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**Angostura Holdings Limited (AHL)**

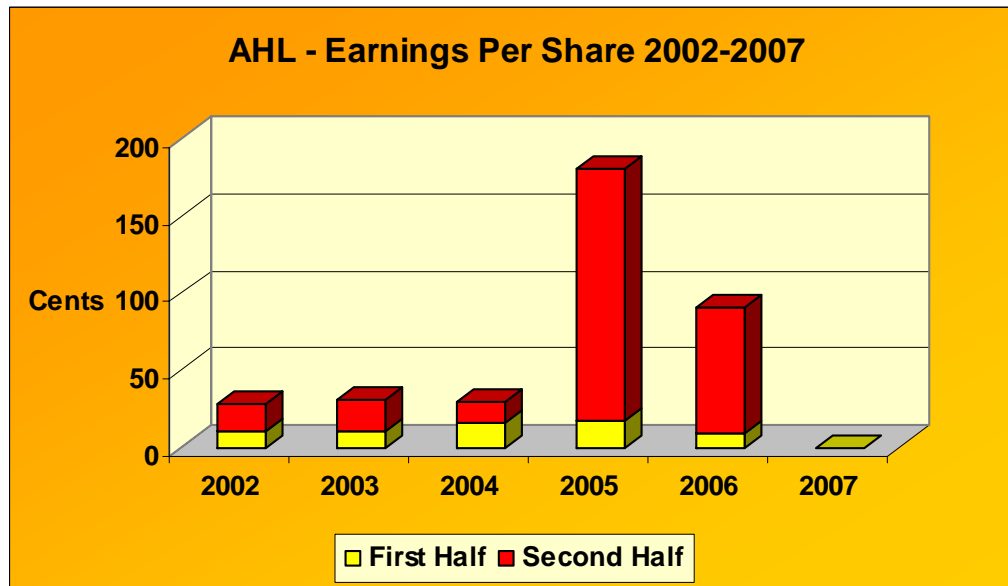
	<b>AHL</b>
<b>RECOMMENDATION</b>	<b>SELL</b>
<b>Current Price</b>	<b>\$4.99</b>
<b>Running EPS</b>	<b>\$0.82</b>
<b>Return on Assets</b>	<b>0.05%</b>
<b>Return on Equity</b>	<b>0.14 %</b>

**Results for the Half Year Ended June 30, 2007**

***Earnings Per Share***

For the Half Year Ended June 30, 2007, Angostura Holdings Limited (AHL) reported Earnings Per Share (EPS) of less than 1 cent or \$0.004, compared to an EPS of \$0.09 for the same period in FY06. This has been the worst half year period for the Group in the last six years. (See Graph 1)

**Graph 1**





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### ***Financials***

Sales for the Half Year period amounted to \$374.56 million down 2.49 per cent or \$9.57 million on the corresponding period in the last financial year. The Chairman has stated that the core rum business reflected increased sales of \$25.2 million or 8.75 per cent, however this was offset by the effect of increased tolling arrangements within the Ethanol based subsidiary resulting in the overall drop of 2.49 per cent in recorded Sales. Excise Taxes for HY07 stood at \$52.51 million, up 12.22 per cent or \$5.72 million on HY06. Thus, Net Sales ended the period at \$322.05 million, down 4.53 per cent or \$15.29 million on the same figure in FY06.

Cost of Goods Sold fell by 20.09 per cent or \$47.49 million from HY06 to \$188.89 million for HY07. Thus, Gross Profit ended the period at \$133.16 million, up 31.89 per cent or \$32.20 million on the comparable period in the last financial year.

Selling and Marketing Costs totaled \$73.39 million for HY07 compared to \$61.12 million for HY06- an increase of 20.08 per cent or \$12.27 million. Also, Administrative Expenses increased by a similar margin of 20.14 per cent from \$31.99 million for HY06 to \$38.43 million for the Half Year under review. Other Income for the period was \$139.84 million, a notable increase of 298.91 per cent or \$104.79 million on the same period in fiscal 2006. Fair Value Gains for the period under review was \$8.19 million. There were no Fair Value Gains or Losses for HY06. Consequently, Operating Profit ended at \$152.99 million for HY07 compared to \$42.91 million for HY06- a considerable increase of 256.56 per cent or \$110.08 million. The Operating Profit figure for HY07 includes a substantial one time gain of \$139.8 million from the sale of the Company's Belvedere Investment in addition to sale of other assets Intra group.

As noted in the Chairman's Statement, following June 30, 2007, the majority of AHL's Investment holding in Belvedere SA was disposed of following a serious shareholder dispute between the group and the founding shareholders of Belvedere SA. The Company expects to account for losses on the disposal of \$202 million in the third quarter of 2007; however the loss will be offset by previous mark to market gains recorded in 2006 and 2007 to date of \$204 million. Thus, the overall financial impact of the Belvedere Transaction was neutral. Also, the proceeds arising from the sale will be utilized for debt reduction in addition to the Company's quest for valuable international acquisitions related to the core business that will add to AHL's Global Growth Strategy.

Finance Costs for HY07 was \$169.54 million, up a considerable 200.13 per cent or \$113.05 million on HY06; while Finance Income was down 23.74 per cent or \$6.98 million from \$29.41 million for HY06 to \$22.43 million for HY07.

Share of Results of Associates fell a significant 187.37 per cent from \$2.75 million to \$2.40 million. Thus, Profit Before Taxation ended at \$3.48 million, down 81.27 per cent or \$15.10 million on the corresponding period in fiscal 2006.

The Effective Tax Rate for the Half Year period under review was 74.62 per cent compared to a Tax Rate of 4.00 per cent for HY06. As a result, Profit for the period was \$0.88 million, a fall of 95.05 per cent or \$16.95 million on the comparable period in FY06.



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See Table 1 for AHL's Half Year Financial Data for 2006 & 2007

Table 1

Angostura Holdings Limited Half Year Financial Data (2006 & 2007)				
	HY07 \$'000	Change \$'000	Change %	HY06 \$'000
Sales	374,555	(9,571)	-2.49%	384,126
Excise Taxes	(52,505)	(5,719)	12.22%	(46,786)
Net Sales	322,050	(15,290)	-4.53%	337,340
Cost of Goods Sold	(188,892)	47,490	-20.09%	(236,382)
Gross Profit	133,158	32,200	31.89%	100,958
Selling and Marketing Costs	(73,386)	(12,271)	20.08%	(61,115)
Administrative Expenses	(38,434)	(6,442)	20.14%	(31,992)
Other Income	139,841	104,785	298.91%	35,056
Fair Value Gains/(Losses)-Net	8,188	8,188	****	0
Operating Profit	152,991	110,084	256.56%	42,907
Finance Costs	(169,538)	(113,050)	200.13%	(56,488)
Finance Income	22,426	(6,982)	-23.74%	29,408
Share of Results of Associates Before Tax	(2,400)	(5,147)	-187.37%	2,747
Profit Before Taxation	3,479	(15,095)	-81.27%	18,574
Taxation Charge	(2,596)	(1,852)	248.92%	(744)
Profit for the Period	883	(16,947)	-95.05%	17,830
Earnings Per Share	\$0.00	-\$0.09	-100.00%	\$0.09



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See Table 2 for AHL's Year End Financial Data over the period 2003-2006

Table 2

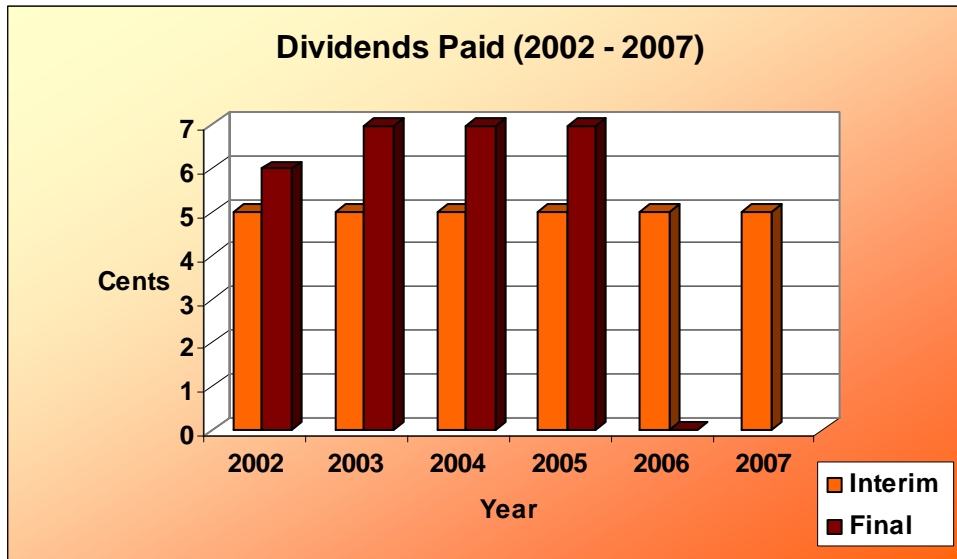
Angostura Holdings Limited Year End Financial Data (2003-2006)							
	YE 2006 \$'000	% Change '05-'06	YE 2005 \$'000	% Change '04-'05	YE 2004 \$'000	% Change '03-'04	YE 2003 \$'000
Sales	682,973	-43.02%	1,198,642	18.24%	1,013,758	-1.21%	1,026,199
Cost of Goods Sold	439,783	-43.11%	773,070	25.73%	614,846	1.24%	607,338
<b>Gross Profit</b>	243,190	-42.86%	425,572	6.68%	398,912	-4.76%	418,861
Expenses	273,555	-34.86%	419,927	21.75%	344,905	14.16%	302,123
<b>Operating Profit</b>	352,167	-6.94%	378,432	297.58%	95,183	-18.46%	116,738
Profit Before Taxation	191,955	-45.54%	352,475	784.30%	39,859	-31.37%	58,077
Profit for the Period	187,849	-49.42%	371,360	602.92%	52,831	-17.01%	63,661
<b>EPS</b>	\$0.91	-49.44%	\$1.80	520.69%	\$0.29	-6.45%	\$0.31
Market Price @ Financial Year End (TT\$)	\$4.50	-21.88%	\$5.76	15.20%	\$5.00	18.20%	\$4.23
P/E Ratio @ Financial Year End	4.95		3.20		17.24		13.65
Dividend	\$0.05	-58.33%	\$0.12	0.00%	\$0.12	0.00%	\$0.12
Dividend Payout Ratio (%)	5.49		6.67		41.38		38.71
Dividend Yield (%)	\$1.11		\$2.08		2.40		2.84
Net Asset Value	\$6.30	14.13%	\$5.52	25.17%	\$4.41	8.35%	\$4.07
Market to Book Ratio	0.71		1.04		1.13		1.04
Return on Equity (%)	15.41		36.27		7.40		10.03
Return on Assets (%)	6.26		15.25		2.49		2.72
Shares Outstanding	206,277,630		206,277,630		206,277,630		207,277,630



### Dividends

The Board has declared an Interim Dividend of 5 cents per share to be paid on October 9, 2007. **Graph 2** shows the Dividends paid (Interim & Final) from 2002 to date. As can be seen clearly it has been customary of AHL to pay an Interim Dividend of 5 cents over the period below.

Graph 2



### Share Price

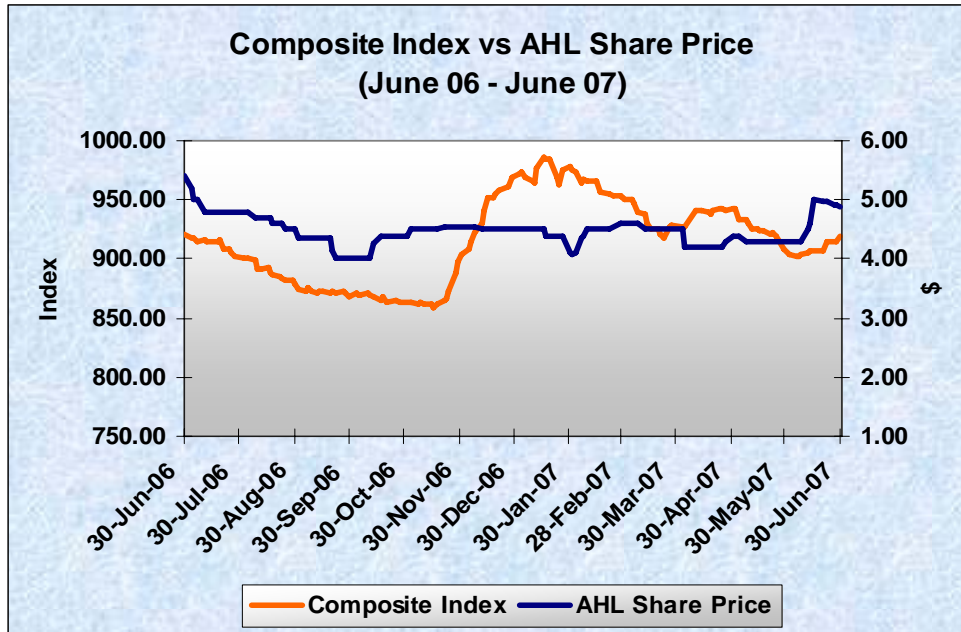
The share price of AHL started the twelve month period ended June 30, 2007 at a high of \$5.42 and slowly dropped to its 52 week low of \$4.00 on September 22, 2006. After this, AHL's share price rose slightly to trade in the band of \$4.40 to \$4.55 until the end of 2006. In 2007, the price was fairly volatile, peaking at \$5.00 on June 15, 2007 before ending the period at \$4.89. (See **Graph 3**)



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Graph 3



**Recommendation**

AHL last closed at a price of \$4.99 on the local exchange. Based on the current results and WISE’s outlook for this Company for the rest of FY07, we continue to recommend a **SELL** on this share.

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