

## **Jewett-Cameron Announces 2nd Quarter Financial Results**

NORTH PLAINS, Ore., April 13, 2016 — Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF) today reported financial results for the second quarter and six month periods of fiscal 2016 ended February 29, 2016.

Sales for the second quarter of fiscal 2016 totaled \$11.2 million compared to sales of \$9.5 million for the second quarter of fiscal 2015. Income from operations was \$340,617 compared to income of \$466,704 for the quarter ended February 28, 2015. Net income was \$131,960, or \$0.05 per share compared to net income of \$283,560, or \$0.11 per share, in the year-ago quarter.

For the six months ended February 29, 2016, sales totaled \$23.1 million compared to sales of \$17.5 million for the six months ended February 28, 2015. Net income was \$664,205, or \$0.27 per share, compared to net income of \$611,347, or \$0.23 per share, in the first six months of fiscal 2015.

During the current quarter, the Company settled all its litigation with Greenwood Forest Products Inc. dating from the acquisition of inventory in 2003. The settlement resulted in a one-time litigation expense of \$115,990, which had a negative effect on the net income for the quarter and six month periods ended February 29, 2016.

“During the second quarter, our higher sales were primarily a result of our efforts to attract new customers and the introduction of several new products last year,” said CEO Don Boone. “We also settled all our litigation with Greenwood Forest Products Inc. Although it negatively affected our net income for the current periods, we are pleased to put this lengthy litigation and the related costs behind us.”

As of February 29, 2016, the Company’s cash position was \$5.6 million, and there was no borrowing against the Company’s \$3.0 million line of credit.

On March 7, 2016, the Company implemented a new share repurchase plan to purchase for cancellation up to 250,000 common shares under Rule 10b5-1 of the U.S. Securities Exchange Act of 1934. This amount represents approximately 10.1% of the 2,476,832 common shares outstanding. Subsequent to the end of the period, the Company repurchased 5,042 common shares under the Plan. The total cost was \$56,596 at an average share price of \$11.22 per share. The Plan will remain in place until August 25, 2016 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 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)

	<b>February 29, 2016</b>	<b>August 31, 2015</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 5,627,987	\$ 4,416,297
Accounts receivable, net of allowance of \$Nil (August 31, 2015 - \$Nil)	3,784,595	3,688,247
Inventory, net of allowance of \$147,730 (August 31, 2015 - \$120,824)	7,511,016	8,351,575
Note receivable	-	1,310
Prepaid expenses	508,848	719,459
Prepaid income taxes	159,031	26,570
Total current assets	17,591,477	17,203,458
<b>Property, plant and equipment, net</b>	2,171,983	2,231,711
<b>Intangible assets, net</b>	186,897	223,250
<b>Total assets</b>	<b>\$ 19,950,357</b>	<b>\$ 19,658,419</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 753,336	\$ 984,955
Litigation reserve	-	90,671

Accrued liabilities	970,877	1,024,358
Total current liabilities	1,724,213	2,099,984
<b>Deferred tax liability</b>	37,804	34,300
<b>Total liabilities</b>	1,762,017	2,134,284
<b>Contingent liabilities and commitments</b>		
<b>Stockholders' equity</b>		
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	16,418,824	15,754,619
Total stockholders' equity	18,188,340	17,524,135
<b>Total liabilities and stockholders' equity</b>	<b>\$ 19,950,357</b>	<b>\$ 19,658,419</b>

**JEWETT-CAMERON TRADING COMPANY LTD.**

CONSOLIDATED STATEMENTS OF OPERATIONS

(Expressed in U.S. Dollars)

(Prepared by Management)

(Unaudited)

	<b>Three Month Periods to the end of February</b>		<b>Six Month Periods to the end of February</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>SALES</b>	\$ 11,188,133	\$ 9,483,404	\$ 23,129,641	\$ 17,466,021
<b>COST OF SALES</b>	9,152,554	7,581,284	18,714,207	13,693,878
<b>GROSS PROFIT</b>	2,035,579	1,902,120	4,415,434	3,772,143
<b>OPERATING EXPENSES</b>				
Selling, general and administrative expenses	531,423	511,375	1,074,216	972,823
Depreciation and amortization	68,470	70,600	143,983	139,683
Wages and employee benefits	1,095,069	853,441	1,971,414	1,663,034
	1,694,962	1,435,416	3,189,613	2,775,540
Income from operations	340,617	466,704	1,225,821	996,603
<b>OTHER ITEMS</b>				
Gain on sale of property, plant and equipment	5,600	-	5,600	-
Interest and other income	1,800	7,188	10,534	14,083
Litigation expense	(115,990)	-	(115,990)	-
	(108,590)	7,188	(99,856)	14,083
Income before income taxes	232,027	473,892	1,125,965	1,010,686
Income tax expense	(100,067)	(190,332)	(461,760)	(399,339)

<b>Net income</b>	\$ 131,960	\$ 283,560	\$ 664,205	\$ 611,347
<b>Basic earnings per common share</b>	\$ 0.05	\$ 0.11	\$ 0.27	\$ 0.23
<b>Diluted earnings per common share</b>	\$ 0.05	\$ 0.11	\$ 0.27	\$ 0.23
<b>Weighted average number of common shares outstanding:</b>				
Basic	2,476,832	2,585,661	2,476,832	2,637,587
Diluted	2,476,832	2,585,661	2,476,832	2,637,587

**JEWETT-CAMERON TRADING COMPANY LTD.**

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in U.S. Dollars)

(Prepared by Management)

(Unaudited)

	<b>Three Month Period to the end of February</b>		<b>Six Month Period to the end of February</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income	\$ 131,960	\$ 283,560	\$ 664,205	\$ 611,347
Items not involving an outlay of cash:				
Depreciation and amortization	68,470	70,600	143,983	139,683
Gain on sale of property, plant and equipment	(5,600)	-	(5,600)	-
Deferred income taxes	(9,301)	(6,426)	3,504	(2,709)
Interest income on litigation	-	(6,588)	(6,661)	(13,249)
Decrease in litigation reserve	(84,010)	-	(84,010)	-
Changes in non-cash working capital items:				
Decrease (increase) in accounts receivable	535,231	(2,313,462)	(96,348)	(2,591,148)
Decrease (increase) in inventory	651,225	(358,245)	840,559	(1,948,867)
(Increase) decrease in note receivable	360	(1,700)	1,310	13,300
Decrease (increase) in prepaid expenses	543,620	(255,461)	210,611	(62,904)
(Increase) decrease in prepaid income taxes	(159,031)	126,559	(132,461)	331,730
(Decrease) in accounts payable and accrued liabilities	(373,786)	(373,590)	(285,100)	(360,742)
Net cash provided by (used in) operating activities	1,299,138	(2,834,753)	1,253,992	(3,883,559)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property, plant and equipment	(37,376)	(13,417)	(47,902)	(14,697)
Proceeds from sale of property, plant and equipment	5,600	-	5,600	-
Net cash used in investing activities	(31,776)	(13,417)	(42,302)	(14,697)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from bank indebtedness	-	875,386	-	875,386
Redemption of common stock	-	-	-	(1,292,477)
Net cash provided by (used in) financing activities	-	875,386	-	(417,091)
<b>Net increase (decrease) in cash</b>	<b>1,267,362</b>	<b>(1,972,784)</b>	<b>1,211,690</b>	<b>(4,315,347)</b>
<b>Cash, beginning of period</b>	<b>4,360,625</b>	<b>1,984,977</b>	<b>4,416,297</b>	<b>4,327,540</b>
<b>Cash, end of period</b>	<b>\$ 5,627,987</b>	<b>\$ 12,193</b>	<b>\$ 5,627,987</b>	<b>\$ 12,193</b>

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