



Panache Beverages Reports 68% Revenue Growth for the Second Quarter 2012 Compared to Its Second Quarter 2011

Foreign Markets and the Addition of Five Distributors Drive Strong Revenue Growth

NEW YORK, Aug. 22, 2012 (GLOBE NEWSWIRE) -- Panache Beverage, Inc. (OTCQB:WDKA.PK), an alcoholic beverage company specializing in the development, global sales and marketing of spirits brands, today announced revenues of \$671,041 for the three months ended June 30, 2012, representing an increase of 68% over revenues of \$398,512 reported for the three months ended June 30, 2011. On a sequential quarter-to-quarter basis, the Company reported revenue growth of 82% over revenues of \$368,483 reported during the first quarter 2012. The increase in revenue was primarily due to the implementation of Panache's marketing strategies in new markets and growth in existing markets. Specifically, sales in international markets have increased substantially.

Highlights from the Second Quarter 2012

- Panache continued its expansion into foreign markets by securing O.B.H. Wine and Spirits Inc. as an exclusive partner to represent Wodka and Alchemia brands in Canada. Panache and O.B.H are in the process of securing approval from the LCBO to sell and market the brands throughout all provinces and territories of Canada.
- Wodka Vodka has been accepted as a core range product for LMG Bottlemart Group, which represents 12% of the total Australian packaged liquor market and comprises over 2,000 members throughout the country. The acceptance of Wodka by LMG Bottlemart is an endorsement of the brand's strategy, marketing, and pricing.
- Alibi American Whiskey has received its Certificate of Label Approval from TTB. The approval paves the way for Panache to roll out this highly anticipated brand in the third quarter of this year.
- Panache added five distributors and expanded into three states in the second quarter of 2012. Its brands are now available in 30 states across the United States.

Cost of goods sold was \$438,211, or 65% of revenue during the three months ended June 30, 2012, compared with 97% of revenue during the three months ended June 30, 2011. For the six months ended June 30, 2012, cost of goods sold was approximately 67% of revenue compared to approximately 78% of revenue during the six months ended June 30, 2011. The decrease in costs of goods sold as a percentage of revenue during the three and six month periods ended June 30, 2012 in comparison to the same periods in 2011 is mostly due increased efficiencies in operations and higher gross profit on international sales, which accounted for a higher

percentage of sales in 2012.

James Dale, the Chief Executive Officer of Panache Beverages, stated, "We are very pleased with the financial performance achieved during the second quarter of 2012 as well as our accomplishments with respect to rolling out our products. We expect to report strong growth in the second half of 2012 and into the foreseeable future as we continue to execute on our business plan."

About Panache Beverages, Inc.

Panache Beverage, Inc. (WDKA) based in New York, NY is an alcoholic beverage company specializing in the development, global sales and marketing of spirits brands. The Company's expertise lies in the strategic development and aggressive early growth of its brands establishing its assets as viable and attractive acquisition candidates for the major global spirits companies. Panache intends to build its brands as individual acquisition candidates while continuing to develop its pipeline of new brands in to the Panache portfolio. Panache's existing portfolio contains three brands: Wodka Vodka (www.welovewodka.com), Alchemia Infused Vodka (www.alchemiainfusions.com) and Alibi American Whiskey (www.alibiamerica.com).

For more information visit: <http://www.panachespirits.com>

Safe Harbor

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"). Additionally, words such as "seek," "intend," "believe," "plan," "estimate," "expect," "anticipate," "project" and other similar expressions are forward-looking statements within the meaning of the Act. Some or all of the events or results anticipated by these forward-looking statements may not occur. Further information on Panache Beverages' risk factors is contained in its filings with the Securities and Exchange Commission, including the Form 10-KSB for the year ended December 31, 2011 and the Form 10-QSB filed March 31, 2012. Panache Beverages does not undertake any duty nor does it intend to update the results of these forward-looking statements.

PANACHE BEVERAGE, INC.

CONSOLIDATED BALANCE SHEETS - (Unaudited)

	June 30, 2012	December 31, 2011
ASSETS		
Current Assets		
Cash and cash equivalents	\$21,242	\$152,464
Accounts receivable – net	640,207	430,087
Inventory	71,030	41,723
Prepaid expenses and other current assets	109,774	106,661

Total Current Assets	842,253	730,935
Property and Equipment - net	12,358	6,565
TOTAL ASSETS	\$854,611	\$737,500
LIABILITIES AND EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable	\$869,677	\$621,397
Due to factor	385,333	317,293
Notes payable	50,500	28,000
Loans payable – related parties	421,437	358,629
Consulting fees payable – related party	--	2,705
Accrued interest	38,860	38,860
Other current liabilities	423,494	335,464
Total Current Liabilities	2,189,301	1,702,348
Long term debt	183,500	183,500
Total Liabilities	2,372,801	1,885,848
Equity (Deficit)		
Common stock, par value \$0.001; 200,000,000 and 200,000,000 shares authorized as of June 30, 2012 and December 31, 2011, respectively; 26,332,891 and 25,107,891 shares issued and outstanding as of June 30, 2012 and December 31, 2011, respectively	26,333	25,108
Additional paid in capital	2,603,815	1,303,412
Additional paid in capital - warrants	285,869	163,097
Treasury stock, at cost, 50,000 and 0 shares as of June 30, 2012 and December 31, 2011, respectively	-50,000	--
Retained (deficit)	-	-
	4,112,146	2,516,269
Total stockholders' deficit	-	-
	1,246,129	1,024,652
Non-controlling interests	-272,061	-123,696
Total Equity (Deficit)	-	-
	1,518,190	1,148,348
TOTAL LIABILITIES AND EQUITY (DEFICIT)	\$854,611	\$737,500

PANACHE BEVERAGE, INC.

*CONSOLIDATED STATEMENTS OF OPERATIONS -
(Unaudited)*

	For the three months ended June 30,		For the six months ended June 30,	
	2012	2011	2012	2011
REVENUES - NET	\$671,041	\$398,512	\$1,039,524	\$831,692
COST OF GOODS SOLD	438,211	387,771	696,340	647,452
GROSS PROFIT	232,830	10,741	343,184	184,240
OPERATING EXPENSES				
Advertising and promotion	240,326	505,331	527,101	1,002,246
Consulting	62,740	42,856	284,409	63,817
Professional fees	335,333	54,411	622,003	65,225
General and administrative	454,208	98,399	888,706	256,199
TOTAL OPERATING EXPENSES	1,092,607	700,997	2,322,219	1,387,487
LOSS FROM OPERATIONS	-859,777	-690,256	-1,979,035	- 1,203,247
OTHER EXPENSE				
Interest expense	-12,091	-34,114	-23,151	-34,114
LOSS FROM OPERATIONS AND BEFORE NON-CONTROLLING INTERESTS	-871,868	-724,370	-2,002,186	- 1,237,361
LESS: LOSS ATTRIBUTABLE TO NON- CONTROLLING INTERESTS	111,830	621,794	406,309	1,221,025
LOSS BEFORE PROVISION FOR INCOME TAXES	-760,038	-102,576	-1,595,877	-16,336
PROVISION FOR INCOME TAXES	--	--	--	--

NET LOSS ATTRIBUTABLE TO PANACHE BEVERAGE, INC.	(\$760,038)	(\$102,576)	(\$1,595,877)	(\$16,336)
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BASIC AND DILUTED RESULTS PER SHARE OF COMMON STOCK:

LOSS PER SHARE ATTRIBUTABLE TO PANACHE BEVERAGE, INC.: BASIC AND DILUTED	(\$0.03)	N/A	(\$0.06)	N/A
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WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING: BASIC AND DILUTED	26,332,891	N/A	25,839,924	N/A
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PANACHE BEVERAGE, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS - (Unaudited)

	For the six months ended	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income for the period	(\$1,595,877)	(\$16,336)
Adjustments to Reconcile Net (Loss) Income to Net Cash Used in Operating Activities:		
Non-controlling interest	-406,309	- 1,221,025
Depreciation	2,647	417
Bad debt expense	--	2,026
Stock issued for services rendered	395,000	--
Advertising expense from capital contribution	257,944	905,655
Stock-based compensation	56,900	--
Changes in assets and liabilities:		
Accounts receivable	-210,120	-145,806
Inventory	-29,307	43,499
Prepaid expenses	-3,113	--
Accounts payable	248,280	126,126
Consulting fees payable – related party	-2,705	-31,390
Accrued interest	--	-5,705
Other current liabilities	88,030	16,308

CASH FLOWS USED IN OPERATING ACTIVITIES	-1,198,630	-326,231
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-8,440	-1,658
CASH FLOWS USED IN INVESTING ACTIVITIES	-8,440	-1,658
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	22,500	328,521
Repayments of notes payable	--	-355,104
Proceeds from loans payable – related parties	62,808	283,511
Repayments of loans payable – related parties	--	-166,106
Net increase in due to factor	68,040	161,588
Contributions from non-controlling interests	--	54,505
Proceeds from issuance of stock and warrants	972,500	--
Repurchase of treasury stock	-50,000	--
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	1,075,848	306,915
NET INCREASE (DECREASE) IN CASH	-131,222	-20,974
Cash, beginning of period	152,464	29,776
Cash, end of period	\$21,242	\$8,802
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	\$23,151	\$28,409
NONCASH INVESTING AND FINANCING ACTIVITIES		
Stock issued for services rendered	\$395,000	\$--
Capital contribution – Advertising services	\$257,944	\$--

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Source: Panache Beverage, Inc.