

Jewett-Cameron Announces Fiscal 2015 Financial Results

North Plains, Oregon, November 6, 2015 – Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF) today reported financial results for its fourth quarter and fiscal year ended August 31, 2015.

For the fiscal year ended August 31, 2015 Jewett-Cameron reported net income of \$1,773,971, or \$0.69 per share, on sales of \$42.24 million, compared to net income of \$1,858,453, or \$0.63 per diluted share, on sales of \$42.34 million, reported for fiscal 2014.

Sales for the fourth quarter of fiscal 2015 totaled \$11.5 million compared to sales of \$9.3 million for the fourth quarter of fiscal 2014. Net income was \$701,524, or \$0.27 per diluted share, compared to net income of \$352,147, or \$0.12 per diluted share, in the fourth quarter of fiscal 2014.

“The extended winter weather across much of the US in 2015 slowed the buying of lawn and garden products and adversely affected our results. The West Coast port slowdowns also delayed the delivery of our products from manufacturers and resulted in sales order delays and higher freight costs” said CEO Don Boone. “However, we launched several new products beginning in the 3rd quarter which were well received by the marketplace, particularly by our established customer base”.

As of August 31, 2015, the Company’s cash position was \$4.4 million, and currently there is no borrowing against its \$3.0 million line of credit. During fiscal 2015, the Company repurchased and cancelled a total of 227,798 common shares at a total cost of \$2,448,542, which represents an average price of \$10.75. The Company’s most recent share repurchase plan was terminated by the Board of Directors on July 17, 2015. 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. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in U.S. Dollars)
AS OF AUGUST 31

	2015	2014
ASSETS		
Current assets		
Cash	\$ 4,416,297	\$ 4,327,540
Accounts receivable, net of allowance of \$Nil (August 31, 2014 - \$Nil)	3,688,247	2,442,928
Inventory, net of allowance of \$120,824 (August 31, 2014 - \$111,756)	8,351,575	9,154,129
Note receivable	1,310	15,000
Prepaid expenses	719,459	762,533
Prepaid income taxes	26,570	546,347
Total current assets	17,203,458	17,248,477
Property, plant and equipment, net	2,231,711	2,147,387
Intangible assets, net	223,250	295,956
Total assets	\$ 19,658,419	\$ 19,691,820
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 984,955	\$ 240,825
Litigation reserve	90,671	117,387
Accrued liabilities	1,024,358	1,073,930
Total current liabilities	2,099,984	1,432,142
Deferred tax liability	34,300	60,972
Total liabilities	2,134,284	1,493,114
Contingent liabilities and commitments		
Stockholders' equity		
Capital stock		
Authorized		
21,567,564 common shares, without par value		
10,000,000 preferred shares, without par value		
Issued		
2,476,832 common shares (August 31, 2014 – 2,704,630)	1,168,712	1,276,201
Additional paid-in capital	600,804	600,804
Retained earnings	15,754,619	16,321,701
Total stockholders' equity	17,524,135	18,198,706
Total liabilities and stockholders' equity	\$ 19,658,419	\$ 19,691,820

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

	2015	2014
SALES	\$ 42,238,151	\$ 42,339,563
COST OF SALES	33,821,114	33,961,367
GROSS PROFIT	8,417,037	8,378,196
OPERATING EXPENSES		
Selling, general and administrative	1,814,899	1,700,030
Depreciation and amortization	281,762	276,340
Wages and employee benefits	3,396,793	3,317,228
	5,493,454	5,293,598
Income from operations	2,923,583	3,084,598
OTHER ITEMS		
Gain on sale of property, plant and equipment	-	3,546
Interest and other income	31,993	27,086
	31,993	30,632
Income before income taxes	2,955,576	3,115,230
Income taxes		
Current	1,208,277	1,246,198
Deferred	(26,672)	10,579
Net income for the year	1,773,971	1,858,453
Basic earnings per common share	\$ 0.69	\$ 0.63
Diluted earnings per common share	\$ 0.69	\$ 0.63
Weighted average number of common shares outstanding:		
Basic	2,581,850	2,968,220
Diluted	2,581,850	2,968,220

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

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	\$ 1,773,971	\$ 1,858,453
Items not affecting cash:		
Depreciation and amortization	281,762	276,340
Gain on sale of property, plant and equipment	-	(3,546)
Deferred income taxes	(26,672)	10,579
Interest income on litigation	(26,716)	(26,716)
Changes in non-cash working capital items:		
Decrease (increase) in accounts receivable	(1,245,319)	901,849
Decrease in note receivable	13,690	-
Decrease (increase) in inventory	802,554	(633,138)
Decrease (increase) in prepaid expenses	43,074	(174,924)
Decrease (increase) in prepaid income taxes	519,777	(275,924)
Increase (decrease) in accounts payable and accrued liabilities	694,558	(1,550,585)
Net cash provided by operating activities	<u>2,830,679</u>	<u>382,388</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on sale of property, plant and equipment	-	4,800
Purchase of property, plant and equipment	(293,380)	(110,325)
Net cash used in investing activities	<u>(293,380)</u>	<u>(105,525)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Redemption of common stock	(2,448,542)	(4,257,768)
Net cash used in financing activities	<u>(2,448,542)</u>	<u>(4,257,768)</u>
Net increase (decrease) in cash	88,757	(3,980,905)
Cash, beginning of year	<u>4,327,540</u>	<u>8,308,445</u>
Cash, end of year	<u>4,416,297</u>	<u>\$ 4,327,540</u>

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Source: Jewett-Cameron Trading Company Ltd.