

Russell Breweries Inc. Announces Results for the First Half of Fiscal 2014
Company Reports \$450,108 EBITDA Positive

VANCOUVER, Canada - February 27, 2014 - Russell Breweries Inc. (TSX.V:RB), a producer of premium craft beer, releases its financial results for the first half of Fiscal 2014, ended December 31, 2013.

We are pleased with the continuing improvement of the Company over Q2 of 2014 fiscal year, says Benjamin Li Yu, CEO. We have continued to go in the right direction 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 \$450,108 EBITDA positive for the first half of fiscal 2014 compared to EBITDA positive of \$230,131 for the first half of fiscal 2013. The Company also achieved earnings of \$378,665 after adjusting for items not affecting cash for the first half of fiscal 2014 compared to \$202,835 for the comparable period of fiscal 2013, an improvement of \$175,830.

First Half of Fiscal 2014 Highlights

Russell Breweries Inc. generated \$5,014,674 gross revenue for the first half of fiscal 2014 ("2014F YTD"), up \$705,046 or 16% compared to \$4,309,628 for the same period of fiscal 2013 ("2013F YTD"). Net revenue for the first half of fiscal 2014 were \$3,912,060 up \$594,741 or 18% compared to \$3,317,319 for the comparable period of fiscal 2013. The increase is mainly due to increased pricing and volumes, optimizing product mix and the addition of sales personnel to service wider geographical area.

The gross margin for 2014F YTD increased by \$406,949 or 22% to \$2,253,400 compared to \$1,846,451 for 2013F YTD. The gross margin percentage of 2014F YTD was up 2% to 58% compared to 56% for 2013F YTD. The increase is mainly due to increased pricing and optimizing product mix to improve margin contribution.

Selling, general and administration expenses for 2014F YTD were \$1,954,954 up \$190,401 or 11% compared to \$1,764,553 for 2013F YTD.

The Company had a net income of \$185,617 for 2014F YTD compared to the net loss of \$151,100 for 2013F YTD. The increase in net income is primarily due to an increase in gross margin of \$406,949, which is offset by increase in selling, general and administrative expenses of \$190,401 and decrease in other expenses of \$93,341.

For further details the Company's complete MD&A and financial statements for the three and six months ending December 31, 2013 and 2012 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".

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