



## **TEST CRAFT BREWERY NOW OPEN IN EASTERN CHINA**

**Update on Technology and Trademark License Agreement for China**

### **FOR IMMEDIATE RELEASE**

**VANCOUVER, Canada – October 2, 2013** – Russell Breweries Inc. is pleased to report that its partners in China (Russell Breweries Inc. China “RBIC”) have now completed construction on the new test brewery in Hefei, China. The brewery is now fully operational and its adjoining restaurant is ready to open in the coming days.

This will be the first brewery in this region of China to offer premium small-batch beers made to North American craft brewing standards. Standard quality control protocols will be monitored by a Senior Brewer, Kevin Wilson from the Company’s head office in British Columbia, Canada. Kevin is currently in China training local brewers and overseeing the implementation of the company’s stringent quality control measures to ensure product consistency.

“This is an exciting partnership opportunity for the Company,” said (Benjamin) Li Yu, Interim CEO, Russell Breweries Inc. “China is the world’s largest beer market, however craft beer is still in its infancy. We see a significant growth opportunity in this segment. Changing consumer preferences are propelling a type of craft beer revolution, and China is on track to become the next craft beer powerhouse. As one of the first North American craft brewers to establish a presence in China, Russell is well positioned to capitalize on this emerging market.”

The brewery is located in the city of Hefei which is the Capital and largest city in the Anhui Province of Eastern China with a population of 5.7 million. It is a booming industrial city that is open to international development and has had very strong economic growth.

### **About Russell Breweries Inc.**

Russell Breweries Inc. is 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).

### **About Russell Breweries Inc. China**

In 2012 Russell Breweries Inc. signed a definitive agreement with FVI Capital Inc., a Vancouver-based private equity company, for a non-exclusive technology and trade mark license agreement to import, produce, package, use, market, sell and distribute Russell brands in China, Hong Kong and Taiwan. The principal terms of the agreement included an initial up-front licensing fee and ongoing royalties based on volume of beer produced and sold in China. Under the terms of the agreement, a new Company named Russell Breweries China Inc. ("RBCI") was established and Russell Breweries Inc. subscribed for a 20% equity position.

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