

**ANDREW PELLER LIMITED ANNOUNCES
RECORD FISCAL 2008 RESULTS AND DIVIDEND INCREASE**

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 – June 5, 2008 – Andrew Peller Limited (the “Company”) announced today record results for the three months and year ended March 31, 2008.

FISCAL 2008 HIGHLIGHTS:

- Sales up 3.9% on successful organic growth initiatives
- Gross profit margin increases
- EBITA increases 7.4%
- Normalized net earnings up 10.4%
- Common share dividends increased 10%
- Positive outlook on continued organic growth and strong operating performance

Strong Operating Performance Continues

For the fourth quarter of fiscal 2008, sales increased 4.5% to \$52.7 million from \$50.4 million last year. For the year ended March 31, 2008, sales were up 3.9% to \$237.1 million compared to \$228.2 million last year. The increases are due primarily to ongoing initiatives to grow sales of the Company’s premium and ultra-premium wines through all trade channels, the introduction of new products over the last twelve months, the return to normal grape supply conditions in Ontario, and improved supply of wine and beer to the Western Canadian markets.

“We continue to build our brands through all our well-established market channels, including our estates wineries, our extensive network of over 100 retail locations, in provincial liquor boards, and at restaurants and other licensed establishments,” commented John Peller, President and CEO. “Our investments in acquisitions, our estate wineries, and in enhancing the quality and capacity of our winemaking are continuing to generate significant benefits for our shareholders.”

Gross profit as a percentage of sales improved to 44.3% for the three months ended March 31, 2008 compared to 41.4% last year. For fiscal 2008, gross profit as a percentage of sales was 43.3% compared to 41.7% last year. The improved profit margins are the result of increased sales of the Company’s premium and ultra-premium wines and the positive impact of the increase in value of the Canadian dollar which partially offset the higher cost of grapes and wine purchased on international markets. Selling and administrative expenses increased marginally for the three months and year ended March 31, 2008 to 35.4% and 30.8% of sales respectively compared with 33.0% and 29.6% of sales for the same periods last year.

As a result of the increased sales and improved gross profit margins, earnings before interest, taxes, amortization, other losses and unusual items (EBITA) increased 10.4% to \$4.7 million in the fourth quarter of fiscal 2008 compared to \$4.2 million last year. For fiscal 2008, EBITA was up 7.4% to \$29.7 million compared to \$27.7 million last year.

Net and comprehensive earnings for the three months ended March 31, 2008 were \$0.8 million or \$0.05 per Class A share compared to \$0.4 million or \$0.02 per Class A share in the same quarter last year. During the fourth quarter of fiscal 2008 the Company recorded a charge to earnings of approximately \$0.3 million related to mark-to-market adjustments on interest rate swaps and foreign exchange contracts. There were no such charges in the fourth quarter of fiscal 2007. For the fiscal year ended March 31, 2008, net and comprehensive earnings increased 20.2% to \$11.4 million or \$0.78 per Class A share compared to \$9.5 million or \$0.65 per Class A share last year. Not including the other losses and unusual items in each year, and the impact of changes in future income tax rates, normalized net and comprehensive earnings for the fourth quarter of fiscal 2008 increased to \$0.6 million. For the fiscal year ended March 31, 2008, normalized net and comprehensive earnings increased 10.4% to \$10.6 million.

Strong Financial Position

The Company's balance sheet remained strong as at March 31, 2008. Working capital was \$26.6 million at the end of fiscal 2008 compared to \$25.3 million at March 31, 2007. Shareholders' equity at March 31, 2008 rose to \$102.7 million or \$6.89 per common share from \$95.5 million or \$6.41 per common share at March 31, 2007 and \$89.6 million or \$6.02 per Class A share at March 31, 2006.

Common Share Dividend Increase

As a result of the Company's continued strong performance, the Board of Directors was pleased to announce today a 10% increase in common share dividends for shareholders of record on June 30, 2008. The annual dividend on Class A common shares will be increased to \$0.33 per share from \$0.30 per share. The annual dividend on Class B common shares will be increased to \$0.288 per share from \$0.261 per share.

"We are very pleased to be implementing our third consecutive dividend increase over the last three years," Mr. Peller commented. "With our record performance in fiscal 2008, and our positive outlook on the future, we are proud to be enhancing value for our shareholders."

Investments to Enhance Future Growth and Performance

A number of investments over the last two years will serve to enhance the Company's growth and financial performance going forward:

- Investments were made to renovate and re-locate a number of the Company's retail stores to provide consumers with a fresh, new and exciting retail format and services. In addition, a new concept store to be located in large grocery retailers was introduced.
- Investments in vineyards located in Ontario and British Columbia are resulting in significant increases in grape supply aimed at increasing production of the Company's high-margin premium and ultra-premium VQA wines.
- New products introduced by Trius, Hillebrand and Peller Estates, as well as other new brands, are experiencing accelerating sales.
- Investments at the Company's Hillebrand Estates winery are generating increased visits and sales.
- The acquisition of Red Rooster, Cascadia Brands and Thirty Bench completed in fiscal 2006, and subsequent investments at these facilities, resulted in strong contributions to fiscal 2008 performance.

"Over the last two years we have made significant investments to increase our presence in the Canadian wine market as well as to enhance the quality of our products and to increase our production capacity to meet the growing demand for our premium and ultra-premium wines," Mr. Peller concluded. "Looking ahead, we are well positioned to capitalize on strong industry fundamentals as wine consumption continues to grow across the country."

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

Period Ended March 31, (in \$,000 except per share amounts)	Three Months		Year	
	2008	2007	2008	2007
Sales	52,702	50,419	237,130	228,192
EBITA	4,689	4,249	29,708	27,665
Earnings before other income and unusual items	1,283	569	15,942	14,325
Other income (loss) and unusual items	(417)	7	(718)	(206)
Net and comprehensive earnings	802	398	11,381	9,472
Net earnings per share (Basic per Class A share)	\$ 0.05	\$0.02	\$ 0.78	\$ 0.65
Cash from operations (after changes in non-cash working capital items)	3,152	6,856	8,754	4,545
Working capital			26,609	25,316
Shareholders' equity per share			\$6.89	\$ 6.41

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. With the acquisition of Cascadia Brands Inc., 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 and Vineco International Products. In addition, the Company owns and operates Vineyards Estate Wines 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.

The Company also utilizes normalized net earnings (defined as net earnings before adjustments to income taxes related to changes in future income tax rates, other income (losses) and unusual items). Normalized net earnings is not a recognized measure under GAAP. Management believes that normalized net earnings is a useful supplemental measure to net earnings as it provides an indication to readers of comparable net earnings to the prior year. Readers are cautioned that normalized net earnings should not be construed as an alternative to net earnings determined in accordance with GAAP as an indicator of the Company's performance.

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" provisions of the Securities Act (Ontario) with respect to Andrew Peller Limited ("APL" or 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 acquisitions; its launch of new premium wines; sales trends in foreign markets; trends in capital expenditures and sales and marketing expenses of the Company; its investments in vineyards; its supply of domestically grown grapes; international grape surplus and price discounting; consumer demand; 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" and similar verbs 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 release, APL has made assumptions and applied certain factors regarding, among other things: future grape, glass bottle and wine prices; the Company's 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 the Company's 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 release and other risks detailed from time to time in the publicly filed disclosure documents of APL 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 release, and except as

required by applicable law, APL undertakes no obligation to update or revise these forward-looking statements to reflect new information, future events or circumstances or otherwise, or to explain material differences between actual events after the date of this release and such forward-looking statements.

All information contained in this document is given as at March 31, 2008 unless otherwise indicated.

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ANDREW PELLER LIMITED
CONSOLIDATED BALANCE SHEETS
(unaudited)

	March 31	March 31
	2008	2007
(in thousands of dollars, except per share amounts)	\$	\$
Assets		
Current Assets		
Accounts receivable	23,072	21,365
Inventories	93,817	82,990
Prepaid expenses and other assets	4,242	2,983
Income taxes recoverable	823	319
	121,954	107,657
Property, plant and equipment	94,480	87,143
Goodwill	36,171	36,171
Other assets	7,139	7,985
	259,744	238,956
Liabilities		
Current Liabilities		
Bank indebtedness	57,722	51,449
Accounts payable and accrued liabilities	29,705	24,069
Dividends payable	1,088	917
Current portion of long - term debt	6,830	5,906
	95,345	82,341
Long-term debt	46,946	44,423
Employee future benefits	3,167	4,007
Future income taxes	11,606	12,663
	157,064	143,434
Shareholders' Equity		
Capital stock	7,375	7,375
Retained earnings	95,305	88,147
	102,680	95,522
	259,744	238,956

ANDREW PELLER LIMITED

Consolidated Statements of Earnings and Retained Earnings

(Unaudited)

(in thousands of dollars, except per share amounts)

	For the Three Months Ended		For the Twelve Months Ended	
	March 31		March 31	
	2008	2007	2008	2007
	\$	\$	\$	\$
Sales	52,702	50,419	237,130	228,192
Cost of goods sold, excluding amortization	29,377	29,525	134,403	133,084
Gross profit	23,325	20,894	102,727	95,108
Selling and administration	18,636	16,645	73,019	67,443
Earnings before interest and amortization	4,689	4,249	29,708	27,665
Interest	1,581	1,362	5,964	5,355
Amortization of plant, equipment and intangible assets	2,137	2,318	7,802	7,985
Earnings before other items	971	569	15,942	14,325
Other loss	346	0	420	-
Unusual items	71	(7)	298	206
Earnings before income taxes	554	576	15,224	14,119
Provision for income taxes				
Current	298	101	4,968	4,365
Future	(546)	77	(1,125)	282
	(248)	178	3,843	4,647
Net and comprehensive earnings for the period	802	398	11,381	9,472
Retained earnings- Beginning of period	95,591	88,666	88,147	82,205
Impact of adopting accounting pronouncements on April 1, 2007	-	-	128	-
Dividends:				
Class A and Class B	(1,088)	(917)	(4,351)	(3,530)
Retained earnings- End of period	95,305	88,147	95,305	88,147
Net earnings per share				
Basic and diluted				
Class A shares	0.05	0.02	0.78	0.65
Class B shares	0.05	0.03	0.68	0.57

ANDREW PELLER LIMITED**Consolidated Statements of Cash Flows**

(in thousands of dollars, except per share amounts)

(Unaudited)For the Three Months Ended
March 31For the Twelve Months Ended
March 31

2008

2007

2008

2007

\$

\$

\$

\$

Cash provided by (used in)**Operating activities**

Net earnings for the period

802

398

11,381

9,472

Items not affecting cash:

Loss (gain) on disposal of property and equipment

29

(248)

29

(248)

Amortization of plant, equipment and intangibles

2,137

2,318

7,802

7,985

Employee future benefits

(26)

62

(840)

(217)

Unrealized loss on foreign exchange contracts and interest rate swaps

346

-

420

-

Future income taxes

(546)

77

(1,125)

282

Amortization of deferred financing costs

0

35

-

142

Non-cash interest expense

38

-

150

-

2,780

2,642

17,817

17,416

Changes in non-cash working capital items related to operations

372

4,214

(9,063)

(12,871)

3,152

6,856

8,754

4,545

Investing activities

Proceeds from disposal of property and equipment

109

297

109

297

Purchase of property and equipment

(2,587)

(4,096)

(14,319)

(9,333)

Acquisition of businesses

-

-

-

(309)

(2,478)

(3,799)

(14,210)

(9,345)

Financing activities

Increase in deferred financing costs

(31)

-

(31)

(76)

Increase in (repayment of) bank indebtedness

(3,907)

(653)

6,273

14,154

Increase in long-term debt

5,830

-

9,300

-

Repayment of long-term debt

(1,478)

(1,487)

(5,906)

(5,887)

Dividends paid

(1,088)

(917)

(4,180)

(3,391)

(674)

(3,057)

5,456

4,800

Increase in cash during the year

-

-

-

-

Cash - Beginning of year

-

-

-

-

Cash - End of year

-

-

-

-