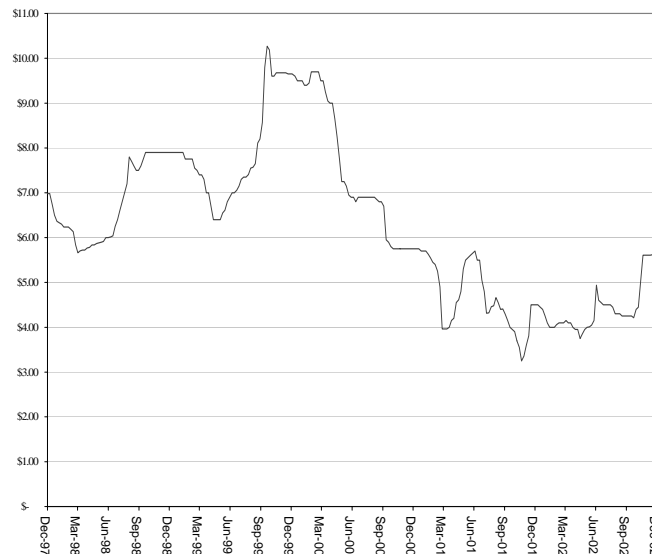


**Angostura Holdings Limited**

Recent Price	\$ 5.90	EPS(est.2002)	\$ 0.24
52 Wk Range	\$ 3.75 - 5.90	Div.(est.2002)	\$ 0.10
Shares O/s	206,277,630	Yld.(est.2002)	1.69%
Float	48,940,817	P/E (est.2002)	24.58 X
Market Cap.	\$ 1,217,038,017	Fiscal Yr End	December
ACTUAL	2001	2000	1999
P/E Ratio	14.5 X	38.3 X	24.3 X
EPS	\$ 0.31	\$ 0.15	\$ 0.40
Div. Payout	25.80%	40.00%	50.00%
ROE% (Avg)	8.76%	4.99%	14.66%
ROA% (Avg)	3.41%	2.20%	9.34%
B.V. / Share	\$ 2.57	\$ 2.67	\$ 2.57
LT Debt	\$ 569,675,000	\$ 571,188,000	\$ 33,000,000
Pref. Equity	Nil	Nil	Nil
Comm. Equity	\$ 529,838,000	\$ 550,882,000	\$ 530,978,000



We believe in the short term there would be no quantum leap in profits and that while in the long term there could be significant benefits, there are significant risk factors. For 2002 we now estimate earnings per share of 24¢. At the current price of \$5.80, the PE ratio is 24.17, which makes this share somewhat overvalued in the short term when compared to the market.

The Company

The company, formed in 1870, was formally known as the House of Angostura. It became Angostura Holdings when it was listed on the Trinidad and Tobago Stock Exchange in 1982. The Group's subsidiaries include Trinidad Distillers Limited, Fernandes Distillers Limited and Angostura Limited. The company's core business is the manufacture of rum and spirits and the world famous ANGOSTURA aromatic bitters (registered trademark).

In 1996 the Group launched its new state-of-the-art bottling line and its new sauces manufacturing facility, producing and exporting Angostura Worcestershire, Teriyaki and Soy sauces and its Bloody Mary Mix. In 1999, wholly owned subsidiary Angostura Limited, acquired an 18.8% interest in Burn Stewart Distillers based in Scotland, as well as a 30% stake in Florida-based rum producer Todhunter International. These acquisitions would allow Angostura to utilise worldwide distribution networks to supplement its own international marketing efforts.

Majority shareholders are Rumpro Company Limited 44.87%, and Colonial Life Insurance Company (T&T) Limited 25.41%.



Angostura Holdings Limited

Update – Half-year ended June 30, 2002.

Angostura Holdings' results for the six months ended June 30, 2002 were better than we expected. Net Turnover increased marginally by 3.66% from \$634.359 million in 2001 to \$654.097 million in 2002. The growth in cost of sales was slightly higher at 4.31% moving from \$401.633 million in 2001 to \$418.928 million in 2002. As a consequence gross profit increased by only 1.05% moving from \$232.726 million in 2001 to \$235.169 million in 2002. Operating expenses grew by 4.17% moving from \$147.315 million in 2001 to \$153.453 million in 2002. This resulted in a marginal decline in operating profit of 4.33% moving from \$85.411 million in 2001 to \$81.716 million in 2002. There was a large decline in finance costs of 28.12% moving from \$47.867 million in 2001 to \$34.409 million in 2002. Investment income declined by 23.25% moving from \$7.445 million in 2001 to \$5.714 million in 2002. Overall profit before taxes increased by 21.98% moving from \$36.042 million in 2001 to \$43.963 million in 2002. Taxation increased by 37.80% from \$10.145 million in 2001 to \$13.980 million in 2001. This as a result of an increase in the effective tax rate from 26.53% in 2001 to 30.67% in 2002. There was a decline in minority interest of 17.26% moving from \$13.920 million in 2001 to \$11.518 million in 2002. Overall profit attributable to shareholders increased by 41.70% moving from \$14.169 million in 2001 to \$20.078 million in 2002.

Thus the main reasons for the increase in the Group's profits are the decline in finance costs and the lower amount to be backed out for minority interest. The Group was able to benefit from lower interest rates as a large portion of its debt have interest rates which fluctuate with United States or Eurodollar prime. The minority interest may have declined because during 2001 the Group increased its stake in its major subsidiary Todhunter from 51% to 54%. It also increased its stake in its smaller subsidiary in Suriname from 65% to 75%.

The Chairman has stated that the international bulk spirits market continued to be competitive. However the branded business has shown significant growth especially in the United States. He also stated that the domestic market operations have expanded resulting in improved revenues and profitability. He expects further improvements in the medium term as new categories are introduced into the market place. An example of this is the recent introduction of "RUSH" into the ready to drink market. He also acknowledges that sustaining an international presence requires high levels of marketing investments, which would accrue benefits in the medium to long term.

The Group is attempting to become a global player in the alcohol market. In order to do this it has to incur costs up front for which the benefit would not accrue in the short term. We believe the Group is still in this phase. The Chairman recently stated that the Group is planning a take-over bid for Burn Stewart Distillers of the United Kingdom. This is another move by the Group to create product and market synergistic benefits from acquiring an established player in a developed market; the first was its acquisition of Todhunter International. These initiatives may pay off in the medium to long term.

**Angostura Holdings Limited****Income Statement Analysis (TT\$ millions)**

	2001	2000	1999	1998	1997
Rev.	1,017.795	646.043	278.439	259.842	234.921
Op. Inc.	136.123	79.699	57.344	55.832	47.778
Depr.	43.151	25.445	8.014	7.223	6.660
Int. Exp.	64.458	63.325	16.191	5.855	5.058
Pretax Inc.	98.003	45.282	98.701	239.586	94.160
Eff. Tax Rate	23.21%	23.42%	31.06%	20.34%	12.30%
Net Inc.	63.253	31.464	79.429	216.419	77.405

Bal. Sheet & Other Fin. Data (TT\$ millions)

Cash	58.752	97.088	143.681	311.171	36.356
Curr. Assets	648.804	586.760	284.058	436.130	167.078
Total Assets	1,845.906	1,867.546	986.835	694.599	515.696
Curr. Lia.	503.926	506.706	388.875	99.596	86.596
LT Debt	569.675	571.188	33.000	39.119	46.547
Common Eq.	529.838	550.882	530.978	533.896	364.095
Total Cap.	1,646.201	1,658.586	956.192	694.599	515.696
Cap Exp.	34.635	40.276	25.874	-24.665	-19.210
Cash Flow	-19.524	-282.558	-145.563	253.459	273.659
Curr. Ratio	1.3	1.2	0.7	4.4	1.9
% LT Debt of Cap.	34.6%	34.4%	3.5%	5.6%	9.0%
% Net Inc. of Rev.	6.2%	4.9%	28.5%	83.3%	32.9%
% Ret. on Assets	3.4%	1.7%	8.0%	31.2%	15.0%
% Ret on Equity	11.9%	5.7%	15.0%	40.5%	21.3%

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