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FOR IMMEDIATE RELEASE



PRESS RELEASE

SAMUEL MANU-TECH INC. REPORTS SECOND QUARTER RESULTS

Toronto, ON – Samuel Manu-Tech Inc. (TSX – SMT), a leading North American industrial products and technology company, today reported results for the three months ended June 30, 2009.

2009 2nd QUARTER SUMMARY

- Sales for the quarter declined 39.3% due to depressed market conditions
- Operating loss of \$14.0 million for the quarter reflected lower selling prices, reduced market demand and the impact of downsizing costs
- Margins were depressed due to the continuing decline in metal prices
- Net loss of \$10.0 million or \$0.31 per share
- Signed new syndicated revolving bank agreement for \$225 million

“We continue to experience extremely negative conditions in all of our served markets. As a result, our businesses are focusing on cost reduction initiatives, new product development and the pursuit of new markets,” commented Mark C. Samuel, Chairman and CEO.

Sales

Sales for the second quarter ended June 30, 2009 were \$157.6 million, which represents a decrease of \$102.2 million or 39.3% from the \$259.8 million achieved in the comparable quarter of the prior year. The decrease resulted from lower volumes and selling prices. Volumes declined with the deterioration in North American market conditions and the resulting lack of demand for most manufactured products. This ongoing lack of demand in turn led to falling commodity prices in the second quarter. The weak Canadian dollar had a partially offsetting favourable impact on Canadian exports and U.S. based sales in the second quarter compared to the same period last year.

Operating Performance

In the second quarter of 2009, the loss from operations before restructuring, interest and income taxes was \$14.0 million compared to an operating profit of \$19.1 million in the comparable quarter of the prior year. The operating loss reflects negative operating performance in the Company's plants due to lower volumes, the impact of lower selling prices and the continuing decline in metal prices, which have led to significant margin contraction for many of our products.

The Packaging segment generated an operating loss of \$5.7 million in the second quarter compared to an operating profit of \$8.1 million earned in the comparable quarter in the prior year. The decreased profitability reflects the slowdown in the forestry, metals and construction sectors in North America and the negative impact of downsizing costs at the Canadian operations. Margins were also negatively impacted by the liquidation of higher cost inventories and continuing low production levels at all of the Company's facilities. In addition, the Unalloy-IWRC division incurred a small operating loss in the second quarter.

For the Metal Processing segment, a second quarter operating loss of \$8.0 million was incurred, compared to an operating profit of \$13.9 million in the comparable quarter of the prior year. All groups reported operating losses in the quarter. Operating losses from roll formed products reflected a less favourable product mix, lower pricing levels, a slow down at the U.S. operations and costs related to workforce reductions as the Canadian operations were downsized to meet lower demand levels. Steel pressure vessel operations posted a loss reflecting lower volumes and selling prices as well as the negative impact of a significant inventory devaluation adjustment. Carbon steel tubular operations also posted an operating loss reflecting the continued lack of demand at Tube.tec's major customers. 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. Steel pickling operations also incurred an operating loss in the quarter reflecting lower overall volumes due to the slow down in the North American automotive sector.

The Company generated a net loss of \$10.0 million or \$0.31 per share for the second quarter of 2009 compared to net earnings of \$12.1 million or \$0.37 per share achieved in the comparable quarter of the prior year. Restructuring had no impact on results in the second quarter of 2009. This compares to the second quarter results last year which included a pre-tax restructuring gain of \$0.5 million or \$0.01 per share, being the balance of the gain on the sale of equipment at the Scarborough, Ontario strapping manufacturing facility.

Financial Position

Cash flow generated from operating activities for the second quarter of 2009 increased to \$13.3 million compared to \$4.3 million used 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 \$199.9 million, a decrease of \$100.2 million from the \$300.1 million at December 31, 2008. The Company continues to focus on its working capital reduction program particularly with regard to reducing both receivables and inventories.

In turn, net borrowings declined to \$124.1 million from the \$207.9 million at December 31, 2008, reflecting lower investment in working capital offset in part by the cash used in operations during the first six months due to the net loss. Funded debt to capitalization remained a conservative 28.4% compared to the year end position of 37.8%.

The Company renegotiated the terms of its various credit agreements in the second quarter in order to be able to access a greater portion of its committed bank term facility while maintaining compliance with bank financial covenants. Under the terms of the new syndicated bank agreement the Company has a \$225 million senior secured revolving credit facility maturing on December 16, 2011.

Outlook

Carbon steel pricing levels, which declined significantly in the first quarter as a result of the global and North American recession, continued their downward trend during the second quarter. This reduction was driven by continuing soft demand in all key steel consuming industries particularly in the automotive, forestry, capital equipment and construction markets. Demand in other key end use markets such as energy, power generation and residential construction also remained soft. Meanwhile certain sectors of the market have actively reduced their inventory levels which has negatively impacted mill capacity levels and steel prices.

In early June, North American steel producers announced price increases effective for the third quarter. These recent increases are consistent with rising global carbon steel prices resulting from higher input costs and marginally improved demand from the automotive and energy sectors. The increases were also supported by a lack of lower-priced imports coming into North America coupled with lower service center inventory levels. It remains to be seen however, whether this is an indication that real demand will start to increase in the second half of the year. Capacity utilization rates for North American steel mills have recently increased to 50%, but it is generally viewed that this has been caused more by mildly increased service center demand as opposed to a real increase in demand from end use customers.

Subsequent to the second quarter end, the Company announced the signing of a letter of intent to acquire Sekisui Jushi America, Inc.'s 50% interest in Samuel/Sekisui Jushi Strapping LLC which is expected to close before the end of the third quarter. This is anticipated to be a positive development for our Packaging Group as it will allow them sole control of the production of one of their key product lines.

“Reducing costs and restructuring our businesses has been a painful but necessary process for our long-term success”, said Mark C. Samuel, Chairman and CEO. “We appreciate the support of our loyal employees and business partners. As the economy recovers and our sales volumes improve we will reward our shareholders with superior performance in the long run”, said Mark C. Samuel, Chairman and CEO.

Based on the current economic forecast, the Company expects to incur additional losses in the third quarter, although substantially less than the losses incurred in the first and second quarters. The Company does not anticipate a material improvement in market demand in the North American economy until late 2010. Notwithstanding the Company's ongoing cost reduction efforts and new business development activities, a return to profitability is not expected until next year.

Financial Highlights

(\$ millions except per share amounts) Period ended June 30,	Three Months	
	2009	2008
Net Sales	\$157.6	\$259.8
Earnings(loss) from Operations*	\$(14.0)	\$19.1
Net Earnings(Loss)	\$(10.0)	\$12.1
Basic Earnings(Loss) per Share	\$(0.31)	\$0.37
Cash Flows from Operating Activities	\$13.3	\$(4.3)

**before restructuring, interest and income taxes*

The Company's Second 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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