



Russell Breweries Inc. Announces Q2 Fiscal 2016 Results

Company Reports \$274,709 EBITDA positive

VANCOUVER, Canada – March 1, 2016 - Russell Breweries Inc. (TSX.V:RB), a producer of premium craft beer, releases its financial results for the second quarter of Fiscal 2016, ended December 31, 2015.

The Company is \$274,709 EBITDA positive for Q2 of Fiscal 2016 ("Q2 2016F") compared to EBITDA positive of \$327,700 for Q2 of Fiscal 2015 ("Q2 2015F").

Q2 Fiscal 2016 Highlights

The Company had a net loss and comprehensive loss of \$11,033 for 2016F YTD compared to the net income and comprehensive income of \$48,702 for the period ended December 31, 2014 ("2015F YTD"). The increase in net loss and comprehensive loss is primarily due to the increase in selling, general and administrative expenses of \$393,333 offset by the increase in gross margin of \$346,511.

Net revenue for 2016F YTD were \$4,226,373 up \$232,434 or 6% compared to \$3,993,939 for 2015F YTD. The increase is mainly due to increased pricing and volumes and optimizing product mix.

The gross margin for 2016F YTD increased by \$346,511 or 17% to \$2,366,243 compared to \$2,019,732 for 2015F YTD. The gross margin percentage of 2016F YTD was up 5% to 56% compared to 51% for 2015F YTD. The increase is mainly due to the reclassification of freight expenses from cost of sales to selling, general and administration expenses.

Selling, general and administration expenses for 2016F YTD were \$2,255,481 up \$393,333 or 21% compared to \$1,862,148 for 2015F YTD.

For further details the Company's complete MD&A and financial statements for the six months ended December 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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