

**ANDREW PELLER LIMITED
ANNOUNCES RESULTS FOR FIRST QUARTER OF FISCAL 2009**

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, 2008 – Andrew Peller Limited (the “Company”) announced today its results for the three months ended June 30, 2008.

HIGHLIGHTS:

- Sales continue to increase due to solid growth in existing brands and the introduction of new products
- Acquisition of premium consumer-made wine company to boost sales and earnings
- Purchase of remaining 50% of Rocky Ridge Vineyards Inc. to enhance premium grape supply
- Common share dividends increased 10% effective June 30, 2008

Strong Operating Performance Continues

For the three months ended June 30, 2008 sales increased 4.3% to \$59.6 million from \$57.1 million last year. The increase was due primarily to ongoing initiatives to grow sales of the Company’s premium and ultra-premium wines through all trade channels and the introduction of new products over the last twelve months.

Gross profit as a percentage of sales declined slightly to 41.8% for the three months ended June 30, 2008 compared to 42.8% in the same period last year due to an increase in packaging and wine costs experienced in the current year period. Selling and administrative expenses increased marginally for the three months ended June 30, 2008 to 29.8% of sales due primarily to costs associated with the launch of new products over the last twelve months. This was the same percentage of sales as last year.

Net and comprehensive earnings for the three months ended June 30, 2008 were \$2.7 million or \$0.18 per Class A share compared to \$2.9 million or \$0.20 per Class A share for the same period last year. Included in net and comprehensive earnings in fiscal 2009 were other charges related to non-cash market-to-market adjustments on interest rate swaps and foreign exchange contracts. Not including the other losses and unusual items in each year net and comprehensive earnings for the first quarter of fiscal 2009 increased 3.4% to \$2.8 million compared to the same period last year.

“We are pleased with our growth through the first quarter of the year, and expect to generate another solid year of sales and earnings throughout the balance of fiscal 2009,” commented John Peller, President and CEO.

Strong Financial Position

The Company’s balance sheet remained strong as at June 30, 2008. Working capital was \$40.1 million at the end of the first quarter of fiscal 2009 compared to \$26.6 million at March 31, 2008. Shareholders’ equity at June 30, 2008 remained relatively stable at \$103.1 million or \$6.92 per common share compared to \$102.7 million or \$6.90 per Class A share at March 31, 2008 and \$97.5 million or \$6.55 per Class A share at June 30, 2007.

Dividend Increase

As previously announced, common share dividends were increased by 10% for shareholders of record on June 30, 2008. The annual dividend on Class A shares was increased to \$0.33 per share from \$0.30 per share. The dividend on Class B shares was increased to \$0.288 per share from \$0.261 per share.

Acquisitions to Enhance Performance

On June 13, 2008 the Company acquired the remaining 50% interest in Rocky Ridge Vineyards Inc. located in the Similkameen Valley of British Columbia for cash consideration of approximately \$4.0 million. The purchase yields approximately 70 acres of premium vineyards and will be used to further enhance the Company’s supply of premium grapes for its VQA brands.

Effective June 30, 2008 the Company acquired 100% of the common shares of World Vintners Inc. (“WVI”), a producer and seller of high quality consumer-made wine kits. WVI’s sales for its most recently-completed financial year ended July 31, 2007 were approximately \$12.0 million. The acquisition brings to the Company a dedicated network of 75 franchised wine-on-premise and retail outlets under the Wine Kitz brand name. WVI also produces the popular Heron Bay brand sold through independent wine-on-premise and retail outlets across Canada.

“The WVI acquisition significantly strengthens our presence as Canada’s largest producer and supplier of consumer-made wines, and we are confident it will generate enhanced business opportunities as well as economies of scale and synergies to increase our profitability,” Mr. Peller concluded.

Financial Highlights (unaudited - complete consolidated financial statements to follow)

Period Ended June 30, (in \$,000 except per share amounts)	Three Months	
	2008	2007
Sales	59,618	57,140
EBITA	7,184	7,431
Earnings before other income and unusual items	3,972	4,106
Other income (loss) and unusual items	(219)	314
Net and comprehensive earnings	2,653	2,914
Net earnings per share (Basic per Class A share)	\$ 0.18	\$ 0.20
Cash from operations (after changes in non-cash working capital items)	1,444	(1,901)
Working capital	40,088	23,578
Shareholders’ equity per share	\$6.92	\$6.55

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 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 and Red Rooster VQA wines. Complementing these premium brands are a number of popular priced products including Hochtaler, Domaine D’Or, Schloss Laderheim, Royal and Sommet. The Company also markets craft beer under the Granville Island brand. 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 and Wine Kitz. Their broad range of high quality brands includes Selection, Vintners Reserve, World Vineyard, KenRidge, California Connoisseur, Island Mist, Niagara Mist and Heron Bay. In addition, the Company owns and operates Vineyards Estate Wines, Aisle 43 and WineCountry Vintners, independent wine retailers in Ontario with more than 100 well-positioned retail locations. Andrew Peller Limited common shares trade on the Toronto Stock Exchange (symbols ADW.A and ADW.B).

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.

For more information, please contact:

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ANDREW PELLER LIMITED

CONSOLIDATED BALANCE SHEETS (Unaudited)

These interim consolidated financial statements have not been reviewed by our auditors

	June 30	March 31
	2008	2008
(expressed in thousands of Canadian dollars)	\$	\$
Assets		
Current Assets		
Accounts receivable	24,212	23,072
Inventories	93,333	93,817
Prepaid expenses and other assets	4,663	4,242
Income taxes recoverable	2,180	823
	<u>124,388</u>	<u>121,954</u>
Property, plant and equipment	100,474	94,480
Goodwill	44,499	36,171
Other assets	7,457	7,139
	<u><u>276,818</u></u>	<u><u>259,744</u></u>
Liabilities		
Current Liabilities		
Bank indebtedness	47,164	57,722
Accounts payable and accrued liabilities	29,755	29,705
Dividends payable	1,197	1,088
Current portion of long-term debt	6,184	6,830
	<u>84,300</u>	<u>95,345</u>
Long-term debt	75,205	46,946
Employee future benefits	3,118	3,167
Future income taxes	11,126	11,606
	<u>173,749</u>	<u>157,064</u>
Shareholders' Equity		
Capital stock	7,375	7,375
Retained earnings	95,694	95,305
	<u>103,069</u>	<u>102,680</u>
	<u><u>276,818</u></u>	<u><u>259,744</u></u>

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 For the three months ended June 30, 2008 and 2007 (Unaudited)

These interim consolidated financial statements have not been reviewed by our auditors (expressed in thousands of Canadian dollars)	2008	2007
	\$	\$
Sales	59,618	57,140
Cost of goods sold, excluding amortization	<u>34,682</u>	<u>32,674</u>
Gross profit	24,936	24,466
Selling and administration	<u>17,752</u>	<u>17,035</u>
Earnings before interest and amortization	7,184	7,431
Interest	1,402	1,425
Amortization	<u>1,810</u>	<u>1,900</u>
Earnings before other items	3,972	4,106
Other (loss) income	(161)	369
Unusual items	(58)	(55)
Earnings before income taxes	3,753	4,420
Provision for income taxes		
Current	1,095	1,316
Future	5	190
	<u>1,100</u>	<u>1,506</u>
Net and comprehensive earnings for the period	2,653	2,914
Retained earnings- Beginning of period	95,305	88,147
Impact of adopting accounting pronouncements on April 1, 2007	-	128
Impact of adopting accounting pronouncement on April 1, 2008	(1,067)	-
Retained earnings- Beginning of period as restated	94,238	88,275
Dividends:		
Class A and Class B	(1,197)	(1,088)
Retained earnings - End of period	95,694	90,101
Net earnings per share		
Basic and diluted		
Class A shares	<u>0.18</u>	<u>0.20</u>
Class B shares	<u>0.16</u>	<u>0.17</u>

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

ANDREW PELLER LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ending June 30, 2008 and 2007 (Unaudited)

These interim consolidated financial statements have not been reviewed by our auditors

(expressed in thousands of Canadian dollars)

	2008	2007
	\$	\$
Cash provided by (used in)		
Operating activities		
Net earnings for the period	2,653	2,914
Items not affecting cash:		
Amortization of plant, equipment and intangibles	1,810	1,900
Employee future benefits	-49	-25
Net unrealized loss (gain) on foreign exchange contracts and interest rate swaps	161	-369
Future income taxes	5	190
Amortization of deferred financing costs	38	36
	<u>4,618</u>	<u>4,646</u>
Changes in non-cash working capital items related to operations	<u>-3,174</u>	<u>-6,547</u>
	<u>1,444</u>	<u>-1,901</u>
Investing activities		
Acquisition of World Vintners Inc.	-10,940	-
Acquisition of Rocky Ridge Vineyards Inc.	-4,016	-
Purchase of property and equipment	-2,498	(3,816)
	<u>-17,454</u>	<u>-3,816</u>
Financing activities		
Increase in deferred financing costs	(214)	-
(Decrease) increase in bank indebtedness	-10,558	8,109
Increase in long-term debt	29,036	-
Repayment of long-term debt	-1,166	-1,475
Dividends paid	-1,088	-917
	<u>16,010</u>	<u>5,717</u>
Cash at beginning and end of period	<u>-</u>	<u>-</u>
Supplemental disclosure of cash flow information		
Cash paid during the period for		
Interest	1,062	1,315
Income taxes	827	1,059

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