ANDREW PELLER LIMITED
ANNOUNCES RESULTS FOR THIRD QUARTER OF FISCAL 2009

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 – February 6, 2009 – Andrew Peller Limited ADW.A/ADW.B (the "Company") announced today its results for the three and nine months ended December 31, 2008.

Solid Growth Continues

Sales for the three months ended December 31, 2008 increased 10.4% to $72.9 million from $66.1 million in the prior year. For the first nine months of fiscal 2009 sales rose 9.5% to $201.9 from $184.4 million for the same period last year. The increases are due primarily to ongoing initiatives to grow sales of the Company's blended varietal table and ultra-premium wines through all trade channels, the introduction of new products and the acquisition of World Vintners Inc. ("WVI") on June 30, 2008 and Small Winemakers Collection Inc. ("SWM") on October 8, 2008.

Gross profit as a percentage of sales declined to 41.3% for the three months ended December 31, 2008 compared to 43.5% in the same period last year. For the first nine months of fiscal 2009, gross profit as a percentage of sales was 41.7% compared to 43.1% for the same period last year. The changes were due primarily to an increase in the cost of domestic grapes and wine purchased on international markets, the decline in value of the Canadian dollar combined with higher packaging costs. Selling and administrative expenses as a percentage of sales on a comparable basis for the nine months ended December 31, 2008 were flat compared to the same periods last year. The increase in dollar amounts is primarily due to the acquisitions of WVI and SWM, the launch of new products and increased efforts to market the Company's premium and ultra-premium wines.

Not including net unrealized loss on derivative financial instruments, unusual items in each year and the impact of future federal income tax rate reductions, net earnings for the first nine months of fiscal 2009 increased 5.4% to $10.6 million compared to the same period last year. Included in net earnings (losses) in the nine and three months ended December 31, 2008 were after-tax non-cash charges of $7.1 million and $6.2 million related to mark-to-market adjustments on interest rate swaps and foreign exchange contracts. These derivative financial instruments are considered to be effective economic hedges and have enabled management to mitigate the volatility of changing prices on operating costs and interest expense. The Company has not applied hedge accounting to these instruments, however management expects to hold these contracts to maturity and accordingly no gain or loss would ultimately be recognized. For the period ended December 31, 2007, the Company recorded a one-time reduction in its income tax provision which related to future federal income tax rate reductions that took effect and resulted in saving of $0.75 million. For the nine months ended December 31, 2008, net earnings were $3.1 million or $0.22 per Class A share compared to $10.6 million or $0.73 per Class A share for the same period last year and a net loss of $2.0 million or $0.13 per Class A share for the three months ended December 31, 2008 compared to net earnings of $5.0 million or $0.35 per Class A share for the three months ended December 31, 2007.

"We were pleased with our growth in the third quarter and first nine months of fiscal 2009," commented John Peller, President and CEO. "Looking ahead, we are beginning to experience a moderate softening in demand within certain of our trade channels, including our estate wineries, restaurant sales and our consumer made wine business, due primarily to reduced consumer spending resulting from the slowing of the North American economy. In addition, we expect to see a slight reduction over the near term in sales of our ultra-premium brands as consumers' trade down to lower priced wines, resulting in some margin pressure through the next few quarters."

Financial Position

Working capital was $36.3 million at the end of the third quarter of fiscal 2009 compared to $26.6 million at March 31, 2008. Excluding the after-tax impact of mark-to-market adjustments on interest rate swaps and foreign exchange contracts, shareholders' equity at December 31, 2008 amounts to $108.2 million or $7.27 per common share compared to $102.7 million or $6.89 per common share at March 31, 2008. While credit markets have tightened in recent months, the Company has successfully refinanced its long-term debt to April 30, 2015 and is working on converting its demand operating facility to a one year committed facility.

Acquisition Completed
On October 8, 2008 the Company completed the acquisition of 100% of the common shares of SWM, a premium wine importer and marketing agent for fine wines in the Province of Ontario for consideration of approximately $1.6 million.

Dividend Increase
As previously announced, common share dividends were increased by 10% for shareholders of record on June 30, 2008. The annual dividend on Class A shares was increased to $0.33 per share from $0.30 per share. The dividend on Class B shares was increased to $0.288 per share from $0.261 per share.

"With the moderate softening in demand we expect to experience in the coming quarters, we are closely monitoring all of our costs and will react should we see any significant reduction in business levels going forward," Mr. Peller concluded.

Financial Highlights (unaudited - complete consolidated financial statements to follow)

Period Ended December 31,	Three Months		Nine Months	
(in $000 except per share amounts)	**2008**	2007	**2008**	2007
Sales	**$ 72,892**	$ 66,052	**$ 201,866**	$ 184,428
EBITA	**10,436**	9,823	**25,914**	25,019
Earnings before unrealized derivative losses, and unusual items	**6,559**	6,457	**15,194**	14,971
Net unrealized derivative losses, and unusual items	**(9,412)**	(221)	**(10,704)**	(301)
Net and comprehensive earnings	**(1,973)**	5,013	**3,124**	10,579
Net earnings (loss) per share (Basic per Class A share)	**($ 0.13)**	$ 0.35	**$ 0.22**	$ 0.73
Cash from operations	**(1,373)**	(6,188)		
(after changes in non-cash working capital items)			**1,322**	5,602
Working capital			**36,301**	24,439
Shareholders' equity per share			**$6.79**	$ 6.91

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 vineyards around the world. The Company's award-winning premium and ultra-premium brands include Peller Estates, Trius, Hillebrand, Thirty Bench, Croc Crossing, XOXO, Sandhill, Copper Moon, Calona Vineyards Artist Series and Red Rooster VQA wines. Complementing these premium brands are a number of popular priced products including Hochtaler, Domaine D'Or, Schloss Laderheim, Royal and Sommet. With the acquisition of Cascadia Brands Inc., the Company also markets craft beer under the Granville Island brand. With a focus on serving the needs of all wine consumers, the Company produces and markets consumer-made wine kit products through Winexpert and Vineco International Products. In addition, the Company owns and operates Vineyards Estate Wines, Aisle 43 and WineCountry Vintners, independent wine retailers in Ontario with more than 100 well-positioned retail locations. Andrew Peller Limited common shares trade on the Toronto Stock Exchange (symbols ADW.A and ADW.B).

The Company utilizes EBITA (defined as earnings before interest, incomes taxes, depreciation, amortization, unrealized derivative losses, and unusual items). EBITA is not a recognized measure under GAAP. 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 GAAP 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. In addition, the Company's method of calculating EBITA may differ from the methods used by other companies and, accordingly, may not be comparable to measures used by other companies.

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 (the "Company") 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 labelling 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 "Risk Factors" 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
CONSOLIDATED BALANCE SHEETS

These financial statements have not been reviewed by our auditors	December 31	March 31
	2008	2008
(expressed in thousands of Canadian dollars)	$	$
Assets		
Current Assets		
Accounts receivable	**29,276**	23,072
Inventories	**108,083**	93,817
Prepaid expenses and other assets	**5,114**	4,242
Income taxes recoverable	**2,617**	823
	145,090	121,954
Property, plant and equipment	**101,860**	94,480
Goodwill (note 3)	**45,684**	36,171
Other assets	**7,121**	7,139
	299,755	259,744
Liabilities		
Current Liabilities		
Bank indebtedness	**58,836**	57,722
Accounts payable and accrued liabilities	**37,860**	29,272
Dividends payable	**1,197**	1,088
Current derivative financial instruments (note 4)	**4,738**	432
Current portion of long - term debt (note 4)	**6,158**	6,831
	108,789	95,345
Long-term debt (note 4)	**72,911**	46,412
Long-term derivative financial instruments (note 4)	**5,857**	534
Employee future benefits	**2,950**	3,167
Future income taxes	**8,102**	11,606
	198,609	157,064
Shareholders' Equity		
Capital Stock	**7,375**	7,375
Retained Earnings	**93,771**	95,305
	101,146	102,680
	299,755	259,744

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

ANDREW PELLER LIMITED

Consolidated Statements of (Loss) Earnings, Comprehensive (Loss) Earnings and Retained Earnings

These financial statements have not been reviewed by our auditors
(expressed in thousands of Canadian dollars)

	For the Three Months Ended December 31		For the Nine Months Ended December 31	
	2008	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**
Sales	**72,892**	66,052	**201,866**	184,428
Cost of goods sold, excluding amortization	**42,809**	37,312	**117,745**	105,026
Gross profit	**30,083**	28,740	**84,121**	79,402
Selling and administration	**19,647**	18,917	**58,207**	54,383
Earnings before interest and amortization	**10,436**	9,823	**25,914**	25,019
Interest	**1,828**	1,519	**4,735**	4,383
Amortization of plant, equipment and intangibles	**2,049**	1,847	**5,985**	5,665
Earnings before other items	**6,559**	6,457	**15,194**	14,971
Net unrealized loss on derivative financial intruments	**(8,969)**	(118)	**(10,147)**	(74)
Unusual items	**(443)**	(103)	**(557)**	(227)
Earnings (loss) before income taxes	**(2,853)**	6,236	**4,490**	14,670
Provision for income taxes				
Current	**1,810**	1,945	**4,385**	4,670
Future	**(2,690)**	(722)	**(3,019)**	(579)
	(880)	1,223	**1,366**	4,091
Net and comprehensive (loss) earnings for the period	**(1,973)**	5,013	**3,124**	10,579
Retained earnings- Beginning of period	**96,941**	91,666	**95,305**	88,147
Impact of adopting accounting pronouncements on April 1, 2007	**-**	-	**-**	128
Impact of adopting accounting pronouncement on April 1, 2008 (note 1)	**-**	-	**(1,067)**	-
Retained earnings- Beginning of period as restated	**96,941**	91,666	**94,238**	88,275
Dividends:				
Class A and Class B	**(1,197)**	(1,088)	**(3,591)**	(3,263)
Retained earnings - End of period	**93,771**	95,591	**93,771**	95,591
Net (loss) earnings per share				
Basic and diluted				
Class A shares	**(0.13)**	0.35	**0.22**	0.73
Class B shares	**(0.12)**	0.30	**0.19**	0.63

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

ANDREW PELLER LIMITED

Consolidated Statements of Cash Flows

These financial statements have not been reviewed by our auditors
(expressed in thousands of Canadian dollars)

	For the Three Months Ended December 31		For the Nine Months Ended December 31	
	2008	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**
Cash provided by (used in)				
Operating activities				
Net (loss) earnings for the period	**(1,973)**	5,013	**3,124**	10,579
Items not affecting cash:				
Amortization of plant, equipment and intangibles	**2,049**	1,847	**5,985**	5,665
Employee future benefits	**(14)**	(627)	**(217)**	(814)
Net unrealized loss on derivative financial instruments	**8,969**	118	**10,147**	74
Future income taxes	**(2,690)**	(722)	**(3,019)**	(579)
Write-off of deferred financing costs	**366**	-	**366**	-
Amortization of deferred financing costs	**51**	39	**144**	112
	6,758	5,668	**16,530**	15,037
Changes in non-cash working capital items related to operations (note 5)	**(8,131)**	(11,856)	**(15,208)**	(9,435)
	(1,373)	(6,188)	**1,322**	5,602
Investing activities				
Acquisition of businesses (note 3)	**(1,610)**	-	**(16,582)**	-
Purchase of property and equipment	**(2,258)**	(2,640)	**(7,689)**	(11,732)
	(3,868)	(2,640)	**(24,271)**	(11,732)
Financing activities				
Increase in deferred financing costs	**(17)**	-	**(304)**	-
Increase in bank indebtedness	**7,789**	11,392	**1,113**	10,180
Increase in long-term debt (note 4)	**-**	-	**29,036**	3,470
Repayment of long-term debt	**(1,334)**	(1,477)	**(3,414)**	(4,428)
Dividends paid	**(1,197)**	(1,087)	**(3,482)**	(3,092)
	5,241	8,828	**22,949**	6,130
Cash at beginning and end of period	**-**	-	**-**	-
Supplemental disclosure of cash flow information				
Cash paid during the period for				
Interest	2,190	1,380	4,846	4,067
Income taxes	2,199	960	4,558	4,254

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

Notes to the Interim Consolidated Financial Statements
December 31, 2008 and 2007
(in thousands of dollars, except per share amounts)

UNAUDITED

1. Summary of Significant Accounting Policies

The interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada. The note disclosure for these interim consolidated financial statements only presents material changes to the disclosure found in the Company's audited consolidated financial statements for the years ended March 31, 2008 and 2007. These interim consolidated financial statements should be read in conjunction with those consolidated financial statements and follow the same accounting policies as the audited consolidated financial statements except as disclosed below. In the opinion of management, the accompanying unaudited interim consolidated financial statements contain all adjustments necessary to present fairly, in all material respects the financial position of the Company as at December 31, 2008 and for the three and nine-month period then ended.

Recently adopted accounting pronouncements

On April 1, 2008 the Company adopted the Canadian Institute of Chartered Accountants (CICA) handbook Sections 3031 "Inventories," Section 3862 "Financial Instruments - Disclosures," Section 3863 "Financial Instruments – Presentation" and Section 1535 "Capital Disclosures."

a) Inventories

On April 1, 2008 the Company adopted the CICA Handbook Section 3031 "Inventories". This pronouncement provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories and is effective for the Company's fiscal years beginning on April 1, 2008. As required, this standard has been adopted prospectively and comparative amounts have not been restated. The change predominately relates to changes in the application of overhead cost allocations to bulk and finished goods inventory. As a result, on adoption of this standard, the Company recorded an adjustment on April 1, 2008 to reduce inventories by $1,552, reduce future income taxes by $485, and reduce opening retained earnings by $1,067.

b) Financial Instruments Presentation and Disclosures, and Capital Disclosures

On April 1, 2008 the Company adopted CICA handbook Section 3862 "Financial Instruments - Disclosures," section 3863 "Financial Instruments – Presentation" and section 1535 "Capital Disclosures." These sections require additional disclosures surrounding the Company's financial instruments and capital. The following disclosures are required under the new pronouncement:

Interest rate risk

The Company's interest rate risk arises mainly from the interest rate impact on our cash, floating rate debt and interest rate swap. Our interest rate management policy is to borrow at fixed rates to match the duration of long lived assets. Floating rate funding is used for short term borrowing.

The Company has fixed interest on long-term debt at 5.64% until April 30, 2015 by entering into an interest rate swap. The Company's short-term borrowings are funded using a floating interest rate and as such are sensitive to interest rate movements. As at December 31, 2008, with other variables unchanged, a 1% change in interest rates would impact the Company's net earnings by approximately $350, exclusive of the mark to market adjustments on the interest rate swap.

Credit Risk

The Company's exposure to credit risk is very limited. Credit risk for trade receivables is monitored through established credit monitoring activities. Over 50% of the Company's accounts receivable balance relates to amounts owing from Canadian provincial liquor boards. Excluding accounts receivable from Canadian provincial liquor board amounts, the Company does not have a significant concentration of credit risk with any single counterparty or group of counterparties. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

Amounts owing from Canadian provincial liquor boards represent $14,740 of the $29,276 in total accounts receivables all of which has been deemed to be collectible. Of the remaining non provincial liquor board balances, $2,734 had aged over sixty days as of December 31, 2008. An allowance for doubtful accounts of $504 has been provided against these accounts receivable amounts which the Company has determined to represent a reasonable estimate of amounts that may be uncollectible.

Liquidity Risk

The Company manages liquidity risk by maintaining adequate cash and cash equivalent balances and by appropriately utilizing its line of credit. Company management continuously monitors and reviews both actual and forecasted cash flows and matches the maturity profile of financial assets and financial liabilities. Accounts payable are generally due within 30 days and long-term debt payment requirements are disclosed in note 4.

The following table outlines the Company's contractual obligations, including long-term debt, operating leases, and commitments on short-term forward foreign exchange contracts used to hedge the currency risk on U.S. dollar purchases as at December 31, 2008.

	Total	< 1 Year	2 – 3 Years	4 – 5 Years	> 5 Years
Long-term debt	79,345	6,158	11,492	10,667	51,028
Operating leases	19,061	4,439	5,728	1,749	7,145
Pension obligations	5,707	847	2,541	1,694	625
Long-term grape contracts	357,461	25,845	51,637	51,179	228,800
Total contractual obligations	461,574	37,289	71,398	65,289	287,598

Foreign exchange risk
The Company's foreign exchange risk arises on the purchase of bulk wine and concentrate which are made in U.S. dollars and Euros. The Company's strategy is to hedge approximately 50% - 80% of its foreign exchange requirements prior to the beginning of each fiscal year. The Company has entered into a series of foreign exchange contracts as a hedge against movements in U.S. dollar and Euro exchange rates. These contracts are reviewed regularly. A one percent change in the value of the U.S. dollar and Euro would impact the Company's net earnings by approximately $100 and $30 respectively.

Capital Disclosures
The Company's objective when managing capital is to safeguard the Company's ability as a going concern, to provide an adequate return to shareholders and to meet external capital requirements on our debt and credit facilities. Unfunded capital expenditures are limited to $10,000 on an annual basis and this is reviewed quarterly.

As part of the existing debt agreement, three key financial covenants are monitored on an ongoing basis by management to ensure compliance with the agreement as follows:

- Funded debt to a rolling twelve month EBITDA
- Working capital ratio
- Fixed charge coverage ratio

In order to facilitate management of its capital requirements, the Company prepares annual budgets that are updated as necessary depending on various factors including general industry conditions. The annual budget is approved by the Board of Directors. As at December 31, 2008, the Company has remained in compliance with all external lending agreement covenants.

Recently issued accounting pronouncements

International Financial Reporting Standards
In February 2008, the Canadian Accounting Standards Board confirmed that the use of International Financial Reporting Standards ("IFRS") will be required for Canadian publicly accountable companies for fiscal years beginning on or after January 1, 2011. The Company is currently evaluating the impact of adopting IFRS.

Goodwill and intangible assets
In February 2008, The Canadian Institute of Chartered Accountants issued Section 3064, "Goodwill and Intangible Assets" which replaces Section 3062, "Goodwill and Other Intangible Assets". The new standard provides guidance on the recognition, measurement and disclosure of goodwill and intangible assets and is effective for annual periods beginning on or after October 1, 2008. The Company is currently evaluating the impact of adopting this standard.

2. Seasonality

The third quarter of each year is historically the strongest in terms of sales, gross profit and net earnings due to increased consumer purchasing of the Company's products during the holiday season.

3. Acquisitions

On June 13, 2008 the Company acquired 50% of the shares of Rocky Ridge Vineyards Inc. (“Rocky Ridge”) of Oliver, British Columbia for consideration of $4,016, including acquisition costs. The Company previously owned 50% of the shares of Rocky Ridge and as a result of this transaction Rocky Ridge becomes a wholly-owned subsidiary of the Company. The allocation of purchase price is preliminary and is based on management’s estimates of the fair value of the assets acquired and liabilities assumed. Management is currently obtaining fair market values for the net assets acquired, including the estimated remaining useful lives. Details of net assets acquired are as follows: vineyards - $4,400; goodwill - $219; bank indebtedness – ($603). This transaction was accounted for using the purchase method. The results of operations have been fully consolidated with those of the Company’s effective June 14, 2008.

On June 30, 2008 the Company’s wholly-owned subsidiary, 1773008 Ontario Inc. acquired 100% of the common shares of World Vintners Inc. for consideration of $10,956, including acquisition costs. The allocation of purchase price is preliminary and is based on management’s estimates of the fair value of the assets acquired and liabilities assumed. Management is currently obtaining fair market values for the net assets and intangible assets acquired, including the estimated remaining useful lives. Details of net assets acquired based on preliminary allocations are as follows: accounts receivable - $1,170; inventories - $1,269; income taxes recoverable - $1,625; property, plant and equipment - $844; intangible assets - $380; goodwill - $8,125; other assets - $72; accounts payable and accrued liabilities – ($2,529). This transaction was accounted for using the purchase method. The results of operations have been included in the consolidated financial statements of the Company, effective July 1, 2008.

On October 8, 2008 the Company acquired 100% of the outstanding shares of The Small Winemakers Collection Inc. of Toronto, Ontario for consideration of $1,610 including acquisition costs. The allocation of purchase price is preliminary and is based on management’s estimates of the fair value of the assets acquired and liabilities assumed. Management is currently obtaining fair market values for the net assets and intangible assets acquired, including the estimated remaining useful lives. Details of net assets acquired based on preliminary allocations are as follows: accounts receivables - $632; property, plant and equipment - $34; other assets - $36; goodwill - $1,169; accounts payable and accrued liabilities - $261. This transaction was accounted for using the purchase method. The results of operations have been included in the consolidated financial statements of the Company, effective October 9, 2008.

The value assigned to goodwill in all three acquisitions is not deductible for tax purposes.

4. Long-term debt and derivative financial instruments

On May 15, 2008, the Company’s four existing term loans were replaced with one seven year variable rate term facility in the amount of $80,000. The new term loan is repayable in monthly principal payments of $444 plus interest and matures on April 30, 2015. Subsequent to the repayment of the old term loans, the Company unwound the three interest rate swaps related to the term loans. The Company entered into a new interest rate swap which effectively fixes the interest rate on the $80,000 term loan at 5.64% for the term of the debt effective July 2, 2008. However, the Company does not apply hedge accounting to these interest rate swaps. Accordingly mark-to- market losses of $8,929 and $9,629, for the three and nine month periods were recorded through earnings respectively.

As part of the acquisition of Rocky Ridge, on June 13, 2008 the Company issued a promissory note to the seller of Rocky Ridge in the amount of $1,650. The note incurs interest at 6% compounded annually and is to be paid in two equal annual installments of principal and interest on June 13, 2009 and June 13, 2010.

5. Changes in non-cash working capital items

The change in non-cash working capital items is comprised of the change in the following items:

	For the Three Months Ended December 31,		For the Nine Months Ended December 31,		
	2008	2007	2008	2007	
	$	$	$	$	
Accounts receivable	1,077	(339)		(4,402)	(4,422)
Inventories	(13,368)	(8,824)	(14,549)	(8,165)	
Prepaid expenses and other assets	498	201	(1,283)	(70)	
Accounts payable and accrued liabilities	4,052	(2,062)	5,200	2,806	
Income taxes recoverable	(390)	1,712	(174)	416	
	(8,131)	(11,856)	(15,208)	(9,435)	

6. Comparative Figures

Certain of the prior year balances have been restated to conform with the current year’s presentation.