ANDREW PELLER LIMITED REPORTS STRONG PERFORMANCE IN SECOND 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 – November 1, 2017 – Andrew Peller Limited ADW.A/ADW.B ("APL" or the "Company") announced strong growth and operating performance for the three and six months ended September 30, 2017.

HIGHLIGHTS:

- Sales up 4.0% in second quarter, 2.4% year-to-date on strong organic growth.
- Gross margin strengthens further on revenue increase and cost efficiencies.
- Net earnings of $17.4 million or $0.42 per Class A share through first six months of year.
- Acquired three British Columbia premium estate wineries in early October 2017 for $95 million.
- 10.3% increase in common share dividends effective June 30, 2017.
- New Wayne Gretzky Estate Winery and Craft Distillery opened in Niagara-on-the-Lake on June 7, 2017.

"Our growth and strong operating performance continued in the second quarter of fiscal 2018," commented John Peller, Chief Executive Officer. "With the acquisition of three estate wineries in British Columbia's Okanagan Valley in October, we have significantly strengthened our high margin VQA portfolio and enhanced our long-term growth prospects."

"We continue to execute our proven value-enhancing strategies to build sales of our premium and ultra-premium brands, driving increased profitability to generate the resources to invest in further marketing programs to drive our long-term growth," added Randy Powell, President. "Looking ahead, we are confident fiscal 2018 will be another record year for the Company."

Sales for the three months ended September 30, 2017 rose 4.0% to $91.9 million from $88.4 million in the second quarter of fiscal 2017 due to solid organic growth across the majority of the Company's trade channels, selective price increases and the introduction of new products and new product categories. For the first six months of fiscal 2018 sales rose to $180.5 million, up 2.4% from $176.3 million last year.

Gross margin as a percentage of sales continued to strengthen in fiscal 2018, rising to 42.1% for the three months ended September 30, 2017 from 38.1% in the second quarter of the prior year. For the six months ended September 30, 2017 gross margin rose to 41.2% of sales from 38.5% of sales in the comparable prior year period. The Company continues to benefit from its ongoing initiatives to improve sales mix, reduce costs, and enhance production efficiencies.

Selling and administrative expenses have increased in fiscal 2018 compared to the prior year due primarily to increased costs related to an increase in marketing activities and support for new launches across the Company's product portfolio. The second quarter of fiscal 2018 included approximately $0.6 million in professional fees related to the acquisition of three estate wineries completed in early October 2017 which is comparable to the $0.8 million recognized in the second quarter of 2017 for professional services fees related to a strategic acquisition that was not completed. These non-recurring costs in fiscal 2018 have been partially offset by a decrease in compensation expense of approximately $0.7 million due to a change in long-term incentive plan from a cash based annual plan to a share compensation plan. 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 $16.3 million for the three months ended September 30, 2017 compared to $12.6 million in the second quarter of fiscal 2017. For the six months ended September 30, 2017 EBITA was $30.7 million, up from $27.4 million last year. The increases are driven by the increased sales and strengthened gross margins, partially offset by increased investments in marketing programs in fiscal 2018.

The Company recorded net unrealized non-cash gains in the second 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 $9.1 million for the three months ended September 30, 2017 compared to $6.8 million in the same period last year. For the six months ended September 30, 2017 adjusted earnings were $17.3 million compared to $15.4 million last year.

Net earnings for the three and six months ended September 30, 2017 were $9.2 million or $0.22 per Class A Share and $17.4 million or $0.42 per Class A share, respectively, compared to $7.6 million or $0.18 per Class A Share and $16.2 million or $0.39 per Class A share, respectively, in the same periods last year.

Strong Financial Position

On September 29, 2017, the Company amended and restated its debt facilities. Amendments include a revised maturity date of September 29, 2022, revised financial covenants and updated applicable margins based on the Company's leverage. Additionally, the total borrowing limit was increased to $310 million and separated into two facilities: a revolving, non-amortizing facility with a borrowing limit of $90 million to be used for day-to-day operations, distributions and capital expenditures and a revolving, amortizing investment facility with a borrowing limit of $220 million to be used for acquisitions or capital expenditures. The initial draw on the investment facility was used to refinance the previous operating and capital term loans and fund the acquisitions of the three British Columbia premium estate wineries in early October 2017.

Overall bank debt increased to $125.7 million as at September 30, 2017 compared to $87.7 million at March 31, 2017. The increase is due primarily to $48.0 million drawn on the Company's credit facility related to the three estate winery acquisitions completed in early October 2017, of which $46.6 million was held in escrow as at September 30, 2017. The increase in bank debt has been partially offset by the strong earnings in fiscal 2018, the positive impact of working capital management, and regularly scheduled debt repayments. An additional $31.0 million was drawn on the Company's credit facility subsequent to September 30, 2017 to complete the three acquisitions. With the increase in debt, the Company's debt to equity ratio increased to 0.66:1 at September 30, 2017 compared to 0.49:1 at March 31, 2017. At September 30, 2017, the Company had unutilized debt capacity in the amount of approximately $61.0 million on its operating loan facility and approximately $122.5 million on its investment facility (not including the $31.0 million drawn subsequent to September 30, 2017 to complete the acquisitions).

Shareholders' equity as at September 30, 2017 increased to $190.9 million or $4.48 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.

For the six months ended September 30, 2017, the Company generated cash from operating activities, after changes in non-cash working capital items, of $22.8 million compared to $20.3 million in the prior year. Investing activities of $56.7 million in the first six months of fiscal 2018 compared to $11.2 million in the prior year. The advance of $46.6 million shown in restricted cash relates to the investment in the three acquired wineries completed subsequent to September 30, 2017. The remaining investing activities related to capital expenditures to sustain operations, 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.

Subsequent Events

On October 1, 2017 the Company acquired 100% of the issued and outstanding shares of Gray Monk Cellars Ltd. and Tinhorn Creek Vineyards Ltd. and, on October 10, 2017, acquired 100% of the operating assets of Black Hills Estate Winery, all located in British Columbia's Okanagan Wine Valley. The three wineries complement the Company's VQA portfolio and significantly strengthen its presence in Western Canada. The combined purchase price of the acquisitions was approximately $94.8 million, funded by cash of $77.6 million from the Company's debt facilities and the issuance of approximately 1.6 million Class A common shares with an aggregate value of approximately $17.2 million. The Company has created an Integration Management Team and believes that it is on track to deliver the expected financial results for the acquired companies.

Investor Conference Call

An investor conference call hosted by the company's management team will be held this afternoon, Wednesday, November 1, 2017 at 3.30 p.m. EST. The telephone numbers for the conference call are: Local/International: (416) 340-2216, North American Toll Free: (866) 223-7781. The telephone numbers to listen to the call after it is completed (Instant Replay) are local/international (905) 694-9451 or North American toll free (800) 408-3053. The Passcode for the Instant Replay is 4283240#. The Instant Replay will be available until midnight, November 9, 2017. The call will also be archived on the Company's website at www.andrewpeller.com

Financial Highlights (Unaudited)

(Condensed consolidated unaudited financial statements to follow)

For the three and six months ended September 30,	Three Months		Six Months	
(in $000)	2017	2016	2017	2016
Sales	**91,857**	88,357	**180,497**	176,263
Gross margin	**38,693**	33,644	**74,297**	67,787
Gross margin (% of sales)	**42.1%**	38.1%	**41.2%**	38.5%
Selling and administrative expenses	**22,403**	21,061	**43,549**	40,401
EBITA	**16,290**	12,583	**30,748**	27,386
Net unrealized gains on derivative financial instruments	**(285)**	(1,128)	**(351)**	(1,175)
Other expenses	**70**	56	**215**	83
Adjusted net earnings	**9,067**	6,837	**17,316**	15,395
Net earnings	**9,226**	7,630	**17,417**	16,203
Earnings per share – Class A	**$0.22**	$0.18	**$0.42**	$0.39
Earnings per share – Class B	**$0.19**	$0.16	**$0.37**	$0.34
Dividend per share – Class A (annual)			**$0.180**	$0.163
Dividend per share – Class B (annual)			**$0.157**	$0.142
Cash provided by operations (after changes in non-cash working capital items)			**22,758**	20,256
Shareholders' equity per share			**$4.48**	$3.97

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 Vintners' Quality Alliance ("VQA") brands include *Peller Estates, 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 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 quality and value priced brands. The Company also produces wine based liqueurs and cocktails under the brand *Panama Jack* and a 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 in 2017, expanded the Spirits portfolio with *No. 99 Ice Cask*, *99 Proof* and *No. 99 Canadian Whisky Cream* products. 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 500 independent retailers across Canada, with additional distributors in 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 other raw materials; fluctuations in the U.S./Canadian dollar, Euro/Canadian dollar, and Australian/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)	September 30 2017 $	March 31 2017 $
Assets		
Current Assets		
Restricted cash (note 10)	**46,556**	-
Accounts receivable	**33,306**	26,973
Inventory	**122,868**	129,088
Biological assets	**3,264**	1,400
Prepaid expenses and other assets	**2,947**	3,106
	208,941	160,567
Property, plant, and equipment	**123,123**	118,838
Intangibles	**10,186**	10,600
Goodwill	**37,473**	37,473
Derivative financial instruments (note 7)	**184**	-
	379,907	327,478
Liabilities		
Current Liabilities		
Bank indebtedness (note 8)	**28,954**	36,620
Accounts payable and accrued liabilities	**36,686**	36,260
Dividends payable	**1,864**	1,690
Income taxes payable	**2,898**	2,348
Current portion of derivative financial instruments (note 7)	**901**	418
Current portion of long-term debt (note 8)	**4,980**	4,406
	76,283	81,742
Long-term debt (note 8)	**91,761**	46,678
Derivative financial instruments (note 7)	**-**	642
Post-employment benefit obligations	**5,061**	5,279
Deferred income taxes	**15,880**	15,820
	188,985	150,161
Shareholders' Equity		
Capital stock	**6,967**	6,967
Contributed surplus (note 9)	**35**	-
Retained earnings	**187,883**	174,193
Accumulated other comprehensive loss	**(3,963)**	(3,843)
	190,922	177,317
	379,907	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**	**For the three months ended**	**For the three months ended**	**For the six months ended**	**For the six months ended**
	September 30, 2017	**September 30, 2016**	**September 30, 2017**	**September 30, 2016**
(in thousands of Canadian dollars)	**$**	**$**	**$**	**$**
Sales	**91,857**	88,357	**180,497**	176,263
Cost of goods sold (note 4)	**53,164**	54,713	**106,200**	108,476
Amortization of plant and equipment used in production	**1,709**	1,601	**3,381**	3,187
Gross profit	**36,984**	32,043	**70,916**	64,600
Selling and administration (note 4)	**22,403**	21,061	**43,549**	40,401
Amortization of plant, equipment, and intangibles used in selling and administration	**856**	838	**1,666**	1,668
Interest	**1,157**	780	**1,940**	1,563
Net unrealized gains on derivative financial instruments (note 7)	**(285)**	(1,128)	**(351)**	(1,175)
Other expenses	**70**	56	**215**	83
Earnings before income taxes	**12,783**	10,436	**23,897**	22,060
Provision for income taxes				
Current	**3,445**	2,299	**6,378**	5,308
Deferred	**112**	507	**102**	549
	3,557	2,806	**6,480**	5,857
Net earnings for the period	**9,226**	7,630	**17,417**	16,203
Net earnings per share				
Basic				
Class A shares	**0.22**	0.18	**0.42**	0.39
Class B shares	**0.19**	0.16	**0.37**	0.34
Diluted				
Class A shares	**0.22**	0.18	**0.42**	0.39
Class B shares	**0.19**	0.16	**0.37**	0.34

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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 six months ended	For the six months ended
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
(in thousands of Canadian dollars)	$	$	$	$
Net earnings for the period	**9,226**	7,630	**17,417**	16,203
Items that are never reclassified to net earnings				
Net actuarial gains (losses) on post-employment benefit plans	**1,237**	(551)	**(162)**	(1,974)
Deferred income taxes	**(322)**	143	**42**	513
Other comprehensive income (loss) for the period	**915**	(408)	**(120)**	(1,461)
Net comprehensive income for the period	**10,141**	7,222	**17,297**	14,742

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 Changes in Equity

For the six months ended September 30, 2017 and 2016

Unaudited

These financial statements have not been reviewed by our auditors

(in thousands of Canadian dollars)

	Capital stock $	Contributed surplus $	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	-	-	16,203	-	16,203
Net actuarial losses (net of deferred tax recovery)	-	-	-	(1,461)	(1,461)
Net comprehensive income for the period	-	-	16,203	(1,461)	14,742
Dividends (Class A $0.0816 per share, Class B $0.0710 per share)	-	-	(3,382)	-	(3,382)
Balance at September 30, 2016	6,967	-	167,426	(5,297)	169,096
Balance at April 1, 2017	6,967	-	174,193	(3,843)	177,317
Net earnings for the period	-	-	17,417	-	17,417
Net actuarial losses (net of deferred tax recovery)	-	-	-	(120)	(120)
Net comprehensive income for the period	-	-	17,417	(120)	17,297
Share-based compensation (note 9)	-	35	-	-	35
Dividends (Class A $0.090 per share, Class B $0.0783 per share)	-	-	(3,727)	-	(3,727)
Balance at September 30, 2017	6,967	35	187,883	(3,963)	190,922

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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 six months ended September 30, 2017 $	For the six months ended September 30, 2016 $
Cash provided by (used in)		
Operating activities		
Net earnings for the period	**17,417**	16,203
Adjustments for:		
Loss (gain) on disposal of property and equipment	**32**	(175)
Amortization of plant, equipment, and intangible assets	**5,047**	4,855
Interest expense	**1,940**	1,563
Provision for income taxes	**6,480**	5,857
Post-employment benefits	**(380)**	(365)
Deferred income	**-**	(102)
Net unrealized gain on derivative financial instruments	**(351)**	(1,175)
Share-based compensation	**35**	-
Interest paid	**(1,387)**	(1,486)
Income taxes paid	**(5,828)**	(5,305)
	23,005	19,870
Changes in non-cash working capital items related to operations (note 5)	**(247)**	386
	22,758	20,256
Investing activities		
Increase in restricted cash	**(46,556)**	-
Proceeds from disposal of property, plant and equipment	**-**	175
Purchase of property, plant and equipment	**(9,941)**	(11,360)
Purchase of intangibles	**(205)**	-
	(56,702)	(11,185)
Financing activities		
Decrease in bank indebtedness	**(7,666)**	(3,827)
Drawings of long-term debt	**48,000**	-
Repayment of long-term debt	**(1,792)**	(2,000)
Deferred financing costs	**(1,045)**	-
Dividends paid	**(3,553)**	(3,244)
	33,944	(9,071)
Increase (decrease) in cash during the period	**-**	-
Cash, beginning of period	**-**	-
Cash, end of period	-	-

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