

Jewett-Cameron Announces 3rd Quarter Financial Results

North Plains, Oregon, July 11, 2013 – Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF) today reported financial results for the third quarter and nine month periods of fiscal 2013 ended May 31, 2013.

Sales for the third quarter of fiscal 2013 totaled \$15.05 million compared to sales of \$16.11 million for the third quarter of fiscal 2012. For the quarter, income from operations were \$1,686,508 compared to \$1,556,199 in the year-ago quarter. After other items and income taxes, the Company reported net income of \$1,018,564, or \$0.32 per basic and diluted share, compared to net income of \$937,090, or \$0.29 per basic and diluted share, in last year's third quarter, after adjusting for the Company's 2 for 1 stock split effective May 2, 2013.

For the nine months ended May 31, 2013, Jewett-Cameron reported sales of \$38.58 million compared to sales of \$35.10 million for the nine months ended May 31, 2012. Income from operations was \$3,437,952 in the current nine month period compared to income of \$2,391,570 in the year-ago nine month period. The current nine month period was positively affected by the gain on sale of property of \$353,852 while the year-ago nine month period was positively affected by the reversal of Litigation Reserves totaling \$1,443,629. Including the one-time gains, net income for the nine months ended May 31, 2013 was \$2,289,941, or \$0.73 per basic and diluted share, compared to net income of \$2,288,897, or \$0.65 per basic and diluted share, in the prior nine month period, after adjustment for the 2 for 1 stock split.

"An increasing shift towards e-commerce sales of our metal products through our customer's online websites has resulted in lower costs and higher margins," said CEO Don Boone. "We also completed the 2 for 1 stock split of our common shares, and our strong cash position combined with the additional liquidity corresponds to our practice of implementing share re-purchase programs, which we believe is an effective method of enhancing shareholder value."

As of May 31st, 2013, the Company's cash position was \$7.68 million, and there is currently no borrowing against its \$5.0 million line of credit. During the nine months ended May 31, 2013, the company repurchased and cancelled a total of 814 common shares at a total cost of \$4,884, which represents an average price of \$6.00 per share. On May 29, 2013, the Company announced the implementation of a new share repurchase plan for the purchase and cancellation of up to 400,000 common shares, which represents approximately 13% of the approximately 3.1 million shares outstanding. The plan commenced on June 3, 2013, and will remain in place until August 16, 2013, but may be limited or terminated at any time without prior notice.

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 Lumber Corporation'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.

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)

	May 31, 2013	August 31, 2012
ASSETS		
Current assets		
Cash	\$ 7,678,879	\$ 7,309,388
Accounts receivable, net of allowance of \$0 (August 31, 2012 - \$6,509)	4,820,700	3,092,842
Inventory, net of allowance of \$139,333 (August 31, 2012 - \$139,869) (note 3)	4,674,912	7,085,389
Note receivable	15,000	20,000
Prepaid expenses	1,890,437	388,957
Prepaid income taxes	125,868	-
Total current assets	19,205,796	17,896,576
Property, plant and equipment, net (note 4)	1,995,645	1,997,109
Intangible assets, net (note 5)	384,767	444,203
Deferred income taxes (note 6)	-	101,573
Total assets	\$ 21,586,208	\$ 20,439,461
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 410,948	\$ 1,577,182
Litigation reserve (note 12(a))	150,837	170,819
Accrued liabilities	1,215,732	1,181,067
Accrued income taxes	-	37,203
Total current liabilities	1,777,517	2,966,271
Deferred tax liability (note 6)	50,444	-
Total liabilities	1,827,961	2,966,271
Contingent liabilities and commitments (note 12)		
Stockholders' equity		
Capital stock (note 8)		
Authorized		
21,567,564 common shares, without par value		
10,000,000 preferred shares, without par value		
Issued		
3,135,128 common shares (August 31, 2012 – 3,135,942)	1,479,337	1,479,721
Additional paid-in capital	600,804	600,804
Retained earnings	17,678,106	15,392,665
Total stockholders' equity	19,758,247	17,473,190
Total liabilities and stockholders' equity	\$ 21,586,208	\$ 20,439,461

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

	Three Month Periods to May 31,		Nine Month Periods to May 31,	
	2013	2012	2013	2012
SALES	\$ 15,051,509	\$ 16,113,435	\$ 38,575,738	\$ 35,105,842
COST OF SALES	12,021,388	13,306,308	31,114,942	28,741,219
GROSS PROFIT	3,030,121	2,807,127	7,460,796	6,364,623
OPERATING EXPENSES				
Selling, general and administrative expenses	372,191	233,947	1,176,173	1,122,892
Depreciation and amortization	66,735	61,279	188,431	186,773
Wages and employee benefits	904,687	955,702	2,658,240	2,663,388
	<u>1,343,613</u>	<u>1,250,928</u>	<u>4,022,844</u>	<u>3,973,053</u>
Income from operations	1,686,508	1,556,199	3,437,952	2,391,570
OTHER ITEMS				
Gain on sale of property, plant and equipment	-	-	353,852	-
Interest and other income	6,734	7,234	30,049	7,234
Interest expense (note 12(a))	-	(743)	(400)	(743)
Litigation income (note 12(a))	-	-	-	1,443,629
	<u>6,734</u>	<u>6,491</u>	<u>383,501</u>	<u>1,450,120</u>
Income before income taxes	1,693,242	1,562,690	3,821,453	3,841,690
Income tax expense	<u>(674,678)</u>	<u>(625,600)</u>	<u>(1,531,512)</u>	<u>(1,552,793)</u>
Net income	<u>\$ 1,018,564</u>	<u>\$ 937,090</u>	<u>\$ 2,289,941</u>	<u>\$ 2,288,897</u>
Basic earnings per common share	\$ 0.32	\$ 0.29	\$ 0.73	\$ 0.65
Diluted earnings per common share	\$ 0.32	\$ 0.29	\$ 0.73	\$ 0.65
Weighted average number of common shares outstanding:				
Basic	3,135,128	3,199,702	3,135,641	3,547,718
Diluted	<u>3,135,128</u>	<u>3,199,702</u>	<u>3,135,641</u>	<u>3,547,718</u>

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

	Three Month Periods to May 31,		Nine Month Periods to May 31,	
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	\$ 1,018,564	\$ 937,090	\$ 2,289,941	\$ 2,288,897
Items not involving an outlay of cash:				
Depreciation and amortization	66,735	61,279	188,431	186,773
Gain on sale of property, plant and equipment	-	-	(353,852)	-
Deferred income tax expense	594	495	152,017	2,052
Interest income on litigation	(6,734)	-	(19,982)	-
Changes in non-cash working capital items:				
(Increase) decrease in accounts receivable	2,474,524	(1,219,911)	(1,727,858)	(1,276,868)
Decrease in inventory	1,017,381	1,484,917	2,410,477	817,143
(Increase) decrease in note receivable	(15,000)	-	5,000	(20,000)
Increase in prepaid expenses	(459,525)	(506,245)	(1,501,480)	(859,629)
(Increase) decrease in prepaid income taxes	128,084	-	(125,868)	682,527
Decrease in accounts payable and accrued liabilities	(835,443)	(16,511)	(1,131,569)	(1,035,089)
Increase (decrease) in accrued income taxes	-	(24,188)	(37,203)	204,170
Net cash provided by operating activities	3,389,180	716,926	148,054	989,976
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(52,889)	(5,675)	(183,679)	(36,206)
Purchase of intangible assets and other	-	-	-	(13,050)
Proceeds from sale of property, plant and equipment	-	-	410,000	-
Net cash provided by (used in) investing activities	(52,889)	(5,675)	226,321	(49,256)
CASH FLOWS FROM FINANCING ACTIVITIES				
Redemption of common stock	-	(382,510)	(4,884)	(3,075,559)
Net cash used in financing activities	-	(382,510)	(4,884)	(3,075,559)
Net increase (decrease) in cash	3,336,291	328,741	369,491	(2,134,839)
Cash, beginning of period	4,342,588	4,310,547	7,309,388	6,774,127
Cash, end of period	\$ 7,678,879	\$ 4,639,288	\$ 7,678,879	\$ 4,639,288

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Source: Jewett-Cameron Trading Company Ltd.