

ANDREW PELLER LIMITED
ANNOUNCES IMPROVED RESULTS FOR THE FIRST QUARTER OF FISCAL 2010

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 6, 2009 – Andrew Peller Limited ADW.A/ADW.B (the “Company”) announced today its results for the three months ended June 30, 2009.

HIGHLIGHTS:

- Sales up 13.8% on solid organic growth and contribution from recent acquisitions
- Gross margin stabilizing, up from fourth quarter of fiscal 2009
- Selling and administrative expenses reduced as percentage of sales
- Net earnings increase to \$3.3 million or \$0.22 per Class A share

Sales for the first quarter of fiscal 2010 increased 13.8% to \$70.2 million from \$61.6 million in the prior year. The increases are due primarily to ongoing initiatives to grow sales of the Company’s blended varietal table and premium wines through most trade channels, the introduction of new products, and acquisitions completed over the prior twelve months. Sales were also positively affected by increased sales at LCBO locations in Ontario due to the threatened labour strike, as well as a positive recovery in the wine kit business. Not including the contributions from acquisitions made over the past twelve months, sales rose 7.3% for the quarter.

“We are pleased to see continued solid organic growth in our sales despite the slow Canadian economy,” commented John Peller, President and CEO. “More importantly, our input costs are now stabilizing and we expect gross profit margins to continue to improve. Combined with our ongoing cost control and production efficiency programs, we expect to see further improvement in profitability through the balance of fiscal 2010.”

Gross profit as a percentage of sales were 37.5% for the three months ended June 30, 2009 compared to 40.5% in the same period last year. Gross profit was 29.3% for the three months ended March 31, 2009. The improvement over the fourth quarter of fiscal 2009 was due primarily to the Company’s cost control measures. The lower gross profit compared to the first quarter of fiscal 2009 was due primarily to a significant increase in the cost of domestic grapes and wine purchased on international markets, the increased use of higher priced domestic grapes used to produce cellared-in-Canada wine and the decline in value of the Canadian dollar. The Company’s gross profit margins have stabilized and management is focused on enhancing production efficiency and productivity improvements with the goal to further improve overall profitability.

Selling and administrative expenses as a percentage of sales improved to 26.2% for the three months ended June 30, 2009 compared to 29.4% for the fourth quarter of fiscal 2009 and 28.8% for the same period last year. The decrease in selling and administrative expenses as a percentage of sales in the first quarter of fiscal 2010 is the result of higher sales levels and the Company’s on-going focus to reduce costs.

Interest expense increased during the first quarter due to increased debt levels and higher interest rates on the Company’s long-term debt.

Included in net earnings for the three months ended June 30, 2009 was a net non-cash gain of approximately \$1.1 million related to mark-to-market adjustments on an interest rate swap and foreign exchange contracts. This compared to a net non-cash loss of \$0.2 million for the three months ended June 30, 2008. These 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 expects to hold these contracts to maturity and accordingly no actual gain or loss will ultimately be recognized.

Excluding the above mentioned gains or losses on non-hedge derivatives and unusual items in each year, net earnings for the first quarter of fiscal 2010 were \$2.5 million or \$0.17 per Class A share compared to \$2.8 million or \$0.19 per Class A share in the comparable prior year period. Including these items, for the three months ended June 30, 2009 net and comprehensive earnings increased to \$3.3 million or \$0.22 per Class A share compared to \$2.7 million or \$0.18 per Class A share for the same period last year.

Financial Position

Working capital was \$27.1 million at the end of the first quarter of fiscal 2009 compared to \$29.2 million at March 31, 2009 and \$38.9 million at June 30, 2008. Including the after-tax impact of mark-to-market adjustments on an interest rate swap and foreign exchange contracts, shareholders' equity at June 30, 2009 amounted to \$98.8 million or \$6.64 per common share compared to \$102.3 million or \$6.87 per common share at June 30, 2008. During fiscal 2009 the Company successfully refinanced its long-term debt to April 30, 2015.

Financial Highlights (Unaudited)

Complete consolidated financial statements to follow)

(in \$000 except per share amounts)		
Three Months Ended June 30,	2009	2008
Sales	\$ 70,163	\$ 61,644
EBITA	7,927	7,184
Earnings before unrealized derivative losses and unusual items	3,645	3,972
Net unrealized derivative gains (losses) and unusual items	1,127	(219)
Net and comprehensive earnings	3,251	2,653
Net earnings per share (Basic per Class A share)	\$ 0.22	\$ 0.18
Cash from operations (after changes in non-cash working capital items)	(3,896)	1,444
Working capital	\$ 27,132	\$ 38,915
Shareholders' equity per share	\$6.64	\$6.87

Andrew Peller Limited ('APL' or the 'Company') 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 brands include Peller Estates, Trius, Hillebrand, Thirty Bench, Croc Crossing, XOXO, Sandhill, Copper Moon, Calona Vineyards Artist Series VQA wines and Red Rooster. Complementing these premium brands are a number of popular priced products including Hochtaler, Domaine D'Or, Schloss Laderheim, Royal and Sommet. The Company also imports premium wines from major wine producing countries around the world and markets them through Grady Wine Marketing and The Small Winemakers Collection.

With a focus on serving the needs of all wine consumers, the Company produces and markets consumer-made wine kit products through Winexpert, Vineco International Products, Wine Kitz and Heron Bay. The Company owns and operates Vineyards Estate Wines, Aisle 43 and WineCountry Vintners, independent wine retailers in Ontario with 102 well-positioned retail locations. The Company markets craft beer under the Granville Island brand. The Company's products are sold predominantly in Canada. Andrew Peller Limited Class A shares trade on the Toronto Stock Exchange (symbols ADW.A and ADW.B).

Earnings before other items is defined as net earnings before the net unrealized gain (loss) on financial instruments, unusual items, all adjusted by substantively enacted income tax rates as calculated below:

(in \$000 except per share amounts)

Three months ended June 30,	2009	2008
Net and comprehensive earnings	3,251	2,653
Net unrealized gain / (loss) on financial instruments	1,127	(161)
Unusual items	-	(58)
Income tax effect on the above	(361)	70
Earnings before other items	2,485	2,802

The Company utilizes EBITA (defined as earnings before interest, incomes taxes, depreciation, amortization, other income (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
(expressed in thousands of Canadian dollars)

	June 30	March 31
	2009	2009
	\$	\$
Assets		
Current Assets		
Accounts receivable	25,264	22,430
Inventories	101,558	104,157
Prepaid expenses and other assets	1,550	2,339
Income taxes recoverable	5,119	5,892
	133,491	134,818
Property, plant and equipment	101,910	102,367
Goodwill	39,384	39,384
Intangibles and other assets	16,766	16,938
	291,551	293,507
Liabilities		
Current Liabilities		
Bank indebtedness	60,811	52,192
Accounts payable and accrued liabilities	35,462	43,349
Dividends payable	1,197	1,197
Current portion of derivative financial instruments	2,731	2,719
Current portion of long - term debt	6,158	6,158
	106,359	105,615
Long-term debt	69,403	71,549
Long-term derivative financial instruments	3,211	5,963
Employee future benefits	2,557	2,824
Future income taxes	11,176	10,765
	192,706	196,716
Shareholders' Equity		
Capital Stock	7,375	7,375
Retained Earnings	91,470	89,416
	98,845	96,791
	291,551	293,507

ANDREW PELLER LIMITED

Consolidated Statements of Earnings, Comprehensive Earnings and Retained Earnings

For the three months ended June 30, 2009 and 2008

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

	<u>2009</u>	<u>2008</u>
	\$	\$
Sales	70,163	61,644
Cost of goods sold, excluding amortization	<u>43,858</u>	<u>36,708</u>
Gross profit	26,305	24,936
Selling and administration	<u>18,378</u>	<u>17,752</u>
Earnings before interest and amortization	7,927	7,184
Interest	2,183	1,402
Amortization of plant, equipment and intangible assets	<u>2,099</u>	<u>1,810</u>
Earnings before other items	3,645	3,972
Net unrealized gains (losses) on derivative financial instruments	1,127	(161)
Unusual items	-	(58)
Earnings before income taxes	<u>4,772</u>	<u>3,753</u>
Provision for income taxes		
Current	1,110	1,095
Future	<u>411</u>	<u>5</u>
	<u>1,521</u>	<u>1,100</u>
Net and comprehensive earnings for the period	3,251	2,653
Retained earnings- Beginning of period	89,416	95,305
Impact of adopting accounting pronouncement on April 1, 2008	-	(1,875)
Dividends:		
Class A and Class B shares	<u>(1,197)</u>	<u>(1,197)</u>
Retained earnings - End of period	<u>91,470</u>	<u>94,886</u>
Net earnings per share		
Basic and diluted		
Class A shares	<u>0.22</u>	<u>0.18</u>
Class B shares	<u>0.19</u>	<u>0.16</u>

ANDREW PELLER LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ending June 30, 2009 and 2008

These financial statements have not been reviewed by our auditors (expressed in thousands of Canadian dollars)	2009 \$	2008 \$
Cash provided by (used in)		
Operating activities		
Net earnings for the period	3,251	2,653
Items not affecting cash:		
Amortization of plant, equipment and intangible assets	2,099	1,810
Employee future benefits	(267)	(49)
Net unrealized (gain) loss on derivative financial instruments	(1,127)	161
Future income taxes	411	5
Amortization of deferred financing costs	12	38
	4,379	4,618
Changes in non-cash working capital items related to operations	(8,275)	(3,174)
	(3,896)	1,444
Investing activities		
Acquisition of businesses	-	(14,956)
Purchase of property and equipment	(1,368)	(2,498)
	(1,368)	(17,454)
Financing activities		
Increase in deferred financing costs	-	(214)
(Decrease) increase in bank indebtedness	8,619	(10,558)
Increase in long-term debt	-	29,036
Repayment of long-term debt	(2,158)	(1,166)
Dividends paid	(1,197)	(1,088)
	5,264	16,010
Cash at beginning and end of period	-	-
Supplemental disclosure of cash flow information		
Cash paid during the period for		
Interest	1,896	1,062
Income taxes	337	827