

RUM Reports Increased Net Income in Q2

EDMONTON, August 29, 2012 – Rocky Mountain Liquor Inc. (TSX-V: RUM) (the “Company” or “Rocky Mountain”), listed on the TSX Venture Exchange (the “Exchange”), today reported its financial results for the period ending June 30, 2012.

Results Highlights for the 3-month period ending June 30, 2012:

- EBITDA was \$1,112,559 (2011 – 1,063,624), an increase of 4.6%;
- Sales were \$14,741,611 (2011 - \$14,365,599) , an increase of 2.6%;
- Gross margin was 23.0% (2011 – 22.0%);
- Operating margin was \$1,109,693 (2011 – \$1,036,244), an increase of 7.1%;
- Net income \$414,998 (2011 - \$163,195), an increase of 154.3%.

Results Highlights for the 6-month period ending June 30, 2012:

- EBITDA was \$1,411,339 (2011 – \$1,333,706), an increase of 5.8%;
- Sales were \$25,253,980 (2011 - \$24,405,572) , an increase of 3.5%;
- Gross margin was 23.1% (2011 – 21.6%);
- Operating margin was \$1,431,476 (2011 – \$1,273,770), an increase of 12.4%;
- Net income \$295,913 (2011 - \$17,693), an increase of 1572.5%.

During the three-month period ended June 30, 2012 the Company acquired one new store in Central Alberta resulting in 41 stores in operation at the end of the second quarter.

Sales revenue, operating margin and EBITDA have grown steadily year over year. As previously announced the repayment of subordinate debt in 2011 has resulted in savings on interest and associated fees. These savings combined with margin and operational improvements has increased net income for the period ending June 30, 2012 compared to the same period in 2011.

In June 2012 the Company was awarded the “Profit 200 Canada’s Fastest-Growing Companies” ranking in for the second consecutive year. The Company ranked 160th overall.

“We are pleased with the operational improvements, particularly margins,” said Mr. Peter Byrne, CEO. “We are executing our business model and have been consistent in acquiring existing private liquor stores in Alberta, as well as developing new locations.”

The Company’s unaudited consolidated financial statements and Management Discussion and Analysis for the three month period ended June 30, 2012 are available under the

Company's profile on SEDAR at www.sedar.com and also on the Company's website at www.ruminvestor.com .

About Rocky Mountain

Rocky Mountain owns 100% of Andersons Liquor Inc. ("Andersons"), headquartered in Edmonton Alberta, which now own and operate 41 private liquor stores in that province, up from 18 stores since the Common Shares began trading in December 2008. It is listed on the TSX Venture Exchange (TSX-V:RUM).

Forward-Looking Statements

This news release may contain "forward-looking statements" within the meaning of applicable securities laws relating to the future growth of the Company, and the ability to execute its business strategy. Readers are cautioned not to place undue reliance on forward-looking statements, and in particular results achieved in 2012 and previous periods. Past results might not be a certain indication of future performance, which is subject to other risks, including but not limited to changes in operational policies, changes in management, changes in strategic focus, market conditions and customer preferences. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things, the risks that these events may not materialize as well as those additional factors discussed in the section entitled "Risk Factors" in RUM's Management Discussion and Analysis, which can be obtained at www.sedar.com. If they do materialize, there remains a risk of non-execution for any reason.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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