ANDREW PELLER LIMITED
ANNOUNCES RESULTS FOR THE THIRD QUARTER OF FISCAL 2010
– SELLS GRANVILLE ISLAND BEER BUSINESS TO REDUCE BANK DEBT

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 10, 2010 – Andrew Peller Limited ADW.A/ADW.B (the "Company") announced today its results for the three and nine months ended December 31, 2009.

HIGHLIGHTS:

- Sale of beer business for $26.2 million generates an after tax gain on disposal of $12.0 million
- Proceeds from sale strengthens the balance sheet and reduces leverage
- Nine month sales up on solid organic growth
- Cost reduction and control initiatives result in continuing decrease in operating and administrative expenses
- Cash flow from operating activities increases to $7.2 million for the nine month period

Sales for the third quarter of fiscal 2010 increased 0.8% to $71.9 million from $71.3 million in the prior year. For the first nine months of fiscal 2010, sales increased 4.9% to $203.9 million compared to $194.4 million last year. The increases through the year are due primarily to the contribution from acquisitions in the prior year, ongoing initiatives to grow sales of the Company's blended varietal table and premium wines through provincial liquor boards and the introduction of new products. Sales in fiscal 2010 have been negatively affected by the impact of the global economic slowdown on export and estate winery sales.

"We experienced continued strength through provincial liquor boards and at our retail outlets in the third quarter, partially offset by somewhat weaker sales in our export and estate wineries trade channels," commented John Peller, President and CEO. "Looking ahead, we expect to see stable growth across all of our channels as global economies recover and consumer sentiment improves. In addition, with the reduced leverage and a strengthened balance sheet resulting from the sale of our beer business, we are well positioned to take advantage of increasing consumer demand for our high quality products and to capitalize on future growth opportunities."

Effective October 1, 2009 the Company entered into an agreement to dispose of its ownership interests in Granville Island Brewing Company and Mainland Beverage Distribution Ltd. to Creemore Springs Brewery Ltd. for estimated proceeds of approximately $26.2 million, $23.9 million of which was received in the third quarter and was used to reduce long-term debt and bank indebtedness. The balance of the sale proceeds are expected to be received within one year from the date of closing of the transaction which is anticipated on April 30, 2010. The Company recorded a net gain on the sale of approximately $12.0 million. The operating results of the beer business have been classified as net earnings from a discontinued operation in the current and prior periods.

Gross profit as a percentage of sales was 35.3% for the three months ended December 31, 2009 compared to 38.7% in the same period last year. For the first nine months of fiscal 2010, gross profit as a percentage of sales was 36.3% compared to 39.7% for the same period last year. The lower gross profit compared to fiscal 2009 was due to a significant increase in the cost of domestic grapes and wine purchased on international markets, higher foreign exchange costs in the purchases of US dollars, the increased use of higher priced domestic grapes used to produce cellared-in-Canada wines and an increase in sales of lower margin wines. Management believes the Company's gross profit margins are stabilizing and remains 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 continued to decline in the third quarter to 23.5% compared to 25.7% for the same period last year. For the nine months ended December 31, 2009 selling and administrative expenses as a percentage of sales declined to 24.9% compared to 27.6% for the same period last year. The decrease in selling and administrative expenses during fiscal 2010 is the result of the Company's ongoing focus on reducing costs and the realization of synergies on acquisitions.

Interest expense in the third quarter of fiscal 2010 declined to $1.4 million from $1.8 million in last year's third quarter due primarily to certain one-time adjustments related to changes in the Company's lending agreements on its operating debt and the decrease in long-term debt arising from the sale of the Company's beer business partially offset by higher interest rates. Interest expense was higher through the first two quarters of fiscal 2010 due to high debt levels and higher interest rates on the Company's long-term debt.

Included in earnings for the three and nine months ended December 31, 2009 were non-cash gains of approximately $1.1 million and $2.4 million related to mark-to-market adjustments on an interest rate swap and foreign exchange contracts. This compares to a non-cash loss of $9.0 million and $10.1 million for the three and nine months ended December 31, 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. Other expenses recorded in the three and nine months ended December 31, 2009 relate to an impairment charge on certain investments made by the Company.

Net earnings from continuing operations, excluding the above mentioned gains or losses on non-hedge derivatives and other expenses in each year, were $3.7 million and $7.8 million for the three and nine months ended December 31, 2009 respectively compared to $3.9 million and $9.3 million for the comparable prior year periods. Including the impact of the other expenses and the results of discontinued operations, net earnings for the three months ended December 31, 2009 were $15.5 million or $1.07 per Class A share compared to a net loss of $2.0 million or a net loss of $0.13 per Class A share in the third quarter of fiscal 2009. For the nine months ended December 31, 2009, net earnings were $21.0 million or $1.45 per Class A share compared to $3.1 million or $0.22 per Class A share for the same nine month period in the prior year.

Strengthened Financial Position

Working capital was $31.0 million at the end of the third quarter of fiscal 2009 compared to $29.2 million at March 31, 2009 and $36.3 million at December 31, 2008. Including the proceeds from the sale of the Company's beer business received during the third quarter of fiscal 2010, total bank indebtedness as at December 31, 2009 declined to $111.2 million from $129.9 million as at March 31, 2009, resulting in an improved debt to equity ratio of 0.97:1 compared to 1.34:1 at the prior year-end. Including the after-tax impact of mark-to-market adjustments on an interest rate swap and foreign exchange contracts and the net gain on the sale of the beer business, shareholders' equity at December 31, 2009 rose to $114.2 million or $7.67 per common share compared to $96.8 million or $6.50 per common share at March 31, 2009. The increase in shareholders' equity is due primarily to the net gain on the sale of the Company's beer business and higher net earnings for the period.

Financial Highlights (Unaudited)
Complete consolidated financial statements to follow)

(in $000 except per share amounts)	**Three Months**		**Nine Months**	
Period Ended December 31,	**2009**	2008	**2009**	2008
Sales	**71,945**	71,342	**203,856**	194,387
EBITA	**8,527**	9,261	**23,225**	23,407
Net earnings from continuing operations before unrealized derivative losses, other expenses and income taxes	**4,962**	5,472	**11,104**	13,016
Net unrealized derivative gains (losses) and other expenses	**(144)**	(9,412)	**1,196**	(10,704)
Net earnings from continuing operations	**3,588**	(2,713)	**8,688**	1,643
Net earnings from a discontinued operation	**11,940**	740	**12,335**	1,481
		-		-
Net earnings	**15,528**	(1,973)	**21,023**	3,124
Net earnings per share from continuing operations (Basic per Class A share)	**$0.25**	$(0.18)	**$0.60**	$0.12
Net earnings per share (Basic per Class A share)	**$1.07**	$(0.13)	**$1.45**	$0.22
Cash from operations (after changes in non-cash working capital items)	**(1,218)**	(5,197)	**7,204**	(710)
Working capital			**31,030**	36,301
Shareholders' equity per share			**$7.67**	6.79

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 VQA brands include *Peller Estates, Trius, Hillebrand, Thirty Bench, Sandhill, Calona Vineyards Artist Series* and *Red Rooster*. Complementing these premium brands are a number of popularly priced varietal wine brands including *Peller Estates French Cross* in the East, *Peller Estates Proprietors Reserve* in the West, *Copper Moon, XOXO* and *Croc Crossing. Hochtaler, Domaine D'Or, Schloss Laderheim, Royal* and *Sommet* are our key value priced wine blends. The Company imports wines from major wine regions around the world to blend with domestic wine to craft these popularly priced and value priced wine 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 world leader in personal winemaking products. Global Vintners distributes products through over 250 Winexpert and Wine Kitz authorized retailers and franchisees and more than 600 independent retailers across Canada, United States, United Kingdom, New Zealand and Australia. Global Vintners award-winning premium and ultra-premium winemaking brands include *Selection, Vintners Reserve, Island Mist, Kenridge, Cheeky Monkey, Ultimate Estate Reserve, Traditional Vintage* and *Artful Winemaker*. The Company owns and operates more than 100 well-positioned independent retail locations in Ontario under the Vineyards Estate Wines, Aisle 43 and WineCountry Vintners store names. The Company also owns Grady Wine Marketing Inc. based in Vancouver, and The Small Winemaker's Collection Inc. based in Ontario; 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 our icewine products.

Net earnings from continuing operations is defined as net earnings before the net unrealized gain (loss) on financial instruments, other expenses and net earnings from a discontinued operation, all adjusted by income tax rates as calculated below:

(Unaudited)
(in $000 except per share amounts)

Period ended December 31,	Three Months **2009**	Three Months 2008	Nine Months **2009**	Nine Months 2008
Net and comprehensive earnings	**15,528**	(1,973)	**21,023**	3,124
Unrealized (gain)/loss on financial instruments	**(1,103)**	8,969	**(2,443)**	10,147
Other expenses	**1,247**	443	**1,247**	557
Income tax effect on the above	**(37)**	(2,834)	**352**	(3,094)
Net (earnings) from a discontinued operation	**(11,940)**	(740)	**(12,335)**	(1,481)
Net earnings from continuing operations before unrealized derivatives, gains (losses) and other expenses	**3,695**	3,865	**7,844**	9,253

The Company utilizes EBITA (defined as earnings before interest, amortization, non-hedge derivative gains (losses), other expenses, income taxes and net earnings before a discontinued operation). 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.

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 (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.

For more information, please contact:
Mr. Peter Patchet, CFO and EVP Human Resources
(905) 643-4131 Ext. 2210 - E-mail: peter.patchet@andrewpeller.com

ANDREW PELLER LIMITED

CONSOLIDATED BALANCE SHEETS (Unaudited)

These financial statements have not been reviewed by our auditors

(expressed in thousands of Canadian dollars)	December 31 2009 $	March 31 2009 $
Assets		
Current Assets		
Accounts receivable	**25,694**	20,681
Inventories	**97,596**	100,816
Prepaid expenses and other assets	**3,647**	1,999
Income taxes recoverable	**226**	6,317
Discontinued operation (note 3)	**-**	5,005
	127,163	134,818
Property, plant and equipment	**96,680**	98,209
Goodwill (note 5)	**35,549**	35,684
Intangibles and other assets (note 5)	**14,514**	14,838
Discontinued operation - long-term assets (note 3)	**-**	9,958
	273,906	293,507
Liabilities		
Current Liabilities		
Bank indebtedness (note 4)	**56,603**	52,192
Accounts payable and accrued liabilities	**30,325**	38,206
Dividends payable	**1,197**	1,197
Current derivative financial instruments	**1,847**	2,719
Current portion of long - term debt (note 4)	**6,158**	6,158
Discontinued operation (note 3)	**-**	5,143
	96,130	105,615
Long-term debt (note 4)	**48,474**	71,549
Long-term derivative financial instruments	**2,083**	5,963
Employee future benefits	**2,258**	2,824
Future income taxes	**10,738**	10,457
Discontinued operation - long-term liabilities (note 3)	**-**	308
	159,683	196,716
Shareholders' Equity		
Capital Stock	**7,375**	7,375
Retained Earnings	**106,848**	89,416
	114,223	96,791
	273,906	293,507

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

ANDREW PELLER LIMITED

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

These financial statements have not been reviewed by our auditors

	For the Three Months Ended December 31		For the Nine Months Ended December 31	
	2009	2008	2009	2008
(Expressed in thousands of Canadian dollars)	$	$	$	$
Sales	71,945	71,342	203,856	194,387
Cost of goods sold, excluding amortization	46,515	43,725	129,813	117,294
Gross profit	25,430	27,617	74,043	77,093
Selling and administration	16,903	18,356	50,818	53,686
Earnings before interest and amortization	8,527	9,261	23,225	23,407
Interest	1,401	1,828	5,947	4,735
Amortization of plant, equipment and intangibles	2,164	1,961	6,174	5,656
Earnings before other items	4,962	5,472	11,104	13,016
Non-hedge derivative gains (losses)	1,103	(8,969)	2,443	(10,147)
Other expenses (note 5)	(1,247)	(443)	(1,247)	(557)
Earnings (loss) before income taxes	4,818	(3,940)	12,300	2,312
Provision for (recovery of) income taxes				
Current	1,492	1,459	3,331	3,681
Future	(262)	(2,686)	281	(3,012)
	1,230	(1,227)	3,612	669
Net and comprehensive earnings (loss) for the period from continuing operations	3,588	(2,713)	8,688	1,643
Net and comprehensive earnings for the period from a discontinued operation (note 3)	11,940	740	12,335	1,481
Net and comprehensive earnings (loss) for the period	15,528	(1,973)	21,023	3,124
Retained earnings- Beginning of period	92,517	96,133	89,416	95,305
Impact of adopting accounting pronouncement on April 1, 2008	-	-	-	(1,875)
Retained earnings- Beginning of period as restated	92,517	96,133	89,416	93,430
Dividends:				
Class A and Class B	(1,197)	(1,197)	(3,591)	(3,591)
Retained earnings - End of period	106,848	92,963	106,848	92,963
Net earnings (loss) per share from continuing operations				
Basic and diluted				
Class A shares	0.25	(0.18)	0.60	0.12
Class B shares	0.21	(0.16)	0.52	0.10
Net earnings per share from a discontinued operation				
Basic and diluted				
Class A shares	0.82	0.05	0.85	0.10
Class B shares	0.72	0.04	0.74	0.09
Net earnings (loss) per share				
Basic and diluted				
Class A shares	1.07	(0.13)	1.45	0.22
Class B shares	0.93	(0.12)	1.26	0.19

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

ANDREW PELLER LIMITED

Consolidated Statements of Cash Flows (Unaudited)

These financial statements have not been reviewed by our auditors

(Expressed in thousands of Canadian dollars)	For the Three Months Ended December 31 2009 $	For the Three Months Ended December 31 2008 $	For the Nine Months Ended December 31 2009 $	For the Nine Months Ended December 31 2008 $
Cash provided by (used in)				
Operating activities				
Net earnings (loss) for the period	**3,588**	(2,713)	**8,688**	1,643
Items not affecting cash:				
Amortization of plant, equipment and intangibles	**2,164**	1,961	**6,174**	5,656
Employee future benefits	**(113)**	(14)	**(566)**	(217)
Net unrealized (gain) loss on derivative financial instruments	**(1,103)**	8,969	**(2,443)**	10,147
Non cash impairment charge (note 5)	**1,247**	-	**1,247**	-
Future income taxes	**(262)**	(2,686)	**281**	(3,012)
Write-off of deferred financing costs	**-**	366	**-**	366
Amortization of deferred financing costs	**53**	51	**77**	144
	5,574	5,934	**13,458**	14,727
Changes in non-cash working capital items related to operations (note 6):	**(6,792)**	(11,131)	**(6,254)**	(15,437)
	(1,218)	(5,197)	**7,204**	(710)
Investing activities				
Acquisition of businesses	**-**	(1,610)	**(825)**	(16,582)
Purchase of property, plant and equipment	**(1,477)**	(2,307)	**(4,434)**	(7,622)
	(1,477)	(3,917)	**(5,259)**	(24,204)
Financing activities				
Increase in deferred financing costs	**(911)**	(17)	**(911)**	(304)
Increase (decrease) in bank indebtedness	**3,202**	7,789	**4,411**	1,113
Increase in long-term debt	**-**	-	**-**	29,036
Payment to partially unwind a derivative financial instrument	**(1,600)**	-	**(1,600)**	-
Repayment of long-term debt	**(18,751)**	(1,334)	**(21,417)**	(3,414)
Dividends paid	**(1,197)**	(1,197)	**(3,591)**	(3,482)
	(19,257)	5,241	**(23,108)**	22,949
Cash (used in) provided from continuing operations	**(21,952)**	(3,873)	**(21,163)**	(1,965)
Cash provided from a discontinued operation (note 3)	**21,952**	3,873	**21,163**	1,965
Cash at beginning and end of period	**-**	-	**-**	-
Supplemental disclosure of cash flow information				
Cash paid (received) during the period from continuing operations for				
Interest	**1,537**	2,190	**6,072**	4,846
Income taxes	**(2,707)**	1,892	**(3,519)**	3,889
Cash paid during the period from discontinued operation for				
Income taxes	**34**	307	**757**	669
Cash paid (received) during the period for				
Interest	**1,537**	2,190	**6,072**	4,846
Income taxes	**(2,673)**	2,199	**(2,762)**	4,558

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

Notes to the Interim Consolidated Financial Statements
December 31, 2009 and 2008

(in thousands of dollars)

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, 2009 and 2008. 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. 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, 2009 and for the three and nine-month periods then ended.

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. Discontinued operations

During the third quarter, the Company entered into an agreement to dispose of its ownership interests in Granville Island Brewing Company Ltd. and Mainland Beverage Distribution Ltd. (collectively referred to as "GIBCO") effective October 1, 2009. As a result, the Company has recognized a disposal gain of $12,020 (net of tax) classified with the results from discontinued operations. The disposal gain is subject to finalizing the closing costs and certain other closing adjustments and is expected to be finalized by April 30, 2010.

In connection with the sale of GIBCO, the Company entered into certain agreements whereby the Company will operate the manufacturing facilities of GIBCO and provide certain administrative support services for a period of time to assist the purchaser in the transition of these businesses. Under these agreements, the Company will be reimbursed for costs incurred in providing the manufacturing and administrative support services.

Details of the gain recorded are as follows:

	$
Cash consideration	23,914
Deferred consideration	2,328
Proceeds of disposal	26,242
Less: Net book value of assets sold	12,178
Costs of disposal	727
Gain on sale of discontinued operation	13,337
Provision for income taxes	1,317
Gain on sale of discontinued operation (net of tax)	12,020

Financial information relating to the discontinued operation is as follows:

Condensed balance sheet of discontinued operation

	December 31 2009 $	March 31 2009 $
Current Assets		
Accounts receivable	-	1,749
Inventory	-	3,341
Prepaid expenses and other assets	-	340
Income taxes recoverable	-	(425)
	-	5,005
Long-term assets		
Property, plant and equipment	-	4,158
Goodwill	-	3,700
Intangible assets	-	2,100
	-	9,958
Current liabilities		
Accounts payable and accrued liabilities	-	5,143
Long –term liabilities		
Future income taxes	-	308

Condensed statement of net earnings from discontinued operation

	For the three months ended December 31 2009 $	For the three months ended December 31 2008 $	**For the nine months ended December 31 2009 $**	For the nine months ended December 31 2008 $
Sales	**-**	4,360	**10,509**	13,712
Cost of goods sold	**-**	1,894	**5,452**	6,684
Gross profit	**-**	2,466	**5,057**	7,028
Selling and administration	**30**	1,290	**4,293**	4,521
Amortization	**-**	88	**213**	329
Gain on sale of discontinued operation	**(13,337)**	-	**(13,337)**	-
Earnings before income taxes	**13,307**	1,088	**13,888**	2,178
Provision for income taxes	**1,367**	348	**1,553**	697
Net earnings from discontinued operations	**11,940**	740	**12,335**	1,481

Included in cost of goods sold is $2,015 (2008 - $2,146) for the nine months ended December 31, 2009 and $nil (2008 - $536) for the three months ended December 31, 2009 for costs relating to manufacturing services provided by a related company. The costs incurred by the Company for these activities are not expected to continue upon completion of the eventual disposition.

Condensed statement of cash flows from discontinued operation

	For the three months ended December 31 2009 $	For the three months ended December 31 2008 $	**For the nine months ended December 31 2009 $**	For the nine months ended December 31 2008 $
Cash provided by (used in) operating activities	**(1,335)**	3,873	**(2,124)**	2,083
Cash provided by (used in) investing activities	**23,287**	-	**23,287**	(117)
Cash provided by (used in) financing activities	**-**	-	**-**	-
	21,952	3,873	**21,163**	1,965

4. Bank indebtedness and long-term debt

On November 10, 2009, the Company modified the terms of its short-term loan facility to increase the borrowing limit to $75,000 (previously $65,000). The loan is a one-year committed facility incurring interest at the Royal Bank of Canada prime rate plus 2.75%.

On January, 26, 2010, the Company modified its existing term loan. The modified term loan will continue to be repayable in monthly principal payments of $444 plus interest and matures on April 30, 2015. The Company maintains an interest rate swap which effectively fixes the interest rate on the term loan at 5.64%. Under terms of the modified loan, the Company currently pays additional interest of 0.95% based on certain leverage ratios and a funding premium, to be negotiated annually, of 1.05%.

The Company and its subsidiaries have provided its assets as general security for these loan facilities.

On October 1, 2009, a payment in the amount of $17,500 was made to reduce the outstanding principal of the term loan and a payment of $6,000 was made to reduce the short-term loan facility as a result of the sale of GIBCO.

5. Other expenses

Due to the current economic climate and lower than anticipated sales, management performed an impairment test during the third quarter on the long-lived assets associated with a home winemaking product developed by the Company and determined that these assets were impaired. Accordingly, the Company has recorded a pre-tax impairment charge in the amount of $1,086, (intangibles and other assets - $808, property, plant, and equipment - $278), classified in the statement of earnings as other expenses.
Also during the third quarter, management performed impairment tests on the long-lived assets and the goodwill of Camelot Cellars, Ltd. and determined that the property, plant and equipment of $26 and goodwill of $135 are no longer recoverable. Accordingly, the Company has recorded a pre-tax impairment charge of $161, classified in the statement of earnings as other expenses.

6. 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,	
	2009	2008	**2009**	2008
	$	$	$	$
Accounts receivable	**(3,787)**	634	**(5,013)**	(3,605)
Inventories	**(2,276)**	(13,619)	**3,220**	(14,423)
Prepaid expenses and other assets	**439**	543	**(1,028)**	(1,322)
Accounts payable and accrued liabilities	**(3,062)**	1,742	**(7,981)**	4,115
Income taxes recoverable	**1,894**	(431)	**4,548**	(202)
	(6,792)	(11,131)	**(6,254)**	(15,437)

7. Comparative Figures

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