ANGOSTURA HOLDINGS LIMITED
UNAUDITED FINANCIAL HIGHLIGHTS
Eight months ended August 31st 2010

2010 January to August results:

I am pleased to report that our 2010 January to August results continues to demonstrate the Company's recovery and growth over the preceding years. The net profit recorded for January to August is $109.0M ($70.0M before exchange gains of $39.1M but after deducting interest charges of $48.7M) compared to a loss of $4.7M ($4.6M before exchange gain) for the same period in 2009. The exchange gain represents primarily, benefits accrued on conversion of loans of €39.7M at a rate of 8.34 (USD:EUR 1.31) versus the December 2009 conversion rate of 9.39 (USD:EUR 1.47).

Under the new CEO and senior management team in 2010, the Company has significantly improved its performance, mainly due to the following:

- Increased sales momentum in all major segments resulting in an improvement of $35.8M or 8.5% in Sales.
- Increased gross profit margin from 39.1% to 44.3% or $37.7M equivalent due mainly to the following:
    - Adoption of pricing policies to ensure the profitability of all product lines sold;
    - More focus on higher margin, value-added branded rums rather than on lower margin commodity bulk 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;
    - 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 $8.4M recorded for the disposal of the assets of a non-core loss incurring activity in the USA;
- Selling and marketing cost savings of $23.3M or 33% due primarily to reduced advertising and promotional costs which were better targeted to our markets. This has not only improved the return on advertising spend but have also resulted in better management of advertising and promotion arrangements with our foreign distributors;
- Increase of $3.7M in administrative expenses primarily due to amounts incurred in respect of our only remaining significant non-core, loss incurring activity which is located in Canada and which is for sale;
- Reduction in interest charges of $9.2M resulting from debt retirement which was made possible by various operational improvements and the resulting healthy cashflows 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 is $112.7M ($129.3M for the total Group), which surpasses the highest ever **full year** EBITDA of $85.9M (in 2003) by $26.8M or 31%. **Note this year-to-date EBITDA is reflective of approximately 55% 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) negated the need for this facility and further, supported payments of approximately $152.3M as detailed below:

	$M
Interest paid	37.6
Yen swap cost (now complete)	7.4
Principal on loans paid	62.9
Injection of working capital to support higher sales	33.6
Capital expenditure	10.8
	152.3

Despite the use of cash as outlined above, the Company has sufficient cash to meet debt service commitments of $29.1M in September 2010 and thereafter will still retain adequate cash reserves to satisfy working capital and other commitments.

2009 January to August results versus 2009 Annual results:

In reviewing the results for January to August 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.

- Impairment loss arising from an independent valuation of our land and buildings of $52.1M (accounting for the change from 2009 full year losses of $112M recently published alongside our June 2010 results);
- $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 $8.8M.

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

We will **not** be exposed to similar adjustments in 2010 (save for the effects of fluctuations of the Euro exchange rate) since our operations have been greatly simplified and re-focused to remove peripheral, non value adding activities.

Summary:

In summary, the results for the period January to August 2010 are a clear indication of a return to stability for this Group which given the new culture of cost conservation and process efficiency is sustainable and indeed, only the beginning. We intend to advance our ongoing strategy of streamlining operations to gear the business towards the promotion of an ideal mix of high margin cased rum and bitters business and overhead absorbing bulk rum sales. This will enhance our ability to pay down debt in the near to medium term future to ensure the continual improvement of the Company as a whole.

Alison Lewis
Deputy Chairman
(September 09, 2010)

ANGOSTURA HOLDINGS LIMITED
UNAUDITED FINANCIAL HIGHLIGHTS
Eight months ended August 31st 2010
(Expressed in Trinidad and Tobago dollars)

Consolidated Statement of Financial Position

	Unaudited 31-Aug-10 $'000	Unaudited 31-Aug-09 $'000	Unaudited 31-Dec-09 $'000
ASSETS			
Non-current assets			
Property, plant and equipment	**331,220**	380,350	367,881
Other	**129,804**	111,079	117,269
	461,024	491,429	485,150
Current assets	**369,428**	475,080	382,672
Total assets	**830,452**	966,509	867,822
EQUITY AND LIABILITIES			
Shareholders' equity	**(126,378)**	(150,774)	(251,099)
Non-current liabilities			
Borrowings	**201,232**	149,850	233,214
Other	**38,409**	53,685	45,627
	239,641	203,535	278,841
Current liabilities	**717,189**	913,748	840,080
Total liabilities	**956,830**	1,117,283	1,118,921
Total equity and liabilities	**830,452**	966,509	867,822

Consolidated Cash Flow Statement

	Unaudited 31-Aug-10 $'000	Unaudited 31-Aug-09 $'000	Unaudited 31-Dec-09 $'000
Cash flows from operating activities			
Profit/(loss) before taxation	**112,283**	(3,663)	(176,710)
Adjustment for items not affecting working capital	**7,776**	66,511	140,809
Operating profit/(loss) before working capital changes	**120,059**	62,848	(35,901)
Net working capital changes	**8,202**	78,626	181,565
Cash flows from operating activities	**128,261**	141,474	145,664
Other operating cash flows	**(51,573)**	(59,388)	(106,088)
Net cash flows from operating Activities	**76,688**	82,086	39,576
Cash flows (used in)/from investing Activities	**(9,966)**	(11,428)	26,373
Cash flows (used in)/from financing Activities	**(101,218)**	(29,396)	30,577
Net (decrease)/increase in cash and bank balances	**(34,496)**	41,262	96,526
Net cash and bank balances at January 1st	**115,312**	22,459	22,447
Net cash and bank balances at August 31st	**80,816**	63,721	118,973

Consolidated Statement of Comprehensive Income

	Unaudited Eight months to 31-Aug-10 $'000	Unaudited Eight months to 31-Aug-09 $'000	Unaudited Year ended 31-Dec-09 $'000
Sales	**458,154**	422,267	746,708
Excise taxes	**(91,257)**	(80,498)	(152,526)
Net sales	**366,897**	341,769	594,182
Cost of goods sold	**(164.075)**	(176,648)	(335,596)
Gross profit	**202,822**	165,121	258,586
Other income/(expenses)	**12,534**	1,164	(44,575)
Foreign exchange gains/(losses)	**39,049**	(139)	(29,372)
Selling and marketing costs	**(47,377)**	(70,645)	(137,763)
Administrative expenses	**(45,282)**	(41,549)	(141,827)
Finance costs	**(48,672)**	(57,863)	(73,911)
Finance income	**380**	248	350
Group profit/(loss) before tax	**113,454**	(3,663)	(168,512)
Taxation (expense)/credit	**(3,248)**	(988)	12,105
PROFIT/(LOSS) FOR THE PERIOD	**110,206**	(4,651)	(156,407)
Other comprehensive income			
Derivative financial instruments	**(1,170)**	-	(8,198)
Other comprehensive income for the period, net of tax	**(1,170)**	-	(8,198)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**109,036**	(4,651)	(164,605)
Profit/(loss) for the period attributable to:			
Owners of the parent	**108,762**	(5,090)	(157,437)
Non-controlling interests	**1,444**	439	1,030
Total comprehensive income attributable to:	**110,206**	(4,651)	(156,407)
Owners of the parent	**107,592**	(5,090)	(165,635)
Non-controlling interests	**1,444**	439	1,030
	109,036	(4,651)	(164,605)
Dividend per share	-	-	-
Earnings per share	**0.53**	**(0.02)**	(0.80)

Analysis of EBITDA			
Profit/(loss) before tax	**113,454**	(3,663)	(168,512)
Add: Interest expense	**48,672**	57,863	73,911
Less: Interest income	**(380)**	(248)	(350)
Exchange (gains)/losses	**(39,049)**	139	29,372
Add: Depreciation and amortization	**6,620**	8,754	18,838
EBITDA	**129,317**	62,845	(46,741)
Local Companies' EBITDA	**112,744**	62,255	(26,028)
Overseas Companies' EBITDA	**16,573**	590	(20,713)
Total EBITDA	**129,317**	62,845	(46,741)

Consolidated Statement of Changes in Equity

	Share capital $'000	**Other reserves $'000**	**Retained profits $'000**	**Minority Interest $'000**	**Total $'000**
Balance as at January 1st 2010	118,558	95,853	(474,681)	9,171	**(251,099)**
Revaluation of investments		13,578			**13,578**
Other reserve movements			4,218		**4,218**
Currency translation differences		(2,110)			**(2,110)**
		11,468	4,218		**15,685**
Net profit for the period			107,592	1,444	**109,036**
Dividends					
Balance as at August 31st 2010	**118,558**	**107,321**	**(362,871)**	**10,615**	**(126,378)**