Directors' Report

The Board of Directors currently comprises eight (8) directors following the resignation of Mr. Marlon Holder with effect from October 17, 2017.

Board of Directors:

Dr. Rolph Balgobin *(Chairman)*

Mr. Kirby Anthony Hosang

Mr. Terrence Bharath

Mr. Frederick Gilkes

Mr. Trevor Marshall

Mr. Ulric Miller

Mr. Albert Tom Yew

Ms. Ingrid Lashley

Mrs. Jennifer Frederick *(Corporate Secretary)*

The roles and responsibilities of the Directors and Key Officers, the Board Code of Conduct and Committee Charters are all documented in the Board of Directors' Manual and are governed by the Companies Act 81:01.

All the Directors are independent directors.

The Board is responsible for formulating the strategy and framework of policies to ensure effective governance of the company. To facilitate the discharge of its responsibilities and to monitor its own performance, the Board has established three (3) committees comprising Directors with the appropriate skills and experience. These committees are:

- The Audit Committee
- The HR and Governance Committee
- The Marketing and Operations Committee

The Board receives reports from Chairpersons of these Committees at the Board meetings.

The Audit Committee

This committee comprises the following members:

Ms. Ingrid Lashley – *Chairperson*

Mr. Trevor Marshall

Mr. Ulric Miller

Mr. Terrence Bharath

Directors' Report (continued)

During the year, two members of the Audit Committee, Mr. Krishna Boodhai and Mr. Marlon Holder resigned effective April 24, 2017 and October 17, 2017 respectively. The Audit Committee held four (4) meetings in fiscal 2017 during which it reviewed the quarterly interim financial statements as well as the annual audited financial statements to ensure their integrity and compliance with the International Financial Reporting Standards.

The Audit Committee met with the Internal and External auditors to identify and discuss any weaknesses in the control environment and recommendations for improvement. The Internal Audit Unit operated in accordance with the International Standards for the Professional Practice of Internal Auditing, the Internal Audit Charter and an Internal Audit Plan approved by the Audit Committee.

The Risk and Compliance Management Committee:

Mrs. Genevieve Jodhan - *Risk and Compliance Management Leader*

The risk management structure is in place and is led by the Chief Executive Officer (CEO). The Risk Committee, which is a cross-functional unit, has been established and is fully functional. Risk assessments have been executed by process owners and driven by guidance from the Risk Management Committee. The top twenty strategic risks have been identified, reviewed and endorsed by the Chief Executive Officer and the Executive Team.

Angostura Holdings Group achieved ISO 9001:2015 and ISO 14001:2015 certifications for the manufacture of alcohol, alcohol-related products, Angostura® Bitters and food products. This includes the operations of Trinidad Distillers Limited, Fernandes Distillers Limited and Angostura Limited. Angostura Holdings Group's attainment of ISO 9001:2015 Quality Management System certification demonstrated its ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements.

The achievement of ISO 14001:2015 Environmental Management System certification defined our framework to protect the environment and respond to changing environmental conditions in balance with socio-economic needs.

The HR and Governance Committee

This committee comprises the following members:

Mr. Kirby Anthony Hosang – *Chairman*

Mr. Frederick Gilkes

Mr. Terrence Bharath

Mr. Ulric Miller

The areas of responsibility relate to:

(a) Evaluating Board and Executive management performance as well as Executive and Staff Compensation
(b) Recommending Director compensation for shareholder approval; nomination of new Directors and appointments to committees
(c) Working with management to assess and improve policies related to business conduct and ethics

This Committee has held six (6) meetings during the year.

Directors' Report (continued)

The Marketing and Operations Committee

This committee comprises the following members:

Dr. Rolph Balgobin – *Chairman*

Mr. Kirby Anthony Hosang

Mr. Ulric Miller

The former Marketing and Operations Committee has been expanded to include Sales. This allows for a complete review of the Supply Chain function of the Company. This Committee held two (2) meetings during the year.

Directors', Executives' & Substantial Shareholdings

Top 10 Shareholders as at December 31, 2017

Name	Shareholdings	Percentage
Rumpro Company Limited (Formerly Bacardi)	92,551,212	44.87%
Corporation Sole	61,677,011	29.90%
National Insurance Board	9.665,190	4.69%
Colonial Life Insurance	5,294,866	2.57%
MASA Investments Limited	1,993,961	0.97%
Tatil Life Assurance Co Ltd A/CC	1,800,00	0.87%
First Citizens Trust & Asset MGMT – PT7	1,704,155	0.83%
Tatil Life Assurance Limited	1,623,998	0.79%
Republic Bank Limited – 1162	1,542,922	0.75%
RBC Trust (Trinidad & Tobago) Limited – T534	1,476,360	0.72%

Interests of Directors, Senior Officers and Connected Persons as at 31 December, 2017

Directors' Shareholdings		
Dr. Rolph Balgobin	Chairman	Nil
Ms. Ingrid Lashley	Director	Nil
Mr. Terrence Bharath	Director	Nil
Mr. Kirby Anthony Hosang	Director	Nil
Mr. Ulric Miller	Director	Nil
Mr. Albert Tom Yew	Director	Nil
Mr. Frederick Gilkes	Director	Nil
Mr. Trevor Marshall	Director	Nil

Directors' Report (continued)

Executives' Shareholdings

Mrs. Genevieve Jodhan	Chief Executive Officer	4463
Ms. Ginelle Lambie	Chief Financial Officer	Nil
Mr. Ian Forbes	Executive Manager – Operations	Nil
Mrs. Natasha Mustapha-Scott	Executive Manager – Marketing	Nil
Mr. Rahim Mohammed	Executive Manager – Corporate Services	Nil
Mrs. Jennifer Frederick	Corporate Secretary	Nil

Disclosure of Interests of Directors and Officers in any material contracts with the Company (pursuant to Sec. 93(1)(a) of the Companies Act Ch 81:01).

During the financial year ending December 31, 2017 no director/officer has been a party to a material contract with the company nor was any director/officer of the company an officer of any body, or had a material interest in any body, that was a party to a material contract or proposed material contract with the company.

The Directors present this Summary Statement of Account for the year ended December 31, 2017.

Financial Results for the Year	2017		2016	
	Per Share	$millions	Per Share	$millions
Profit attributable to shareholders	54 cents	111.1	59 cents	122.0
Other reserve movements	3 cents	(6.7)	2 cents	(4.4)
Dividends on ordinary stock	27 cents	55.6	32 cents	66.0
Interim dividend	9 cents	18.5	12 cents	24.8
Final dividend	18 cents	37.1	20 cents	41.2
Retained profits from the previous year	3.47	713.9	3.22	662.3
Retained profits at the end of the year	3.70	762.6	3.47	713.9

Directors' Report (continued)

Dividends
The Directors have recommended a final dividend of $0.12 per ordinary share for the year.

Auditors
To appoint Messrs KPMG who offer themselves for re-election as auditors of the Company for the financial year ending December 31, 2018.

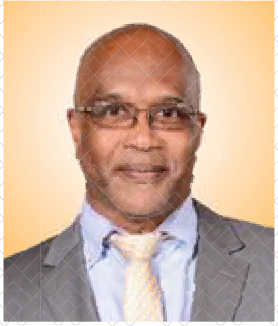
BY ORDER OF THE BOARD

Jennifer Frederick
Secretary

March 4, 2018
Corner Eastern Main Road and Trinity Avenue
Laventille
Trinidad and Tobago

Board of Directors


Dr. Rolph Balgobin - *Chairman*


Mr. Frederick Gilkes


Mr. Trevor Marshall


Mr. Terrence Bharath


Mr. Ulric Miller


Ms. Ingrid Lashley


Mr. Kirby Anthony Hosang


Mr. Albert Tom Yew


Mrs. Jennifer Frederick - *Corporate Secretary*

Executive Management Team

Left to right:
Genevieve Jodhan, *Chief Executive Officer;*
Rahim Mohammed, *Executive Manager – Corporate Services;*
Ginelle Lambie, *Chief Financial Officer;*
Ian Forbes, *Executive Manager – Operations;*
Natasha Mustapha-Scott, *Executive Manager – Marketing.*

The Executive Management team collectively oversees all aspects of the business. The team works within two (2) divisions of leadership: one that creates demand – sales and marketing; one that meets demand – operations, corporate services and finance.

Each Executive Manager is responsible for leading the employees within his/her respective function to achieve the company's objectives whilst aligning the processes to build the future and develop the brands.

Management Teams – Create Demand, Meet Demand

Management Team: Create Demand
Left to right:
Ricardo Bideshi, *Retail Operations*;
Giselle Laronde-West, *PR and Hospitality*;
David Pantin, *Sales*;
Brian Tom Yew, *Export and Business Development*;
Leesha Alexander, *Regional Export*;
Sheldon Roach, *Sales*.

This is our "forward facing" management team. They serve as the interface with our customers and other stakeholders and ensure that our products and service are aligned to current demands and evolving market trends. This group includes the Regional and International Sales teams, Marketing, Business Development, Public Relations and Retail Operations.

Management Team: Meet Demand
Front row, left to right:
Malika Crichton, *Quality Control*; Sharon Ramsaran, *Bottling Operations*; Lystra Mahabir-Rampersad, *Risk and Compliance*; Nikecia Moore-Burrowes, *Finance*; Carol Homer-Caesar, *Quality Assurance and Blending*; Stacy-Ann Sarwan, *Supply Chain*; Ann Marie O'Brien, *Blending*.

Back row, left to right:
Leon Gordon, *Materials*; Ilyas Mohammed, *Logistics*; Mark Mohammed, *Mechanical Engineer*; Wendell Kipps, *Distillery Operations*; Deon Walker, *Security*; Aleem Baksh, *IT*.

Absent: John Georges, *Master Distiller*; Calvin John, *Operations*.

These are the supporting management team members that work behind the scenes to meet our market demand through: operational efficiencies in effective supply chain, procurement, blending, production, bottling, distillery operations, logistics and quality control. They provide the enabling frameworks of Information Technology, Finance, Health, Safety and Security, and Human Resources.

The Rooms Within the House of Angostura

Trinidad Jewels

Our standard rum range are our Trinidadian Jewels – a collection of well-loved brands that are available regionally. With this segment, we are the market leaders locally for white rum, with our signature White Oak, and in the overproof category, with Forres Park Puncheon Rum. Other cherished brands in our collection include: Fernandes Black Label, Single Barrel, VAT 19 and Royal Oak.

Angostura® Aromatic Bitters & Angostura® Orange Bitters

Made with the same original secret recipe since 1824, our world-famous Angostura® aromatic bitters is an essential ingredient for classic and contemporary cocktails, and is becoming a staple for professional and home cooks alike. Both of our bitters brands are available in over 170 markets globally, with an ever-growing geographic reach. We continue to receive international acclaim for our bitters, which remains the indisputable leader in this field, and our signature brand is found in every respectable bar.

Premium Rums

Our premium rums comprise a superb range of the finest quality spirits. The collection includes multiple-award winning rums such as the alluring Angostura® 7 year old, with its notes of maple, chocolate, honey and toffee, to the luxurious 1787, a super-premium blend of rums aged for a minimum of 15 years. These gems are emblematic of the House of Angostura's rich tradition of creating exceptional products, which continue to win acclaim globally today.

Amaro di Angostura®

A well-kept house secret at Angostura is our bold step to venture into the herbal liqueur segment. Our Amaro di Angostura® is a rich, amber, herbal liqueur made with Angostura Aromatic Bitters. Amaro di Angostura® was awarded the Best New Market Entrant at Tales of The Cocktail in 2014 and has received recognition each year since its launch. This year was no exception: Amaro di Angostura® was awarded Gold in the World Spirits Awards and Platinum in the SIP Awards in the Liqueur category.

Lemon, Lime & Bitters

LLB is our unique carbonated soft drink, made with the authentic Angostura® aromatic bitters. LLB creates moments of joy and togetherness wherever it is enjoyed. Customers across the Caribbean and Australia were treated to a new look for LLB in 2017, as we repackaged and relaunched the product in June.

More Than Rum

Another of our house secrets may be the fact that we manufacture other spirits and liqueurs such as Blu Vodka, Mokatika and Correia's Hard Wine. These gems among our portfolio provide diversity of choice at excellent value for our local consumers.

Our Wider Portfolio

We continue to complement our locally-made selection of beverages with a comprehensive range of imported wines and spirits such as Tito's Vodka, Luc Belaire, Norton's wine, Voga wines, Macallan Scotch Whisky and The Famous Grouse Scotch Whisky. These brands add depth and variety to our customers' experiences and bring the spirit of the world to this proudly Trinidadian company.

Solera Stores

The Solera stores are an expression and extension of the House of Angostura and allow us to offer a unique shopping experience by housing our entire beverage portfolio in one place. The first Solera store was opened in 2014 in Port of Spain and was met with success. In 2017, we opened our second Solera outlet in C3 Centre, San Fernando. Solera provides our growing clientele a specialized and informed shopping experience at convenient locations. To find out more about what's new in our stores visit our Facebook page at www.facebook.com/SoleraTT/

Marketing Highlights

Right:
Angostura® Bitter Rivals, Trinidad, November 2017
Welcoming six (6) teams of competitors in both the Home Chef and Professional categories, this culinary competition showcased the versatility of Angostura® bitters in cooking.

Below:
Cochon, 14 cities across the USA, February-October, 2017
Angostura® aromatic bitters partnered with Cochon555, a culinary tour dedicated to creating theatre for innovative food and drink experiences.

Left:
Taste of the Caribbean; Miami, June 2017
Taste of the Caribbean is a culinary competition that attracts among the best representatives in both the bartending and culinary arenas from 15 countries across the region.

Marketing Highlights

Above:
Amaro di Angostura® Versus; Rome, July 2017
Amaro di Angostura® Versus is a cocktail competition which took place last summer in Italy's capital. Versus embraces competition, camaraderie and great drinks, brought together by Amaro di Angostura®.

Above:
Bar Convent Berlin, October 2017
BCB is a leading international trade show that draws droves of innovative bar pros and beverage experts to the German capital, offering a terrific platform for engagement with Angostura's portfolio.

Photo courtesy: Sasha Harrinanan

Above:
Rum Appetit Series
The Rum Appetit Series was the first of its kind to be held in Trinidad. Attendees at Chaud Restaurant were taught the art of pairing rum with food by Angostura's Master Distiller, John Georges.

Marketing Highlights

Right:
Launch of Angostura® 1787; Antigua, July 2017
We launched our super-premium rum, Angostura 1787 in Antigua in 2017. Attendees at the launch were able to have their inaugural bottles signed by our Master Distiller, John Georges.

Below:
Queen's Park Swizzle Launch; Trinidad, June 2017
The Queen's Park Swizzle Launch was held at the BPTT building, formerly the Queen's Park Hotel, where the QPS, the quintessential Angostura cocktail, was first created.

Above:
Angostura® Global Cocktail Challenge (photograph taken at the Australian Finals, Sydney, October 2017)
The Angostura® Global Cocktail Challenge saw 22 National and Regional events executed globally in 2017. 11 finalists were selected from 260 participants from 47 countries. In the finals, held in 2018 in Trinidad, the winner received a chance to represent the company for two years as a Brand Ambassador and won $10,000 US.

Employee Engagement Review

Employee engagement is key to our competitive performance and is at the heart of our vision; we aim to promote the best work environment for people who share our passion. Engaged employees are emotionally committed to and proud of our company, they help us meet our business goals, and they contribute to making our workplace the best it can be. To this end, Angostura hosted several key initiatives in 2017, some of which are highlighted below:

1. Health and Wellness (Gym, Aerobics, Zumba and Yoga)

Angostura cares deeply about their staff and their well-being. We have a fully functioning gym as well as various wellness activities to keep staff active and engaged. During 2017, many employees participated in our in-house yoga, aerobics and Zumba sessions.

2. Trinidad & Tobago International Coastal Clean Up Drive

This global activity is held annually, and Angostura continues to be a part of the initiative. It was held on Saturday 16th September 2017 and employees participated in cleaning up the Foreshore, Audrey Jeffers Highway where over 3,439.50 lbs. of trash was collected. This continues to be a highly engaging event for staff and an important corporate social responsibility initiative for Angostura.

3. Hurricane Relief Drive

Continuing with the Company's corporate social responsibility mandate, Angostura was able to send over three pallets of supplies to Dominica through a collaboration with Trinidad and Tobago Manufacturer's Association (TTMA) via Cargo Consolidators Limited. Employees donated food and personal items as well as cases of water to the victims of Hurricane Maria.

4. Personal Financial Training

During the latter half of 2017, Angostura hosted several Personal Financial Planning Workshops for employees. The purpose of these workshops was to create awareness on personal financial management. Topics covered included short term and long term savings, budgeting, and preparing for emergency life situations.

5. Employee Safety Survival Training

Personal Safety and Security on and off the job is of great concern to Angostura. As a result, the Company began an awareness campaign to highlight personal safety and survival techniques to staff. The Company organised a one-day Survival Safety Workshop, which targeted its female base for its inaugural session.

The workshop was designed to teach individuals how to survive a violent confrontation through psychological and tactical empowerment. The second installment of this workshop is scheduled for May 2018.

6. Annual Staff Functions

Every year Angostura hosts key functions to foster relationship-building and to recognise long-standing employees and retirees who have contributed to the Company's success. 2017 was no different and the following events were a hit with all who attended:

- Retirees Function
- Long Service Awards
- Christmas Party

In 2018, Angostura will continue to innovate on how we engage our workforce and ensure that we build an environment and organisation that is exciting, fulfilling, meaningful and fun.

Community Impact Review

Laventille Morvant Youth Games

Every year we invite 15 primary schools to send a team of students to participate in this day of fun and teamwork. In 2017 the Games were won by Success Laventille Primary School.

Laventille Morvant Future Growers Project

The Laventille Morvant Future Growers Project aims to promote the importance of home gardening as a valuable source of nutrition and revenue.

A.R.R.O.W. Learning Foundation

Angostura has taken on a three-year commitment to the A.R.R.O.W. approach for the improvement of literacy and communication skills for schools in the local area.

Junior Career Fair

Each year, form three students from the four (4) secondary schools in the Laventille/Morvant area are invited to attend a Career Fair held at Angostura in March.

Heroes Foundation Youth Development Programme

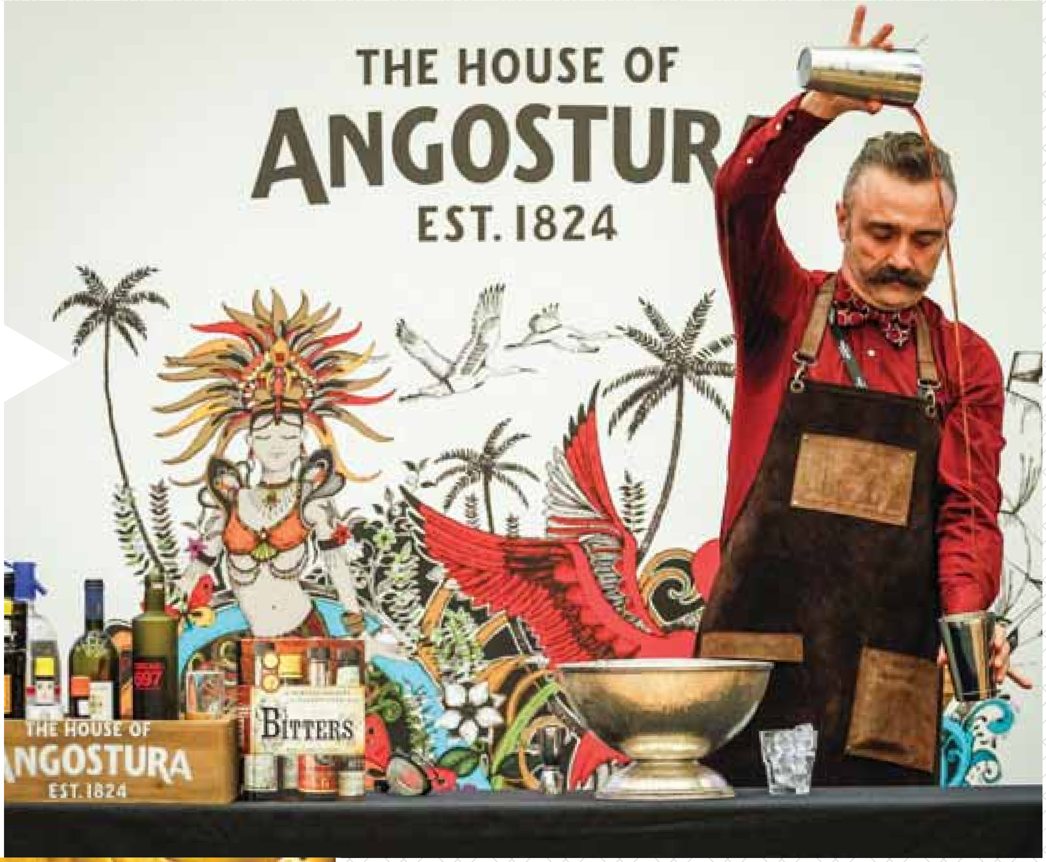
In 2017 Angostura partnered with the Heroes Foundation, a local NGO which aims to "nurture the next generation of heroes." This initiative provides youth mentorship to the students of Success Laventille Secondary School.

Primary Schools' Library Enhancement Project

We support the Library Enhancement Project which seeks to improve literacy and encourage reading among primary school students, by building infrastructure and providing books and supplies to local libraries.

THE HOUSE OF ANGOSTURA EST. 1824

Commercial Partnerships Review



Right:
Distributor Conference; Milan, July 2017
The Distributor Conference, held every other year in a different city, provides a space for us to meet and spend time with our business partners and allows us to share with them our global strategy and direction. In 2017, the conference was attended by 74 guests from 36 countries.

Left:
New Packaging for Lemon, Lime & Bitters, June 2017
New LLB packaging was introduced throughout the Caribbean. In doing this, we revitalised our marketing efforts for LLB and solidified our distributing partnerships across the region.

Commercial Partnerships Review (continued)

Right:

Tales on Tour; Edinburgh, April 2017

Tales on Tour is a reprise of Tales of the Cocktail, a trade show held annually in New Orleans. At this unique event, we held seminars to introduce the Queen's Park Swizzle to key trade influencers in the U.K. This event allowed us to strengthen our distributor relationships in this key market.

Left:

U.S. Final of Angostura® Global Cocktail Challenge; Chicago, September 2017

During the U.S. final of the Angostura® Global Cocktail Challenge, we held training sessions for bartenders, distributors and sales people. This event provided the perfect chance to further educate our U.S. team about our brands.

We also took the opportunity to introduce our U.S. distributors to our new and improved packaging.

For our comprehensive Distributor Listings, visit **angostura.com/contact-us/**

Statement of Management Responsibilities

Angostura Holdings Limited

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of Angostura Holdings Limited ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2017, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information;

- Ensuring that the Group keeps proper accounting records;

- Selecting appropriate accounting policies and applying them in a consistent manner;

- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of the Group's operational efficiencies;

- Ensuring that the system of internal control operated effectively during the reporting period;

- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and

- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited consolidated financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next 12 months from the reporting date, or up to the date the accompanying consolidated financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

GJodhan

Genevieve Jodhan, CEO

Date: 27 March 2018

GLambie

Ginelle Lambie, CFO

Date: 27 March 2018