

Jewett-Cameron Announces Fiscal 2009 Financial Results

North Plains, Oregon, November 18, 2009 – Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF; TSX: JCT) today reported financial results for its fourth quarter and fiscal year ended August 31, 2009.

For the fiscal year ended August 31, 2009 Jewett-Cameron reported sales of \$42.13 million compared to \$64.32 million fiscal year ended August 31, 2008. Net income for fiscal 2009 was \$1,582,477 or \$0.66 per diluted share compared to net income of \$2,610,134 or \$1.09 per diluted share in the same period a year ago.

Sales for the fourth quarter of fiscal 2009 totaled \$10.6 million compared to sales of \$17.3 million for the fourth quarter of fiscal 2008. The company reported net income of \$549,335 or \$0.23 per diluted share compared to net income of \$762,645 or \$0.32 per diluted share in the same period a year ago.

“Our fiscal 2009 sales were down about 34.5% from the prior year, which primarily reflects the ongoing weakness in industrial wood sales to pleasure boat manufacturers,” said CEO Don Boone. “Excluding our Greenwood industrial wood products segment, overall sales declined by 15.6%, as the weak economy and housing market in the United States reduced overall demand for our products. However, due to effective cost controls and healthy demand for our specialty metal products, we have been able to maintain our gross margins and strong balance sheet.”

As of August 31, the Company’s cash position was \$6.8 million. Jewett-Cameron’s financial position continues to be strong, and currently has no borrowing against its \$5.0 million line of credit. Management is exploring possible uses for its cash to increase shareholder value, which may include a common share repurchase program for a portion of its currently outstanding common shares.

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.

	<u>2009</u>	<u>2008</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,828,571	\$ 5,758,479
Accounts receivable, net of allowance of \$3,816 (August 31, 2008 - \$10,474)	3,603,916	5,405,861
Inventory, net of allowance of \$313,000 (August 31, 2008 - \$100,000) (note 3)	6,954,811	8,068,284
Note receivable	41,500	-
Prepaid expenses	160,809	138,957
Prepaid income taxes	43,805	13,753
Total current assets	17,633,412	19,385,334
Property, plant and equipment, net (note 4)	1,872,191	1,861,652
Intangible assets, net (note 5)	662,045	740,382
Deferred income taxes (note 6)	261,780	192,870
Total assets	\$ 20,429,428	\$ 22,180,238
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 999,562	\$ 1,585,844
Accrued liabilities	816,960	1,245,154
Current portion of promissory note and note payable	-	367,807
Total current liabilities	1,816,522	3,198,805
Long term liabilities		
Promissory note (note 8)	-	1,951,004
Total liabilities	1,816,522	5,149,809
Contingent liabilities and commitments (note 13)		
Stockholders' equity		
Capital stock (note 9)		
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, 2008 - 2,390,977)	2,256,112	2,256,112
Additional paid-in capital	600,804	600,804
Retained earnings	15,755,990	14,173,513
Total stockholders' equity	18,612,906	17,030,429
Total liabilities and stockholders' equity	\$20,429,428	\$22,180,238
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	<u>2009</u>	<u>2008</u>
SALES	\$ 42,130,097	\$ 64,321,034
COST OF SALES	33,228,338	52,932,232

GROSS PROFIT	8,901,759	11,388,802
OPERATING EXPENSES		
Selling, general and administrative	2,182,143	2,166,535
Depreciation and amortization	316,964	313,561
Wages and employee benefits	3,743,847	4,535,823
	<u>6,242,954</u>	<u>7,015,919</u>
Income from operations	2,658,805	4,372,883
OTHER ITEMS		
Gain on sale of property, plant and equipment	2,850	16,115
Interest and other income	5,445	7,571
Interest expense	(43,363)	(189,627)
	<u>(35,068)</u>	<u>(165,941)</u>
Income before income taxes	2,623,737	4,206,942
Income taxes (note 6)		
Current	1,041,260	1,669,978
Deferred (recovered)	-	(73,170)
	<u>1,041,260</u>	<u>1,596,808</u>
Net income for the year	\$ 1,582,477	\$ 2,610,134
Basic earnings per common share	\$ 0.66	\$ 1.09
Diluted earnings per common share	\$ 0.66	\$ 1.09
Weighted average number of common shares outstanding:		
Basic	2,390,977	2,390,284
Diluted	2,390,977	2,391,004

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 1,582,477	\$ 2,610,134
Items not affecting cash:		
Depreciation and amortization	316,964	313,561
Gain on sale of property, plant and equipment	(2,850)	(16,115)
Deferred income taxes	(68,910)	(73,170)
Changes in non-cash working capital items:		
Decrease in accounts receivable	1,801,945	1,039,423
Increase in note receivable	(41,500)	-
Decrease in inventory	1,113,473	2,810,259
(Increase) decrease in prepaid expenses	(21,852)	63,198
Decrease in accounts payable and accrued liabilities	(1,014,476)	(699,663)
Decrease in accrued income taxes	(30,052)	(187,510)
Net cash provided by operating activities	<u>3,635,219</u>	<u>5,860,117</u>
CASH FLOWS FROM INVESTING ACTIVITIES		

Proceeds on sale of property, plant and equipment	2,850	16,500
Purchase of property, plant and equipment	(249,166)	(63,582)
Purchase of intangible assets and other	-	(3,595)
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Net cash used in investing activities	(246,316)	(50,677)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank indebtedness	-	(1,059)
Issuance of capital stock for cash	-	56,098
Repayment of notes payable	(300,000)	(300,000)
Promissory note	(2,018,811)	(63,131)
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Net cash used in financing activities	(2,318,811)	(308,092)
Net increase in cash and cash equivalents	1,070,092	5,501,348
Cash and cash equivalents, beginning of year	<hr/>	<hr/>
	5,758,479	257,131
Cash and cash equivalents, end of year	<hr/>	<hr/>
	\$ 6,828,571	\$ 5,758,479

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Source: Jewett-Cameron Trading Company Ltd.