ANDREW PELLER LIMITED REPORTS CONTINUED STRONG GROWTH IN THIRD QUARTER FISCAL 2017

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 8, 2017 – Andrew Peller Limited ADW.A/ADW.B ("APL" or the "Company") announced strong growth and increased net earnings for the three and nine months ended December 31, 2016.

NINE MONTHS FISCAL 2017 HIGHLIGHTS:

- Sales up 3.9% on broad-based solid organic growth and successful launch of new products and categories;
- Gross margin rises on revenue increase and cost savings;
- EBITA increases 5.3% on revenue growth and improved gross margin;
- Net earnings rise 16.7% to $24.3 million or $0.59 per Class A share;
- 9% increase in common share dividends effective June 30, 2016, 7th increase in last ten years;
- 3-for-1 stock split completed in October 2016;
- New Dividend Reinvestment Plan (DRIP) effective September 9, 2016; and
- *Wayne Gretzky No. 99 Red Cask* Canadian Whisky launched in October 2016 and gaining market traction.

"The third quarter of our fiscal year is typically the strongest, and once again we capitalized on our reputation for quality and value to deliver solid growth during the holiday season," commented John Peller, Chief Executive Officer. "We were also very pleased with the recognition and critical acclaim for our new *Wayne Gretzky No. 99 Red Cask* Canadian Whisky launched in the quarter, and look for solid growth for this, and all our new products."

"Our growth in the quarter was broad based across the majority of our product lines and markets," added Randy Powell, President. "Looking ahead, we expect to achieve record performance for the full fiscal 2017 year, and continued growth and solid results going forward."

Sales for the three months ended December 31, 2016 rose 2.5% to $94.0 million from $91.8 million in the third quarter of fiscal 2016. For the nine months ended December 31, 2016 sales increased 3.9% to $270.3 million from $260.1 million last year. The increase in revenues in fiscal 2017 was due to strong, broad-based organic growth across the majority of the Company's product lines and distribution channels, as well as the introduction of new products and new product categories. The third quarter is historically the strongest in each fiscal year due to increased consumer purchasing of the Company's products during the holiday season.

Gross margin as a percentage of sales for the third quarter of fiscal 2017 improved to 37.3% from 36.3% in the prior year's third quarter. For the nine months ended December 31, 2016 gross margin strengthened to 38.0% compared to 37.6% in the same prior year period. The Company continues to benefit from the positive impact of cost control initiatives to improve productivity and raw material cost savings, which have largely offset the negative impact of the weak Canadian dollar.

Selling and administrative expenses rose in fiscal 2017 due primarily to certain one-time costs. Included in selling and administrative expenses in fiscal 2017 is approximately $1.1 million in one-time professional services fees related to a strategic acquisition that was not completed. In addition, selling and administrative expenses in the third quarter of fiscal 2017 included $1.3 million of one-time costs relating to post-retirement benefits for certain executive employees retiring this fiscal year. The Company is focused on ensuring selling and administrative expenses are tightly controlled, however it expects selling expenses will increase for the remainder of fiscal 2017 to support the launch of additional new products and the new Wayne Gretzky Estate Winery and Craft Distillery.

Earnings before interest, amortization, net unrealized gains and losses on derivative financial instruments, other income (expenses), and income taxes ("EBITA") were $11.9 million for the three months ended December 31, 2016, compared to $12.4 million in the third quarter of fiscal 2016. For the nine months ended December 31, 2016, EBITA rose 5.3% to $39.3 million from $37.3 million last year. EBITA in the third quarter of fiscal 2017 was impacted by the two one-time costs outlined above. The increased EBITA through the first nine months of fiscal 2017 was due primarily to the increase in sales and gross margin in the current year.

Interest expense decreased for the three and nine months ended December 31, 2016 compared to the prior year due to lower interest rates and lower average debt levels.

The Company recorded net unrealized non-cash gains in fiscal 2017 and fiscal 2016 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) and the related income tax effect, were $7.5 million and $22.9 million for the three and nine months ended December 31, 2016, respectively, up 10.6% and 13.9%, respectively, from the same periods in fiscal 2016.

Net earnings the three months ended December 31, 2016 increased 13.9% to $8.1 million or $0.20 per Class A Share from $7.1 million or $0.17 per Class A Share in the third quarter of fiscal 2016. For the first nine months of fiscal 2017 net earnings rose 16.7% to $24.3 million or $0.59 per Class A share compared to $20.9 million or $0.50 per Class A share last year.

Strong Financial Position

Working capital at December 31, 2016 increased to $83.1 million from $71.7 million at March 31, 2016. In December 2016, the Company borrowed $3 million under its capital facility due to the timing of capital investments in the development of the new Wayne Gretzky Estate Winery and Craft Distillery and the larger grape harvest this year. The increase in bank debt was partially offset by strong earnings in fiscal 2017, the positive impact of working capital management, and regularly scheduled debt repayments. Despite the increase in overall bank debt in the third quarter, the Company's debt to equity ratio strengthened to 0.53:1 at December 31, 2016 compared to 0.55:1 at March 31, 2016.

On December 30, 2016, the Company amended its debt facilities to extend the maturity date to July 31, 2021, update the applicable margin to be charged based on the Company's leverage, and increase the annual permitted capital expenditures. The Company believes these amendments will provide the ability to accelerate production efficiencies and continued investment in expansion of its core business.

Shareholders' equity as at December 31, 2016 increased to $177.1 million or $4.16 per common share, up from $157.7 million or $3.70 per common share at March 31, 2016. 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 through the first nine months of fiscal 2017, after changes in non-cash working capital items, of $14.0 million compared to $16.7 million in the prior year. In fiscal 2017, the Company expects cash from operating activities to decrease when compared to fiscal 2016 due to the larger harvest in Ontario and increases in working capital investment relating to the launch of additional new products.

Increase in Common Share Dividends

On June 2, 2016 the Company's Board of Directors approved a 9% increase in common share dividends for shareholders of record on June 30, 2016 payable on July 8, 2016. The annual dividend on Class A Shares was increased to $0.163 per share and the annual dividend on Class B Shares was increased to $0.142 per share. This was the Company's seventh dividend increase in the last ten years. The Company has consistently paid common share dividends since 1979.

3-for-1 Share Split

At the Annual and Special Meeting of Shareholders held on September 9, 2016, the Company's Class B shareholders approved a three-for-one share split for both the Company's Class A and Class B common shares. The additional shares were issued on October 14, 2016 to shareholders of record on September 23, 2016. The Company recorded the effect of the share split retroactively to all disclosures of share capital and per share amounts in accordance with International Financial Reporting Standards ("IFRS").

Dividend Reinvestment Plan

On June 2, 2016 the Company's Board of Directors approved a Dividend Reinvestment Plan (DRIP) for Class A shares effective on September 9, 2016. Under the DRIP, registered Class A shareholders can elect to have 100% of their dividends reinvested to purchase additional Class A common shares. The Board of Directors believes the DRIP provides Class A shareholders with a cost-effective method to increase their investment in the Company.

Financial Highlights (Unaudited)

(Condensed consolidated unaudited financial statements to follow)

For the three and nine months ended December 31,	**Three Months**		**Nine Months**	
(in $000)	**2016**	2015	**2016**	2015
Sales	**94,048**	91,775	**270,311**	260,093
Gross margin	**35,042**	33,277	**102,829**	97,804
Gross margin (% of sales)	**37.3%**	36.3%	**38.0%**	37.6%
Selling and administrative expenses	**23,156**	20,832	**63,557**	60,502
EBITA	**11,886**	12,445	**39,272**	37,302
Net unrealized gains on derivative financial instruments	**868**	525	**2,043**	921
Other (income) expenses	**52**	68	**135**	(61)
Adjusted net earnings	**7,533**	6,808	**22,928**	20,131
Net earnings	**8,137**	7,146	**24,340**	20,858
Earnings per share – Class A	**$0.20**	$0.17	**$0.59**	$0.50
Earnings per share – Class B	**$0.17**	$0.15	**$0.51**	$0.43
Dividend per share – Class A (annual)			**$0.163**	$0.150
Dividend per share – Class B (annual)			**$0.142**	$0.130
Cash provided by operations (after changes in non-cash working capital items)			**13,957**	16,721
Working capital			**83,119**	82,240
Shareholders' equity per share			**$4.16**	$3.82

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*, *XOXO*, and s*kinnygrape. Hochtaler*, *Domaine D'Or*, *Schloss Laderheim*, *Royal*, and *Sommet* are our key value priced brands. The Company produces wine based liqueurs and cocktails under the brand *Panama Jack* and wine based spritzers under the *skinnygrape* brand. 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. 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 100 well-positioned independent retail locations in Ontario under The Wine Shop, Wine Country Vintners, and Wine Country Merchants store names. The Company also owns 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. In October 2016, the Company also launched its new *Wayne Gretzky No. 99 Red Cask* Canadian Whisky in certain markets across Canada and will be continuing to launch new offerings from the Wayne Gretzky Estate Winery and Distillery in the coming year. 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; 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 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.

For more information, please contact:
Mr. Brian Athaide, CFO and EVP Human Resources and Information Technology
(905) 643-0187 - E-mail: brian.athaide@andrewpeller.com

ANDREW PELLER LIMITED

Condensed Consolidated Balance Sheets

Unaudited

These financial statements have not been reviewed by our auditors

(in thousands of Canadian dollars)	December 31 2016 $	March 31 2016 $
Assets		
Current Assets		
Accounts receivable	**34,908**	28,223
Inventory	**130,421**	119,666
Biological assets	**-**	1,196
Prepaid expenses and other assets	**2,669**	1,782
	167,998	150,867
Property, plant, and equipment	**116,520**	108,929
Intangibles	**10,121**	11,040
Goodwill	**37,473**	37,473
	332,112	308,309
Liabilities		
Current Liabilities		
Bank indebtedness (note 7)	**41,106**	33,701
Accounts payable and accrued liabilities	**34,007**	36,772
Dividends payable	**1,690**	1,553
Income taxes payable	**3,285**	2,425
Current portion of derivative financial instruments (note 8)	**385**	645
Current portion of long-term debt (note 7)	**4,406**	4,106
	84,879	79,202
Long-term debt (note 7)	**47,806**	48,202
Long-term derivative financial instruments (note 8)	**748**	1,529
Post-employment benefit obligations	**5,286**	5,947
Deferred income	**-**	102
Deferred income taxes	**16,305**	15,591
	155,024	150,573
Shareholders' Equity		
Capital stock (note 9)	**6,967**	6,967
Retained earnings	**173,873**	154,605
Accumulated other comprehensive loss	**(3,752)**	(3,836)
	177,088	157,736
	332,112	308,309

The above statements should be read in conjunction with the entire interim consolidated financial statements and notes.
They 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 December 31, 2016 $	For the three months ended December 31, 2015 $	For the nine months ended December 31, 2016 $	For the nine months ended December 31, 2015 $
Sales	**94,048**	91,775	**270,311**	260,093
Cost of goods sold (note 4)	**59,006**	58,498	**167,482**	162,289
Amortization of plant and equipment used in production	**1,599**	1,506	**4,786**	4,525
Gross profit	**33,443**	31,771	**98,043**	93,279
Selling and administration (note 4)	**23,156**	20,832	**63,557**	60,502
Amortization of plant, equipment, and intangibles used in selling and administration	**823**	893	**2,491**	2,627
Interest	**702**	771	**2,265**	2,789
Net unrealized gains on derivative financial instruments (note 8)	**(868)**	(525)	**(2,043)**	(921)
Other expenses (income)	**52**	68	**135**	(61)
Earnings before income taxes	**9,578**	9,732	**31,638**	28,343
Provision for income taxes				
Current	**1,306**	2,345	**6,614**	7,322
Deferred	**135**	241	**684**	163
	1,441	2,586	**7,298**	7,485
Net earnings for the period	**8,137**	7,146	**24,340**	20,858
Net earnings per share (note 9)				
Basic and diluted				
Class A shares	**0.20**	0.17	**0.59**	0.50
Class B shares	**0.17**	0.15	**0.51**	0.43

The above statements should be read in conjunction with the entire interim consolidated financial statements and notes.
They will be available on the Investor Relations section of www.andrewpeller.com and at www.sedar.com.

ANDREW PELLER LIMITED

Condensed Consolidated Statements of Comprehensive Income

Unaudited
These financial statements have not been reviewed by our auditors

	For the three months ended	For the three months ended	For the nine months ended	For the nine months ended
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
(in thousands of Canadian dollars)	$	$	$	$
Net earnings for the period	**8,137**	7,146	**24,340**	20,858
Items that are never reclassified to net earnings				
Net actuarial gains (losses) on post-employment benefit plans	**2,088**	(447)	**114**	249
Deferred income tax (provision) recovery	**(543)**	116	**(30)**	(65)
Other comprehensive income (loss) for the period	**1,545**	(331)	**84**	184
Net comprehensive income for the period	**9,682**	6,815	**24,424**	21,042

The above statements should be read in conjunction with the entire interim consolidated financial statements and notes.
They will be available on the Investor Relations section of www.andrewpeller.com and at www.sedar.com.

ANDREW PELLER LIMITED

Condensed Consolidated Statements of Changes in Equity

For the nine months ended December 31, 2016 and 2015

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, 2015	7,026	143,847	(3,498)	147,375
Net earnings for the period	-	20,858	-	20,858
Net actuarial gains (net of deferred tax provision)	-	-	184	184
Net comprehensive income for the period	-	20,858	184	21,042
Dividends (Class A $0.113 per share, Class B $0.098 per share)	-	(4,692)	-	(4,692)
Balance at December 31, 2015	7,026	160,013	(3,314)	163,725
Balance at April 1, 2016	6,967	154,605	(3,836)	157,736
Net earnings for the period	-	24,340	-	24,340
Net actuarial gains (net of deferred tax provision)	-	-	84	84
Net comprehensive income for the period	-	24,340	84	24,424
Dividends (Class A $0.123 per share, Class B $0.107 per share)	-	(5,072)	-	(5,072)
Balance at December 31, 2016	6,967	173,873	(3,752)	177,088

The above statements should be read in conjunction with the entire interim consolidated financial statements and notes.
They will be available on the Investor Relations section of www.andrewpeller.com and at www.sedar.com.

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 nine months ended December 31, 2016 $	For the nine months ended December 31, 2015 $
Cash provided by (used in)		
Operating activities		
Net earnings for the period	**24,340**	20,858
Adjustments for:		
(Gain) loss on disposal of property and equipment	**(174)**	465
Amortization of plant, equipment, and intangible assets	**7,277**	7,152
Interest expense	**2,265**	2,789
Provision for income taxes	**7,298**	7,485
Post-employment benefits	**(547)**	(588)
Deferred income	**(102)**	(304)
Net unrealized gain on derivative financial instruments	**(2,043)**	(921)
Interest paid	**(2,373)**	(2,785)
Income taxes paid	**(5,754)**	(5,331)
	30,187	28,820
Changes in non-cash working capital items related to operations (note 5)	**(16,230)**	(12,099)
	13,957	16,721
Investing activities		
Proceeds from disposal of property, plant and equipment	**175**	20
Purchase of property, plant and equipment	**(16,408)**	(6,517)
	(16,233)	(6,497)
Financing activities		
Increase (decrease) in bank indebtedness	**7,405**	(2,462)
Issuance of long-term debt	**3,000**	-
Repayment of long-term debt	**(3,000)**	(3,078)
Deferred financing costs	**(194)**	(96)
Dividends paid	**(4,935)**	(4,588)
	2,276	(10,224)
Increase (decrease) in cash during the period	**-**	-
Cash, beginning of period	**-**	-
Cash, end of period	-	-

The above statements should be read in conjunction with the entire interim consolidated financial statements and notes.
They will be available on the Investor Relations section of www.andrewpeller.com and at www.sedar.com.