

Jewett-Cameron Announces 1st Quarter Financial Results

North Plains, Oregon, January 14, 2015 – Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF) today reported financial results for the first quarter of fiscal 2015 ended November 30, 2014.

Sales were \$7.98 million for the first quarter of fiscal 2015 compared to sales of \$8.01 for the first quarter of fiscal 2014. Income from operations for the quarter was \$529,899 compared to \$543,924 in the year-ago quarter. Net income was \$327,787, or \$0.12 per share, for the quarter compared to net income of \$332,579, or \$0.11 per share, for the first quarter of fiscal 2014. The net income per share was higher for the current quarter due to a lower weighted average number of common shares outstanding as a result of the Company's repurchase of common shares.

"Our markets remained competitive in the first quarter of fiscal 2015, and continued higher raw material prices continue to negatively pressure our profit margins," said CEO Don Boone. "However, the sales initiatives we initiated during fiscal 2014 have been successful in beginning to expand and diversify our customer base."

As of November 30, the Company's cash position was \$1.984 million, and currently there is no borrowing against its \$1.0 million line of credit. During the first quarter, the Company repurchased and cancelled a total of 118,969 common shares at an average price of \$10.86 per share. The Company's most recent share repurchase plan expired on November 14, 2014. 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)

**November 30,
2014**

**August 31,
2014**

ASSETS

Current assets

Cash	\$ 1,984,977	\$ 4,327,540
Accounts receivable, net of allowance of \$Nil (August 31, 2014 - \$Nil)	2,720,614	2,442,928
Inventory, net of allowance of \$87,800 (August 31, 2014 - \$111,756) (note 3)	10,744,751	9,154,129
Note receivable	-	15,000
Prepaid expenses	569,976	762,533
Prepaid income taxes	341,176	546,347
Total current assets	16,361,494	17,248,477
Property, plant and equipment, net (note 4)	2,097,760	2,147,387
Intangible assets, net (note 5)	277,780	295,956
Total assets	\$ 18,737,034	\$ 19,691,820

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities

Accounts payable	\$ 377,496	\$ 240,825
Litigation reserve (note 13(a))	110,726	117,387
Accrued liabilities	950,107	1,073,930
Total current liabilities	1,438,329	1,432,142
Deferred tax liability (note 6)	64,689	60,972
Total liabilities	1,503,018	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		
2,585,661 common shares (August 31, 2014 – 2,704,630)	1,220,064	1,276,201
Additional paid-in capital	600,804	600,804
Retained earnings	15,413,148	16,321,701
Total stockholders' equity	17,234,016	18,198,706
Total liabilities and stockholders' equity	\$ 18,737,034	\$ 19,691,820

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

Three Months Ended
November 30,

2014

2013

SALES	\$ 7,982,617	\$ 8,006,281
COST OF SALES	<u>6,112,594</u>	<u>6,156,502</u>
GROSS PROFIT	1,870,023	1,849,779
OPERATING EXPENSES		
Selling, general and administrative expenses	461,448	391,886
Depreciation and amortization	69,083	70,019
Wages and employee benefits	<u>809,593</u>	<u>843,950</u>
	1,340,124	1,305,855
Income from operations	529,899	543,924
OTHER ITEMS		
Interest and other income	6,895	6,661
Gain on sale of equipment	-	4,109
	<u>6,895</u>	<u>10,770</u>
Income before income taxes	536,794	554,694
Income tax expense	<u>(209,007)</u>	<u>(222,115)</u>
Net income	<u>\$ 327,787</u>	<u>\$ 332,579</u>
Basic earnings per common share	\$ 0.12	\$ 0.11
Diluted earnings per common share	\$ 0.12	\$ 0.11
Weighted average number of common shares outstanding:		
Basic	2,688,942	3,134,936
Diluted	<u>2,688,942</u>	<u>3,134,936</u>

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

	Three Month Periods Ended November 30,	
	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 327,787	\$ 332,579
Items not involving an outlay of cash:		
Depreciation and amortization	69,083	70,019
Gain on sale of equipment	-	(4,109)
Deferred income taxes	3,717	(4,564)
Interest income on litigation	(6,661)	(6,661)
Changes in non-cash working capital items:		
(Increase) decrease in accounts receivable	(277,686)	1,107,043
(Increase) decrease in inventory	(1,590,622)	146,240
Decrease in note receivable	15,000	15,000
Decrease in prepaid income taxes	205,171	226,679
(Increase) decrease in prepaid expenses	192,557	(295,563)
Increase (decrease) in accounts payable and accrued liabilities	<u>12,848</u>	<u>(1,745,918)</u>

Net cash used by operating activities	(1,048,806)	(159,255)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,280)	(57,918)
Proceeds from sale of equipment	-	4,800
Net cash used in investing activities	(1,280)	(53,118)
CASH FLOWS FROM FINANCING ACTIVITIES		
Redemption of common stock	(1,292,477)	-
Net cash used in financing activities	(1,292,477)	-
Net decrease in cash	(2,342,563)	(212,373)
Cash, beginning of period	4,327,540	8,308,445
Cash, end of period	\$ 1,984,977	\$ 8,096,072

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Source: Jewett-Cameron Trading Company Ltd.