

## **Jewett-Cameron Announces 3<sup>rd</sup> Quarter Financial Results**

North Plains, Oregon, July 13, 2011 – Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF; TSX: JCT) today reported financial results for the third quarter and nine month periods of fiscal 2011 ended May 31, 2011.

Sales for the third quarter of fiscal 2011 totaled \$12.91 million compared to sales of \$12.48 million for the third quarter of fiscal 2010. For the quarter, income from operations was \$1,035,785 compared to \$1,320,202 in the year-ago quarter. After other items and income taxes, the Company reported net income of \$604,324 or \$0.30 per basic and diluted share, compared to net income of \$796,967, or \$0.33 per share in last year's third quarter.

For the nine months ended May 31, 2011 Jewett-Cameron reported sales of \$30.85 million compared to sales of \$27.53 million for the same period a year ago. Due to a litigation reserve of (\$1,386,481), the Company reported net income of \$254,938, or \$0.12 per share, compared to net income of \$1,074,069, or \$0.45 per share in the first nine months of fiscal 2010.

"Our efforts to increase our market share with our existing customers is reflected in our higher sales for both the quarter and nine months," said CEO Don Boone. "However, rising material and transportation costs are having a negative effect on our margins and net income."

As of May 31<sup>st</sup>, the Company's cash position was \$5.63 million, and currently there is no borrowing against its \$5.0 million line of credit. Today, the Company announced a new share re-purchase plan where it can repurchase up to 300,000 common shares representing approximately 16% of the approximately 1.9 million common shares outstanding. This share repurchase plan may commence on July 25, 2011 and will remain in place until October 21, 2011, but may be limited or terminated at any time without prior notice. In the first nine months of fiscal 2011, the Company repurchased and cancelled a total of a total of 392,980 common shares under prior formal plans of repurchase. The total cost was \$3,361,970 at an average share price of \$8.56 per share. These purchases were in addition to the 79,040 common shares repurchased and cancelled in the fourth quarter of fiscal 2010.

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)

	<u>May 31, 2011</u>	<u>August 31, 2010</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 5,632,276	\$ 8,710,314
Accounts receivable, net of allowance of \$nil (August 31, 2010 - \$17,593)	4,551,128	3,874,114
Inventory, net of allowance of \$188,233 (August 31, 2010 - \$221,200) (note 3)	6,877,356	6,265,782
Note receivable	41,500	41,500
Prepaid expenses	144,460	56,696
Prepaid income taxes	647,530	-
Total current assets	17,894,250	18,948,406
<b>Property, plant and equipment, net</b> (note 4)	1,838,829	1,926,031
<b>Intangible assets, net</b> (note 5)	529,506	585,714
<b>Deferred income taxes</b> (note 6)	195,000	198,582
<b>Total assets</b>	\$ 20,457,585	\$ 21,658,733
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 873,982	\$ 465,165
Litigation reserve (note 12(a))	1,611,533	-
Accrued liabilities	1,032,533	1,138,866
Accrued income taxes	-	8,133
Total current liabilities	3,518,048	1,612,164
<b>Contingent liabilities and commitments</b> (note 12)		
<b>Stockholders' equity</b>		
Capital stock (note 8)		
Authorized		
20,000,000 common shares, without par value		
10,000,000 preferred shares, without par value		
Issued		
1,918,957 common shares (August 31, 2010 - 2,311,937)	1,810,952	2,181,814
Additional paid-in capital	600,804	600,804
Retained earnings	14,527,781	17,263,951
Total stockholders' equity	16,939,537	20,046,569
<b>Total liabilities and stockholders' equity</b>	\$ 20,457,585	\$ 21,658,733

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

	<b>Three Month Periods to May 31,</b>		<b>Nine Month Periods to May 31,</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>SALES</b>	\$ 12,913,331	\$ 12,487,415	\$ 30,858,396	\$ 27,537,794
<b>COST OF SALES</b>	10,483,142	9,612,612	24,856,594	21,285,607
<b>GROSS PROFIT</b>	2,430,189	2,874,803	6,001,802	6,252,187
<b>OPERATING EXPENSES</b>				
Selling, general and administrative expenses	399,226	554,635	1,297,627	1,614,662
Depreciation and amortization	65,296	69,465	196,430	203,084
Wages and employee benefits	929,882	930,501	2,637,929	2,628,063
	<u>1,394,404</u>	<u>1,554,601</u>	<u>4,131,986</u>	<u>4,445,809</u>
Income from operations	1,035,785	1,320,202	1,869,816	1,806,378
<b>OTHER ITEMS</b>				
Gain (loss) on sale of property, plant and equipment	(6,988)	4,500	(2,652)	1,008
Interest and other income	-	265	23	4,683
Interest expense (Note 12(a))	(16,333)	-	(424,344)	-
Litigation reserves (Note 12(a))	-	-	(962,137)	-
	<u>(23,321)</u>	<u>4,765</u>	<u>(1,389,110)</u>	<u>5,691</u>
Income before income taxes	1,012,464	1,324,967	480,706	1,812,069
Income taxes	408,140	528,000	225,768	738,000
<b>Net income</b>	<u>\$ 604,324</u>	<u>\$ 796,967</u>	<u>\$ 254,938</u>	<u>\$ 1,074,069</u>
<b>Basic earnings per common share</b>	\$ 0.30	\$ 0.33	\$ 0.12	\$ 0.45
<b>Diluted earnings per common share</b>	\$ 0.30	\$ 0.33	\$ 0.12	\$ 0.45
<b>Weighted average number of common shares outstanding:</b>				
Basic	2,002,355	2,390,977	2,108,585	2,390,977
Diluted	2,002,355	2,390,977	2,108,585	2,390,977

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

	<b>Three Month Periods Ended May 31,</b>		<b>Nine Month Periods Ended May 31,</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income	\$ 604,324	\$ 796,967	\$ 254,938	\$1,074,069
Items not involving an outlay of cash:				
Depreciation and amortization	65,296	69,465	196,430	203,084
Gain (loss) on sale of property, plant and equipment	6,988	(4,500)	2,652	(1,008)
Deferred income taxes	(4,650)	(19,400)	3,582	84,080
Changes in non-cash working capital items:				
(Increase) decrease in accounts receivable	1,385,839	(931,268)	(677,014)	(633,479)
(Increase) decrease in inventory	(258,197)	(504,874)	(611,574)	1,067,948
(Increase) decrease in prepaid expenses	16,706	95,497	(87,764)	(11,841)
(Decrease) increase in accounts payable and accrued liabilities	(93,442)	986,042	1,905,884	121,729
(Increase) decrease in prepaid income taxes	(88,551)	268,399	(647,530)	(101,640)
Decrease in taxes receivable	200,941	-	-	-
Net cash provided by operating activities	1,835,254	756,328	339,604	1,802,942
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(25,553)	(32,078)	(61,122)	(213,660)
Proceeds from sale of property, plant and equipment	-	4,500	5,450	4,500
Net cash (used in) investing activities	(25,553)	(27,578)	(55,672)	(209,160)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Redemption of common stock	(911,126)	-	(3,361,970)	-
Net cash (used in) financing activities	(911,126)	-	(3,361,970)	-
<b>Net increase (decrease) in cash and cash equivalents</b>	898,575	728,750	(3,078,038)	1,593,782
<b>Cash and cash equivalents, beginning of period</b>	4,733,701	7,693,603	8,710,314	6,828,571
<b>Cash and cash equivalents, end of period</b>	\$ 5,632,276	\$ 8,422,353	5,632,276	\$ 8,422,353

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Source: Jewett-Cameron Trading Company Ltd.