



September 12, 2012

Castle Brands Sends Annual Letter to Shareholders

NEW YORK--(BUSINESS WIRE)-- Castle Brands Inc. (NYSE MKT: ROX), a developer and international marketer of premium and super-premium branded spirits and wine, today announced that the Company sent the following annual letter to its shareholders from the Chairman of the Board, Mark E. Andrews, III, and the Company's President and Chief Executive Officer, Richard J. Lampen:

Dear Fellow Shareholder,

We are pleased to announce that our fiscal year ended March 31, 2012 was very positive for Castle Brands. During the year, we continued to grow our most profitable brands, contained our SG&A expenses and significantly improved our financial flexibility.

For fiscal 2012, we reported total case sales (excluding ginger beer) of 333,529, a 9% increase in total case sales compared to the previous year. Because this growth came primarily from our higher value and higher margin brands such as Gosling's Rum, Jefferson's Bourbons and our Irish whiskeys, revenue increased 11% to \$35.5 million and gross margin increased over 12% to \$12.5 million.

While sales increased 11% for the year, our total SG&A expenses actually decreased 1%. We have a strong sales force and management team, which should allow us to continue to increase sales substantially without corresponding increases to costs. This ability to scale our business led to significantly stronger bottom line performance, with a 40% improvement in our EBITDA, as adjusted. We believe these trends will allow us to become solidly profitable and build substantial shareholder value.

Sales of Jefferson's Bourbons increased dramatically during the year. We also introduced Jefferson's Rye. We believe Jefferson's growth is still in its early stages, with significant untapped market opportunities. During the year, we completely renegotiated our supply agreements for our Irish whiskey brands, Knappogue Castle and Clontarf. Irish whiskey is a rapidly growing category with relatively less competition than other spirits categories, because there are currently only three distilleries in Ireland producing whiskey. We feel that we now have the supply in place to meet our aggressive growth targets over the years ahead for these profitable brands. We also launched an exciting extension to our Gosling Rum brand, a ready-to-drink "Dark 'n Stormy" cocktail, which we believe will add to that brand's growth.

Another very positive development during the year was the establishment of a \$5 million working capital credit facility with a substantial asset-based lender. The combination of significantly improved EBITDA, as adjusted, and the new credit facility gives us greater liquidity, which we believe will allow us to become profitable without further equity infusions. Subsequent to year-end and in support of our growth, we were able to increase the facility to \$7 million, giving us greater flexibility to take advantage of opportunities as they arise.

As we look ahead, we remain focused on maintaining this momentum in our business and on reaching our goals of becoming solidly profitable and building shareholder value.

Thank you for your ongoing support.

Sincerely,

Mark E. Andrews, III Chairman of the Board Richard J. Lampen President and Chief Executive Officer

About Castle Brands Inc.

Castle Brands is a developer and international marketer of premium beverage alcohol brands including: Gosling's Rum[®], Jefferson's[®], Jefferson's Presidential Select[™] and Jefferson's Reserve[®] bourbon, Boru[®] vodka, Pallini[®] Limoncello, Raspicello

and Peachcello, Knappogue Castle Whiskey[®], Clontarf[®] Irish whiskey, Betts & Scholl[™] wines, cc: wines[™], Celtic Honey[®] liqueur, Brady's[®] Irish Cream, A. De Fussigny[®] cognacs, Travis Hasse's Original[®] liqueurs, Gozio[®] amaretto and Tierras[™] tequila. Additional information concerning the Company is available on the Company's website, www.castlebrandsinc.com.

Forward Looking Statements

This press release includes statements of our expectations, intentions, plans and beliefs that constitute "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and are intended to come within the safe harbor protection provided by those sections. These statements, which involve risks and uncertainties, related to the discussion of our business strategies and our expectations concerning future operations, margins, sales, new products and brands, potential joint ventures, potential acquisitions, expenses, profitability, liquidity and capital resources and to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. You can identify these and other forward-looking statements by the use of such words as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "thinks," "estimates," "seeks," "expects," "predicts," "could," "projects," "potential" and other similar terms and phrases, including references to assumptions. These forward looking statements are made based on expectations and beliefs concerning future events affecting us and are subject to uncertainties, risks and factors relating to our operations and business environments, all of which are difficult to predict and many of which are beyond our control, that could cause our actual results to differ materially from those matters expressed or implied by these forward looking statements. These risks include our history of losses and expectation of further losses, our ability to expand our operations in both new and existing markets, our ability to develop or acquire new brands, our relationships with distributors, the success of our marketing activities and our cost reduction efforts, the effect of competition in our industry and economic and political conditions generally, including the current recessionary economic environment and concurrent market instability. More information about these and other factors are described under the caption "Risk Factors" in Castle Brands' Annual Report on Form 10-K for the year ended March 31, 2012 and other reports we file with the Securities and Exchange Commission.

When considering these forward looking statements, you should keep in mind the cautionary statements in this press release and the reports we file with the Securities and Exchange Commission. New risks and uncertainties arise from time to time, and we cannot predict those events or how they may affect us. We assume no obligation to update any forward looking statements after the date of this press release as a result of new information, future events or developments, except as required by the federal securities laws.

INVESTORS:

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