



Russell Breweries Inc. Announces Fiscal Results for Q2 Fiscal 2012 Company Reports Positive EBITDA for First Half of Year

VANCOUVER, Canada - March 2, 2012 - Russell Breweries Inc. (TSX.V:RB), a producer of premium craft beer, releases its financial results for the second quarter of Fiscal 2012, ended December 2011.

"We are pleased with the performance of the Company over the first half of 2012 fiscal year", says Brian Harris, CEO. "We have achieved EBITDA positive of \$28,725 for 2012F YTD compared to a negative EBITDA of \$211,199 for the six months ended December 31, 2010, which is a result of continued cost savings and reduction of expenses while increasing sales and margin in an extremely competitive market."

First and Second Quarter Highlights ("2012 YTD")

Russell Breweries Inc. generated \$4,116,726 gross sales for 2012F YTD up \$222,319 or 5.7% compared to \$3,894,407 for the six months ended December 31, 2011 ("2011F YTD"). Net Sales for 2012F YTD were \$3,130,659 up \$121,730 or 4% compared to \$3,008,929 for 2011F YTD.

The gross margin for 2012F YTD increased \$149,408 or 10% to \$1,625,040 compared to \$1,475,632 for 2011F YTD. The gross margin percentage of 2012F YTD was up 3% to 52% compared to 49% for 2011F YTD. The increase in gross margin is primarily a result of the continued sales growth in higher margin premium brands.

Selling, general and administration expenses for 2012F YTD decreased \$90,516 to \$1,596,315 from \$1,686,831 of 2011F YTD. Other expenses for 2012F YTD were up \$10,728 to \$170,547 compared to \$159,819 for 2011F YTD.

The Company had a net loss of \$368,321 for 2012F YTD compared to the net loss of \$600,578 for 2011F YTD, a decrease of \$233,257 or 39%. The decrease in net loss is primarily a result of \$149,408 increase in gross margin and \$90,516 decrease in selling, general and administrative expenses which is offset by an increase of \$10,728 in other expenses.

Second Quarter Highlights ("Q2 2012F")

The Company generated \$1,920,142 gross sales for Q2 2012F up \$123,805 or 6.9% compared to \$1,796,337 for the three months ended December 31, 2011 ("Q2 2011F"). Net Sales for Q2 2012F were \$1,474,424 up \$56,811 or 4% compared to \$1,417,613 for Q2 2011F.

The gross margin for Q2 2012F increased \$175,724 or 30% to \$752,452 compared to \$576,728 for Q2 2011F. The gross margin percentage of Q2 2012F was up 10% to 51% compared to 41% for Q2 2011F. The increase in gross margin is primarily a result of the continued sales growth in higher margin premium brands.

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Selling, general and administration expenses for Q2 2012F were \$841,377 down \$92,740 or 10% compared to \$934,117 for the comparable period ended December 31, 2010 ("Q2 2011F"). Other expenses for Q2 2012F were down \$3,857 to \$85,433 compared to \$89,290 for Q2 2011F.

The Company had a net loss of \$286,193 for Q2 2012F compared to the net loss of \$553,803 for Q2 2011F.

For further details the Company's complete MD&A and financial statements for the three and six months ending December 31, 2011 and 2010 are available on SEDAR at www.sedar.com and the Company's web site at www.russellbeer.com.

Russell Breweries Inc produces premium beers in Western Canada in breweries located in BC and Manitoba. All products are held to the highest quality standards, brewed without any preservatives, ensuring that the passion that goes into crafting the beers comes through in the taste. Russell Breweries Inc. is a public company trading on the TSX Venture Exchange under the symbol "RB".

For more information, please contact:

Brian Harris | CEO

Russell Breweries Inc.

Direct Line: 778.846.2335

Brewery: 604.599.1190

Fax: 604.596.1048

bharris@russellbeer.com