You even may want to start an investment account for your child, grandchild or friend.

Please review the Plan (including the terms and conditions) and enrollment form. If you have questions, please call 1-800-368-5948 (Registrar and Transfer Company, Plan Administrator) or call First Financial's Investor Relations Department at 843-529-5933.



A. Thomas Hood
President and
Chief Executive Officer



DIVIDEND REINVESTMENT AND DIRECT PURCHASE PLAN

For First Financial Holdings, Inc.

Common Stock

How to Enroll in the Plan

Shareholders of record may enroll and become participants in the Plan by completing and signing a Plan Enrollment Form. Enrollment is entirely voluntary and does not represent a commitment to purchase additional shares of First Financial Common Stock.

If you currently own shares of First Financial common stock that are held on your behalf by a bank or broker (that is, in “street name”), you will either need to (a) arrange with the record holder of your shares to have at least one (1) share registered directly in your name in order to be eligible to participate, or (b) become a stockholder of record by enrolling in the Plan in the same way as a non-shareholder.

If you are not a shareholder, you may enroll in the Plan by completing the Enrollment Form and sending it with a check made payable to Registrar and Transfer Company for a minimum of \$250 (maximum \$5,000) to make an **initial** purchase of shares of First Financial’s Common Stock.

All shareholders in whose name(s) the Plan shares will be registered, or in whose name(s) the current registration is shown, need to sign the Enrollment Form. Once completed, the Enrollment Form must be mailed to the Plan Administrator at:

Registrar and Transfer Company
Direct Purchase/DRP Department
10 Commerce Drive
Cranford NJ 07016-3572

Enrollment in the Plan may not be available to persons residing in certain states.

Optional Cash Investments

Participants may make additional purchases of Common Stock by sending a check with the Enrollment Form or at any time thereafter. Once you have enrolled, the minimum optional cash investment amount is \$100. The maximum purchase amount per month is \$5,000. Optional cash payments may be made by sending a check or money order drawn on a U. S. Bank in U. S. Currency payable to Registrar and Transfer Company at the address noted above. Participants may also arrange to have their bank accounts debited directly on a monthly basis to have shares purchased through the Plan. To initiate direct debiting, merely complete the “Automatic Investment” portion of the Enrollment Form. Debits to your checking account will be processed on or about the 15th of each month. The minimum monthly account debit is \$100. At present, there are no fees charged for purchases made with cash or by electronic direct debit.

Initial and optional investment purchases will be made on a daily basis when practicable. Otherwise, purchases will be made on a weekly basis. No interest will be paid on amounts held by the Plan Administrator pending investment.

Affiliates of First Financial (such as designated officers, directors and shareholders holding 5% or more of First Financial Common Stock) may participate only in the dividend reinvestment portion of the Plan. Affiliates are not permitted to purchase stock through this Plan.

Account Statements

A transaction advice will be sent promptly after each transaction showing the details pertaining to the transaction. Even if you do not have any transactions during the year, an account statement will be mailed to you at least once during the year showing your current account balance.

How to Sell Shares Held in the Plan

You may instruct Registrar and Transfer Company to sell any or all shares held in your Plan account. To request the sale of any or all shares held in the Plan, complete the bottom portion of the statement of account provided or send a request in writing to Registrar and Transfer at the address noted above. The request should indicate the shares to be sold and not the dollar amount to be received as a result of the sale. All participants listed on the account must sign the request. A fee of \$3.50 plus brokerage commission will be charged for each sale.

Affiliates of First Financial (such as designated officers, directors and shareholders holding 5% or more of First Financial Common Stock) may participate only in the dividend reinvestment portion of the Plan. Affiliates are not permitted to sell stock through this Plan.

Optional Dividend Reinvestment

You may elect to have all dividends used to purchase additional shares of First Financial Common Stock. To have dividends reinvested, you need only sign and return the Enrollment Form. Dividends will be automatically reinvested unless you indicate on the Enrollment Form that you want to have dividend checks mailed to you. Dividends paid on shares held in the Plan for you will be reinvested. You may select a partial dividend reinvestment of 25%, 50% or 75% of the shares held by you and receive a check for the remainder of the cash dividend on your shares.

How to Deposit Certificates for Safekeeping

To help safeguard your certificates against loss or theft, you may elect to deposit Common Stock certificates into your Plan account. The Plan charges a fee of \$3.50 per deposit of one or more certificates. Certificates can be sent to the Plan Administrator when enrolling in the Plan along with a completed Enrollment Form. Once enrolled in the Plan, additional certificates for safekeeping sent to the Plan Administrator should include the completed bottom portion of your account statement. You may send a request to sell shares with the certificates to be deposited into the Plan. If the sale request is sent with the certificate, the \$3.50 fee for the sale of shares will be waived.

The certificates to be deposited together with an Enrollment Form or bottom part of the statement should be sent by registered mail to the Transfer Agent at the address provided below; include with the request a check or money order for \$3.50 payable to Registrar and Transfer Company:

Registrar and Transfer Company
Direct Purchase/DRP Department
10 Commerce Drive
Cranford NJ 07016-3572

It is recommended that participants use registered mail when sending stock certificates insured for 2% of the market value of the shares. This is the approximate cost of the insurance required to replace the certificates should they be lost in the mail. Do not endorse the certificates.

How to Request a Certificate

You may request a certificate for some or all of the whole shares held in the Plan. The request for issuance of a stock certificate can be made using the bottom portion of the statement of account. There is no fee to the participant to issue a certificate. If all whole shares held in the account are requested, the account will be terminated and a check for any fractional share will be issued to the participant.

Gifting Shares

You can make a gift of shares held by you in the Plan by completing the bottom portion of your account statement (or writing a letter) indicating the number of shares that you wish to give. You must complete all of the registration information on the reverse side of the statement and **all parties listed on the account must sign** the request. Signatures of all registered holders must be “Medallion Guaranteed” by a financial institution participating in the Medallion Guarantee program. The Medallion Guarantee program ensures that the individual signing is in fact the owner as indicated on the participant’s account. You can also enroll the recipient in the Plan allowing all dividends to be reinvested. Merely check the box indicating that all dividends are to be reinvested and the person receiving the shares will automatically be enrolled in the Plan.

Account Termination

You can terminate your Plan account by completing and sending in the bottom portion of your account statement or by writing to Registrar and Transfer at the address noted above. You will receive a certificate for all full shares and a check for any fractional share held in your account. No certificates will be issued for fractional shares.

Costs of the Plan

The costs to you consist of the proportional share of any brokerage commissions and service fees as described. Your costs for services by the Plan are currently as follows:

- Optional Cash Investments: At present, there are no fees or brokerage commissions charged.
- Automatic Account Debiting: There is no fee for account debiting.
- Sale of Shares: Fee \$3.50 per sale plus brokerage commission.
- Certificate Issuance: There is no fee for the issuance of a certificate.
- Deposit of Certificates: A fee of \$3.50 per deposit will be charged. The fee for the sale of shares will be waived when depositing certificates for safekeeping into the Plan and at the same time requesting sale of the shares.

If there are changes to the fee structure, you will be notified in advance of implementation.

Brokerage Commissions:

Sale of Shares:

Brokerage commissions charged to Plan participants will be those the Plan Administrator must pay in the ordinary course of market transactions. This expense will be deducted from the proceeds of the sale of shares. Brokerage commissions will be allocated on a pro rata basis to Plan participants who are selling shares through the Plan. Brokerage commission rates are determined by the brokerage firm and not by the Plan Administrator. The Plan Administrator will seek to ensure that competitive and normal brokerage commissions are charged, consistent with the low-cost and aggregate transaction character of the Plan.

Purchase of Shares:

At present, there are no brokerage commissions or service fees charged for the purchase of shares.

Questions?

Questions about the Plan should be directed to the Transfer Agent by calling 1 (800) 368-5948, or by writing to:

Registrar and Transfer Company
Direct Purchase/DRP Department
10 Commerce Drive
Cranford NJ 07016-3572

Terms and Conditions

The First Financial Holdings, Inc. Dividend Reinvestment and Direct Purchase Plan (the "Plan") services are provided in accordance with the following Terms and Conditions. These Terms and Conditions apply to participants in the Plan for the Common Stock of First Financial. You should retain this brochure for future reference. Registrar and Transfer Company, as Plan Administrator, will act as agent on behalf of and with the authorization of each Plan participant under these Terms and Conditions. Registrar and Transfer will ensure that the provisions of the Plan as defined herein are observed for the Common Stock of First Financial.

1. General:

Registrar and Transfer Company, acting as agent for each participant, will, when authorized by the participant:

- a) purchase initial shares for First Financial Common Stock;
- b) reinvest dividends for the purchasing of additional shares of Common Stock, calculated to four decimal places;
- c) receive and use cash contributions to purchase additional shares of Common Stock, calculated to four decimal places;
- d) directly debit the bank account of participants to make monthly purchases of Common Stock;
- e) accept stock certificates for deposit into the Plan for safekeeping; and,
- f) sell shares of Common Stock held in the Plan.

2. Plan Enrollment:

Registered shareholders may enroll and become participants in the Plan by completing, signing and returning to Registrar and Transfer a Plan Enrollment Form. If not registered shareholders, individuals may participate in the Plan by completing the Enrollment Form and sending it with a check for a minimum of \$250 (maximum \$5,000) for an initial purchase of shares of the Common Stock of First Financial. The check, payable to Registrar and Transfer Company, and Enrollment Form must be delivered to Registrar and Transfer.

All shareholders in whose name(s) the Plan shares will be registered, or in whose name(s) the current registration is shown, must sign the Enrollment Form. Once enrolled, participation in the Plan continues until terminated by the participant or by Registrar and Transfer Company.

Enrollment in the Plan may not be available to residents of certain states.

3. Deposit of Funds:

Dividends allocated for reinvestment and payments either received from participants or debited from participant bank accounts through electronic direct debiting will be deposited in a non-interest bearing account controlled by Registrar and Transfer Company for the benefit of the participant, pending investment. Funds of participants may be commingled and aggregated for the purpose of purchasing shares.

4. Share Purchase Price:

The price of shares acquired for a participant's account will be the weighted average price of all shares purchased by the Plan Administrator's broker for each aggregate order placed by the Plan Administrator. Purchases will be made on the open market through a registered broker and will be conducted in ordinary brokerage transactions on any exchange or market on which the Common Stock is traded. At present, there are no brokerage commissions or service fees charged for the purchase of shares.

5. Book Entry Shares:

Common Stock purchased through the Plan, shares credited for any stock dividend or stock split declared by First Financial and shares deposited for safekeeping by the participant will be credited to each participant's account in book entry form. Share purchases will be calculated to four decimal places. Certificates for whole shares will be issued only upon written request from the participant to Registrar and Transfer Company. Book entry shares will be held for participants in certificated form in the nominee account of Registrar and Transfer Company.

6. Transaction Advices and Account Statements:

A transaction advice, or statement, will be sent to each participant promptly after each transaction showing the details pertaining to the transaction. Quarterly reinvestment statements will provide all share activity occurring in the calendar year. If a participant does not have any transaction activity during a year, an account statement will be mailed a minimum of once a year.

7. Important Disclosure Information:

The Plan is an issuer plan offered by First Financial and administered by Registrar and Transfer Company as Plan Administrator. The securities held in Plan accounts for Plan participants and sale proceeds and funds held pending investment are not subject to protection under the Securities Investor Protection Act of 1970. Funds held by Registrar and Transfer Company are not deposits of Registrar and Transfer or other obligations of, or guaranteed by, Registrar and Transfer Company as Plan Administrator or its affiliates and are not insured by the FDIC or SIPC.

Registrar and Transfer Company neither provides advice nor makes recommendations with respect to purchasing or selling shares of First Financial Common Stock. Any decision to purchase or sell must be made by each individual Plan participant based on his or her own research and judgment. Participation in the Plan is entirely voluntary and at the discretion of each participant.

8 Price Fluctuation Disclosure and Binding Instructions:

The Common Stock price may rise or fall during the period between a request for purchase or sale, its receipt by the Plan Administrator and the ultimate purchase or sale on the open market. Instructions sent to the Plan Administrator to purchase or sell shares may not be rescinded and are binding to the participant. The Plan Administrator may, in its own discretion, accept written requests to revoke instructions. The Plan Administrator has no responsibility for the market value of shares maintained on a participant's behalf or for changes in market price between the time an order is sent to the Plan Administrator and the time an order is executed.

9. Cash Purchases:

Investors who are not registered shareholders and who wish to make an initial purchase through the Plan must make an initial minimum purchase of \$250. Subsequent purchases may be made in the amount of \$100.

The minimum cash purchase by registered shareholders is \$100. The maximum amount permitted to be used to purchase the Common Stock of First Financial is \$5,000 per calendar month. Enrollment and cash purchases are entirely voluntary. The participant is not obligated at any time to make additional cash contributions to purchase Common Stock. Additional contributions to purchase First Financial Common Stock can be sent to Registrar and Transfer Company at any time and must be made either by check or money order in U. S. funds drawn on a U. S. bank made payable to Registrar and Transfer Company. Participants may also arrange to have their bank accounts automatically debited directly on a monthly basis to have shares purchased through the Plan. To initiate direct debiting, complete the "Automatic Investment" portion of the Enrollment Form. Debits to your checking account will be processed on or about the 15th of each month. The minimum monthly account debit is \$100 and the maximum is \$5,000. There will be a \$15.00 charge for checks returned due to insufficient funds.

Purchases will be conducted each business day an order is received, provided the order is received before 12:00 p.m. (Eastern Time) unless the relevant market is not open for trading, insufficient orders are received, or stock is not available. In the event insufficient orders are received, purchases will be conducted on a weekly basis. The price of shares of Common Stock purchased in the open market for Participants in the Plan with reinvested dividends on their Common Stock and initial or optional cash contributions will be equal to the average price incurred to purchase all shares acquired on that date. Cash contributions may not be accepted by the Plan Administrator if a participant imposes any restrictions with respect to the number of shares to be purchased, the price at which the shares are to be purchased or the timing of the purchase.

10. Sale of Plan Shares:

Participants in the Plan (other than affiliates) may instruct the Plan Administrator to sell any or all shares held in the participant's Plan account. The Plan Administrator may aggregate all requests for shares to be sold. Shares will be sold on the open market in ordinary brokerage transactions through a registered broker. The shares may be sold on any exchange on which the shares of First Financial are listed. Sales will be conducted daily unless the relevant market is not open or there are insufficient orders received as deemed by the Plan Administrator. If insufficient orders are received, sales will be conducted on a weekly basis. The price of shares sold for a participant shall be the weighted average price of all shares sold by the Plan Administrator's broker for each aggregate order placed by the Plan Administrator.

Net proceeds of the sale will be sent by check to the participant at the address of record promptly after the completion of the sale order. A transaction fee of \$3.50 and a brokerage commission will be deducted from the net sale amount for each sale requested. If the shares sold are insufficient to cover the processing fee of \$3.50, a check will not be issued nor will the participant be billed for additional fees due.

The sale of shares must be requested in writing by delivery of the request to Registrar and Transfer Company at the address provided in Section 21 of the Plan. Facsimile requests transmitted via telefax may be accepted at the discretion of Registrar and Transfer Company. The request must indicate the number of shares to be sold or "all". The participant cannot request the dollar amount to be received as a result of the sale attained. All participants listed on the account must sign the request. For sale orders to be considered as having been received on a business day, the orders must have been received before 12 p.m. (Eastern Time).

11. Tax Consequences:

All sales of Common Stock are subject to income tax reporting and will be reported on Form 1099B. It is solely the participant's responsibility to determine the tax consequences of such sales. Participants are responsible for determining and recording their tax basis and calculating gains or losses as a result of Plan participation.

A participant will be subject to federal income tax on a taxable dividend in an amount equal to the actual purchase price to the Plan Administrator of the shares purchased with reinvested dividends plus that portion of any brokerage commissions paid by First Financial which is attributable to the purchase of the Participant's shares on Form 1099D. In the case of shares purchased with optional cash payments, a Participant will be treated as having received an additional dividend in an amount equal to the portion of any brokerage commissions paid by First Financial which is attributable to the purchase of the Participant's shares.

The cost of shares purchased with reinvested dividends or optional cash payments will be the actual purchase price to the Plan Administrator increased by the additional dividend amount of the Participant's share of any brokerage commissions paid by First Financial.

12. Dividend Reinvestment:

Plan participants may elect to have dividends used to purchase additional shares of Common Stock of First Financial by signing and returning the Enrollment Form. All participants listed on the account must sign the Enrollment Form. Dividends will be commingled and aggregated for the purpose of making purchases of shares. Purchase processing will be performed as described in Section 9, Cash Purchases.

13 .Depositing Certificates for Safekeeping:

Participants may elect to deposit Common Stock certificates into their Plan account. The Plan Administrator charges a fee of \$3.50 for certificates deposited together in one transaction. To deposit certificates into the Plan, participants must send the certificates to Registrar and Transfer Company at the address provided in Section 21, with a request to have the certificates deposited into the Plan. If the sale request is sent with the certificate, the \$3.50 fee for the sale of shares will be waived.

14. Certificate Requests:

Participants may request the Plan Administrator to issue a certificate(s) for some or all of the full shares held in the Plan. The request must be in written form and must be delivered to Registrar and Transfer Company. There is no fee to the participant to issue a certificate. If all full shares held by the account are requested, the account will be terminated and a check for any fractional share will be issued to the participant.

15. Account Termination:

Participants may terminate their Plan participation at any time by delivering to Registrar and Transfer Company a written notice of such termination. With the termination notice, the participant can request to have a certificate issued for all full shares held in the Plan or to have all shares held in the Plan sold. There is a \$3.50 fee for conducting a sale of shares. If a certificate is requested or if no indication is given, the Plan Administrator

will issue a certificate for all full shares held in the Plan. Any fractional shares held in the Plan will be sold and a check representing the proceeds of the sale will be issued and mailed with the certificate. Since the transaction volume for fractional shares may not be sufficient to warrant an open market sale, the Plan Administrator may use the closing price on any exchange to determine the price paid for the fractional share.

16. Costs of the Plan:

The costs to the Participant for each type of transaction are:

- **Dividend Reinvestment and Optional Cash Investments:** At present, there are no fees or brokerage commissions charged.
- **Automatic Account Debiting:** There is no fee for account debiting.
- **Sale of Shares:** Fee \$3.50 per sale plus brokerage commission.
- **Certificate Issuance:** There is no fee for the issuance of a certificate. The closing of a participant's account (termination request) may result in the same of fractional shares.
- **Deposit of Certificates:** A fee of \$3.50 per deposit will be charged. The fee for the sale of shares will be waived when depositing certificates for safekeeping into the Plan and at the same time requesting sale of the shares.
- **Termination of Plan Account:** A \$3.50 fee plus brokerage commission will be charged, but only when a sale is requested.

If there are changes to the fee structure, participants will be notified in advance of implementation.

Brokerage Commissions:

Sale of Shares:

Brokerage commissions charged to Plan participants will be those the Plan Administrator must pay in the ordinary course of market transactions. The expense will be deducted from the proceeds of a sale of shares. Brokerage commissions will be allocated on a pro rata basis to Plan participants who are selling shares through the Plan. Brokerage commission rates are determined by the brokerage firm and not by the Plan Administrator. The Plan Administrator will seek to ensure that competitive and normal brokerage commissions are charged, consistent with the low-cost and aggregate transaction character of the Plan.

Purchase of Shares:

At present, there are no brokerage commissions or service fees charged for the purchase of shares.

First Financial will pay all of the out-of-pocket expenses of Registrar and Transfer Company, including postage and printed materials. First Financial may also pay fees as agreed to with Registrar and Transfer Company for other services, including the reinvestment of dividends.

17. Stock Distributions:

Distribution of full and fractional shares for stock dividends or stock split shares on shares held by the Plan Administrator and on underlying certificate shares will be credited to the participant's account in book entry form. A transaction statement will be sent to the participant indicating the number of full and fractional shares credited to the account. There will not be an additional fee charged for the crediting and maintenance of shares to Plan accounts for stock distributions.

18. Voting Shares Held in the Plan:

The participant will vote the shares held in the Plan in the same manner as shares in certificated form. Each participant in the Plan will receive a Notice of the Annual Meeting, a Proxy Statement, a proxy voting card and First Financial's Annual Report to Shareholders. The proxy voting card will include the full and fractional Plan shares held in the participant's Plan account along with any certificated shares the participants may hold.

19. Disclaimer:

Registrar and Transfer Company, as Plan Administrator and Transfer Agent, will not be liable to any participant in the Plan for any act done in good faith or for any good faith omission to act including, without limitation, any claim of liability (i) arising out of failure to terminate a participant's account or sell shares in the Plan or invest optional cash payments without receipt of proper documentation and instructions; and (ii) with respect to the prices and times at which shares are purchased or sold for the participant's account, and the time such purchases or sales are made, including price fluctuation in market value of shares being maintained on behalf of a participant.

20. Enrollment of Foreign Investors:

If you live outside of the U. S., you should first determine if there are any laws or governmental regulations that would prohibit your participation in the Plan. Registrar and Transfer Company reserves the right to terminate participation of any shareholder if it deems it advisable under any foreign laws or regulations.

21. Delivery Address:

Delivery of written instructions to Registrar and Transfer Company must be made to the address as noted below:

Registrar and Transfer Company
Direct Purchase/DRP Department
10 Commerce Drive
Cranford NJ 07016-3572
Facsimile: (908) 497-2312

22. Plan Modification, Termination and Limitation:

The Plan Administrator reserves the right to modify the Plan, including the right to terminate the Plan upon written notice mailed to Plan participant's address of record. In addition, the Plan Administrator reserves the right to interpret and regulate the Plan as it deems necessary or desirable in connection with Plan operations. If the Plan is terminated, the shares held in book entry form will be certificated as described under the section entitled, "Account Termination". If any regulatory agency or other act of law prohibits all or portions of the Plan, the Plan may be amended or terminated as required by the Plan Administrator.

The Plan is not for use by institutional investors or financial intermediaries. The Plan shall be governed by and construed in accordance with the laws of the State of Delaware. The receipt of the Enrollment Form by the Plan Administrator shall constitute authorization for the Plan Administrator to act as the participant's agent in the performance of services under the Terms and Conditions of the Plan. The signing and mailing of the enrollment form shall constitute an offer by the participant to establish an agency relationship with Registrar and Transfer Company and be governed by the terms and conditions of the Plan.

**DIVIDEND
REINVESTMENT
AND
DIRECT PURCHASE
PLAN**

For the shares of

FIRST FINANCIAL HOLDINGS, INC.

Common Stock

**Traded on the Nasdaq Stock Market
under the symbol "FFCH"**

Administered by
Registrar and Transfer Company

December 1, 1998
