

Jewett-Cameron Announces 1st Quarter Financial Results

North Plains, Oregon, January 14, 2016 – Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF) today reported financial results for the first quarter of fiscal 2016 ended November 30, 2015.

Sales were \$11.94 million for the first quarter of fiscal 2016 compared to sales of \$7.98 million for the first quarter of fiscal 2015. Income from operations for the quarter was \$885,204 compared to \$529,899 in the year-ago quarter. Net income was \$532,245, or \$0.21 per share, for the current quarter compared to net income of \$327,787, or \$0.12 per share, for the first quarter of fiscal 2015.

“The increase in sales for the quarter was due to our efforts to expand our customer base to new smaller and mid-sized customers, as well as the continued acceptance of our new products introduced during fiscal 2015,” said CEO Don Boone. “The new products have been particularly well-received by our established customer base, which has led to sales increases with our largest customers.”

As of November 30, the Company’s cash position was \$4.36 million, and currently there is no borrowing against its \$3.0 million line of credit. The Company has historically utilized its cash position by implementing share repurchase programs as an effective method of enhancing shareholder value. The Company’s most recent share repurchase plan was terminated 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.
CONSOLIDATED BALANCE SHEETS
(Expressed in U.S. Dollars)
(Prepared by Management)
(Unaudited)

	November 30, 2015	August 31, 2015
ASSETS		
Current assets		
Cash	\$ 4,360,625	\$ 4,416,297
Accounts receivable, net of allowance of \$Nil (August 31, 2015 - \$Nil)	4,319,826	3,688,247
Inventory, net of allowance of \$72,730 (August 31, 2015 - \$120,824)	8,162,241	8,351,575
Note receivable	360	1,310
Prepaid expenses	1,052,468	719,459
Prepaid income taxes	-	26,570
Total current assets	17,895,520	17,203,458
Property, plant and equipment, net	2,184,901	2,231,711
Intangible assets, net	205,073	223,250
Total assets	\$ 20,285,494	\$ 19,658,419
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 955,516	\$ 984,955
Litigation reserve	84,010	90,671
Accrued liabilities	1,142,483	1,024,358
Total current liabilities	2,182,009	2,099,984
Deferred tax liability	47,105	34,300
Total liabilities	2,229,114	2,134,284
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, 2015 – 2,476,832)	1,168,712	1,168,712
Additional paid-in capital	600,804	600,804
Retained earnings	16,286,864	15,754,619
Total stockholders' equity	18,056,380	17,524,135
Total liabilities and stockholders' equity	\$ 20,285,494	\$ 19,658,419

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

	Three Months Ended	
	November 30,	
	2015	2014
SALES	\$ 11,941,508	\$ 7,982,617
COST OF SALES	9,561,653	6,112,594
GROSS PROFIT	2,379,855	1,870,023
OPERATING EXPENSES		
Selling, general and administrative expenses	542,793	461,448
Depreciation and amortization	75,513	69,083
Wages and employee benefits	876,345	809,593
	1,494,651	1,340,124
Income from operations	885,204	529,899
OTHER ITEMS		
Interest and other income	8,734	6,895
	8,734	6,895
Income before income taxes	893,938	536,794
Income tax expense	(361,693)	(209,007)
Net income	\$ 532,245	\$ 327,787
Basic earnings per common share	\$ 0.21	\$ 0.12
Diluted earnings per common share	\$ 0.21	\$ 0.12
Weighted average number of common shares outstanding:		
Basic	2,476,832	2,688,942
Diluted	2,476,832	2,688,942

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

	Three Month Periods	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 532,245	\$ 327,787
Items not involving an outlay of cash:		
Depreciation and amortization	75,513	69,083
Deferred income taxes	12,805	3,717
Interest income on litigation	(6,661)	(6,661)
Changes in non-cash working capital items:		
Increase in accounts receivable	(631,579)	(277,686)
(Increase) decrease in inventory	189,334	(1,590,622)
Decrease in note receivable	950	15,000
Decrease in prepaid income taxes	26,570	205,171
(Increase) decrease in prepaid expenses	(333,009)	192,557
Increase in accounts payable and accrued liabilities	88,686	12,848
Net cash used by operating activities	(45,146)	(1,048,806)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(10,526)	(1,280)
Net cash used in investing activities	(10,526)	(1,280)
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	(55,672)	(2,342,563)
Cash, beginning of period	4,416,297	4,327,540
Cash, end of period	\$ 4,360,625	\$ 1,984,977

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Source: Jewett-Cameron Trading Company Ltd.