



## **Russell Breweries Inc. Announces Fiscal Results for Q3 Fiscal 2012 Company Reports Positive EBITDA for First Nine Months of Year**

### **FOR IMMEDIATE RELEASE**

**VANCOUVER, Canada – May 30, 2012** - Russell Breweries Inc. (TSX.V:RB), a producer of premium craft beer, releases its financial results for the third quarter of Fiscal 2012, ended March 31, 2012.

“We are pleased with the performance of the Company over the first nine months of 2012 fiscal year,” says Brian Harris, CEO. “We have achieved EBITDA positive of \$3,266 for 2012F YTD compared to a negative EBITDA of \$350,865 for the nine months ended March 31, 2011, which is a result of continued cost savings and reduction of expenses while increasing sales and margin in an extremely competitive market.”

### **First Nine Month Highlights (“2012 YTD”)**

Russell Breweries Inc. generated \$6,064,116 gross sales for 2012F YTD up \$354,818 or 6% compared to \$5,709,298 for the nine months ended March 31, 2011 (“2011F YTD”). Net Sales for 2012F YTD were \$4,665,014 up \$160,167 or 4% compared to \$4,504,847 for 2011F YTD.

The gross margin for 2012F YTD increased \$360,110 or 17% to \$2,459,819 compared to \$2,099,709 for 2011F YTD. The gross margin percentage of 2012F YTD was up 6% to 53% compared to 47% for 2011F YTD. The increase in gross margin is primarily a result of the continued sales growth in higher margin premium and super premium brands.

Selling, general and administration expenses for 2012F YTD increased \$5,979 to \$2,456,553 from \$2,450,574 of 2011F YTD. Other expenses for 2012F YTD were up \$57,800 to \$268,827 compared to \$211,027 for 2011F YTD.

The Company had a net loss of \$610,724 for 2012F YTD compared to the net loss of \$906,839 for 2011F YTD, a decrease of \$296,115 or 33%. The decrease in net loss is primarily a result of \$360,110 increase in gross margin which is offset by \$5,979 increase in selling, general and administrative expenses and \$57,800 increase in other expenses.

### **Third Quarter Highlights (“Q3 2012F”)**

The Company generated \$1,947,390 gross sales for Q3 2012F up \$132,499 or 7% compared to \$1,814,891 for the three months ended March 31, 2011 (“Q3 2011F”). Net Sales for Q3 2012F were \$1,534,355 up \$38,437 or 3% compared to \$1,495,918 for Q3 2011F.

The gross margin for Q3 2012F increased \$210,702 or 34% to \$834,779 compared to \$624,077 for Q3 2011F. The gross margin percentage of Q3 2012F was up 12% to 54% compared to 42% for Q3 2011F. The increase in gross margin is primarily a result of the continued sales growth in higher margin premium and super premium brands.

Selling, general and administration expenses for Q3 2012F were \$860,238 up \$96,495 or 13% compared to \$763,743 for the comparable period ended March 31, 2011 ("Q2 2011F"). Other expenses for Q3 2012F were up \$47,072 to \$98,280 compared to \$51,208 for Q3 2011F.

The Company had a net loss of \$241,403 for Q3 2012F compared to the net loss of \$306,261 for Q3 2011F.

For further details the Company's complete MD&A and financial statements for the three and nine months ending March 31, 2012 and 2011 are available on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's web site at [www.russellbeer.com](http://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".

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