



Russell Breweries Inc. Announces Q3 Fiscal 2015 Results

VANCOUVER, Canada – May 29, 2015 - Russell Breweries Inc. (TSX.V:RB), a producer of premium craft beer, releases its financial results for the first nine months of fiscal 2015, ended March 31, 2015.

The Company is \$737,064 EBITDA positive for the first nine months of fiscal 2015 compared to EBITDA positive of \$663,277 for the first nine months of fiscal 2014.

First nine months of Fiscal 2015 Highlights

The Company had a net income and comprehensive income of \$347,699 for the nine months ended March 31, 2015 (2015F YTD) compared to the net income and comprehensive income of \$248,263 for the nine months ended March 31, 2014 (2014F YTD).

Gross revenue for 2015F YTD were \$7,424,916 up \$361,345 or 5% compared to \$7,063,571 for 2014F YTD. Net revenue for 2015F YTD were \$5,985,879 up \$420,216 or 8% compared to \$5,565,663 for 2014F YTD.

The gross margin for 2015F YTD is \$3,166,076 compared to \$3,166,326 for 2014F YTD. The gross margin percentage of 2015F YTD was down 4% to 53% compared to 57% for 2014F YTD. The decrease is mainly due to the reclassification of freight expenses from selling, general and administrative expenses to cost of sales, increased in labour cost due to annual salary increase and bonus, increased in cost of packaging materials from the shift to higher percentage of revenue in packaged beers compared to draft beers and the increased in repairs and maintenance to the breweries.

Selling, general and administration expenses for 2015F YTD were \$2,670,873 down \$67,695 or 2% compared to \$2,738,568 for 2014F YTD.

For further details the Company's complete MD&A and financial statements for the nine months ended March 31, 2015 and 2014 are available on SEDAR at www.sedar.com and the Company's web site at www.russellbeer.com.

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.

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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