



Russell Breweries Inc. Announces Results for Q1 Fiscal 2013 Company Reports \$147,646 EBITDA Positive

VANCOUVER, Canada – November 29, 2012 - Russell Breweries Inc. (TSX.V:RB), a producer of premium craft beer, releases its financial results for the first quarter of Fiscal 2013, ended September 30, 2012.

“We are pleased with the continuing improvement of the Company over Q1 of 2013 fiscal year”, says Brian Harris, CEO. “We have continued to grow in a highly competitive market. Our margins have improved and cost controls and other initiatives implemented have resulted in an improved bottom line. The Company is \$147,646 EBITDA positive for Q1 of fiscal 2013 compared to EBITDA of \$117,650 for Q1 of fiscal 2012. The Company also achieved earnings of \$169,939 after adjusting for items not affecting cash for Q1 of fiscal 2013 compared to \$104,159 for Q1 of fiscal 2012, an improvement of \$65,780.”

Q1 Fiscal 2013 Highlights

Russell Breweries Inc. generated \$2,325,082 gross sales for Q1 2013F, up \$128,498 or 6% compared to \$2,196,584 for the three months ended September 30, 2011 (“Q1 2012F”). Net Sales for Q1 2013F were \$1,806,789 up \$150,554 or 9% compared to \$1,656,235 for Q1 2012F. The increase in the sales volumes of the Company’s premium and super premium brands were key drivers for the increase in gross and net revenue, which reflects the Company’s recent marketing strategy with a focus on premium brands.

The gross margin for Q1 2013F increased \$100,332 or 12% to \$921,943 compared to \$821,611 for Q1 2012F. The gross margin percentage of Q1 2013F was up 1% to 51% compared to 50% for Q1 2012F. 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 Q1 2013F were \$854,841 up \$69,191 or 9% compared to \$785,650 for Q1 2012F. Other expenses for Q1 2013F were up \$10,039 to \$95,153 compared to \$85,114 for Q1 2012F. The increase is primarily a result of \$12,864 increase in accretion of convertible debentures maturing in November 2012.

The Company has reclassified the depreciation charge for manufacturing property and equipment to cost of sales and certain selling and distribution costs to selling, general and administrative expense. For Q1 2013F, \$80,544 of \$115,901 depreciation have been reclassified to cost of sales compared to \$81,689 of 115,664 for Q1 2012F.

The Company had a net loss of \$63,408 for Q1 2013F compared to the net loss of \$83,128 for Q1 2012F. The decrease in net loss is primarily a result of \$100,332 increase in gross margin, which is offset by \$69,191 increase in selling, general and administrative expenses, and \$10,039 increase in other expenses.

For further details the Company's complete MD&A and financial statements for the three months ending September 30, 2012 and 2011 are available on SEDAR at www.sedar.com and the Company's web site at www.russellbeer.com.

About Russell Breweries Inc.

Russell Breweries Inc. is a leading Western Canadian brewer. It brews, markets, sells and distributes a diverse portfolio of award-winning beers that are produced by its wholly-owned regional breweries: Russell Brewing Company in British Columbia and Fort Garry Brewing Company in Manitoba. Both breweries are dedicated to producing high-quality, flavourful ales and lagers. Russell Breweries Inc. is publicly listed on the TSX Venture Exchange (TSX.V: RB).

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