

## **Jewett-Cameron Announces Fiscal 2014 Financial Results**

**North Plains, Oregon, October 29, 2014** – Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF) today reported financial results for its fourth quarter and fiscal year ended August 31, 2014.

For the fiscal year ended August 31, 2014 Jewett-Cameron reported net income after other items and income taxes of \$1,858,453, or \$0.63 per diluted share, on sales of \$42.34 million, compared to net income of \$3,132,019, or \$1.00 per diluted share, on sales of \$49.29 million, reported for fiscal 2013. The net income for fiscal 2013 was positively affected by a one-time gain on the sale of property of \$353,852. Excluding other items and taxes, income from operations was \$3,084,598 in fiscal 2014 compared to \$4,673,690 in fiscal 2013.

Sales for the fourth quarter of fiscal 2014 totaled \$9.3 million compared to sales of \$10.7 million for the fourth quarter of fiscal 2013. Net income was \$352,147, or \$0.12 per diluted share, compared to net income of \$842,078, or \$0.27 per diluted share, in the fourth quarter of fiscal 2013. All per share amounts have been adjusted for the 2 for 1 stock split of the common shares effective May 2, 2013.

“The decline in sales and operating income is a result of increased competitiveness in several of our markets, as well as higher raw material prices which have lowered our product margins,” said CEO Don Boone. “In response to these issues, we have initiated several programs to expand our business, including broadening our sales efforts to new customers and categories, and the introduction of several new products.”

As of August 31, 2014, the Company’s cash position was \$4.3 million, and currently there is no borrowing against its \$1.0 million line of credit, which we voluntarily reduced from \$5.0 million in March 2014. During fiscal 2014, the Company repurchased and cancelled a total of 430,306 common shares at a total cost of \$4,257,768, which represents an average price of \$9.89 per share. On April 14, 2014, the Company commenced a new Rule 10b-18 share repurchase plan for cancellation of up to 300,000 common shares through the facilities of NASDAQ. Through October 29, 2014, the Company has repurchased a total of 132,923 common shares at a cost of \$1,363,138, which is an average price of \$10.26. The current plan is scheduled to terminate on November 14, 2014, but may be limited or terminated at any time without prior notice.

### **About Jewett-Cameron Trading Company Ltd.**

Jewett-Cameron Trading Company Ltd. was incorporated in British Columbia on July 8, 1987 as a holding company for Jewett-Cameron Lumber Corporation (“JCLC”), incorporated September 1953. Jewett-Cameron Trading Company, Ltd. acquired all the shares of JCLC through a stock-for-stock exchange on July 13, 1987, and at that time JCLC became a wholly owned subsidiary. Effective September 1, 2013, Jewett-Cameron reorganized certain of its subsidiaries. JCLC’s name was changed to JC USA Inc. (“JC USA”), and a new subsidiary, Jewett-Cameron Company (“JCC”), was incorporated. JC USA has the following wholly owned subsidiaries: MSI-PRO Co. (“MSI”), incorporated April 1996, Jewett-Cameron Seed Company, (“JCSC”), incorporated October 2000, Greenwood Products, Inc. (“Greenwood”), incorporated February 2002, and Jewett-Cameron Company (“JCC”), incorporated September 2013. Jewett-Cameron Trading Company, Ltd. and its subsidiaries (the “Company”) have no significant assets in Canada.

The Company, through its subsidiaries, operates out of facilities located in North Plains, Oregon. JCC'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 is a processor and distributor of industrial wood products used in a variety of markets and applications, including the marine and transportation markets. MSI is an importer and distributor of pneumatic air tools and industrial clamps in the United States. JCSC is a processor and distributor of agricultural seeds in the United States. 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. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Expressed in U.S. Dollars)  
AS OF AUGUST 31

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 4,327,540	\$ 8,308,445
Accounts receivable, net of allowance of \$Nil (August 31, 2013 - \$Nil)	2,442,928	3,344,777
Inventory, net of allowance of \$111,756 (August 31, 2013 - \$134,259) (note 3)	9,154,129	8,520,991
Note receivable	15,000	15,000
Prepaid expenses	762,533	587,609
Prepaid income taxes	546,347	270,423
Total current assets	17,248,477	21,047,245
<b>Property, plant and equipment, net</b> (note 4)	2,147,387	2,241,950
<b>Intangible assets, net</b> (note 5)	295,956	368,662
<b>Total assets</b>	\$ 19,691,820	\$ 23,657,857
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 240,825	\$ 1,715,458
Litigation reserve (note 13(a))	117,387	144,103
Accrued liabilities	1,073,930	1,149,882
<b>Total current liabilities</b>	1,432,142	3,009,443

<b>Deferred tax liability (note 6)</b>	60,972	50,393
<b>Total liabilities</b>	1,493,114	3,059,836
<b>Contingent liabilities and commitments (note 13)</b>		
<b>Stockholders' equity</b>		
Capital stock (note 8)		
Authorized		
21,567,564 common shares, without par value		
10,000,000 preferred shares, without par value		
Issued		
2,704,630 common shares (August 31, 2013 - 3,134,936)	1,276,201	1,479,246
Additional paid-in capital	600,804	600,804
Retained earnings	16,321,701	18,517,971
<b>Total stockholders' equity</b>	18,198,706	20,598,021
<b>Total liabilities and stockholders' equity</b>	\$ 19,691,820	\$ 23,657,857

**JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Expressed in U.S. Dollars)  
YEARS ENDED AUGUST 31

	<b>2014</b>	<b>2013</b>
<b>SALES</b>	\$ 42,339,563	\$ 49,286,147
<b>COST OF SALES</b>	33,961,367	39,455,054
<b>GROSS PROFIT</b>	8,378,196	9,831,093
<b>OPERATING EXPENSES</b>		
Selling, general and administrative	1,700,030	1,503,226
Depreciation and amortization	276,340	256,487
Wages and employee benefits	3,317,228	3,397,690
	5,293,598	5,157,403
<b>Income from operations</b>	3,084,598	4,673,690
<b>OTHER ITEMS</b>		
Gain on sale of property, plant and equipment	3,546	353,852
Interest and other income	27,086	37,383
	30,632	391,235
<b>Income before income taxes</b>	3,115,230	5,064,925
<b>Income taxes (note 6)</b>		
Current	1,246,198	1,780,940
Deferred	10,579	151,966
<b>Net income for the year</b>	1,858,453	\$ 3,132,019

<b>Basic earnings per common share</b>	\$ 0.63	\$ 1.00
<b>Diluted earnings per common share</b>	\$ 0.63	\$ 1.00
<b>Weighted average number of common shares outstanding:</b>		
Basic	2,968,220	3,135,509
Diluted	2,968,220	3,135,509

**JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in U.S. Dollars)  
YEARS ENDED AUGUST 31

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year	\$ 1,858,453	\$ 3,132,019
Items not affecting cash:		
Depreciation and amortization	276,340	256,487
Gain on sale of property, plant and equipment	(3,546)	(353,852)
Deferred income taxes	10,579	151,966
Interest income on litigation	(26,716)	(26,716)
Changes in non-cash working capital items:		
Decrease (increase) in accounts receivable	901,849	(251,935)
Decrease in note receivable	-	5,000
Increase in inventory	(633,138)	(1,435,602)
Increase in prepaid expenses	(174,924)	(198,652)
Increase in prepaid income taxes	(275,924)	(270,423)
Increase (decrease) in accounts payable and accrued liabilities	(1,550,585)	107,091
Decrease in accrued income taxes	-	(37,203)
Net cash provided by operating activities	<u>382,388</u>	<u>1,078,180</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds on sale of property, plant and equipment	4,800	410,000
Purchase of property, plant and equipment	<u>(110,325)</u>	<u>(481,935)</u>
Net cash used in investing activities	<u>(105,525)</u>	<u>(71,935)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Redemption of common stock	<u>(4,257,768)</u>	<u>(7,188)</u>
Net cash used in financing activities	<u>(4,257,768)</u>	<u>(7,188)</u>
<b>Net increase (decrease) in cash</b>	(3,980,905)	999,057
<b>Cash, beginning of year</b>	<u>8,308,445</u>	<u>7,309,388</u>
<b>Cash, end of year</b>	<u>\$ 4,327,540</u>	<u>\$ 8,308,445</u>

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Source: Jewett-Cameron Trading Company Ltd.