



Russell Breweries Inc. Announces Q1 Fiscal 2017 Results

Company Reports \$423,872 EBITDA positive

VANCOUVER, Canada – November 28, 2016 - Russell Breweries Inc. (TSX.V:RB), a producer of premium craft beer, releases its financial results for the first quarter of Fiscal 2017, ended November 30, 2016.

The Company reports a positive EBITDA of \$423,872 for Q1 of Fiscal 2017 ("Q1 2017F") compared to a positive EBITDA of \$88,203 for Q1 of Fiscal 2016 ("Q1 2016F").

Q1 Fiscal 2017 Highlights

The Company had a net income and comprehensive income of \$311,935 for Q1 2017F compared to net loss and comprehensive loss of \$49,745 for the three months ended September 30, 2015 ("Q1 2016F"). The increase in net income and comprehensive income is primarily due to the increase in gross margin of \$59,056 and the decrease in selling, general and administrative expenses of \$260,799.

Net revenue for Q1 2017F were \$2,228,582 up \$158,189 or 8% compared to \$2,070,393 for Q1 2016F mainly due to higher sales.

The gross margin for Q1 2017F increased by \$59,056 or 5% to \$1,226,921 compared to \$1,167,865 for Q1 2016F. The gross margin percentage of Q1 2017F was down 1% to 55% compared to 56% for Q1 2016F. The decrease in gross margin percentage is mainly due to higher cost of sales.

Selling, general and administration expenses for Q1 2017F were at \$892,095 down \$260,799 or 23% compared to \$1,152,894 for Q1 2016F.

For further details the Company's complete MD&A and financial statements for the three months ended September 30, 2016 and 2015 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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