ANDREW PELLER LIMITED REPORTS SOLID PERFORMANCE THROUGH FIRST NINE MONTHS OF FISCAL 2019

GRIMSBY, Ontario – February 6, 2019 – Andrew Peller Limited ADW.A/ADW.B ("APL" or the "Company") announced strong growth and operating performance for the three and nine months ended December 31, 2018.

FISCAL 2019 HIGHLIGHTS:

- Sales up 6.3% year-to-date on solid performance across majority of the Company's trade channels;
- Gross margin strengthens to 42.3% for nine months ended December 31, 2018;
- Adjusted EBITA of $51.7 million and adjusted net earnings of $27.9 million ($0.65 per Class A Share);
- 13.9% increase in common share dividends in June 2018; and
- Revenue in the third quarter is flat compared to fiscal 2018 and Adjusted EBITA is down $4.6 million as a result of investments in future growth.

"We continue to drive solid performance across the majority of our trade channels," commented John Peller, Chief Executive Officer. "Looking ahead, we are on track for growth as we capitalize on our strong market presence and strengthening sales and marketing programs."

"Fiscal 2019 has been a year of significant investment in supporting brand development, systems planning and production efficiency, investments that we are confident will generate significant benefits going forward. Early beneficiaries of these investments are our premium wine portfolio and craft cider businesses, both showing strong growth." added Randy Powell, President.

Continuing Strong Operating and Financial Performance

Sales for the nine months ended December 31, 2018 rose 6.3% to $302.0 million due primarily to the acquisition of three estate wineries in October 2017 and solid performance across the majority of the Company's well-established trade channels. Third quarter sales were impacted by short-term competitive price discounts for certain value-priced products in Western Canada. As well, the Company continues to rationalize its product line, focusing on higher margin brands, and expects this initiative will be completed in the first quarter of fiscal 2020.

Gross margin as a percentage of sales strengthened in the first nine months of fiscal 2019 to 42.3% from 41.4% in the prior year. Gross margin in fiscal 2019 is benefiting 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 nine months ended December 31, 2018 the Company recorded a charge of $5.2 million to cost of goods sold as a result of this adjustment compared to $1.9 million in fiscal 2018. Gross margin in the third quarter of fiscal 2019 was also impacted by certain short-term cost increases in bulk wine purchases due to poor crops in international markets. Management is continually focused on enhancing production efficiency and productivity and believes gross margin will strengthen over the long term.

Selling and administrative expenses increased in the first nine months of fiscal 2019 compared to the prior year due to the addition of the three estate wineries acquired in October 2017. There were also additional expenditures related to compensation to build out our marketing team, extensive consumer research, large innovation projects and the creation of new marketing campaigns, to be launched in the first quarter of fiscal 2020. Selling and administrative expenses also increased by approximately $1.2 million in the first nine months of fiscal 2019 due to the increase in minimum wage in Ontario.

Other income in the third quarter of last year includes a one-time gain of approximately $4.2 million related to one of the acquisitions completed in October 2017.

Earnings before interest, amortization, net unrealized gains and losses on derivative financial instruments, other (income) expenses, and income taxes ("EBITA") was $46.3 million for the nine months ended December 31, 2018 compared to $48.6 million in the prior year. EBITA in the first nine months of fiscal 2019 was impacted by the increase in selling and administrative expenses and the larger reduction in margin due to the inventory fair value adjustment charged to cost of sales, partially offset by the increase in sales and the overall improved gross margin. Adjusted EBITA, which excludes from EBITA one-time acquisition related charges, was $51.7 million for the nine months ended December 31, 2018 compared to $51.5 million last year. For the three months ended December 31, 2018 EBITA was $14.4 million compared to $17.8 million in the same quarter last year. The change is due to the reduced gross margin and the higher selling and administrative expenses. Adjusted EBITA was $15.6 million in the third quarter of fiscal 2019 compared to $20.2 million in the prior year.

Interest expense has increased in fiscal 2019 compared to the prior year primarily due to long-term debt incurred to complete the three acquisitions in October 2017. Amortization expense has also increased due to the addition of the three acquired wineries.

The Company recorded a net unrealized non-cash loss in the three and nine months ended December 31, 2018 of $1.5 million and $0.6 million respectively related to mark-to-market adjustments on interest rate swaps and foreign exchange contracts. This is compared to a net unrealized non-cash gain in the three and nine months ended December 31, 2017 of $0.2 million and $0.6 million respectively.

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 $27.9 million for the nine months ended December 31, 2018 compared to $30.2 million in the prior year. Net earnings for the first nine months of fiscal 2019 were $21.9 million or $0.51 per Class A Share compared to $31.8 million or $0.76 per Class A Share in the prior year. Net earnings in the third quarter and first nine months of fiscal 2018 included a one-time gain of approximately $4.2 million related to one of the acquisitions completed in October 2017.

Maintaining a Strong Financial Position

Overall bank debt decreased to $164.0 million at December 31, 2018 from $171.7 million at March 31, 2018 due to the strong earnings in 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 0.69:1 at December 31, 2018 compared to 0.78:1 at March 31, 2018. At December 31, 2018, the Company had unutilized debt capacity in the amount of $45.0 million on its operating facility and $100.4 million on its investment facility.

Shareholders' equity as at December 31, 2018 increased to $236.7 million or $5.36 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 nine months ended December 31, 2018, the Company generated cash from operating activities, after changes in non-cash working capital items, of $32.4 million compared to $18.5 million in the prior year. Investing activities were $18.2 million and relate primarily to capital expenditures to improve operations. In the third quarter of fiscal 2018 the Company invested approximately $96.6 million in the acquisition of three wineries.

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 and nine months ended December 31,	**Three Months**		**Nine months**	
(in $000)	**2018**	2017	**2018**	2017
Sales	**103,152**	103,583	**$302,016**	$284,080
Gross margin	**42,133**	43,217	**127,698**	117,514
Gross margin (% of sales)	**40.8%**	41.7%	**42.3%**	41.4%
Selling and administrative expenses	**27,780**	25,384	**81,377**	68,933
EBITA	**14,353**	17,833	**46,321**	48,581
Adjusted EBITA	**15,599**	20,175	**51,739**	51,485
Interest	**1,920**	1,656	**5,817**	3,596
Net unrealized loss (gain) on derivative financial instruments	**1,478**	(216)	**511**	(567)
Other expenses (income)	**27**	(4,092)	**394**	(3,877)
Adjusted net earnings	**7,761**	12,402	**27,931**	30,207
Net earnings	**5,432**	14,391	**21,874**	31,808
Earnings per share – Class A	**$0.13**	$0.33	**$ 0.51**	$0.76
Earnings per share – Class B	**$0.11**	$0.29	**$ 0.44**	$0.66
Adjusted earnings per share – Class A	**$0.18**	$0.29	**$ 0.65**	$0.72
Adjusted earnings per share – Class B	**$0.16**	$0.25	**$ 0.56**	$0.63
Dividend per share – Class A (annual)			**$0.2050**	$0.1800
Dividend per share – Class B (annual)			**$0.1783**	$0.1565
Cash provided by operations (after changes in non-cash working capital items)			**32,365**	18,510
Shareholders' equity per share			**$5.36**	$5.03

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 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.

For more information, please contact:
Mr. Steve Attridge, CFO and Executive Vice-President, IT
(905) 643-4131