ANDREW PELLER LIMITED REPORTS SOLID PERFORMANCE IN FIRST QUARTER FISCAL 2018

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 9, 2017 – Andrew Peller Limited ADW.A/ADW.B ("APL" or the "Company") announced solid operating performance for the three months ended June 30, 2017.

FIRST QUARTER FISCAL 2018 HIGHLIGHTS:

- Sales up on solid organic growth through majority of trade channels;
- Gross margin strengthens on revenue increase and cost efficiencies;
- Net earnings of $8.2 million or $0.20 per Class A share;
- 10.3% increase in common share dividends effective June 30, 2017; and
- New Wayne Gretzky Estate Winery and Craft Distillery opened in Niagara-on-the-Lake.

"Following another record year in fiscal 2017, our strong operating performance continued in the first quarter of fiscal 2018," commented John Peller, Chief Executive Officer. "We were also pleased to announce a 10.3% increase in our common share dividends, our fifth increase in the last five years, and a reflection of our commitment to enhancing shareholder value."

"We continue to invest in our proven and successful sales and marketing programs, building on our strong and growing presence across all of our well-established trade channels," added Randy Powell, President. "Looking ahead, we are confident fiscal 2018 will be another year of strong revenue growth and increased earnings."

Sales for the three months ended June 30, 2017 rose 0.8% to $88.6 million from $87.9 million in the first quarter of fiscal 2017 due to solid growth across the majority of the Company's trade channels including its network of retail outlets in Ontario, its two wine import and marketing agencies, and provincial liquor control boards across the country, as well as the introduction of new products and new product categories. Coming off a year of record growth, sales in the first quarter of fiscal 2018 were impacted by the timing of shipments for a significant customer in the Company's consumer made wine business compared to fiscal 2017.

Gross margin as a percentage of sales continued to strengthen in fiscal 2018, rising to 40.2% for the three months ended June 30, 2017 from 38.8% in the first quarter of the prior year as the Company continues to benefit from its ongoing initiatives to improve sales mix, reduce costs and enhance production efficiencies.

Selling and administrative expenses increased in the first quarter of fiscal 2018 compared to the prior year due primarily to increased costs related to the opening of the new Wayne Gretzky Estate Winery and Craft Distillery and support for new launches across the Company's product portfolio. The Company continues to invest in its successful sales and marketing programs, however remains focused on ensuring such expenses are tightly controlled.

Earnings before interest, amortization, net unrealized gains and losses on derivative financial instruments, other income or expenses, and income taxes ("EBITA") were $14.5 million for the three months ended June 30, 2017 compared to $14.8 million in the first quarter of fiscal 2017. The change is primarily due to the increased sales and administrative expenses in the current year.

Interest expense in the first quarter of fiscal 2018 was consistent with the same prior year period.

The Company recorded net unrealized non-cash gains in the first quarter of fiscal 2018 and fiscal 2017 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 or expenses, non-recurring, non-operating gains or losses, and the related income tax effect, were $8.2 million for the three months ended June 30, 2017 compared to $8.6 million in the same period last year. Net earnings for the three months ended June 30, 2017 were $8.2 million or $0.20 per Class A Share compared to $8.6 million or $0.21 per Class A Share in the same quarter last year.

Strong Financial Position

Working capital at June 30, 2017 increased to $81.7 million from $78.8 million at March 31, 2017. Total bank debt decreased to $86.7 million from $87.7 million at March 31, 2017 due to the solid earnings from operations in fiscal 2018, the positive impact of working capital management, and regularly scheduled debt repayments. The Company's debt to equity ratio remained strong at 0.47:1 at June 30, 2017 compared to 0.49:1 at March 31, 2017. At June 30, 2017, the Company had unutilized debt capacity in the amount of approximately $57.4 million on its operating loan facility.

Shareholders' equity as at June 30, 2017 increased to $182.6 million or $4.29 per common share, up from $177.3 million or $4.16 per common share at March 31, 2017. The increase in shareholders' equity is due to the strong net earnings partially offset by the payment of dividends and net actuarial losses on post-employment benefit plans.

The Company generated cash from operating activities in the first quarter of fiscal 2018, after changes in non-cash working capital items, of $8.2 million compared to $7.6 million in the same quarter of the prior year. Investing activities of $5.5 million in the quarter compared to $5.9 million in the prior year, and included normal expenditures to sustain operations and the replanting of certain of the Company's vineyards, as well as costs incurred related to the completion of the new Wayne Gretzky Estate Winery and Craft Distillery, which officially opened on June 7, 2017.

Increase in Common Share Dividends

On June 7, 2017 the Company's Board of Directors approved a 10.3% increase in common share dividends for shareholders of record on June 30, 2017 payable on July 7, 2017. The annual dividend on Class A Shares was increased to $0.1800 per share and the annual dividend on Class B Shares was increased to $0.1565 per share. The Company has consistently paid common share dividends since 1979 and has increased dividends every year for the past five years.

New Wayne Gretzky Estate Winery and Craft Distillery Opens

On June 7, 2017 the Company officially opened its new Wayne Gretzky Estate Winery and Craft Distillery in Niagara-on-the-Lake, Ontario. Located on land adjacent to the Company's Trius Winery, the 15,000 square foot facility includes a winery, craft distillery, barrel aging cellars, tasting rooms, retail and hospitality facilities, all surrounded by attractive landscaping and vineyards. The Company established its strategic alliance with the Wayne Gretzky Estate Winery in 2011, and has generated significant growth in their brands to where their wines are now among the top-ten VQA best sellers across Canada.

Annual Meeting of Shareholders

The Fiscal 2017 Annual and Special Shareholders' Meeting will be held at 3:00 pm ET on Wednesday, September 13, 2017 at the Trius 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 $000)	**2017**	2016
Sales	**$ 88,640**	$ 87,906
Gross margin	**35,604**	34,143
Gross margin (% of sales)	**40.2%**	38.8%
Selling and administrative expenses	**21,146**	19,340
EBITA	**14,458**	14,803
Net unrealized gain on derivative financial instruments	**(66)**	(47)
Other expenses	**145**	27
Adjusted net earnings	**8,249**	8,558
Net earnings	**8,191**	8,573
Earnings per share – Class A	**$0.20**	$0.21
Earnings per share – Class B	**$0.17**	$0.18
Dividend per share – Class A (annual)	**$0.1800**	$0.1632
Dividend per share – Class B (annual)	**$0.1565**	$0.1420
Cash provided by operations (after changes in non-cash working capital items)	**8,213**	7,560
Working capital	**81,677**	76,128
Shareholders' equity per share	**$4.29**	$3.84

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*, and *XOXO*. *Hochtaler*, *Domaine D'Or*, *Schloss Laderheim*, *Royal*, and *Sommet* are our key value priced brands. 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. The Company also produces wine based liqueurs and cocktails under the brand *Panama Jack* and a new craft cider called *No Boats on Sunday*. In October 2016, the Company launched its new *Wayne Gretzky No. 99 Red Cask* Canadian Whisky in certain markets across Canada and has launched additional offerings from the Wayne Gretzky Estate Winery and Craft Distillery in the first quarter of fiscal 2018. 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 101 well-positioned independent retail locations in Ontario under The Wine Shop, Wine Country Vintners, and Wine Country Merchants store names. The Company also operates 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 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 and spirits; 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 and spirits 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 2017 $	March 31 2017 $
Assets		
Current Assets		
Accounts receivable	**31,122**	26,973
Inventory	**122,811**	129,088
Biological assets	**3,170**	1,400
Prepaid expenses and other assets	**2,681**	3,106
	159,784	160,567
Property, plant, and equipment	**120,922**	118,838
Intangibles	**10,297**	10,600
Goodwill	**37,473**	37,473
	328,476	327,478
Liabilities		
Current Liabilities		
Bank indebtedness	**36,663**	36,620
Accounts payable and accrued liabilities	**33,096**	36,260
Dividends payable	**1,864**	1,690
Income taxes payable	**1,277**	2,348
Current portion of derivative financial instruments (note 7)	**801**	418
Current portion of long-term debt	**4,406**	4,406
	78,107	81,742
Long-term debt	**45,625**	46,678
Long-term derivative financial instruments (note 7)	**201**	642
Post-employment benefit obligations	**6,488**	5,279
Deferred income taxes	**15,446**	15,820
	145,867	150,161
Shareholders' Equity		
Capital stock	**6,967**	6,967
Retained earnings	**180,520**	174,193
Accumulated other comprehensive loss	**(4,878)**	(3,843)
	182,609	177,317
	328,476	327,478

The above statements should be read in conjunction with the entire interim consolidated financial statements and notes, which 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, 2017 $	For the three months ended June 30, 2016 $
Sales	**88,640**	87,906
Cost of goods sold (note 4)	**53,036**	53,763
Amortization of plant and equipment used in production	**1,672**	1,586
Gross profit	**33,932**	32,557
Selling and administration (note 4)	**21,146**	19,340
Amortization of plant, equipment, and intangibles used in selling and administration	**810**	830
Interest	**783**	783
Net unrealized gains on derivative financial instruments (note 7)	**(66)**	(47)
Other expense	**145**	27
Earnings before income taxes	**11,114**	11,624
Provision for (recovery of) income taxes		
Current	**2,933**	3,009
Deferred	**(10)**	42
	2,923	3,051
Net earnings for the period	**8,191**	8,573
Net earnings per share		
Basic and diluted		
Class A shares	**0.20**	0.21
Class B shares	**0.17**	0.18

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ANDREW PELLER LIMITED

Condensed Consolidated Statements of Comprehensive Income

Unaudited

These financial statements have not been reviewed by our auditors

(in thousands of Canadian dollars)	For the three months ended June 30, 2017 $	For the three months ended June 30, 2016 $
Net earnings for the period	**8,191**	8,573
Items that are never reclassified to net earnings		
Net actuarial losses on post-employment benefit plans	**(1,399)**	(1,423)
Deferred income taxes	**364**	370
Other comprehensive loss for the year	**(1,035)**	(1,053)
Net comprehensive income for the period	**7,156**	7,520

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ANDREW PELLER LIMITED

Condensed Consolidated Statements of Changes in Equity

For the three months ended June 30, 2017 and 2016

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, 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 $0.0408 per share, Class B $0.0355 per share)	-	(1,691)	-	(1,691)
Balance at June 30, 2016	6,967	161,487	(4,889)	163,565
Balance at April 1, 2017	6,967	174,193	(3,843)	177,317
Net earnings for the period	-	8,191	-	8,191
Net actuarial losses (net of deferred tax recovery)	-	-	(1,035)	(1,035)
Net comprehensive income for the period	-	8,191	(1,035)	7,156
Dividends (Class A $0.0450 per share, Class B $0.0391 per share)	-	(1,864)	-	(1,864)
Balance at June 30, 2017	6,967	180,520	(4,878)	182,609

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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, 2017 $	For the three months ended June 30, 2016 $
Cash provided by (used in)		
Operating activities		
Net earnings for the period	**8,191**	8,573
Adjustments for:		
Loss on disposal of property and equipment	**32**	-
Amortization of plant, equipment, and intangible assets	**2,482**	2,416
Interest expense	**783**	783
Provision for income taxes	**2,923**	3,051
Post-employment benefits	**(190)**	(183)
Deferred income	**-**	(102)
Net unrealized gain on derivative financial instruments	**(66)**	(47)
Interest paid	**(726)**	(742)
Income taxes paid	**(4,004)**	(3,275)
	9,425	10,474
Changes in non-cash working capital items related to operations (note 5)	**(1,212)**	(2,914)
	8,213	7,560
Investing activities		
Purchase of property, plant and equipment	**(5,479)**	(5,935)
Purchase of intangibles	**(12)**	-
	(5,491)	(5,935)
Financing activities		
Increase in bank indebtedness	**43**	928
Repayment of long-term debt	**(1,075)**	(1,000)
Dividends paid	**(1,690)**	(1,553)
	(2,722)	(1,625)
Increase (decrease) in cash during the period	**-**	-
Cash, beginning of period	**-**	-
Cash, end of period	-	-

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