ANDREW PELLER LIMITED REPORTS CONTINUING STRONG GROWTH IN FIRST QUARTER FISCAL 2019

GRIMSBY, Ontario – August 8, 2018 – Andrew Peller Limited ADW.A/ADW.B ("APL" or the "Company") announced strong growth and operating performance for the three months ended June 30, 2018.

FIRST QUARTER FISCAL 2019 HIGHLIGHTS:

- Sales up 7.8% on contribution from acquisitions;
- Gross margin strengthens to 43.2% from 40.2% last year;
- Adjusted EBITA up 24.1%;
- Adjusted net earnings of $9.7 million or $0.23 per Class A Share;
- 13.9% increase in common share dividends announced effective June 29, 2018; and
- Focus on higher-margin premium products continues to drive strong performance.

"Following another year of record results in fiscal 2018, our growth and strong operating performance continued in the first quarter of fiscal 2019," commented John Peller, Chief Executive Officer. "Our recent acquisitions are performing well and are making a solid contribution to our results, and we continue to capitalize on our strong market presence and proven sales and marketing programs to accelerate growth across our entire brand portfolio."

"Our mission to *Pour Extraordinary into Everyday Life* continues to generate strong benefits for the Company and our shareholders," added Randy Powell, President. "We are confident that our long-term strategy of building powerful brands will result in a solid leadership presence across our key category segments, driven by best-in-class talent and a dedicated focus on cost efficiencies and industry thought leadership."

Continuing Strong Operating and Financial Performance

Sales for the three months ended June 30, 2018 rose 7.8% to $95.5 million from $88.6 million in the prior year. The increase in sales is due primarily to the contribution from the acquisition of three estate wineries completed in early October 2017.

Gross margin as a percentage of sales strengthened in the first quarter of fiscal 2019, rising to 43.2% from 40.2% in the prior year. Gross margin in fiscal 2019 has benefited from the rationalization of lower performing products, an increased focus on higher margin products, and the positive impact of the Company's cost control initiatives. On the acquisition of the three wineries in October 2017, the Company recorded an increase of $10.4 million to inventory to represent the fair value of goods acquired from the new wineries. This increase is being expensed over time to the consolidated statement of earnings as finished goods are sold, thus reducing gross margin. For the three months ended June 30, 2018 the Company recorded a charge of $2.1 million to cost of goods sold as a result of this adjustment. It is expected that most goods acquired will be sold within fiscal 2019, and as such, the remaining balance of the fair value adjustment of $5.3 million will continue to decrease gross margin through the balance of the year.

Selling and administrative expenses increased in the first quarter of fiscal 2019 compared to the prior year due to the addition of three estate wineries acquired in October 2017, and increased investment in marketing and sales support. The Company is confident that these investments will drive innovation, provide industry thought leadership through research, and ultimately build brand equity, all of which are critical to the Company's growth in revenue and profitability. Selling and administrative expenses also increased in fiscal 2019 due to the increase in minimum wage in Ontario.

Earnings before interest, amortization, net unrealized gains and losses on derivative financial instruments, other (income) expenses, and income taxes ("EBITA"), were $15.8 million for the three months ended June 30, 2018 compared to $14.5 million in the prior year. The increase in fiscal 2019 was due to the increase in sales from the three acquired wineries and the improved gross margin, partially offset by the increase in selling and administrative expenses and the reduction in margin related to the three new wineries due to the inventory fair value adjustment charged to cost of sales. Adjusted EBITA, which excludes from EBITA one-time acquisition related charges, was $17.9 million for the three months ended June 30, 2018 compared to $14.5 million last year.

Interest expense has increased in fiscal 2019 compared to the prior year due primarily to long-term debt incurred to complete the three acquisitions in October 2017. Amortization expense increased due primarily to the addition of the three recently acquired wineries and the completion of the Wayne Gretzky Estate Winery and Craft Distillery in June 2017.

The Company recorded net unrealized non-cash gains in fiscal 2019 and fiscal 2018 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) expenses, non-recurring, non-operating (gains) and losses, and the related income tax effect were $9.7 million for the three months ended June 30, 2018 compared to $8.2 million in the prior year. Net earnings for the three months ended June 30, 2018 were $7.5 million or $0.18 per Class A Share compared to net earnings of $8.2 million or $0.20 per Class A Share in the first quarter of fiscal 2018.

Maintaining a Strong Financial Position

Overall bank debt decreased to $164.4 million at June 30, 2018 from $171.7 million at March 31, 2018 due to the strong earnings in the first quarter of fiscal 2019, the positive impact of working capital management, and regularly scheduled debt repayments. With the decrease in debt, the Company's debt to equity ratio improved to 0.73:1 at June 30, 2018 compared to 0.78:1 at March 31, 2018. At June 30, 2018, the Company had unutilized debt capacity in the amount of $48.5 million on its operating facility and $96.4 million on its investment facility.

Shareholders' equity as at June 30, 2018 increased to $226.2 million or $5.12 per common share, up from $220.2 million or $4.99 per common share at March 31, 2018. The increase in shareholders' equity was due to the strong net earnings in the period partially offset by the payment of dividends.

For the three months ended June 30, 2018, the Company generated cash from operating activities, after changes in non-cash working capital items, of $16.0 million compared to $8.2 million in the prior year. Investing activities were $6.6 million in the first quarter of fiscal 2019 compared to $5.5 million in the prior year and relate primarily to capital expenditures to improved operations.

Fifth Common Share Dividend Increase in Five Years

On June 6, 2018, the Company's Board of Directors approved a 13.9% increase in common share dividends. The annual dividend on Class A Shares was increased to $0.2050 per share from $0.1800 per share and the dividend on Class B Shares was increased to $0.1783 per share from $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.

Financial Highlights (Unaudited)

(Financial Statements and the Company's Management Discussion and Analysis for the period can be obtained on the Company's web site at www.andrewpeller.com)

For the three months ended June 30, **(in $000, except per share amounts)**	**2018**	2017
Sales	**$ 95,541**	$ 88,640
Gross margin	**41,281**	35,604
Gross margin (% of sales)	**43.2%**	40.2%
Selling and administrative expenses	**25,473**	21,146
EBITA	**15,808**	14,458
Adjusted EBITA	**17,942**	14,458
Interest	**1,954**	783
Net unrealized gain on derivative financial instruments	**(218)**	(66)
Other expenses	**275**	145
Adjusted earnings	**9,724**	8,249
Net earnings	**7,548**	8,191
Earnings per share – basic and diluted - Class A	**$ 0.18**	$ 0.20
Earnings per share – basic and diluted - Class B	**$ 0.15**	$ 0.17
Adjusted earnings per share – basic and diluted – Class A	**$ 0.23**	$ 0.20
Adjusted earnings per share – basic and diluted – Class B	**$ 0.20**	$ 0.17
Dividend per share – Class A (annual)	**$0.2050**	$0.1800
Dividend per share – Class B (annual)	**$0.1783**	$0.1565

About Andrew Peller Limited

Andrew Peller Limited is one of Canada's leading producers and marketers of quality wines and craft spirits. The Company's award-winning premium and ultra-premium Vintners' Quality Alliance ("VQA") brands include *Peller Estates, Peller Family Vineyards, Trius, Thirty Bench*, *Wayne Gretzky, Sandhill, Red Rooster, Black Hills Estate, Tinhorn Creek, Gray Monk Estates, Raven Conspiracy,* and *Conviction*. Complementing these premium brands are a number of popularly priced varietal offerings, wine based liqueurs, craft ciders, and craft spirits. 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., importers and marketing agents of premium wines from around the world. 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. ("GVI"), the recognized leader in 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) and Adjusted EBITA (defined as EBITA before non-recurring expenses such as acquisition transaction and transition costs) to measure its financial performance. EBITA and Adjusted EBITA are not recognized measures under IFRS. Management believes that EBITA and Adjusted EBITA are useful supplemental measures to net earnings, as these measures provide readers with an indication of earnings available for investment prior to debt service, capital expenditures, and income taxes, as well as provide an indication of recurring earnings compared to prior periods. Readers are cautioned that EBITA and Adjusted EBITA should not be construed as an alternative to net earnings determined in accordance with IFRS as indicators 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. The Company's method of calculating EBITA, Adjusted 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 other raw materials; fluctuations in foreign currency exchange rates; its ability to market products successfully to its anticipated customers; the trade balance within the domestic Canadian and international wine markets; 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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