

Jewett-Cameron Announces 1st Quarter Financial Results

North Plains, Oregon, January 13, 2010 – Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF; TSX: JCT) today reported financial results for the first quarter of fiscal 2010 ended November 30, 2009.

Sales for the first quarter of fiscal 2010 totaled \$7.37 million compared to sales of \$10.78 million for the first quarter of 2009. The company reported net income of \$72,630, or \$.03 per diluted share compared to net income of \$293,475 or \$.12 per diluted share in the same period a year ago.

“The current economic downturn has affected all our product segments, with total Company sales down about 32% for the quarter,” said CEO Don Boone. “We also finalized a one-time \$463,498 inventory write-down during the quarter due to the significant decrease in market value.”

Jewett-Cameron’s financial position continues to be strong, and currently has no borrowing against its \$5.0 million line of credit. As of November 30, 2009 the Company’s cash position was \$7.6 million.

About Jewett-Cameron Trading Company Ltd.

Jewett-Cameron Trading Company is a holding company that operates through subsidiary companies as follows. Jewett-Cameron Lumber Corporation’s business consists of warehouse distribution and direct sales of wood products and specialty metal products to home centers and other retailers. Greenwood Products is a processor and distributor of industrial wood and other specialty building products principally to customers in the marine and transportation industries. MSI-PRO is an importer and distributor of pneumatic air tools, industrial clamps, and the Avenger Products line of sawblades and other products. Jewett-Cameron Seed Company is a processor and distributor of agricultural seeds.

Forward-looking Statements

The information in this release contains certain forward-looking statements that anticipate future trends and events. These statements are based on certain assumptions that may prove to be erroneous and are subject to certain risks, including but not limited to, the uncertainties of the Company’s new product introductions, the risks of increased competition and technological change in the Company’s industry, and other factors detailed in the Company’s SEC filings. Accordingly, actual results may differ, possibly materially, from predictions contained herein.

	Three Month Periods Ended November 30,	
	2009	2008
SALES	\$ 7,374,926	\$ 10,782,063
COST OF SALES	5,759,328	8,565,598

GROSS PROFIT	1,615,598	2,216,465
OPERATING EXPENSES		
Selling, general and administrative expenses	540,715	554,125
Depreciation and amortization	60,696	79,401
Wages and employee benefits	880,287	1,061,884
	<u>1,481,698</u>	<u>1,695,410</u>
Income from operations	133,900	521,055
OTHER ITEMS		
Interest and other income	1,760	11,344
Interest expense	-	(36,924)
	<u>1,760</u>	<u>(25,580)</u>
Income before income taxes	135,660	495,475
Income taxes	63,030	202,000
Net income	<u>\$ 72,630</u>	<u>\$ 293,475</u>
Basic earnings per common share	\$.03	\$.12
Diluted earnings per common share	\$.03	\$.12
Weighted average number of common shares outstanding:		
Basic	2,390,977	2,390,977
Diluted	2,390,977	2,390,977

JEWETT-CAMERON TRADING COMPANY LTD.
CONSOLIDATED BALANCE SHEETS
(Expressed in U.S. Dollars)
(Prepared by Management)

	November 30, 2009 (Unaudited)	August 31, 2009 (Audited)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 7,648,583	\$ 6,828,571
Accounts receivable, net of allowance of \$0 (August 31, 2009 - \$3,816)	2,213,047	3,603,916
Inventory, net of allowance of \$0 (August 31, 2009 - \$313,000) (note 3)	6,805,391	6,954,811
Note receivable	41,500	41,500
Prepaid expenses	126,687	160,809

Prepaid income taxes	110,863	43,805
Total current assets	16,946,071	17,633,412
Property, plant and equipment, net (note 4)	1,873,852	1,872,191
Intangible assets, net (note 5)	642,476	662,045
Deferred income taxes (note 6)	132,100	261,780
Total assets	\$ 19,594,499	\$ 20,429,428
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Accounts payable	\$ 243,194	\$ 999,562
Accrued liabilities	665,769	816,960
Total liabilities	908,963	1,816,522
Contingent liabilities and commitments (note 11)		
Stockholders' equity		
Capital stock (note 8)		
Authorized		
20,000,000 common shares, without par value		
10,000,000 preferred shares, without par value		
Issued		
2,390,977 common shares (August 31, 2009 -	2,256,112	2,256,112
2,390,977)		
Additional paid-in capital	600,804	600,804
Retained earnings	15,828,620	15,755,990
Total stockholders' equity	18,685,536	18,612,906
Total liabilities and stockholders' equity	\$ 19,594,499	\$20,429,428

JEWETT-CAMERON TRADING COMPANY LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in U.S. Dollars)
(Prepared by Management)
(Unaudited)

	Three Month Periods Ended November 30	
	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 72,630	\$ 293,475

Items not involving an outlay of cash:		
Depreciation and amortization	60,696	79,401
Deferred income taxes	129,680	(11,940)
Changes in non-cash working capital items:		
Decrease in accounts receivable	1,390,869	2,112,327
(Increase) decrease in inventory	149,420	(264,448)
Decrease in prepaid expenses	34,121	46,970
(Decrease) in accounts payable and accrued liabilities	(907,558)	(917,688)
Increase (decrease) in accrued income taxes	(67,058)	209,629
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Net cash provided by operating activities	862,800	1,547,726
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(42,788)	(12,043)
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Net cash used in investing activities	(42,788)	(12,043)
CASH FLOWS FROM FINANCING ACTIVITIES		
Promissory note	-	(16,630)
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Net cash provided by (used in) financing activities	-	(16,630)
Net increase in cash and cash equivalents	820,012	1,519,053
Cash and cash equivalents, beginning of period	6,828,571	5,758,479
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Cash and cash equivalents, end of period	\$ 7,648,583	\$ 7,277,532

Following is a summary of segmented information for the three month periods ended November 30:

	2009	2008
Sales to unaffiliated customers:		
Industrial wood products	\$ 2,419,765	\$ 3,281,558
Lawn, garden, pet and other	3,651,100	5,526,956
Seed processing and sales	864,161	1,710,648
Industrial tools and clamps	439,900	262,901
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	\$ 7,374,926	\$ 10,782,063
Income (loss) before income taxes:		
Industrial wood products	\$ (10,812)	\$ (120,349)
Lawn, garden, pet and other	640,591	539,684
Seed processing and sales	(481,506)	97,510
Industrial tools and clamps	18,323	6,223
Unallocated overhead	(30,936)	(27,593)
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	\$ 135,660	\$ 495,475

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Source: Jewett-Cameron Trading Company Ltd.