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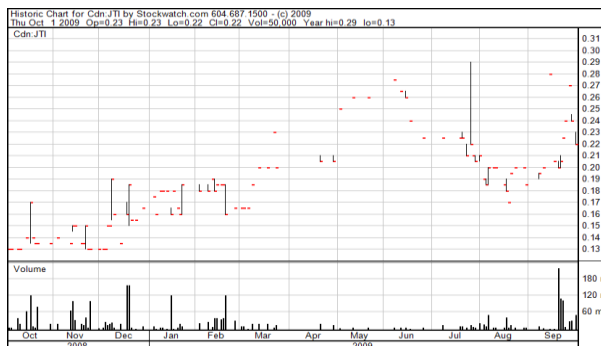
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INDEPENDENT RESEARCH



JITE Technologies Inc. (JTI: TSX-V)

Date: October 1, 2009
Price: \$0.22



KEY INFORMATION

Fiscal Year-end	December 31
52-Week High/Low	\$0.29 - \$0.13
3-Month Avg. Daily Trading Volume	12,750 shares
Market Capitalization	\$4.6 million
Enterprise Value	-\$4.1 million
Book Value per Share (June 30)	\$0.52
Current Ratio	7.2
Gross Margin	29%
LT Debt to 2009e CF	0.0
LT Debt to Equity	0.0
Price to 2008 Earnings	6.9
Price to 2009e Earnings	4.4

FINANCIAL DATA (000's of Canadian Dollars)

	3 Months Jun 30		6 Months Jun 30	
	2009	2008	2009	2008
Revenues	3,504	4,646	7,534	8,883
Net Income	301	105	620	145
per share	0.014	0.005	0.029	0.007
Cash Flow	606	375	1,297	744
per share	0.029	0.018	0.062	0.035

BALANCE SHEET (as at June 30, 2009)

Current Assets	\$ 15,997,807
Total Assets	19,521,749
Current Liabilities	2,224,121
Long-Term Debt	nil
Shareholders' Equity	10,990,633

SHARES OUTSTANDING (as at June 30, 2009)

Basic	*21,073,613
Fully-Diluted	**24,181,913

* management and insiders own approximately 59% of the company's issued and outstanding common shares.

** 2,222,300 wts at \$3.25 expire on October 16, 2009.

Highlights:

- trading at only 63% of cash value and 37% of net working capital value
- profitable since incorporation 14 years ago
- significant improvement in gross profit margin
- recently purchased new operating facilities in China
- trading at less than 5 times earnings despite significant cash and working capital position

COMPANY OVERVIEW

JITE Technologies designs, manufactures and sells electronic and electrical connection devices for security, elevator, railway, industrial control, automation, telecommunication, and power supply industries. JITE was incorporated in 1995 and listed on the TSX Venture Exchange on July 7, 2006.

The company has its head office in Richmond Hill, Ontario and its manufacturing facility in Shenzhen, China. JITE also has branch offices in Shanghai, Beijing, Xi'an, and Chengdu. The company has over 300,000 sq ft of operating space and employs over 600 individuals.

On January 19, 2007, McVicar Industries Inc. (MCV:TSX) completed the acquisition of 42.5 million shares of JITE representing 51% of the outstanding shares. A \$10 million financing was subsequently completed on June 15, 2007 at \$0.65 per share (pre-consolidated). JITE consolidated its shares on a 1 for 5 basis on September 15, 2008. McVicar presently owns 48.6% of the outstanding shares.

JITE has built a solid reputation since incorporation by significantly reducing the costs of terminal block connectors to the world's largest OEMs. The company can do this successfully by utilizing the technological and managerial expertise of the west, and the unbeatable production costs of the east.

JITE has invested heavily in the most modern manufacturing technology and equipment. Some of the company's products include euro, barrier, pluggable and spring terminal blocks,

as well as din-rail and rail optocoupler terminal blocks. The company is focused on developing new and value-added products to diversify away from its reliance on security system terminals, which has historically accounted for more than 40% of revenues. For example, JITE's newest spring clamp technology for wire connectors are used worldwide in such applications as lighting ballasts, elevator controls, instrumentation, power supplies, and automobile harnesses. The company is also focusing on growing its market share in the telecommunications and electrical control industries. JITE is ISO certified and all of its products are UL and CSA approved.

Some of JITE's top customers include well known names such as GE, Tyco Electronics, Siemens, Emerson Process Management, and Panasonic. In 2008, 58% of sales were to Fortune 500 Enterprises.

FINANCIAL SUMMARY

Due to the continued global economic downturn, sales for the second quarter ended June 30, 2009, declined to \$3.5 million compared with \$4.7 million for the same period in 2008. However, during the same time, gross margins improved significantly from 21% to 32%, due to lower raw material prices (fixed future contract), less provision for obsolete inventory, lower manufacturing overhead, and increased export refund rates from China's stimulus plan. Net income for the second quarter was \$301,000 or \$0.014 per share, up from \$105,000 or \$0.005 per share in 2008. JITE has been profitable for 14 years in a row since inception.

For the 6 months ended June 30, sales declined from \$8.9 million in 2008 to \$7.5 million in 2009. Gross margins were up considerably to 29% from 21%. Net income during the first half of 2009 was \$620,000 or \$0.029 per share compared to \$145,000 or \$0.007 per share during the same period in 2008.

The weak global economic conditions over the past 12

months have had a significant impact on the company's business and financial results. A number of large OEMs and distributors have delayed new orders. The company's sales of household security terminals has seen a significant decline, and the global recession has also caused deceleration in sales to China. JITE has recently indicated that orders have improved and is prepared for a turnaround in the industrial sector.

RECENT DEVELOPMENTS

Subsequent to the end of Q2/09, the company signed a purchase agreement to acquire 56 acres with 17,642 sq meters of existing buildings in Kunshan Economic and Technological Development Zone, Jiangsu Province, China for total consideration of RMB 28 million (approx \$4.7 million). JITE intends to use the purchased land to relocate its existing manufacturing plant in Shenzhen which is presently rented. The new plant can accommodate all of the operations of the old plant with additional room for expansion. It is expected that the new plant will be in operation in 2010.

SUMMARY

As at June 30, 2009, JITE had cash and cash equivalents of \$8.0 million (\$0.38 per share) and net working capital of \$13.8 million (\$0.65 per share). The company's book value was \$11.0 million or \$0.52 per share. JITE has also been profitable since inception and has already earned \$0.03 per share in the first half of 2009. If margins stay high, earnings should continue to improve as the demand for terminal blocks increase with an economic recovery. The company is presently trading at less than 5 times earnings despite already trading at a discount to cash and working capital.

Investors are cautioned that the company's shares are very illiquid and any buy or sell orders should be treated accordingly.

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