ANGOSTURA HOLDINGS LIMITED
UNAUDITED FINANCIAL HIGHLIGHTS
Nine months ended September 30th 2010
(Expressed in Trinidad and Tobago dollars)

2010 January to September results:

Our 2010 third quarter financial results reflect the continued success of Angostura (the Company) and the strength and resilience of our underlying business. The net profit recorded for the period January to September 2010 is $91.6M ($78.9M before exchange gains of $12.7M but after deducting interest charges of $52.6M), compared to a loss of $9M ($8.6M before exchange gain) for the same period in 2009. This represents a turnaround of $88M for the period and an addition of $9.0M to net profit before exchange gains for the month of September.

The exchange gain of $12.7M represents primarily, benefits accrued on conversion of loans of €39.7M at a rate of 9.02 (US$:€ 1.41) versus the December 2009 conversion rate of 9.39 (US$:€ 1.47).

Led by our new CEO, the Company has undertaken several internal projects aimed at improving operational and cost efficiencies as well as maximizing market return at the top line. Below we again highlight the foremost measures that have led to this improvement in our performance:

  - Greater focus on higher margin, value-added branded rums;
  - Improved efficiencies due to use of better quality molasses and optimum operating conditions at our distillery;
  - Improved utilization of our plant and equipment due to volume growth in all major segments of the business;
  - Reduction in overhead cost per litre of alcohol resulting from increased production volumes;
  - Human capital rationalization at the executive managerial level and reallocation of human resources along the supply chain to obtain maximum value for money.
- Other income of $8.7M recorded for the disposal of the assets of a non-core loss incurring activity in the USA;
- Selling and marketing cost savings of $30.1M or 34% due primarily to lower advertising and promotional costs which were better targeted to our markets (note, these savings are attributable entirely to reductions in **export** spend). This has not only improved the return on advertising spend but has also resulted in better management of advertising and promotion arrangements with our foreign distributors;
- Maintenance of fairly flat administrative costs despite inflationary pressures as well as amounts incurred in relation to the last significant non-core, loss making subsidiary (located in Canada and for which a sale is being sought);
- Reduced interest charges of $12.8M resulting from debt retirement which was made possible by various operational improvements and the resulting healthy cash flows generated by the Company;
- Unprecedented improvements in debt collection rates which have reduced our exposure to bad debts and provided excess cash to repay loans at a faster rate.

Turnaround in 2010:

The turnaround demonstrated by these results testifies to the success of the new strategic direction adopted by our new CEO and management team. We credit this to our renewed focus on core operating activity which yields our highest return.

The Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) from our core local operations for the nine month period January to September is $126.9M ($143.4M for the total Group), which surpasses the highest ever **full year** EBITDA of $85.9M (in 2003) by $41M or 48%. **Note this year-to-date EBITDA is reflective of approximately 66% of annual sales based on 2009 patterns therefore taking this trend into consideration, the expected EBITDA to the year end will be in excess of $200M.** Foreign exchange gains have been assumed as nil for the purposes of this analysis.

Our cash flow generation for the current year shows significant improvement versus 2009. To demonstrate this impressive turnaround, a comparison of the cash position is shown below between 2009 and 2010 to date.

In the second half of 2009 the Company considered the need to obtain additional financing of between $90M and $100M to make principal payments on certain loans as well as to clear overdue interest and support working capital requirements. Due to the operational improvements made late last year and into 2010, the Company's internally generated cashflows (from locally managed Group companies) reversed the need for this facility and further, supported payments of approximately $196.7M as detailed below:

	$M
Interest paid	48.2
Yen swap cost (now complete)	7.4
Principal on loans paid	74.6
Injection of working capital to support higher sales and upcoming peak sales season	55.9
Capital expenditure	10.6
	196.7

In addition to loan payments noted above, a loan of $22.3M was retired during the sale of a subsidiary in March 2010, resulting in a total of $96.9M in principal debt reduction for the period.

Despite the use of cash as outlined above, the Company still has sufficient cash to meet all of its debt, working capital, capital expenditure and other commitments. **We no longer require an overdraft facility to fund either routine or capital costs**.

2009 January to September results versus 2009 Annual results:

In reviewing the results for January to September 2009 versus the full year results for 2009, it is evident that significant losses were incurred during the remainder of 2009. Among these are certain material adjustments as detailed below.

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- $29.4M in foreign exchange losses mainly due to Euro loans (potential impact in 2010 is dependent on fluctuations of the Euro exchange rate);
- Provisions of $25.8M for various legal matters;
- Inventory obsolescence provision of $19.9M related to discontinued product lines deemed unprofitable;
- Provisions for impairment of receivables of $27.7M.

The audit of the 2009 results is in the final sign off stages and will be published in November 2010.

Having simplified and re-focused our operations to remove peripheral, non value adding activities, we have **greatly minimized our exposure to similar adjustments in 2010 (save for the effects of fluctuations of the Euro exchange rate)**.

Summary:

This Company is a testament to struggle and success. We have overcome many grave difficulties over the last decade and can boast of the strength we have gained through our experiences. This we attribute to the hard work of our dedicated staff and management; the excellent quality of our products; the loyalty and unwavering support of our customers, and the timeless appeal of our Spirit. We are grateful for the continued forbearance of our valued stakeholders as the rebuilding work takes place. With the direction of our new CEO the Company has been steered back to the path of sustainable growth and profitability and our pace of progress is indeed impressive. There is a bright future ahead for Angostura and we look forward with great anticipation to where it will lead.

Gerald Yetming
Chairman

(November 10, 2010)