



185 The West Mall, Suite 1500, Toronto, Ontario, M9C 5L5
(416) 626-2190, Fax (416) 626-5969

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FOR IMMEDIATE RELEASE



PRESS RELEASE

**SAMUEL MANU-TECH REPORTS FOURTH QUARTER
AND FULL YEAR 2008 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 and year ended December 31, 2008.

2008 SUMMARY

- Sales for the year rise 10.0% on acquisition contributions and start-up operations
- Operating profit up marginally. Gains early in the year offset by declines in the 4th Quarter reflecting the rapid reduction in steel selling prices, reduced market demand and negative inventory revaluations.
- Packaging segment operating profit up 17% in 2008
- Metal Processing segment operating profit declines 3.3% for the year due to significant decrease in fourth quarter
- Pre-tax non-cash impairment charge for goodwill and certain long-lived assets of \$53.6 million taken in fourth quarter

“Despite solid increase in sales and profitability through the first nine months of the year, our businesses suffered from a rapid decline in steel prices through the third and fourth quarters, as well as deteriorating business levels in a number of our markets. These factors resulted in significant inventory write downs”, commented Mark C. Samuel, Chairman and CEO. “In addition, the non-cash impairment charge against earnings taken in the fourth quarter of the year reflects the reality of adverse equity market conditions that caused a decrease in comparable company trading multiples and the Company’s stock price.”

Sales

Sales for the fourth quarter ended December 31, 2008 were \$236.6 million, which represents an increase of \$27.2 million or 13% over the \$209.4 million achieved in the comparable quarter of the prior year. The increase results primarily from the contribution of recent acquisitions and start-up operations. These positive factors more than offset the recent rapid decline in selling prices and continued weaker end user demand in certain key sectors resulting from the economic slowdown in North America and increased competition. For the year ended December 31, 2008 sales increased 10% to \$989.7 million, with Packaging sales rising 1.9% and Metal Processing sales up 18.2%.

Operating Performance

In the fourth quarter, loss from continuing operations before goodwill and long-lived assets impairment charges, gain on sale of steel pickling operations, restructuring, interest and income taxes was \$9.9 million compared to an operating profit of \$0.3 million in the comparable quarter of the prior year. The operating loss reflects the rapid reduction in selling prices which resulted in significant downward inventory valuation adjustments required to write down inventories to their net realizable value. For the year ended December 31, 2008, the Company generated an operating profit of \$38.9 million, an increase of 1.5% compared to the prior year.

The Packaging segment had an operating loss of \$7.4 million in the fourth quarter, which was greater than the operating loss of \$3.0 million in the comparable quarter of the prior year. The operating loss resulted from the negative impact of the rapid erosion of selling prices in the month of December reflecting the significant reduction of demand in most key markets. This in turn led to significant inventory devaluation adjustments, which more than offset the increased operating efficiencies at the new steel strapping facility in Ohio. For the year ended December 31, 2008 operating profit for the Packaging segment rose 17.5% to \$13.0 million, with increases in the U.S. more than offsetting decreases in Canada. The increased profitability in the U.S. reflected increased volumes and higher pricing levels for most of the year. The decreased profitability in Canada reflected the continued slowdown in the forestry and construction sectors and the negative effects from increased competition.

For the Metal Processing segment, fourth quarter operating profit decreased to \$0.5 million from \$5.2 million in the comparable quarter of the prior year. Stainless steel tubular operations generated an operating loss reflecting a less favourable product mix and slowdowns at the U.S. and Mexican operations. In addition, lower demand and selling prices led to required inventory write downs in the month of December. Profits from steel pickling operations were also down reflecting lower overall volumes due to the slow down in North American manufacturing, particularly the automotive sector. Profits from welded tubular assemblies were down due to lower sales of all terrain vehicles. These decreases were offset in part by increased profits from roll formed products reflecting increased sales levels, the positive contribution from the U.S. operations and

the recent acquisition of Omega Joists Inc. Operating profits from steel pressure vessels and tubular operations were also higher reflecting increased sales and the acquisition of Tubular Products Company. “For the year ended December 31, 2008, operating profit for the Metal Processing segment declined 3.3% to \$36.0 million with the deteriorating performance in the 4th Quarter detracting from the operating profit gains in the first nine months of the year”.

The Company recorded a non-cash charge of \$53.6 million, \$38.7 million after tax or \$1.20 per share, for goodwill and certain long-lived assets impairment as at December 31, 2008. The impairment charge was primarily driven by adverse equity market conditions that caused a decrease in comparable company trading multiples and the Company’s stock price. The Company’s market capitalization as at December 31, 2008 was well below the carrying value of its net assets, suggesting an impairment. In addition, actual operating results in certain of the Company’s reporting units have not met the Company’s forecasts for the year and the considerable economic uncertainty has led management to lower forecast expectations for the purposes of the annual impairment test. The non-cash impairment charge did not affect the Company’s liquidity, cash flows or debt covenants.

The Company generated a net loss of \$46.9 million for the fourth quarter of 2008, or \$1.46 per share. The fourth quarter results this year include a restructuring gain of \$0.5 million consisting primarily of a portion of the gain on the sale of the equipment at the Scarborough, Ontario strapping manufacturing facility. This restructuring gain of \$0.3 million after tax positively impacted earnings in the fourth quarter by \$0.01 per share. Net earnings for the comparable quarter in 2007 were \$3.3 million or \$0.10 per share. The fourth quarter results last year included a restructuring gain of \$4.4 million (\$3.8 million after tax) consisting primarily of the gain on the sale of the land and building at the Scarborough, Ontario strapping manufacturing facility and which positively impacted earnings by \$0.12 per share.

Net loss for the year ended December 31, 2008 was \$9.3 million or \$0.29 per share compared to net earnings of \$27.3 million or \$0.85 per share last year. The results this year include an estimated pre-tax gain of \$15.2 million related to the sale of the Nanticoke, Ontario steel pickling operations to U.S. Steel Canada. This after tax gain of \$10.4 million positively impacted earnings for the year by \$0.32 per share. The results this year also include a pre-tax restructuring charge of \$2.2 million related to the closure of the Scarborough, Ontario strapping manufacturing facility. This restructuring charge of \$1.5 million after tax negatively impacted earnings by \$0.05 per share. This compares to the results last year which included a restructuring charge of \$1.6 million (nil after tax) and which had no net effect on earnings per share.

Financial Position

Cash flow from operating activities from continuing operations for the fourth quarter decreased to \$7.8 million from \$17.8 million in the comparable quarter of the previous year reflecting lower earnings and increased requirements for non-cash working capital. Working capital rose to \$300.1 million, an increase of \$59.8 million over the \$240.3

million at December 31, 2007. Despite an increase in long term debt of \$74.4 million from the prior year reflecting increased spending on business acquisitions completed during the year as well as higher investment in working capital, offset in part by the proceeds on sale of capital assets, net debt to capitalization remained a conservative 37.8% compared to 28.3% at the end of the prior year. Net debt to capitalization includes the negative impact of the goodwill and long-lived assets impairment charge as described earlier.

For the full year, cash flow from operating activities from continuing operations in 2008 amounted to \$15.2 million which is down \$1.4 million from \$16.6 million in the previous year. The decrease is attributable primarily to increased requirements for non-cash working capital in the year.

Outlook

Carbon steel pricing levels decreased substantially in the second half of the year after significant increases in the first half of the year. The impact of various stimulus plans on the manufacturing sector is currently uncertain and therefore the timing of any resultant increased market demand is difficult to predict. The increases in the first half of the year were driven by reduced imports and higher raw material input costs. The increases were more than offset by the negative impact of a lack of demand in the second half of the year. Recent production cuts by North American mills have helped to keep supply and demand more in balance. However, with real demand remaining weak, the expectation is for prices to remain at relatively low levels for at least the first half of 2009.

After the price declines in the fourth quarter of 2008, nickel prices stabilized somewhat in early 2009. However, continuing weak demand and recent declines in raw material costs will make it difficult for a recovery in stainless steel pricing levels.

Forecasts are complicated by the sharp North American and global economic downturns, which could worsen as the year progresses. The Company will continue to focus on maximizing liquidity and reducing its cost structure to be able to deal with the negative market conditions.

“Samuel Manu-Tech Inc. has not been immune to the economic crisis in North America. We are disappointed with our results in the 4th Quarter and it is difficult to be optimistic for a North American economic recovery in the first half of 2009. In response to these conditions we are streamlining our businesses and rapidly reducing our costs to ensure that SMT will both meet the challenges of the current crisis and emerge well positioned to take advantage of the opportunities that will inevitably arise”, Mr. Samuel concluded.

Financial Highlights

<i>(\$ millions except per share amounts)</i>	Three Months		Full Year	
Period ended December 31,	2008	2007	2008	2007
Net Sales	\$236.6	\$209.4	\$989.7	\$899.9
Earnings(loss) from Continuing Operations*	(\$9.9)	\$0.3	38.9	38.3
Goodwill and Other Long-lived Assets Impairment Charge	(\$53.6)	-	(\$53.6)	-
Gain on Sale of Steel Pickling Operations	-	-	\$15.2	-
Net Earnings(loss) from Continuing Operations	(\$46.9)	\$3.3	(\$9.3)	\$21.3
Net Earnings(Loss)	(\$46.9)	\$3.3	(\$9.3)	\$27.3
Basic Earnings(Loss) per Share	(\$1.46)	\$0.10	(\$0.29)	\$0.85
Cash Flows from Operating Activities	\$7.8	\$17.8	\$15.2	\$16.6
<i>* before impairment charge, gain on sale of steel pickling operations, restructuring, interest and income taxes</i>				

The Company's Fourth Quarter Report to Shareholders can be found on the Company's website at www.samuelmanutech.com. The Company's 2008 Annual Report to Shareholders will be filed on SEDAR before the end of March, 2009 and will be available on the Company's website and at www.sedar.com at that time.

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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For further information, please contact:

John D. Amodeo
Vice President and Chief Financial Officer
Samuel Manu-Tech, Inc.
185 The West Mall, Suite 1500
Toronto, Ontario M9C 5L5
Tel: (416) 626-2190

Email Address: smt@samuelmanutech.com