

ANDREW PELLER LIMITED

Consolidated Balance Sheets

Unaudited

These financial statements have not been reviewed by our auditors

September 30

March 31

2011

2011

(in thousands of Canadian dollars)

\$

\$

Assets

Current Assets

Accounts receivable	27,926	23,390
Inventories	88,578	94,692
Current portion of biological assets	2,664	759
Prepaid expenses and other assets	2,378	818

121,546 119,659

Property, plant and equipment

84,075 84,744

Biological assets

11,993 11,950

Intangibles and other assets

12,874 14,170

Goodwill

37,473 37,473

267,961 267,996

Liabilities

Current Liabilities

Bank indebtedness (note 7)	43,867	48,758
Accounts payable and accrued liabilities	32,554	33,883
Dividends payable	1,252	1,148
Income taxes payable	57	1,000
Current portion of derivative financial instruments	1,349	1,894
Current portion of long-term debt (note 7)	5,366	5,333

84,445 92,016

Long-term debt (note 7)

44,267 42,720

Long-term derivative financial instruments

2,917 1,578

Employee future benefits

7,092 5,565

Deferred income taxes

11,526 11,820

150,247 153,699

Shareholders' Equity

Capital stock

7,026 7,026

Retained earnings

110,688 107,271

117,714 114,297

267,961 267,996

The accompanying notes are an integral part of these interim consolidated financial statements

ANDREW PELLER LIMITED
Consolidated Statements of Earnings
Unaudited

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(in thousands of Canadian dollars)	For the three months ended		For the six months ended	
	September 30		September 30	
	2011	2010	2011	2010
	\$	\$	\$	\$
Sales	69,990	69,031	139,397	133,497
Cost of goods sold, excluding amortization (note 4)	<u>42,718</u>	<u>41,993</u>	<u>84,812</u>	<u>80,969</u>
	27,272	27,038	54,585	52,528
Selling and administration (note 4)	<u>18,467</u>	<u>18,256</u>	<u>36,298</u>	<u>35,102</u>
Earnings before interest and amortization	8,805	8,782	18,287	17,426
Interest	1,482	1,885	3,031	3,827
Amortization of plant, equipment and intangibles (note 4)	<u>1,928</u>	<u>1,876</u>	<u>3,875</u>	<u>3,758</u>
Earnings before other items	5,395	5,021	11,381	9,841
Net unrealized losses on derivative financial instruments	113	1,162	413	516
Other expenses (note 4)	<u>492</u>	<u>1,108</u>	<u>656</u>	<u>859</u>
Earnings before income taxes	4,790	2,751	10,312	8,466
Provision for income taxes				
Current	1,311	1,531	2,827	3,084
Deferred	<u>94</u>	<u>(653)</u>	<u>189</u>	<u>(494)</u>
	1,405	878	3,016	2,590
Net earnings for the period	3,385	1,873	7,296	5,876
Net earnings per share				
Basic and diluted				
Class A shares	<u>0.24</u>	0.13	<u>0.52</u>	0.41
Class B shares	<u>0.22</u>	<u>0.11</u>	<u>0.46</u>	<u>0.35</u>

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ANDREW PELLER LIMITED
Consolidated Statements of Comprehensive Income
Unaudited

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	For the three months ended September 30		For the six months ended September 30	
	2011 \$	2010 \$	2011 \$	2010 \$
(in thousands of Canadian dollars)				
Net earnings for the period	3,385	1,873	7,296	5,876
Other comprehensive income (loss)				
Net actuarial losses on employee future benefits	(1,531)	(1,303)	(1,857)	(2,269)
Deferred income taxes	398	339	483	590
	<u>(1,133)</u>	<u>(964)</u>	<u>(1,374)</u>	<u>(1,679)</u>
Net comprehensive income	2,252	909	5,922	4,197

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ANDREW PELLER LIMITED

Consolidated Statements of Changes in Equity

For the six months ended September 30, 2011 and 2010 and the year ended March 31, 2011

Unaudited

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(in thousands of Canadian dollars)

	Capital stock	Retained earnings	Total shareholders' equity
	\$	\$	\$
Balance at April 1, 2010	7,375	106,305	113,680
Net earnings for the period	-	5,876	5,876
Net actuarial gains (losses) (net of \$590 deferred tax recovery)	-	(1,679)	(1,679)
Net comprehensive income for the year	-	4,197	4,197
Dividends (Class A \$0.165 per share, Class B \$0.144 per share)	-	(2,394)	(2,394)
Balance at September 30, 2010	7,375	108,108	115,483
Balance at April 1, 2011	7,026	107,271	114,297
Net earnings for the period	-	7,296	7,296
Net actuarial gains (losses) (net of \$483 deferred tax recovery)	-	(1,374)	(1,374)
Net comprehensive income for the year	-	5,922	5,922
Dividends (Class A \$0.180 per share, Class B \$0.157 per share)	-	(2,505)	(2,505)
Balance at September 30, 2011	7,026	110,688	117,714
Balance at April 1, 2010	7,375	106,305	113,680
Net earnings for the period	-	11,223	11,223
Net actuarial gains (losses) (net of \$218 deferred tax recovery)	-	(619)	(619)
Net comprehensive income for the year	-	10,604	10,604
Issue price of repurchased shares	(349)	-	(349)
Excess of repurchase price over average per-share issue price	-	(4,900)	(4,900)
Dividends (Class A \$0.330 per share, Class B \$0.288 per share)	-	(4,738)	(4,738)
Balance at March 31, 2011	7,026	107,271	114,297

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ANDREW PELLER LIMITED
Consolidated Statements of Cash Flows

Unaudited

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	For the six months ended	For the six months ended
	September 30, 2011	September 30, 2010
(in thousands of Canadian dollars)	\$	\$
Cash provided by (used in)		
Operating activities		
Net earnings for the period	7,296	5,876
Items not affecting cash:		
Loss (gain) on disposal of property, plant and equipment	110	(304)
Amortization of plant, equipment and intangibles	3,875	3,758
Revaluation of vine biological assets net of insurance recovery	556	804
Employee future benefits	(330)	(214)
Net unrealized (gain) loss on derivative financial instruments	413	516
Deferred income taxes	189	(494)
Amortization of deferred financing costs	224	369
	<u>12,333</u>	<u>10,311</u>
Changes in non-cash working capital items related to operations (note 5)	<u>(2,178)</u>	<u>5,936</u>
	<u>10,155</u>	<u>16,247</u>
Investing activities		
Proceeds of disposal of property, plant, equipment and vine biological assets	-	766
Purchase of property, equipment and vine biological assets	(3,591)	(2,910)
Purchases of other assets	(28)	(72)
Acquisition of businesses	(600)	(825)
	<u>(4,219)</u>	<u>(3,041)</u>
Financing activities		
Deferred financing costs	(629)	-
Increase (decrease) in bank indebtedness	(4,891)	(8,146)
Increase in long-term debt	50,263	-
Repayment of long-term debt	(48,278)	(2,666)
Dividends paid	(2,401)	(2,394)
	<u>(5,936)</u>	<u>(13,206)</u>
Increase (decrease) in cash during the period	-	-
Cash, beginning of period	-	-
Cash, end of period	<u>-</u>	<u>-</u>
Supplemental disclosure of cash flow information		
Cash paid during the period for		
Interest	2,962	3,845
Income taxes	3,770	2,080

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