

Jewett-Cameron Announces 2nd Quarter Financial Results

North Plains, Oregon, April 9, 2014 – Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF) today reported financial results for the second quarter and six month periods of fiscal 2014 ended February 28, 2014.

Sales for the second quarter of fiscal 2014 totaled \$9.7 million compared to sales of \$14.2 million for the second quarter of fiscal 2013. Income from operations was \$408,818 compared to income of \$979,059 for the quarter ended February 28, 2013. Second quarter 2013 income included the one-time gain of \$353,852 related to the sale of property. Net income after other items and income taxes for the current quarter was \$237,398, or \$0.08 per share, compared to net income of \$790,631, or \$0.25 per share, in the year-ago quarter.

For the six months ended February 28, 2014, Jewett-Cameron reported sales of \$17.7 million compared to sales of \$23.5 million for the six months ended February 28, 2013. Net income was \$569,977, or \$0.18 per share, compared to net income of \$1,271,377, or \$0.41 per share, in the first six months of fiscal 2013. The year ago period was positively affected by the one-time gain on the sale of property.

“The second quarter and six month results were negatively affected by a delay in our orders from our suppliers caused by manufacturing constraints around Chinese New Year,” said CEO Don Boone. “Due to these constraints, shipments to our customers were delayed and also pushed back the rollout of several new products. We do not expect these constraints to continue in the remainder of fiscal 2014.”

As of February 28, 2014, the Company’s cash position was \$5.8 million, and there was no borrowing against its \$5.0 million line of credit. In the second quarter of fiscal 2014, the Company repurchased and cancelled 58,180 common shares at a cost of \$569,019, which represents an average price of \$9.78 per share. Subsequent to the end of the second quarter, the Company re-purchased and is in the process of cancelling a total of 255,313 additional shares of its common stock at a total cost of \$2,486,571 at an average price of \$9.74 per share. These purchases were pursuant to the Company’s share re-purchase plan first announced on January 13, 2014 which has now been completed and terminated. Today the Company’s Board of Directors authorized the implementation of a new share repurchase plan under Rule 10b-18. Under the new plan, the Company may purchase for cancellation up to 300,000 common shares, which represents approximately 10.6% of the 2,821,443 common shares currently outstanding. The Company has historically utilized its cash position by implementing share repurchase programs as an effective method of enhancing shareholder value.

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.
CONSOLIDATED BALANCE SHEETS
(Expressed in U.S. Dollars)
(Prepared by Management)
(Unaudited)

	February 28, 2014	August 31, 2013
ASSETS		
Current assets		
Cash	\$ 5,816,854	\$ 8,308,445
Accounts receivable, net of allowance of \$Nil (August 31, 2013 - \$Nil)	4,256,286	3,344,777
Inventory, net of allowance of \$134,259 (August 31, 2013 - \$134,259) (note 3)	7,528,726	8,520,991
Note receivable	-	15,000
Prepaid expenses	2,088,834	587,609
Prepaid income taxes	492,032	270,423
Total current assets	20,182,732	21,047,245
Property, plant and equipment, net (note 4)	2,213,436	2,241,950
Intangible assets, net (note 5)	332,310	368,662
Total assets	\$ 22,728,478	\$ 23,657,857
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 1,190,980	\$ 1,715,458
Litigation reserve (note 13(a))	130,854	144,103
Accrued liabilities	765,638	1,149,882
Total current liabilities	2,087,472	3,009,443
Deferred tax liability (note 6)	42,027	50,393
Total liabilities	2,129,499	3,059,836
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		
3,076,756 common shares (August 31, 2013 - 3,134,936)	1,451,791	1,479,246
Additional paid-in capital	600,804	600,804
Retained earnings	18,546,384	18,517,971
Total stockholders' equity	20,598,979	20,598,021
Total liabilities and stockholders' equity	\$ 22,728,478	\$ 23,657,857

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

	Three Month Period		Six Month Period	
	Ended February 28,		Ended February 28,	
	2014	2013	2014	2013
SALES	\$ 9,732,649	\$ 14,227,824	\$ 17,738,930	\$ 23,524,229
COST OF SALES	7,974,979	11,788,155	14,131,481	19,093,554
GROSS PROFIT	1,757,670	2,439,669	3,607,449	4,430,675
OPERATING EXPENSES				
Selling, general and administrative expenses	446,900	468,162	838,786	803,982
Depreciation and amortization	69,531	64,202	139,550	121,696
Wages and employee benefits	832,421	928,246	1,676,371	1,753,553
	<u>1,348,852</u>	<u>1,460,610</u>	<u>2,654,707</u>	<u>2,679,231</u>
Income from operations	408,818	979,059	952,742	1,751,444
OTHER ITEMS				
Gain on sale of property, plant and equipment	-	353,852	4,109	353,852
Interest and other income	6,612	6,605	13,273	23,315
Interest expense	-	(400)	-	(400)
	<u>6,612</u>	<u>360,057</u>	<u>17,382</u>	<u>376,767</u>
Income before income taxes	415,430	1,339,116	970,124	2,128,211
Income tax expense	<u>(178,032)</u>	<u>(548,485)</u>	<u>(400,147)</u>	<u>(856,834)</u>
Net income	<u>\$ 237,398</u>	<u>\$ 790,631</u>	<u>\$ 569,977</u>	<u>\$ 1,271,377</u>
Basic earnings per common share	\$ 0.08	\$ 0.25	\$ 0.18	\$ 0.41
Diluted earnings per common share	\$ 0.08	\$ 0.25	\$ 0.18	\$ 0.41
Weighted average number of common shares outstanding:				
Basic	3,129,764	3,135,860	3,132,365	3,135,902
Diluted	<u>3,129,764</u>	<u>3,135,860</u>	<u>3,132,365</u>	<u>3,135,902</u>

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

	Three Month Period Ended February 28,		Six Month Period Ended February 28,	
	2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	\$ 237,398	\$ 790,631	\$ 569,977	\$ 1,271,377
Items not involving an outlay of cash:				
Depreciation and amortization	69,531	64,202	139,550	121,696
Gain on sale of property, plant and equipment	-	(353,852)	(4,109)	(353,852)
Deferred income taxes	(3,802)	137,100	(8,366)	151,423
Interest income on litigation	(6,588)	(6,588)	(13,249)	(13,249)
Changes in non-cash working capital items:				
Increase in accounts receivable	(2,018,552)	(4,628,402)	(911,509)	(4,202,382)
Decrease in inventory	846,025	68,731	992,265	1,393,096
Decrease in note receivable	-	-	15,000	20,000
(Increase) decrease in prepaid expenses	(1,205,662)	537,657	(1,501,225)	(1,041,955)
Increase in prepaid income taxes	(448,288)	(253,952)	(221,609)	(253,952)
Increase (decrease) in accounts payable and accrued liabilities	837,196	675,104	(908,722)	(296,125)
Decrease in accrued income taxes	-	(330,957)	-	(37,203)
Net cash used in operating activities	(1,692,742)	(3,300,326)	(1,851,997)	(3,241,126)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(17,457)	(18,657)	(75,375)	(130,790)
Proceeds from sale of property, plant and equipment	-	410,000	4,800	410,000
Net cash provided by (used in) investing activities	(17,457)	391,343	(70,575)	279,210
CASH FLOWS FROM FINANCING ACTIVITIES				
Redemption of common stock	(569,019)	(4,884)	(569,019)	(4,884)
Net cash used in financing activities	(569,019)	(4,884)	(569,019)	(4,884)
Net decrease in cash	(2,279,218)	(2,913,867)	(2,491,591)	(2,966,800)
Cash, beginning of period	8,096,072	7,256,455	8,308,445	7,309,388
Cash, end of period	\$ 5,816,854	\$ 4,342,588	\$ 5,816,854	\$ 4,342,588

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Source: Jewett-Cameron Trading Company Ltd.