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FOR IMMEDIATE RELEASE



PRESS RELEASE

SAMUEL MANU-TECH INC. REPORTS FIRST QUARTER 2009 RESULTS

Toronto, ON – Samuel Manu-Tech Inc. (SMT) (TSX – SMT), a leading North American industrial products and technology company, today reported results for the three months ended March 31, 2009.

2009 1st QUARTER SUMMARY

- Sales for the quarter declined 14.9% due to depressed market conditions
- Operating loss of \$13.1 million for the quarter reflected a reduction in selling prices and reduced market demand
- Net loss of \$9.1 million or \$0.28 per share
- Packaging segment reported an operating loss as all end-use markets remained Soft
- Metal processing segment operating loss reflected lower volumes and selling prices

“We are experiencing extremely negative conditions in all of our served markets. In response to these depressed market dynamics, our businesses continue to focus on cost reduction,” commented Mark C. Samuel, Chairman and CEO. “In addition, the Company is actively pursuing all opportunities that may be available in the recent economic stimulus packages in both Canada and the U.S.,” Mr. Samuel added.

Sales

Sales for the first quarter ended March 31, 2009 were \$193.8 million, which represents a decrease of \$34.0 million or 14.9% from the \$227.8 million achieved in the comparable quarter of the prior year. The decrease results primarily from lower volumes and selling prices. Volumes have declined with the deterioration in North American economic and market conditions and the lack of demand for most manufactured products. This lack of demand in turn has led to falling commodity prices. Lower sales in the quarter were offset in part by the contributions from the recent acquisitions of Tubular Products and Omega Joists, which were acquired during the comparable quarter of the prior year.

Operating Performance

In the first quarter of 2009, the loss from operations before restructuring, interest and income taxes was \$13.1 million compared to an operating profit of \$6.9 million in the comparable quarter of the prior year. The operating loss reflects weak operating performance in the Company's plants due to lower volumes and the impact of lower selling prices which have led to significant margin contraction for many products.

The Packaging segment generated an operating loss of \$8.0 million in the first quarter compared to an operating profit of \$1.8 million earned in the comparable quarter in the prior year. The decreased profitability reflects the ongoing contraction of the forestry, metals and construction sectors in North America, as well as compressed margins. It also reflects the liquidation of higher cost inventories and reduced production levels. In addition, the Unalloy-IWRC division incurred a loss of approximately \$2.0 million on the bulk sales of its stainless and tool steel inventories as the Company made the strategic decision to exit these two product lines.

For the Metal Processing segment, a first quarter operating loss of \$2.5 million was incurred compared to an operating profit of \$6.8 million in the comparable quarter of the prior year. Only the roll form, steel pressure vessel and carbon tubular operations posted operating profits in the quarter. Stainless steel tubular operations generated an operating loss reflecting a less favourable product mix, lower volumes and slowdowns at the Company's U.S. and Mexican operations. A loss in our steel pickling group reflected lower overall volumes due to the slow down in the North American manufacturing and automotive sectors and further downsizing at our Canadian pickling location.

Including corporate costs of \$2.6 million, the total operating loss in the quarter was \$13.1 million.

The Company generated a net loss of \$9.1 million or \$0.28 per share for the first quarter of 2009 compared to net earnings of \$3.1 million or \$0.10 per share achieved in the comparable quarter of the prior year. The first quarter 2009 results include a pre-tax restructuring gain of \$0.7 million or \$0.01 per share consisting of the balance of the gain on sale of the equipment at the Scarborough, Ontario strapping manufacturing facility. Last year's first quarter results included a pre-tax restructuring charge of \$0.5 million or \$0.01 per share.

Financial Position

Cash flow from operating activities for the first quarter of 2009 increased to \$78.7 million from \$7.0 million in the comparable quarter of the prior year due primarily to decreased requirements for non-cash working capital offset in part by lower levels of profitability. Working capital declined to \$221.7 million, a decrease of \$78.4 million from the \$300.1 million at December 31, 2008. The Company initiated an aggressive working capital reduction program at the beginning of the year which resulted in a significant reduction in both receivables and inventories in the first quarter. In turn, net borrowings declined to \$142.0 million from the \$207.9 million at December 31, 2008, reflecting the lower investment in working capital, offset in part by the cash used in operations during the first three months due to the net loss. Funded debt to capitalization remained a conservative 30.2% compared to the year end position of 37.8%.

The Company continues to maintain credit facilities with various banks and at March 31, 2009 had unused credit facilities of approximately \$157 million, of which approximately \$40 million was available. The Company's current earnings decline, combined with its existing bank financial covenants, have resulted in the Company being restricted in the amount of its total borrowings, notwithstanding the size of the existing committed bank term facilities. The Company is in the process of renegotiating the terms of its various credit agreements in order to be able to access a greater portion of its committed bank term facilities without being in breach of existing bank financial covenants. The Company is hopeful in concluding these negotiations, including the execution of definitive documentation, in the second quarter of 2009. Assuming the successful conclusion of these negotiations, the Company will have access to additional unused credit facilities.

Outlook

The deterioration in economic and market conditions experienced in the fourth quarter of 2008 continued into the first quarter of 2009, with demand for most manufactured products remaining soft. The current economic downturn including low automobile and home sales, weakness in commercial construction and a lack of manufacturing investment has been primarily responsible for the low demand. In addition, the lack of steel demand resulted in carbon and stainless steel prices continuing to decrease in the first quarter to very low levels.

These conditions have led to further production cutbacks and plant closures by a number of North American manufacturers and steelmakers in an effort to better balance supply and demand. The outlook is for both carbon and stainless steel prices to remain at these relatively low levels for the short to medium term.

As a result of these negative conditions, the Company generated losses at most of its operating divisions in the first quarter as it liquidated higher cost inventories and adjusted production levels at all of its manufacturing facilities to meet lower demand levels. The ongoing economic downturn has also forced the Company to take difficult but necessary actions in all areas of its operations, including temporary and permanent layoffs, plant shutdowns as well as consolidating certain manufacturing facilities. Efforts also continue with regard to improving productivity at all manufacturing operations.

“We are disappointed with our results in the first quarter, which reflect the severely negative manufacturing environment in North America,” said Mark C. Samuel, Chairman and CEO. “Going forward we will continue to focus on maximizing liquidity, restricting capital expenditures and reducing our cost structure to deal with these negative market conditions, while still maintaining our focus on long-term viability and success” Mr. Samuel concluded.

Based on the current economic forecast, the Company expects to perform better in the second quarter, although additional losses are anticipated. No material improvement is expected before late 2009.

Financial Highlights

(\$ millions except per share amounts) Period ended March 31,	Three Months	
	2009	2008
Net Sales	\$193.8	\$227.8
Earnings (loss) from Operations*	\$(13.1)	\$6.9
Net Earnings (Loss)	\$(9.1)	\$3.1
Basic Earnings (Loss) per Share	\$(0.28)	\$0.10
Cash Flows from Operating Activities	\$78.7	\$7.0

**before restructuring, interest and income taxes*

The Company's First Quarter Report to Shareholders can be found on the Company's web site at www.samuelmanutech.com and has been filed on SEDAR at www.sedar.com.

About Samuel Manu-Tech Inc.

Samuel Manu-Tech Inc. (SMT-TSX) is a leading North American industrial products and technology company producing and distributing a wide range of steel, plastic and related industrial products and services from locations in Canada, United States and Mexico.

Forward looking information

Some of the statements contained in this release are forward-looking statements, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements. We do not intend to update this information and disclaim any legal obligation to the contrary.

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