



Russell Breweries Inc. Announces Q2 Fiscal 2017 Results

Company Reports Net and Comprehensive Income of \$2,557,365

VANCOUVER, Canada – March 01, 2017 - Russell Breweries Inc. (CVE:RB.H), a producer of premium craft beer, releases its financial results for the second quarter of Fiscal 2017, ended December 31, 2016.

The Company reports a net income and comprehensive income of \$2,557,365 for Q2 Fiscal 2017 ("Q2 2017F") compared to a net income and comprehensive income of \$38,712 for Q2 of Fiscal 2016 ("Q2 2016F").

Q2 Fiscal 2017 Highlights

On December 2, 2016, the Company completed the sale of substantially all of the assets utilized in its business of producing beers under the name "Fort Garry Brewing Company", for a purchase price of \$7,715,545 (the "Fort Garry Sale").

On December 16, 2016, the Company completed the sale of all of the assets utilized in its business of producing beers under the name "Russell Brewing Company", for a purchase price of \$1,800,000 (the "Russell Sale").

The increase in net income and comprehensive income is primarily due to the \$3,350,803 gain realized with the Fort Garry Sale and the Russell Sale that completed during the period, offset by the decrease in gross margin of \$742,557.

Net revenue for Q2 2017F were \$1,234,728, down \$921,252 or 43% compared to \$2,155,980 for Q2 2016F due to lower sales. The decrease in net revenue was primarily the result of a shortened quarter with less selling days before the Fort Garry Sale and the Russell Sale were completed, increased competition, and the impact of asset sale transaction closing activities to normal operations.

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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