

## **Russell Breweries Inc. Announces Results for the First Nine Months of Fiscal 2014 Company Reports \$663,277 EBITDA Positive**

**VANCOUVER, Canada – May 27, 2014** - Russell Breweries Inc. (TSX.V:RB), a producer of premium craft beer, releases its financial results for the first nine months of Fiscal 2014, ended March 31, 2014.

We are pleased with the continuing improvement of the Company over Q3 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 improved bottom line in the last three quarters consecutively. The Company is \$663,277 EBITDA positive for the nine months of fiscal 2014 compared to EBITDA positive of \$450,466 in the same period of fiscal 2013.

### **First Nine Months of Fiscal 2014 Highlights**

Russell Breweries Inc. generated \$7,063,571 gross revenue for the first nine months of fiscal 2014 ("2014F YTD"), up \$835,250 or 13% compared to \$6,228,321 for the same period of fiscal 2013 ("2013F YTD"). Net revenue for 2014F YTD were \$5,565,663 up \$708,657 or 15% compared to \$4,857,006 for 2013F YTD. The increase is mainly due to increased pricing and volumes, optimized product mix and the addition of sales personnel to service wider geographical area.

The gross margin for 2014F YTD increased by \$368,810 or 13% to \$3,166,326 compared to \$2,797,516 for 2013F YTD. The gross margin percentage of 2014F YTD was down 1% to 57% compared to 58% for 2013F YTD. The decrease is mainly due to the higher cost of raw materials and packaging materials.

Selling, general and administration expenses for 2014F YTD were \$2,738,568 up \$151,483 or 6% compared to \$2,587,085 for 2013F YTD.

The Company had a net income of \$248,263 for Q3 2014F compared to the net loss of \$77,505 for the nine months ended March 31, 2013 ("2013F YTD"). The increase in net income is primarily due to an increase in gross margin of \$368,810, which is offset by increase in selling, general and administrative expenses of \$151,483 and decrease in other expenses of \$72,263.

For further details the Company's complete MD&A and financial statements for the three and nine months ending March 31, 2014 and 2013 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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