ANDREW PELLER LIMITED REPORTS CONTINUED STRONG GROWTH IN FIRST QUARTER FISCAL 2017

This news release contains forward-looking information that is based upon assumptions and is subject to risks and uncertainties as indicated in the cautionary note contained elsewhere in this news release.

GRIMSBY, Ontario – August 10, 2016 – Andrew Peller Limited ADW.A/ADW.B ("APL" or the "Company") announced strong growth and increased net earnings for the three months ended June 30, 2016.

FIRST QUARTER FISCAL 2017 HIGHLIGHTS:

- Sales up 5.8% on broad-based solid organic growth and successful launch of new products and categories;
- Gross margin rises on revenue increase and cost savings;
- EBITA increases 15.2% on revenue growth and improved gross margin;
- Net earnings rise 28.2% to $8.6 million or $0.62 per Class A share;
- 9% increase in common share dividends, seventh increase in ten years;
- Board of Directors recommends 3-for-1 stock split; and
- Board of Directors approves a Dividend Reinvestment Plan (DRIP).

"Our track record of strong organic growth and increased profitability continued in the first quarter of fiscal 2017 following another record year in fiscal 2016," commented John Peller, President and Chief Executive Officer.

"We are also pleased to be recommending shareholders approve a three-for-one split for our common shares. We believe the resulting increase in the number of shares outstanding will enhance shareholder liquidity, increase investor interest in the Company, and bring the trading price into a more accessible range for all investors," Mr. Peller concluded.

Sales for the three months ended June 30, 2016 rose 5.8% to $87.9 million from $83.1 million in the first quarter of fiscal 2016. The increase in revenues was due to strong, broad-based organic growth across the majority of the Company's product lines and distribution channels, as well as the introduction of new products and entry into new product categories.

Gross margin as a percentage of sales for the three months ended June 30, 2016 strengthened to 38.8% compared to 38.3% in the same prior year period as the Company benefited from the positive impact of cost control initiatives to improve productivity and raw material cost savings, which have largely offset the negative impact of the weak Canadian dollar.

Selling and administrative expenses rose in fiscal 2017 due primarily to increased marketing and sales programs and initiatives related to the development of the new Wayne Gretzky Estate Winery and Craft Distillery. However selling and administrative expenses improved to 22.0% of revenues compared to 22.8% of revenues in the first quarter of fiscal 2016. The Company is focused on ensuring selling and administrative expenses are tightly controlled, however it expects selling expenses will increase for the remainder of fiscal 2017 to support the launch of additional new products and the new Wayne Gretzky Estate Winery and Craft Distillery.

Earnings before interest, amortization, net unrealized gains and losses on derivative financial instruments, other income (expenses), and income taxes ("EBITA") were $14.8 million for the three months ended June 30, 2016, up 15.2% from the first quarter of fiscal 2016 due primarily to the increase in sales and gross margin in the current year. Interest expense decreased for the three months ended June 30, 2016 compared to the prior year due to lower interest rates and debt levels.

The Company recorded a net unrealized non-cash gain in the first quarter of fiscal 2017 compared to a non-cash loss in the same period last year related to mark-to-market adjustments on interest rate swaps and foreign exchange contracts. The Company has elected not to apply hedge accounting and accordingly the change in fair value of these financial instruments is reflected in the Company's statement of earnings each reporting period. These instruments are considered to be effective economic hedges and have enabled management to mitigate the volatility of changing foreign exchange and interest rates.

Adjusted earnings, defined as net earnings not including net unrealized gains and losses on derivative financial instruments, other income (expenses) and the related income tax effect, were $8.6 million for the three months ended June 30, 2016, up 24.4% from $6.9 million in the first quarter of fiscal 2016.

Net earnings the three months ended June 30, 2016 increased 28.2% to $8.6 million or $0.62 per Class A Share from $6.7 million or $0.48 per Class A Share in the first quarter of fiscal 2016.

Strong Financial Position

Working capital at June 30, 2016 increased to $76.1 million from $71.7 million at March 31, 2016. Overall bank debt was virtually unchanged at $85.9 million as at June 30, 2016 compared to $86.0 million at March 31, 2016 as a result of strong earnings and working capital management, offset by higher capital expenditures. The Company's debt to equity ratio strengthened to 0.53:1 at June 30, 2016 compared to 0.55:1 at March 31, 2016. Shareholders' equity as at June 30, 2016 was $163.6 million or $11.52 per common share, up from $157.7 million or $11.11 per common share at March 31, 2016. The increase in shareholders' equity is due to the strong net earnings partially offset by the payment of dividends.

The Company generated cash from operating activities in the first quarter of fiscal 2017, after changes in non-cash working capital items, of $7.6 million compared to $5.0 million in the prior year's first quarter. Higher earnings were partially offset by an increase in accounts receivable due to the higher level of sales in the first quarter. In fiscal 2017, the Company expects cash from operating activities to decrease when compared to fiscal 2016 due to a projected larger harvest in Ontario and increases in working capital investment relating to the fiscal 2017 spirits launch.

Increase in Common Share Dividends

On June 2, 2016 the Company's Board of Directors approved a 9% increase in common share dividends for shareholders of record on June 30, 2016 payable on July 8, 2016. The annual dividend on Class A Shares was increased to $0.490 per share from $0.450 per share, and the annual dividend on Class B Shares was increased to $0.426 per share from $0.391 per share. This was the Company's seventh dividend increase in the last ten years. The Company has consistently paid common share dividends since 1979. APL currently designates all dividends paid as "eligible dividends" for purposes of the *Income Tax Act* (Canada), unless indicated otherwise.

Proposed 3-for-1 Share Split

On June 2, 2016 the Company's Board of Directors approved, and will recommend shareholders approve at the Company's Annual and Special Meeting on September 9, 2016, a three-for-one share split for both the Company's Class A and Class B common shares. The proposed stock split will not result in taxable income or in any gain or loss for current shareholders. The Company previously split its common shares on a three-for-one basis on October 26, 2006 when the price of Class A and Class B shares were $33.90 and $34.25, respectively.

Dividend Reinvestment Plan

On June 2, 2016 the Company's Board of Directors approved a Dividend Reinvestment Plan (DRIP) for Class A shares and officers of the Company executed the agreements to implement the DRIP on July 29, 2016. The DRIP will be effective on September 9, 2016. Under the DRIP, registered Class A shareholders can elect to have 100% of their dividends reinvested to purchase additional Class A common shares. The Board of Directors believes the DRIP provides Class A shareholders with a cost-effective method to increase their investment in the Company.

Annual Meeting of Shareholders

The Fiscal 2016 Annual and Special Shareholders' Meeting will be held at 11:00 am ET on Friday, September 9, 2016 at the Peller Estates Winery located in Niagara-on-the-Lake, Ontario.

Financial Highlights (Unaudited)
(Condensed consolidated unaudited financial statements to follow)

For the three months ended June 30, (in $000, except per share amounts)	**2016**	2015
Sales	**$ 87,906**	$ 83,118
Gross margin	**34,143**	31,811
Gross margin (% of sales)	**38.8%**	38.3%
Selling and administrative expenses	**19,340**	18,965
EBITA	**14,803**	12,846
Net unrealized (gain) loss on derivative financial instruments	**(47)**	315
Other (income) expenses	**27**	(61)
Adjusted earnings	**8,558**	6,877
Net earnings	**8,573**	6,689
Earnings per share – basic and diluted - Class A	**$0.62**	$0.48
Earnings per share – basic and diluted - Class B	**$0.54**	$0.42
Dividend per share – Class A (annual)	**$0.490**	$0.450
Dividend per share – Class B (annual)	**$0.426**	$0.391

About Andrew Peller Limited
Andrew Peller Limited is a leading producer and marketer of quality wines in Canada. With wineries in British Columbia, Ontario, and Nova Scotia, the Company markets wines produced from grapes grown in Ontario's Niagara Peninsula, British Columbia's Okanagan and Similkameen Valleys, and from vineyards around the world. The Company's award-winning premium and ultra-premium VQA brands include *Peller Estates*, *Trius*, *Thirty Bench*, *Wayne Gretzky*, *Sandhill*, *Conviction* and *Red Rooster*. Complementing these premium brands are a number of popularly priced varietal brands including *Peller Estates French Cross* in the East, *Peller Estates Proprietors Reserve* in the West, *Copper Moon*, *Black Cellar*, *XOXO*, and s*kinnygrape. Hochtaler*, *Domaine D'Or*, *Schloss Laderheim*, *Royal*, and *Sommet* are our key value priced brands. The Company produces wine based liqueurs and cocktails under the brand *Panama Jack* and wine based spritzers under the *skinnygrape* brand. The Company imports wines from major wine regions around the world to blend with domestic wine to craft these popularly priced and value priced brands. With a focus on serving the needs of all wine consumers, the Company produces and markets premium personal winemaking products through its wholly-owned subsidiary, Global Vintners Inc., the recognized leader in personal winemaking products. Global Vintners distributes products through over 170 Winexpert authorized retailers and more than 600 independent retailers across Canada, the United States, the United Kingdom, New Zealand, Australia, and China. Global Vintners award-winning premium and ultra-premium winemaking brands include *Selection*, *Vintners Reserve*, *Island Mist*, *KenRidge*, *Cheeky Monkey*, *Traditional Vintage*, and *Cellar Craft*. The Company owns and operates 100 well-positioned independent retail locations in Ontario under The Wine Shop, Wine Country Vintners, and Wine Country Merchants store names. The Company also owns Andrew Peller Import Agency and The Small Winemaker's Collection Inc.; both of these wine agencies are importers of premium wines from around the world and are marketing agents for these fine wines. The Company's products are sold predominantly in Canada with a focus on export sales for its icewine and personal winemaking products. More information about the Company can be found at www.andrewpeller.com.

The Company utilizes EBITA (defined as earnings before interest, amortization, net unrealized gains and losses on derivative financial instruments, other (income) expenses, and income taxes) to measure its financial performance. EBITA is not a recognized measure under International Financial Reporting Standards (IFRS). Management believes that EBITA is a useful supplemental measure to net earnings, as it provides readers with an indication of cash available for investment prior to debt service, capital expenditures, and income taxes. Readers are cautioned that EBITA should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of the Company's performance or to cash flows from operating, investing, and financing activities as a measure of liquidity and cash flows. The Company also utilizes gross margin (defined as sales less cost of goods sold, excluding amortization) and adjusted earnings as defined above. The Company's method of calculating EBITA, gross margin, and adjusted earnings may differ from the methods used by other companies and, accordingly, may not be comparable to measures used by other companies.

Andrew Peller Limited common shares trade on the Toronto Stock Exchange (symbols ADW.A and ADW.B).

FORWARD-LOOKING INFORMATION

Certain statements in this news release may contain "forward-looking statements" within the meaning of applicable securities laws, including the "safe harbour provision" of the Securities Act (Ontario) with respect to Andrew Peller Limited and its subsidiaries. Such statements include, but are not limited to, statements about the growth of the business in light of the Company's recent acquisitions; its launch of new premium wines; sales trends in foreign markets; its supply of domestically grown grapes; and current economic conditions. These statements are subject to certain risks, assumptions, and uncertainties that could cause actual results to differ materially from those included in the forward-looking statements. The words "believe", "plan", "intend", "estimate", "expect", or "anticipate" and similar expressions, as well as future or conditional verbs such as "will", "should", "would", and "could" often identify forward-looking statements. We have based these forward-looking statements on our current views with respect to future events and financial performance. With respect to forward-looking statements contained in this news release, the Company has made assumptions and applied certain factors regarding, among other things: future grape, glass bottle, and wine prices; its ability to obtain grapes, imported wine, glass, and its ability to obtain other raw materials; fluctuations in the U.S./Canadian dollar exchange rates; its ability to market products successfully to its anticipated customers; the trade balance within the domestic Canadian wine market; market trends; reliance on key personnel; protection of its intellectual property rights; the economic environment; the regulatory requirements regarding producing, marketing, advertising, and labeling its products; the regulation of liquor distribution and retailing in Ontario; and the impact of increasing competition.

These forward-looking statements are also subject to the risks and uncertainties discussed in this news release, in the "Risks and Uncertainties" section and elsewhere in the Company's MD&A and other risks detailed from time to time in the publicly filed disclosure documents of Andrew Peller Limited which are available at www.sedar.com. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties, and assumptions which could cause actual results to differ materially from those conclusions, forecasts, or projections anticipated in these forward-looking statements. Because of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements. The Company's forward-looking statements are made only as of the date of this news release, and except as required by applicable law, the Company undertakes no obligation to update or revise these forward-looking statements to reflect new information, future events or circumstances or otherwise.

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ANDREW PELLER LIMITED

Condensed Consolidated Balance Sheets

Unaudited

These financial statements have not been reviewed by our auditors

(in thousands of Canadian dollars)	June 30 2016 $	March 31 2016 $
Assets		
Current Assets		
Accounts receivable	**31,884**	28,223
Inventory	**114,904**	119,666
Biological assets	**3,122**	1,196
Prepaid expenses and other assets	**1,572**	1,782
	151,482	150,867
Property, plant, and equipment	**110,297**	108,929
Intangibles	**10,733**	11,040
Goodwill	**37,473**	37,473
	309,985	308,309
Liabilities		
Current Liabilities		
Bank indebtedness	**34,629**	33,701
Accounts payable and accrued liabilities	**32,135**	36,772
Dividends payable	**1,691**	1,553
Income taxes payable	**2,159**	2,425
Current portion of derivative financial instruments	**634**	645
Current portion of long-term debt	**4,106**	4,106
	75,354	79,202
Long-term debt	**47,214**	48,202
Long-term derivative financial instruments	**1,402**	1,529
Post-employment benefit obligations	**7,187**	5,947
Deferred income	**-**	102
Deferred income taxes	**15,263**	15,591
	146,420	150,573
Shareholders' Equity		
Capital stock	**6,967**	6,967
Retained earnings	**161,487**	154,605
Accumulated other comprehensive loss	**(4,889)**	(3,836)
	163,565	157,736
	309,985	308,309

The above statements should be read in conjunction with the entire interim consolidated financial statements and notes. They will be available on the Investor Relations section of www.andrewpeller.com and at www.sedar.com

ANDREW PELLER LIMITED

Condensed Consolidated Statements of Earnings

Unaudited

These financial statements have not been reviewed by our auditors

(in thousands of Canadian dollars)	**For the three months ended June 30, 2016 $**	**For the three months ended June 30, 2015 $**
Sales	**87,906**	83,118
Cost of goods sold	**53,763**	51,307
Amortization of plant and equipment used in production	**1,586**	1,566
Gross profit	**32,557**	30,245
Selling and administration	**19,340**	18,965
Amortization of plant, equipment, and intangibles used in selling and administration	**830**	808
Interest	**783**	1,081
Net unrealized (gain) loss on derivative financial instruments	**(47)**	315
Other expense (income)	**27**	(61)
Earnings before income taxes	**11,624**	**9,137**
Provision for income taxes		
Current	**3,009**	2,256
Deferred	**42**	192
	3,051	2,448
Net earnings for the period	**8,573**	6,689
Net earnings per share		
Basic and diluted		
Class A shares	**0.62**	0.48
Class B shares	**0.54**	0.42

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ANDREW PELLER LIMITED

Condensed Consolidated Statements of Comprehensive Income

Unaudited

These financial statements have not been reviewed by our auditors

	For the three months ended June 30, 2016	For the three months ended June 30, 2015
(in thousands of Canadian dollars)	**$**	**$**
Net earnings for the period	**8,573**	6,689
Items that are never reclassified to net earnings		
Net actuarial (losses) gains on post-employment benefit plans	**(1,423)**	1,272
Deferred income tax recovery (provision)	**370**	(331)
Other comprehensive (loss) income for the period	**(1,053)**	941
Net comprehensive income for the period	**7,520**	7,630

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ANDREW PELLER LIMITED

Condensed Consolidated Statements of Changes in Equity

For the three months ended June 30, 2016 and 2015

Unaudited

These financial statements have not been reviewed by our auditors

(in thousands of Canadian dollars)

	Capital stock $	Retained earnings $	Accumulated other comprehensive loss	Total shareholders' equity $
Balance at April 1, 2015	7,026	143,847	(3,498)	147,375
Net earnings for the period	-	6,689	-	6,689
Net actuarial gains (net of deferred tax provision)	-	-	941	941
Net comprehensive income for the period	-	6,689	941	7,630
Dividends (Class A $0.113 per share, Class B $0.098 per share)	-	(1,564)	-	(1,564)
Balance at June 30, 2015	7,026	148,972	(2,557)	153,441
Balance at April 1, 2016	6,967	154,605	(3,836)	157,736
Net earnings for the period	-	8,573	-	8,573
Net actuarial losses (net of deferred tax recovery)	-	-	(1,053)	(1,053)
Net comprehensive income for the period	-	8,573	(1,053)	7,520
Dividends (Class A $0.1225 per share, Class B $0.1065 per share)	-	(1,691)	-	(1,691)
Balance at June 30, 2016	6,967	161,487	(4,889)	163,565

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ANDREW PELLER LIMITED

Condensed Consolidated Statements of Cash Flows

Unaudited

These financial statements have not been reviewed by our auditors

(in thousands of Canadian dollars)	For the three months ended June 30, 2016 $	For the three months ended June 30, 2015 $
Cash provided by (used in)		
Operating activities		
Net earnings for the period	**8,573**	6,689
Adjustments for:		
Amortization of plant, equipment, and intangible assets	**2,416**	2,374
Interest expense	**783**	1,081
Provision for income taxes	**3,051**	2,448
Post-employment benefits	**(183)**	(243)
Deferred income	**(102)**	(102)
Net unrealized (gain) loss on derivative financial instruments	**(47)**	315
Interest paid	**(742)**	(1,103)
Income taxes paid	**(3,275)**	(753)
	10,474	10,706
Changes in non-cash working capital items related to operations	**(2,914)**	(5,689)
	7,560	5,017
Investing activities		
Purchase of property, plant and equipment	**(5,935)**	(1,728)
Financing activities		
Increase (decrease) in bank indebtedness	**928**	(811)
Repayment of long-term debt	**(1,000)**	(1,018)
Dividends paid	**(1,553)**	(1,460)
	(1,625)	(3,289)
Increase (decrease) in cash during the period	**-**	-
Cash, beginning of period	**-**	-
Cash, end of period	-	-

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