

Jewett-Cameron Announces 3rd Quarter Financial Results

North Plains, Oregon, July 20, 2015 – Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF) today reported financial results for the third quarter and nine month periods of fiscal 2015 ended May 31, 2015.

Sales for the third quarter of fiscal 2015 totaled \$13.3 million compared to sales of \$15.3 million for the third quarter of fiscal 2014. Income from operations was \$779,340 compared to \$1,552,537 for the third quarter ended May 31, 2014. Net income after other items and income taxes for the current quarter was \$461,100, or \$0.18 per share, compared to net income of \$936,329, or \$0.33 per share, in the year-ago quarter.

For the nine months ended May 31, 2015, Jewett-Cameron reported sales of \$30.7 million compared to sales of \$33.1 million for the nine months ended May 31, 2014. Net income was \$1,072,447, or \$0.41 per share, compared to net income of \$1,506,306, or \$0.50 per share, in the first nine months of fiscal 2014.

“The extended winter weather and West Coast port slowdowns which adversely affected our results in the second quarter continued in the third quarter”, said CEO Don Boone. “These conditions negatively impacted our revenues and margins. However, we launched several new products during the quarter which were well received by the marketplace, particularly by our established customer base”.

As of May 31, 2015, the Company’s cash position was \$1.8 million, and there was no borrowing against its \$3.0 million line of credit. The Company has historically utilized its cash position by implementing share repurchase programs as an effective method of enhancing shareholder value. On February 17, 2015, the Company implemented a new share repurchase plan to purchase for cancellation up to 300,000 common shares under Rule 10b5-1 of the U.S. Securities Exchange Act of 1934. During the second quarter, no common shares were repurchased. During the third quarter of fiscal 2015 ended May 31, 2015, the Company repurchased and cancelled 89,051 common shares at a total cost of \$1,101,574 which represents an average price of \$12.31 per share. Subsequent to the end of the third quarter, the Company re-purchased and is in the process of cancelling a total of 4,778 common shares. The total cost was \$54,491 at an average share price of \$11.40 per share. Effective July 17, 2015, the Board of Directors terminated the current 10b5-1 share re-purchase plan. The Board of Directors will consider implementing new share repurchase plans in the future as an effective use of the Company’s cash position.

About Jewett-Cameron Trading Company Ltd.

Jewett-Cameron Trading Company is a holding company that, through its subsidiaries, operates out of facilities located in North Plains, Oregon. Jewett-Cameron Company’s business consists of the manufacturing and distribution of specialty metal products and wholesale distribution of wood products to home centers and other retailers located primarily in the United States. Greenwood Products is a processor and distributor of industrial wood and other specialty building products principally to customers in the marine and transportation industries in the United States. 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. JC USA provides professional and administrative services, including accounting and credit services, to its subsidiary companies.

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.

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

	May 31, 2015	August 31, 2014
ASSETS		
Current assets		
Cash	\$ 1,836,849	\$ 4,327,540
Accounts receivable, net of allowance of \$Nil (August 31, 2014 - \$Nil)	4,926,096	2,442,928
Inventory, net of allowance of \$81,249 (August 31, 2014 - \$111,756) (note 3)	8,617,284	9,154,129
Note receivable	1,425	15,000
Prepaid expenses	721,339	762,533
Prepaid income taxes	195,484	546,347
Total current assets	16,298,477	17,248,477
Property, plant and equipment, net (note 4)	2,076,263	2,147,387
Intangible assets, net (note 5)	241,426	295,956
Total assets	\$ 18,616,166	\$ 19,691,820
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 626,523	\$ 240,825
Litigation reserve (note 13(a))	97,404	117,387
Accrued liabilities	959,037	1,073,930
Total current liabilities	1,682,964	1,432,142
Deferred tax liability (note 6)	56,100	60,972
Total liabilities	1,739,064	1,493,114
Contingent liabilities and commitments (note 13)		
Stockholders' equity		
Capital stock (note 8)		
Authorized		
21,567,564 common shares, without par value		
10,000,000 preferred shares, without par value		
Issued		
2,496,610 common shares (August 31, 2014 – 2,704,630)	1,178,044	1,276,201
Additional paid-in capital	600,804	600,804
Retained earnings	15,098,254	16,321,701
Total stockholders' equity	16,877,102	18,198,706
Total liabilities and stockholders' equity	\$ 18,616,166	\$ 19,691,820

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

	Three Month Period Ended May 31,		Nine Month Period Ended May 31,	
	2015	2014	2015	2014
SALES	\$ 13,289,408	\$ 15,335,570	\$ 30,755,429	\$ 33,074,500
COST OF SALES	<u>11,047,607</u>	<u>12,384,976</u>	<u>24,741,485</u>	<u>26,516,458</u>
GROSS PROFIT	2,241,801	2,950,594	6,013,944	6,558,042
OPERATING EXPENSES				
Selling, general and administrative expenses	465,864	402,013	1,438,687	1,240,800
Depreciation and amortization	71,211	73,145	210,894	212,694
Wages and employee benefits	925,386	922,899	2,588,420	2,599,270
	<u>(1,462,461)</u>	<u>(1,398,057)</u>	<u>(4,238,001)</u>	<u>(4,052,764)</u>
Income from operations	779,340	1,552,537	1,775,943	2,505,278
OTHER ITEMS				
Gain on sale of property, plant and equipment	-	-	-	4,109
Interest and other income	8,534	6,734	22,617	20,008
Interest expense	(658)	-	(658)	-
	<u>7,876</u>	<u>6,734</u>	<u>21,959</u>	<u>24,117</u>
Income before income taxes	787,216	1,559,271	1,797,902	2,529,395
Income tax expense	<u>(326,116)</u>	<u>(622,942)</u>	<u>(725,455)</u>	<u>(1,023,089)</u>
Net income	<u>\$ 461,100</u>	<u>\$ 936,329</u>	<u>\$ 1,072,447</u>	<u>\$ 1,506,306</u>
Basic earnings per common share	\$ 0.18	\$ 0.33	\$ 0.41	\$ 0.50
Diluted earnings per common share	\$ 0.18	\$ 0.33	\$ 0.41	\$ 0.50
Weighted average number of common shares outstanding:				
Basic	2,561,702	2,866,273	2,612,199	3,042,692
Diluted	<u>2,561,702</u>	<u>2,866,273</u>	<u>2,612,199</u>	<u>3,042,692</u>

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

	Three Month Period Ended May 31,		Nine Month Period Ended May 31,	
	2015	2014	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	\$ 461,100	\$ 936,329	\$ 1,072,447	\$ 1,506,306
Items not involving an outlay of cash:				
Depreciation and amortization	71,211	73,145	210,894	212,694
Gain on sale of property, plant and equipment	-	-	-	(4,109)
Deferred income tax expense (recovery)	(2,163)	2,355	(4,872)	(6,011)
Interest income on litigation	(6,734)	(6,734)	(19,983)	(19,982)
Changes in non-cash working capital items:				
(Increase) decrease in accounts receivable	107,980	(666,858)	(2,483,168)	(1,578,367)
Decrease in inventory	2,485,712	283,331	536,845	1,275,596
(Increase) decrease in note receivable	275	(15,000)	13,575	-
(Increase) decrease in prepaid expenses	104,098	762,010	41,194	(739,215)
(Increase) decrease in prepaid income taxes	19,133	174,587	350,863	(47,022)
Increase (decrease) in accounts payable and accrued liabilities	631,547	133,976	270,805	(774,746)
Net cash provided by (used in) operating activities	3,872,159	1,677,141	(11,400)	(174,856)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(70,543)	(18,899)	(85,240)	(94,274)
Proceeds from sale of property, plant and equipment	-	-	-	4,800
Net cash used in investing activities	(70,543)	(18,899)	(85,240)	(89,474)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from bank indebtedness	-	-	875,386	-
Repayment of bank indebtedness	(875,386)	-	(875,386)	-
Redemption of common stock	(1,101,574)	(3,234,699)	(2,394,051)	(3,803,718)
Net cash used in financing activities	(1,976,960)	(3,234,699)	(2,394,051)	(3,803,718)
Net increase (decrease) in cash	\$ 1,824,656	\$ (1,576,457)	\$ (2,490,691)	\$ (4,068,048)
Cash, beginning of period	\$ 12,193	\$ 5,816,854	\$ 4,327,540	\$ 8,308,445
Cash, end of period	\$ 1,836,849	\$ 4,240,397	\$ 1,836,849	\$ 4,240,397

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Source: Jewett-Cameron Trading Company Ltd.