



## **Russell Breweries Inc. Announces Q1 Fiscal 2015 Results**

**VANCOUVER, Canada – November 28, 2014** - Russell Breweries Inc. (TSX.V:RB), a producer of premium craft beer, releases its financial results for the first quarter of Fiscal 2015, ended September 30, 2014.

The Company is \$25,748 EBITDA positive for Q1 of fiscal 2015 ("Q1 2015F") compared to EBITDA positive of \$239,195 for Q1 of fiscal 2014 ("Q1 2014F").

### **Q1 Fiscal 2015 Highlights**

Gross revenue for Q1 2015F were \$2,475,006 down \$2,281 or 0% compared to \$2,477,287 for Q1 2014F. Net sales for Q1 2015F were \$2,002,642 up \$62,172 or 3% compared to \$1,940,470 for Q1 2014F.

The gross margin for Q1 2015F decreased by \$179,128 or 15% to \$979,400 compared to \$1,158,528 for Q1 2014F. The gross margin percentage of Q1 2015F was down 11% to 49% compared to 60% for Q1 2014F. The decrease in gross margin percentage is mainly due to increase in the cost of packaging materials from the shift to higher percentage of revenue in packaged beers compared to draft beers, increased in labour cost due to salary increase and bonus, higher depreciation cost from new equipment and production loss from the research and development of new brew flavours.

Selling, general and administration expenses for Q1 2015F were at \$1,048,671 up \$53,593 or 5% compared to \$995,078 for Q1 2014F.

The Company had a net loss and comprehensive loss of \$131,022 for the period ended September 30, 2014 ("Q1 2015F") compared to net income and comprehensive income of \$93,734 for the period ended September 30, 2013 ("Q1 2014F").

### **Additional Information**

EBITDA is a non-IFRS financial measure. EBITDA represents net income, excluding income tax expense, interest expense and amortization and accretion. EBITDA is an indication of the underlying business performance of the Company by removing certain non-cash adjustments from its calculation. The Company believes that the EBITDA trends are valuable indicators of whether its operations are generating sufficient operating cash flow to fund working capital needs and to fund capital expenditures. The Company uses the results depicted by the EBITDA for these purposes, an approach utilized by the majority of public companies in the food and beverage sector. EBITDA is intended to provide additional information, and does not have any standardized meaning prescribed by IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate these measures differently.

For further details the Company's complete MD&A and financial statements for the three months ended September 30, 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".

For more information, please contact:

Benjamin Li Yu | CEO

Russell Breweries Inc.

Tel: 604.599.1190

Fax: 604.596.1048

[benjamin.yu@russellbeer.com](mailto:benjamin.yu@russellbeer.com)

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