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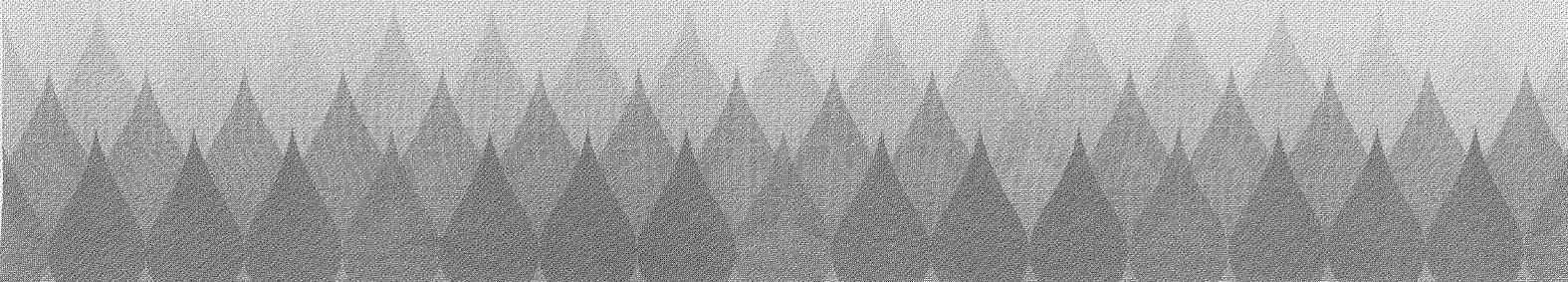
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 **International Absorbents Inc.**

2009
Annual Report

TABLE OF CONTENTS

Letter to Shareholders	1
Management's Discussion and Analysis ..	2
Independent Auditor's Report.....	11
Financial Report.....	12
Corporate Information.....	32



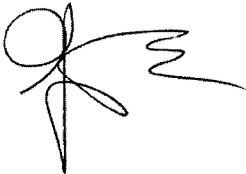
LETTER TO SHAREHOLDERS

The economic downturn is having its effect on us as sales slowed in the latter part of the year resulting in overall growth of 8 percent; the first time in many years that we have had less than double digit growth. As companies worldwide tighten up their inventories our customers have been doing the same such that sales continue to slow as we move into the new year. To counter this, we continue to focus on becoming a more cost-effective manufacturer through both increased efficiencies and innovative cost saving initiatives. Success in these areas are reflected in the results for fiscal year 2009 including improved margins and an 11 percent increase in net profit.

Consistent with our long term strategy we are pushing into both new market channels and geographies. Additionally, our objective is to take advantage of this downturn to give our customers value for their money and thereby secure as much market share as possible. With two modern manufacturing facilities and increased efficiencies we have significant excess capacity to support future growth, and our strong balance sheet can weather short term sales disruptions.

These are interesting economic times and we look forward to coming out of this recession a stronger, more profitable organization.

On behalf of the Board of Directors,

A handwritten signature in black ink, appearing to read 'Gordon L. Ellis', with a stylized flourish extending to the right.

Gordon L. Ellis
Chairman

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion is intended to further the reader's understanding of the consolidated financial statements, financial condition, and results of operations of International Absorbents and our wholly-owned subsidiary Absorption Corp. It should be read in conjunction with both the consolidated financial statements, notes and tables which are included elsewhere in this Annual Report and the Company's 2009 Annual Report on Form 10-K filed on April 29, 2009 with the Securities and Exchange Commission ("Form 10-K").

Some statements and information contained in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" are not historical facts but are forward-looking statements. For a discussion of these forward-looking statements and important factors that could cause results to differ materially from the forward-looking statements, see Item 1 of Part I, "Business — Forward-Looking Statements" and Item 1A of Part I, "Risk Factors" in the Company's 2009 Annual Report on Form 10-K.

Overview

International Absorbents is the parent company of its wholly owned U.S. subsidiary, Absorption. International Absorbents is a holding company and Absorption is its operating entity. Management divides the activities of the operating company into two segments: the animal care industry and the industrial cleanup industry. We manufacture, distribute and sell products for these segments to both distributors and direct buying retailers.

Absorption is a leading manufacturer and seller of premium small animal bedding in North America. The primary product that we sell in this market is small animal bedding sold under the brand name **CareFRESH**[®]. We consider the activities that surround the manufacture and distribution of **CareFRESH**[®] to be our core business. Our business strategy is to promote and grow our core business and to create diversification in our market channels, our production methods, and our product lines in an effort to add strength and breadth to our business structure. As a result, we continue to dedicate significant resources to improving our infrastructure for the support of our core business, and creating more product and customer diversification. We believe that this strategy has started to provide results. Specifically, we continue to grow sales in our core business and improve the production process of our core **CareFRESH**[®] product while expanding sales of new products and existing products into new market channels.

The financial results from fiscal year 2009 met the expectations of management both in terms of top line sales (see "Net Sales" below) and bottom line profits (see "Net Income" below). As described in the "Gross Profits" discussion below, by the end of fiscal year 2009 we were meeting expectations for improvements in gross profits, which we believe improved as a result of our ongoing plan to maximize the efficiencies of the manufacturing capital investments we have made during the past several years. Selling, general and administrative expenses grew as expected as investments were made in the development of new product lines and market channels.

During fiscal year 2009, we continued to focus our sales and marketing efforts on our market leading **CareFRESH**[®], **CareFRESH**[®] **Colors** and **CareFRESH**[®] **Ultra** brands of small animal bedding products. **CareFRESH**[®] **Colors** is our colored bedding offering and **CareFRESH**[®] **Ultra** is our white small animal bedding. Both are premium line extensions to our core product, **CareFRESH**[®]. We also continue to sell our **Healthy Pet**[™] cat litter line. Our **Healthy Pet**[™] brand consists of a range of "natural" cat litters made from cellulose fiber, wood, grain and plant-based materials. These products are aimed at the "holistic" market and are designed to be healthier for pets and people than traditional clay litter because of potential health problems associated with crystalline silica in clay products. To date our sales growth has come from our small animal bedding products and not from our cat litter products.

Results of Operations

The following table illustrates our financial results for fiscal year 2009 as compared to the prior fiscal year. (U.S. dollars, in thousands):

	January 31, 2009	Percent of Sales	January 31, 2008	Percent of Sales	Percentage Change
Sales	35,752	100%	33,095	100%	8%
Cost of goods sold	<u>24,270</u>	68%	<u>23,139</u>	70%	5%
Gross profit	11,482	32%	9,956	30%	15%
Selling general and administrative expenses	<u>7,575</u>	21%	<u>6,387</u>	19%	19%
Income from operations	3,907	11%	3,569	11%	9%
Interest income	62	0%	86	0%	-28%
Interest expense	<u>(315)</u>	-1%	<u>(385)</u>	-1%	-18%
Profit before taxes	3,654	10%	3,270	10%	12%
Income taxes	<u>(1,415)</u>	-4%	<u>(1,254)</u>	-4%	13%
Net income	<u><u>2,239</u></u>	6%	<u><u>2,016</u></u>	6%	11%

Net Sales

In fiscal year 2009, our net sales increased by 8% over fiscal year 2008. All of the growth in net sales was a result of the growth in sales of our animal care products. During fiscal year 2009, net sales for animal care products grew from \$32,271,000 to \$34,934,000, as compared to fiscal year 2008. Net sales of our industrial cleanup products decreased from \$824,000 in fiscal year 2008 to \$818,000 in fiscal year 2009. We had strong growth with all of our bedding products, including **CareFRESH®**, **CareFRESH® Ultra™** and **CareFRESH® Colors** products. Our strategy with regard to our industrial cleanup products has remained the same, which is to effectively service existing customers while focusing growth on animal care products.

We are uncertain how current economic conditions will affect our sales during fiscal year 2010. Some customers such as Petsmart are projecting a modest rate of growth and some, such as Petcetera have recently declared bankruptcy. The net result is that we believe that our overall annual net sales will be in the range of growing by approximately 5% to decreasing by approximately 5% over our fiscal year 2009 net sales levels. Specifically, during fiscal year 2010, we expect sales of natural, non-colored **CareFRESH®** in pet specialty channels to remain flat to slightly down over sales levels from fiscal year 2009. As a result of promotional activity on the retail level, we expect to see modest sales growth in **CareFRESH Ultra™** and **CareFRESH® Colors**. We anticipate that natural **CareFRESH®** will continue to represent the majority of our sales through the 2010 fiscal year. We also see growth opportunities for our full line of bedding products and believe they will continue to gain market share and growing customer acceptance. However, as we add new items to our line of products, they will need to compete for limited shelf space at the pet specialty stores with our other existing products and those of our competitors, which could limit the number of products we are able to sell at a particular store. Also, although we believe that the high quality of our **CareFRESH®** line of products gives us a significant competitive advantage, many of our competitors have a larger breadth of products and more established relationships with the mass merchandiser and grocery stores, which makes competition in these channels more challenging for us. Further, the global economic downturn has resulted in lower than expected sales growth of our products, as a result of decreased consumer spending and reduced customer traffic at our major customers' stores. With respect to our lines of cat litter products, subject to the considerations described above, we expect revenue growth to be flat during the coming fiscal year.

Gross Profit

As fiscal year 2009 came to an end, both of our production facilities were operating at efficiency levels that are at or near the pre-construction expectations of management. Nonetheless, during the year, our production facilities faced challenges that directly affected their production costs. These challenges included increased energy costs during the first half of the year, materials cost increases, ongoing maintenance costs associated with achieving a high rate of product quality and production efficiencies, and high freight cost during the first half of the year. There was also increased depreciation during the entire year as a result of our capital expansion program. Even in light of these additional cost, we were able to improve our gross margin (gross profit divided by sales) from 30% in fiscal year 2008 to 32% in fiscal year 2009.

As discussed in Note 14 (“Segmented Information”) to the consolidated financial statements included elsewhere in this Annual Report, operating income including selling, general and administrative expenses, but before depreciation for our animal care product segment, increased by 7% in fiscal year 2009 as compared to fiscal year 2008.

For fiscal year 2010 we continue to expect that our gross margin will remain in the range of 31% to 36%. The reasons for this expectation are as follows. First, even though fuel and energy cost are currently at relative lows, economic conditions may not allow us to increase prices if they were to rise. Second, we are not achieving the overall reduced costs of raw materials that we had initially expected due to: our product mix (with increased sales of our higher-cost products); slow and uncertain reactions from raw material suppliers in response to our request for additional supplies; and the shortage of key low-cost raw material sources for certain of our facilities. Third, additional depreciation charges resulting from our new production facilities will also have a negative effect on our gross margin. Fourth, any slowdown in sales could result in increased production costs on a per unit basis due to a loss of efficiencies gained from higher production rates.

We plan to continue to make capital investments in infrastructure and technology at all of our facilities to help decrease the costs of production.

Selling, General and Administrative Expenses

During fiscal year 2009, our selling, general and administrative expenses increased by 19% as compared to fiscal year 2008. This increase was the result of investments we made in the creation and launch of our “new product development” division, additional personnel we hired to upgrade performance levels, expenses related to general sales and marketing programs, and increased costs resulting from our compliance with requirements of the SEC and the NYSE Amex LLC. Moreover, we now have overhead expenses related to operating our Georgia facility, increased property taxes, and increased depreciation expense.

We anticipate that investments in sales and marketing programs and new product development costs, along with our stock-based compensation expenses and growing public company reporting expenses, will continue to increase selling, general and administrative expenses during fiscal year 2010, though not at the rate at which they increased during the current fiscal year. During fiscal year 2010, we intend to continue our marketing and new product development initiatives. Our seasoned sales staff is respected in the animal care industry and has proven to be efficient and effective in selling to the wholesale distribution segment of the pet specialty channel. We completed our program of rounding out our sales staff during fiscal year 2009 and do not at this time anticipate adding any additional sales personnel during fiscal year 2010. We feel that the 2010 sales plan should enable us to achieve our strategic objectives without significantly increasing our selling expenses, provided that this projection may change depending on the reaction of our competitors. On the administrative side, costs resulting from compliance with SEC and NYSE Amex requirements are projected to continue to grow and we may also need to hire additional administrative personnel growth as sales levels increase.

Interest Expense

Interest expense in fiscal year 2009 totaled \$315,000 as compared to \$385,000 during fiscal year 2008. This decrease was due to a reduction in the variable interest rate we pay on the bonds that were used to finance the Jesup, Georgia facility and the reduction in principal amounts as we pay off our bonds according to their terms. We currently have no plans to enter into additional debt financing, which means that we are projecting a decrease in interest expenses in fiscal year 2010 as the principal portion of our existing debt is paid down. This projection assumes that variable interest rates will remain low during fiscal year 2010.

Income Tax

Absorption incurred federal income taxes during fiscal year 2009 at an effective rate of 38%. The effective rate is consistent with the rate incurred during fiscal year 2008 (of 38%). We anticipate that the effective rate going forward will fluctuate depending on the ratio of net income before taxes to stock-based compensation recognized in a particular period. Deferred income tax assets in International Absorbents have been fully reserved through the recording of a valuation allowance as Canadian deferred tax assets are not expected to be utilized in future periods.

Net Income

Our net income for the year ended January 31, 2009 increased by 8% as compared to the same period in the prior fiscal year. This increase in net income over the prior fiscal year was primarily caused by increased sales and improved gross profits. We feel that continued concentration on the implementation of the key components of our business plan that focus on production efficiencies and controlled costs should provide us with continued increases in production rates, which should help us to remain profitable even if our sales were to slightly decrease during fiscal year 2010.

Our focus during fiscal year 2010 will be to maintain current sales levels through the ongoing global economic downturn, and minimize the growth of our selling general and administrative costs while targeting an improved gross profit margin. Our biggest challenges for the coming fiscal year will be maintaining existing sales levels as the buying habits of retail customers continue to change, continuing the improvement of our gross margin, and maintaining selling, general and administrative expenses at levels that create opportunities for future growth. We will continue to invest in future marketing programs to offset competitive pressures as necessary and anticipate additional administrative costs resulting from regulatory requirements. In addition, we anticipate that existing levels of depreciation resulting from our investment in plant and equipment will negatively affect our fiscal year 2010 net income. If the U.S. economy has a minimal effect on our sales growth, then we anticipate that we will be able to continue to increase net income in fiscal year 2010, though not at the rate at which fiscal year 2009 increased over fiscal year 2008.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)

We believe that one of our key financial and operating performance metrics is Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA). Our EBITDA increased by 8% during fiscal year 2009 as compared to fiscal year 2008. The increase for fiscal year 2009 was substantially the result of increased sales and an improved gross margin.

EBITDA is not a measure of financial performance under generally accepted accounting principles (GAAP) in the United States. Accordingly, it should not be considered a substitute for net income, cash flow provided by operating activities, or other income or cash flow data prepared in accordance with GAAP. However, we believe that EBITDA may provide additional information with respect to our financial performance and our ability to meet our future debt service, capital expenditures and working capital requirements. This measure is widely used by investors and rating agencies in the valuation, comparison, rating, and investment recommendations of companies. In addition, we use EBITDA as one of several factors when determining the compensation for our executive officers. Because EBITDA excludes some, but not all items that affect net income and may vary among companies, the EBITDA presented by us may not be comparable to similarly titled measures of other companies. The following schedule reconciles EBITDA to net income reported on our Condensed Consolidated Statement of Operations, which we believe is the most directly comparable GAAP measure:

(U.S. dollars in thousands)	For the year ended		Percentage Change
	January 31, 2009	January 31, 2008	
Net Income (as reported on Condensed Consolidated Statement of Operations)	\$2,239	\$2,016	
Interest expense	315	385	
Interest income	(62)	(86)	
Income tax provision	1,415	1,254	
Depreciation & amortization	1,830	1,719	
EBITDA	\$5,737	\$5,288	8%

During fiscal year 2010, management will continue to focus on EBITDA as a key performance indicator.

Liquidity and Capital Resources

During fiscal year 2009 we focused on improving the production efficiencies at both of our plants. Our improved gross margin in the last half of fiscal year 2009 was the result of both the success we had in improving production efficiencies and the reduction in energy and transportation costs. We believe that the improvement in our production facilities will help provide a solid return on the investments we have made in capital expansion over the past several years.

The table below illustrates the effects this capital expansion plan has had on our financial statements (U.S. dollars, in thousands):

	As of January 31, 2009	As of January 31, 2008
Financial Condition		
Total Assets	\$31,281	\$28,589
Total Liabilities	10,895	10,900
Total Equity	\$20,386	\$17,689
Debt/equity ratio	0.53	0.62
Assets/debt ratio	2.87	2.62
Working Capital		
Current assets	\$11,465	\$8,691
Current liabilities	\$3,595	\$3,080
Current ratio	3.19	2.82
Cash Position		
Cash, restricted cash & short term investments	\$4,146	\$2,809
Cash generated from operations	\$3,644	\$3,571

Financial Condition

During fiscal year 2009, the value of our total assets increased. This was primarily the result of an increase in current assets, which resulted from growing operational activities. As an example, both accounts receivable and inventories increased as a result of growing sales and cash position improved as a result of increased profits, in both cases offset by limited capital investments. We also had a decrease in total liabilities resulting from the payment of principal of long term debt and a reduction in current liabilities.

As discussed under Note 8 to our consolidated financial statements included elsewhere in this Annual Report, we currently have three long-term debt facilities, including our September 2006 bond financing arrangement with GE Capital Public Finance, Inc ("GECPF"), our March 2003 bond financing with GECPF and our September 2004 tax-exempt bond financing with BB&T.

We believe that our main credit risk exposure in fiscal year 2010 will come from meeting the covenants included in our debt facilities and the marketability of tax exempt industrial revenue bonds. As of the end of fiscal year 2009 we were over minimum financial requirements and under maximum requirements included in these covenants. The covenant-related ratios that we believe pose the most significant risk in the future are those based on cash flow. Any significant decrease in our cash flow could result in the breach of one or more of these loan covenants. If we fail to satisfy the financial covenants or other requirements contained in our debt facilities, our debts could become immediately payable at a time when we are unable to pay them, which would adversely affect our liquidity and financial condition. In addition, if we are to make cash flow decisions to remain within our loan covenants, these decisions could affect our ability to effectively execute on our long term business strategy.

The marketability of tax exempt industrial revenue bonds is a potential industry-wide issue, and is not related to our liquidity or results from operations. The industrial revenue bonds for our Jesup, Georgia facility are remarketed and the industrial revenue bonds for our Ferndale, Washington facility are held by GE Capital Public Finance, Inc. If the industrial revenue bonds that are remarketed were not able to be sold, due to a market failure, according to the terms of the bond agreement, we would likely have to pay off the outstanding balance, which is currently \$3,300,000.

Debt retirement is an alternative that we consider on an ongoing basis. Relevant factors in our analysis include the availability and cost of equity and the rate of interest on our debt. Our long-term debt has been at very favorable rates such that we believe it was and continues to be advantageous to use our existing capital for other applications. At this time, we do not intend to raise additional equity capital in the near term.

Working Capital

During fiscal year 2009, our working capital position continued to improve as current assets increased and current liabilities decreased. The majority of the increase in current assets was the result of increased cash used to fund our growing operations and an increase in inventories. Current liabilities decreased primarily due to decreases in accounts payable. These changes resulted in our current ratio (current assets divided by current liabilities) increasing from 2.82 at the end of fiscal year 2008 to 3.19 at the end of fiscal year 2009.

In fiscal year 2010 we expect that if sales levels grow, our current assets will continue to increase as a result of positive cash flow and an increase in accounts receivable and inventories. We also expect that current liabilities will increase as a result of growing accounts payable related to the general growth of the company. Even though we expect both current assets and current liabilities to grow, we believe that our net working capital position will improve over the coming fiscal year.

Cash Position

We believe that our existing cash on hand, long-term debt and available line of credit currently provide us with enough cash to meet our existing needs for the foreseeable future. Cash and investments increased during fiscal year 2009, primarily as a result of cash generated from operations. We expect cash on hand to increase during fiscal year 2010, mostly as a result of cash generated from operations. We believe that our existing \$2,000,000 line of credit with BB&T will suffice in covering any potential cash shortfall. This line of credit is secured by inventory and accounts receivable, which we anticipate should provide enough collateral to support the related debt. Interest is payable on funds advanced at the LIBOR rate plus 2.5%. The line of credit matures on May 23, 2009 and we expect it to be renewed. If the current conditions in the credit markets prevent us from renewing the existing line of credit, we may be able to obtain a new line of credit through a Canadian bank, due to the location of International Absorbents. As of January 31, 2009, no borrowings were outstanding under the line of credit. If we do borrow against this line of credit and it is renewed, we intend to pay it off before the end of fiscal year 2010. We will continue to closely monitor both current liabilities and current assets as they relate to the generation of cash, with an emphasis on maximizing potential sources of cash.

Cash Generated from Operations

During fiscal year 2009 we generated \$3,644,000 in cash from operating activities. The cash generated during fiscal year 2009 was a 2% increase over the \$3,571,000 in cash generated during fiscal year 2008. If our sales continue to increase and we are able to continue to profitably produce our products, we should be able to continue to generate cash from operating activities during fiscal year 2010, although it cannot be assured that this will be the case.

Financing and Investing Activities

Cash used for financing activities during fiscal year 2009 was \$857,000. This was the result of principal payments made on our long-term debt. Cash used in investing activities during fiscal year 2009 was approximately \$1,450,000. This cash was used for the acquisition of fixed assets. A portion of these assets were production-related items that were replaced as part of our ongoing maintenance program. We also made several investments during fiscal year 2009 to reduce costs and improve efficiencies in the areas of fiber recovery, energy use, and product handling.

We believe that for the near future we will not need to use cash to invest in significant capital improvements. We will continue to use cash to fully maintain our existing facilities and to make improvements which we expect will increase production efficiencies and reduce manufacturing costs.

Off-Balance Sheet Arrangements

The SEC requires companies to disclose off-balance sheet arrangements. As defined by the SEC, an off-balance sheet arrangement includes any contractual obligation, agreement or transaction arrangement involving an unconsolidated entity under which a company 1) has made guarantees, 2) has a retained or a contingent interest in transferred assets, 3) has an obligation under derivative instruments classified as equity, or 4) has any obligation arising out of a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the company, or that engages in leasing, hedging or research and development services with the company.

We have examined our contractual obligation structures that may potentially be impacted by this disclosure requirement and have concluded that no arrangements of the types described above exist with respect to our company.

Critical Accounting Policies

Introduction

In preparing our consolidated financial statements in conformity with accounting principles generally accepted in the United States, management makes judgments, assumptions and estimates that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. We believe that the material estimates that are particularly susceptible to significant change relate to the determination of the allowance for doubtful accounts, income taxes, including deferred income taxes and the related valuation allowance, accrual for self-insured medical insurance plans, sales incentives and stock based compensation. As part of the financial reporting process, our management collaborates to determine the necessary information on which to base judgments and develop estimates used to prepare the consolidated financial statements. Historical experience and available information is used to make these judgments and estimates. However, different amounts could be reported using different assumptions and in light of different facts and circumstances. Therefore, actual amounts could differ from the estimates reflected in the consolidated financial statements.

In addition to the significant accounting policies described in Note 1 to our consolidated financial statements included elsewhere in this Annual Report, we believe that the following discussion addresses our critical accounting policies.

Inventory

Unexpected changes in market demand or buyer preferences could reduce the rate of inventory turnover and require us to record a reserve for obsolescence. Finished goods inventory are valued at the lower of cost (determined on the first-in, first-out basis) or net realizable value. Cost includes direct materials, labor and overhead allocation. Raw materials and supplies are valued at the lower of cost (determined on the first-in, first-out basis) or net realizable value. We have not historically experienced a period where a material amount of finished goods inventory or raw materials inventory has been required to be reduced in value as a result of changes in market demand or buyer preference. Because of this lack of historical change we have not yet had to record a reserve for obsolete inventory. Our assumptions and valuation methodology for inventory have historically not changed. Even though we have not historically had to record a reserve for obsolete inventory as a result of changes in market demand or buyer preference, there is no guarantee that one or both of these events will not happen. As a result, even though we believe that it is unlikely that a change will occur, we do recognize that change is possible and will record a reserve for obsolete inventory if the circumstances dictate as previously described.

Property, Plant and Equipment

There is a risk that our estimate of the useful life of a component of our property plant or equipment was overestimated. If that was the case the depreciated value of the equipment or building would be greater than its actual value, which would result in our recording a reserve to lower the net carrying value of the asset. Property, plant and equipment assets are recorded at cost. Our building and equipment are located on owned and leased land. Buildings are depreciated on a straight line basis over a period of 40 years. Leasehold improvements are depreciated on a straight line basis over the life of the lease agreement for property located on leased land. Most of our equipment is depreciated over its estimated useful life using a 15% declining balance method; the remainder is depreciated using a straight line method over five years. We have chosen to use the 15% declining value method over a fixed period straight line method to better reflect the fair market value and useful life of equipment which is typically used in our facilities. We also review the carrying value of long-lived

assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The determination of any impairment would include a comparison of estimated future cash flows anticipated to be generated during the remaining life of the asset. Due to the nature of the buildings and equipment we purchase, the depreciation method that we use, and the cash flows generated during the life of the assets, we have not had to historically record a reserve to reflect a decrease in the net carrying value of assets. We have historically neither changed our depreciation methods, our assumptions behind the depreciation methods, or our methodology for determining impairment. Based on the length of time we have been manufacturing in the industry in which we operate, we believe that it is unlikely that an impairment of existing buildings or equipment will have to be recorded. If we were to expand into a manufacturing industry in which we do not have as much history, the likelihood of being required to record an impairment increases. If at some future date we enter an industry in which we have no historic knowledge, then the risk of recording an impairment would also increase.

Revenue Recognition

If the actual costs of sales returns and incentives were to significantly exceed the recorded estimated allowance, our sales would be adversely affected in that we would record additional reserves which would reduce our net sales revenue. Revenues from the sale of products are recognized at the time title passes to the purchaser, which is generally when the goods are conveyed to a carrier. When we sell F.O. B. destination point, title is transferred and we recognize revenue on delivery or customer acceptance, depending on terms of the sales of the agreement. Sales incentives are accounted for in accordance with the provisions of Emerging Issues Task Force (“EITF”) Issue No. 01-9 “*Accounting for Consideration Given by a Vendor to a Customer.*” Historically we have not had sales returns or incentive requests applied to a fiscal year in greater amounts than what was reserved for. By following our revenue recognition policies we have been able to accurately assess the value of both sales returns and sales incentives. We have annually updated the sales incentive amounts that are annually accrued to match the sales incentive agreements that we have with our customers. By doing so, we have maintained a consistent methodology while adjusting our estimates to more closely reflect our activities within the market place. We believe that it is unlikely that our assumptions or methodology for accounting for revenue recognition, sales returns, and sales incentives will change in the future. However, we do believe that it is likely that the actual estimates that we use for our sales incentive programs and sales returns may change in the future from time to time as a result of a dynamic marketplace.

Income Tax

We account for income taxes using the asset and liability method. The liability method recognizes the amount of tax payable at the date of the financial statements as a result of all events that have been recognized in the consolidated financial statements, as measured by the provisions of currently enacted tax laws and rates. The accumulated tax effect of all temporary differences is presented as deferred federal income tax assets and liabilities within the balance sheet. A valuation allowance is established when necessary to reduce deferred tax assets to the amounts expected to be realized.

Effective February 1, 2007, the Company adopted Financial Accounting Standards Board (“FASB”) Interpretation No. 48, *Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109* (“FIN 48”), which prescribes a comprehensive model for how a company should recognize, measure, present and disclose in its financial statements uncertain tax positions that the company has taken or expects to take on a tax return. Though the validity of any tax position is a matter of tax law, the body of statutory, regulatory and interpretive guidance on the application of the law is complex and often ambiguous. Because of this, whether a tax position will ultimately be sustained may be uncertain. Under FIN 48, the impact of an uncertain tax position that is more likely than not of being sustained upon audit by the relevant taxing authority must be recognized at the largest amount that is more likely than not to be sustained. No portion of an uncertain tax position will be recognized if the position has less than a 50% likelihood of being sustained.

Stock-Based Compensation

Effective February 1, 2006, we adopted the fair value recognition provisions of Statement of Financial Accounting Standards (“SFAS”) No. 123 (revised 2004) Share-Based Payment (“SFAS No. 123(R)”) using the modified prospective transition method. Under that transition method, compensation cost recognized in fiscal year ended January 31, 2007 and all subsequent fiscal years thereafter includes: (a) compensation cost for all stock-based payments granted prior to, but not yet vested, as of January 31, 2006, based on the grant date fair value estimated in accordance with the original provisions of SFAS No. 123, and (b) compensation cost for all stock-based payments granted subsequent to February 1, 2006, based on the grant date fair value estimated in accordance with the provisions of SFAS No. 123(R). Results for prior periods have not been restated, as provided for under the modified-prospective method. For details regarding the effect on our financial

statements of using this methodology, please see Note 2 of our consolidated financial statements included elsewhere in this Annual Report.

In our calculation of stock-based compensation we use the Black-Scholes model. This model is an estimate of potential actual results. As such, actual results may vary significantly from our estimated stock-based compensation expense. Specifically, in the event that options were to expire at an exercise price which is below the option's strike price and the options are not exercised, then we would have taken stock-based compensation expense for options which did not ultimately have a dilutive effect on the outstanding common shares. We do not expect to change our methodology for calculating stock-based compensation in the future.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
International Absorbents, Inc.

We have audited the accompanying consolidated balance sheets of International Absorbents, Inc. and subsidiary (the "Company") as of January 31, 2009 and 2008, and the related consolidated statements of income, stockholders' equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of International Absorbents, Inc. and subsidiary as of January 31, 2009 and 2008, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Notes 2 and 5 to the consolidated financial statements, effective February 1, 2008, the Company adopted Statement of Financial Accounting Standards No. 157, *Fair Value Measurements*

Moss Adams LLP

Seattle, Washington
April 28, 2009

FINANCIAL REPORT

International Absorbents Inc. and Subsidiary

Consolidated Balance Sheets

As at January 31, 2009 and 2008

(in thousands of U.S. dollars)

	2009	2008
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,146	\$ 2,809
Accounts receivable, net	2,699	2,359
Inventories, net	4,286	3,166
Prepaid expenses	162	155
Income taxes receivable	-	44
Deferred income tax asset	172	158
Total current assets	11,465	8,691
Property, plant and equipment, net	19,610	19,662
Other assets, net	206	236
Total assets	\$ 31,281	\$ 28,589
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,686	\$ 2,119
Related party payable	5	6
Current portion of long-term debt	877	857
Income taxes payable	27	98
Total current liabilities	3,595	3,080
Deferred income tax liability	1,364	1,110
Long-term debt	5,787	6,664
Other long term liabilities	149	46
Total liabilities	10,895	10,900
Stockholders' equity:		
Common stock, no par value -		
Unlimited shares authorized,		
6,410,282 and 6,410,328 issued and outstanding at		
January 31, 2009 and 2008, respectively	8,487	8,487
Additional paid in capital	1,823	1,365
Retained earnings	10,076	7,837
Total stockholders' equity	20,386	17,689
Total liabilities and stockholders' equity	\$ 31,281	\$ 28,589

The accompanying notes are an integral part of these consolidated financial statements.

International Absorbents, Inc. and Subsidiary
Consolidated Statements of Income
For the years ended January 31, 2009 and 2008
(in thousands of U.S. dollars, except earnings per share amounts)

	2009	2008
Sales, net	\$ 35,752	\$ 33,095
Cost of goods sold	<u>24,270</u>	<u>23,139</u>
Gross Profit	11,482	9,956
Selling, general and administrative expenses	<u>7,575</u>	<u>6,387</u>
Income from operations	3,907	3,569
Interest expense	(315)	(385)
Interest income	<u>62</u>	<u>86</u>
Income before provision for income taxes	3,654	3,270
Income tax provision	<u>(1,415)</u>	<u>(1,254)</u>
Net income	<u>\$ 2,239</u>	<u>\$ 2,016</u>
Basic earnings per share	\$.35	\$.31
Fully diluted earnings per share	\$.35	\$.31
Weighted average number of shares outstanding (in thousands)		
Basic	6,410	6,410
Diluted	6,446	6,477

The accompanying notes are an integral part of these consolidated financial statements.

International Absorbents Inc. and Subsidiary
Consolidated Statement of Changes in Stockholders' Equity
For the years ended January 31, 2009 and 2008
(in thousands of U.S. dollars)

	Common Shares (in 1,000's)	Amount	Additional Paid in Capital	Retained Earnings	Total Stock- Holders' Equity
Balance as of January 31, 2007	6,410	\$ 8,487	\$ 999	\$ 5,904	\$ 15,390
FIN 48 cumulative adjustment			-	(83)	(83)
Stock based compensation	-	-	366	-	366
Net income	-	-	-	2,016	2,016
Balance as of January 31, 2008	6,410	8,487	1,365	7,837	17,689
Stock based compensation	-	-	458	-	458
Net income	-	-	-	2,239	2,239
Balance as of January 31, 2009	<u>6,410</u>	<u>\$ 8,487</u>	<u>\$ 1,823</u>	<u>\$ 10,076</u>	<u>\$ 20,386</u>

The accompanying notes are an integral part of these consolidated financial statements.

International Absorbents Inc. and Subsidiary
Consolidated Statement of Cash Flows
For the years ended January 31, 2009 and 2008
(in thousands of U.S. dollars)

	2009	2008
Cash flows from operating activities		
Net income	\$ 2,239	\$ 2,016
Adjustments to reconcile net income to net cash used for operating activities		
Depreciation and amortization	1,830	1,719
Loss on disposal of equipment	1	167
Stock-based compensation	458	366
Deferred taxes	240	303
Changes in operating assets and liabilities		
Accounts receivable	(340)	14
Inventory	(1,120)	55
Prepaid expenses	(7)	(29)
Accounts payable and accrued liabilities	268	(856)
Income taxes receivable/payable	(27)	(148)
Due to related party	(1)	1
Other long term liabilities	103	(37)
Net cash flows from operating activities	<u>3,644</u>	<u>3,571</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,450)	(3,380)
Proceeds from restricted cash	-	1,146
Net cash flows from investing activities	<u>(1,450)</u>	<u>(2,234)</u>
Cash flows from financing activities		
Repayment of long-term debt	(857)	(805)
Net cash flows from financing activities	<u>(857)</u>	<u>(805)</u>
Net change in cash	1,337	532
Cash and cash equivalents, beginning of period	2,809	2,277
Cash and cash equivalents, end of period	<u>\$ 4,146</u>	<u>\$ 2,809</u>
Cash paid for interest (net of amounts capitalized)	<u>\$ 321</u>	<u>\$ 394</u>
Cash paid for income taxes	<u>\$ 1,099</u>	<u>\$ 1,128</u>
Non-cash investing activities		
Increase in property, plant and equipment and accounts payable for purchase of plant and equipment	<u>\$ 454</u>	<u>\$ 154</u>

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements
International Absorbents Inc. and Subsidiary
(in thousands of U.S. dollars, except per share amounts)

1. Operations

International Absorbents Inc. (“IAX”) is a Canadian company operating in the States of Washington and Georgia, U.S.A. through its wholly-owned subsidiary, Absorption Corp (“Absorption,” and collectively with IAX, the “Company”).

The Company operates in two segments and is engaged in the development and sale of value added products made from waste short fiber pulp (“SFP”) utilizing proprietary technology. The Company markets and sells animal and pet bedding products that are sold in consumer retail and commercial bedding markets. In addition, the Company markets and sells SFP-based products used for general industrial spill cleanup, marine oil-cleanup, and oil/water filtration, and hydro mulch products, which hydro mulch products were not produced during fiscal year 2009. The Company has established distribution primarily in North America.

2. Significant accounting policies

Generally accepted accounting principles

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America.

Basis of presentation

The consolidated financial statements include the accounts of IAX and its wholly-owned subsidiary, Absorption, a Nevada corporation doing business in the states of Washington and Georgia. All significant inter-company transactions are eliminated in consolidation.

Cash and cash equivalents

Cash and cash equivalents includes cash and highly liquid investments with original maturities of 90 days or less.

Accounts receivable and allowance for doubtful accounts

The Company typically offers credit terms to its customers without collateral. The Company records accounts receivable at the face amount less an allowance for doubtful accounts. On a regular basis, the Company evaluates its accounts receivable and establishes these allowances based on a combination of specific customer circumstances, as well as credit conditions and the history of write-offs and collections. Where appropriate, the Company obtains credit rating reports and financial statements of the customer to initiate and modify their credit limits. The Company obtains credit insurance for certain accounts that qualify for coverage in order to minimize credit risk exposure. If circumstances related to specific customers change, our estimates of the recoverability of receivables could materially change. At January 31, 2009 and 2008, management considered all accounts receivable in excess of the allowances for doubtful accounts to be fully collectible.

Inventories

Finished good inventories are valued at the lower of cost (determined on the first-in, first-out basis) or net realizable value. Cost includes direct materials, labor and overhead allocation. Raw materials and supplies are valued at the lower of cost (determined on the first-in, first-out basis) or net realizable value.

Property, plant and equipment

Property, plant and equipment assets are recorded at cost. The Company’s buildings and equipment are located on owned and leased land. Buildings located on land owned by the Company are depreciated on a straight line basis over a period of 40 years. Leasehold improvements are depreciated on a straight line basis over the shorter of the estimated

useful life or the life of the lease agreement for property located on leased land. The Company's manufacturing equipment is depreciated over the estimated useful life using a 15% declining balance method. The Company's computer equipment, computer software and office equipment are depreciated on a straight-line basis over the estimated useful life of five, seven and ten years respectively. Maintenance and repairs are expensed as incurred.

Impairment of long lived assets

The Company reviews the carrying amount of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The determination of any impairment would include a comparison of estimated future operating cash flows anticipated to be generated during the remaining life with the net carrying value of the asset.

Other assets

Other assets include deferred financing fees, which represent costs incurred in connection with long-term debt (see Note 8). As of January 31, 2009 and 2008, the deferred financing fees were \$206,000 and \$236,000, respectively, which are net of accumulated amortization of \$138,000 and \$108,000, respectively. Amortization expense was \$30,000 and \$30,000 for the years ended January 31, 2009 and 2008, respectively. The Company is amortizing into interest expense the deferred financing fees on a straight line basis which approximates the interest method over the term of the related debt.

Revenue recognition

Revenues from the sale of products are recognized at the time title passes to the purchaser, which is generally when the goods are conveyed to a carrier. When the Company sells F.O. B. destination point, title is transferred and the Company recognizes revenue on delivery or customer acceptance, depending on terms of the sales agreement. Sales incentives are recorded as a reduction of sales, the recognition of which is determined in accordance with the provisions of Emerging Issues Task Force ("EITF") 01-09 "Accounting for Consideration Given by a Vendor to a Customer."

Shipping and handling costs

Shipping and handling costs are accounted for under EITF No. 00-10: "Accounting for Shipping and Handling Fees and Costs." Revenues generated from shipping and handling costs charged to customers are included in sales and were \$433,000 and \$458,000 in fiscal years 2009 and 2008, respectively. Shipping and handling costs for outbound and inbound shipping charges are included in cost of goods sold and were \$4,645,000 and \$4,732,000 in fiscal years 2009 and 2008, respectively.

Foreign exchange

The Company's reporting currency is the U.S. dollar. The Company considers the U.S. dollar to be the functional currency in foreign jurisdictions. Accordingly, amounts denominated in foreign currencies are re-measured to U.S. dollars at historical and current exchange rates as required under SFAS No. 52. Gains and losses resulting from foreign currency transactions are included in the consolidated statement of earnings.

Advertising

The Company accounts for advertising expenses under Statement of Position ("SOP") No. 93-7. Advertising costs are expensed when incurred and were \$211,000 and \$201,000 during fiscal years 2009 and 2008, respectively.

Net earnings per share

Net earnings per share computations are in accordance with SFAS No. 128, "Earnings Per Share." Basic net earnings per share is computed using the weighted average number of common shares outstanding. Diluted net earnings per share is computed using the weighted average number of common shares and potentially dilutive common share equivalents outstanding. Stock options and warrants that are anti-dilutive are not included in diluted net earnings per share.

Income taxes

The Company accounts for income taxes using the asset and liability method. The liability method recognizes the amount of tax payable at the date of the financial statements as a result of all events that have been recognized in the financial statements, as measured by the provisions of currently enacted tax laws and rates. The accumulated tax effect of all temporary differences is presented as deferred federal income tax assets and liabilities within the balance sheet. A valuation allowance is established when necessary to reduce deferred tax assets to the amounts expected to be realized.

Effective February 1, 2007, the Company adopted FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109* (“FIN 48”), which prescribes a comprehensive model for how a company should recognize, measure, present and disclose in its financial statements uncertain tax positions that the company has taken or expects to take on a tax return. Though the validity of any tax position is a matter of tax law, the body of statutory, regulatory and interpretive guidance on the application of the law is complex and often ambiguous. Because of this, whether a tax position will ultimately be sustained may be uncertain. Under FIN 48, the impact of an uncertain tax position that is more likely than not of being sustained upon audit by the relevant taxing authority must be recognized at the largest amount that is more likely than not to be sustained. No portion of an uncertain tax position will be recognized if the position has less than a 50% likelihood of being sustained.

Stock-based employee compensation

Effective February 1, 2006, the Company adopted the fair value recognition provisions of SFAS No. 123(R), “Share Based Payment” using the modified prospective transition method. Under this transition method, compensation cost recognized in fiscal year ended January 31, 2007 and all subsequent fiscal years thereafter includes: (a) compensation cost for all stock-based payments granted prior to, but not yet vested as of January 1, 2006, based on the grant date fair value calculated in accordance with the original provisions of SFAS No. 123, and (b) compensation cost for all stock-based payments granted subsequent to January 1, 2006, based on the grant date fair value calculated in accordance with the provisions of SFAS No. 123(R).

Total stock-based compensation expense recognized in the income statement for the year ended January 31, 2009 and 2008 was \$458,000 and \$363,000, of which \$18,000 and \$13,000 was recognized in cost of goods sold and \$440,000 and \$350,000 was recognized in selling, general and administrative expenses, respectively. All of the stock-based compensation was related to Incentive Stock Options (“ISO”s) held by employees and non-employee directors for which no tax benefit is recognized.

Prior to the adoption of SFAS No. 123(R), the Company presented all tax benefits of deductions resulting from the exercise of stock options as operating cash flows in the consolidated statements of cash flows. SFAS No. 123(R) requires the tax benefits resulting from tax deductions in excess of the compensation cost recognized for those options (“excess tax benefits”) to be classified and reported as both an operating cash outflow and a financing cash inflow on a prospective basis upon adoption.

SFAS No. 123(R) requires the use of a valuation model to calculate the fair value of stock-based awards. The Company has elected to use the Black-Scholes-Merton (“BSM”) option valuation model, which incorporates various assumptions including volatility, expected life forfeiture rate and risk-free interest rates. The assumptions used for the years ended January 31, 2009 and 2008 and the resulting estimates of weighted-average fair value per share of options granted during those periods are as follows:

	Jan. 31, 2009	Jan. 31, 2008
a) risk free interest rate	1.96%	4.17%
b) expected volatility	110.41%	98.97%
c) expected dividend yield	0.00%	0.00%
d) estimated average life (in years)	4.47	4.66

The expected life of the options represents the estimated period of time until exercise and is based on historical experience of similar awards, giving consideration to the contractual terms, vesting schedules and expectations of future employee behavior. Expected stock price volatility is based on historical volatility of the Company's stock. The risk-free interest rate is based on the implied yield available on U.S. Treasury zero-coupon issues with an equivalent remaining term. The Company has not paid dividends in the past and does not plan to pay any dividends in the near future. As stock-based compensation expense recognized is based on awards ultimately expected to vest, it should be reduced for estimated forfeitures. SFAS No. 123(R) requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Company forfeiture rate for 2008 was calculated based on its historical experience of awards which ultimately vested.

In November 2005, the Financial Accounting Staff Board ("FASB") issued FASB Staff Position No. 123(R)-3, "Transition Election Related to Accounting for the Tax Effects of Share-Based Payment Awards" ("FSP 123R-3"). The Company has elected to adopt the "long form" method for calculating the tax effects of share-based compensation pursuant to SFAS No. 123(R). The "long form" method establishes the beginning balance of the additional paid-in capital pool related to the effects of employee share-based compensation, which is available to absorb tax deficiencies recognized subsequent to the adoption of SFAS No. 123(R).

The remaining unvested compensation for the fair value of stock options to be recognized was \$760,000 and \$754,000 at January 31, 2009 and 2008, respectively.

Other stock-based compensation

The Company accounts for equity instruments issued in exchange for the receipt of goods or services from other than employees and non-employee directors in accordance with SFAS No. 123 and the conclusions reached by the EITF in Issue No. 96-18, "Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring or in Conjunction with Selling, Goods or Services" ("EITF 96-18"). Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earlier of a performance commitment or completion of performance by the provider of goods or services as defined by EITF 96-18. Stock-based compensation recognized under SFAS No. 123 and EITF 96-18 was \$4,000 and \$3,000 during 2009 and 2008, respectively.

Comprehensive income

The Company has adopted SFAS No. 130, "Reporting Comprehensive Income." SFAS No. 130 establishes standards for reporting and presentation of comprehensive income and its components in consolidated financial statements. The statement requires only additional disclosures in the financial statements and it does not affect the Company's financial position or results of operations. The Company has no material components of other comprehensive income or accumulated other comprehensive income.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for doubtful accounts, deferred income taxes valuation allowance and sales incentives.

New accounting pronouncements

In September 2006, the Financial Accounting Standards Board (the "FASB") issued FASB Statement No. 157, Fair Value Measures ("SFAS 157"), which defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measures required under other accounting pronouncements, but does not change existing guidance as to whether or not an instrument is carried at fair value. SFAS 157 is effective for fiscal years beginning after November 15, 2007. The adoption of SFAS 157 did not have a material impact on the Company's results of operations or financial position.

In February 2007, FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities Including an Amendment of FASB Statement No. 115. SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007. Early adoption is permitted. The adoption of SFAS 159 did not have a material impact on the Company's results of operations or financial position.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), Business Combinations (SFAS 141(R)). SFAS 141(R) establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. SFAS 141(R) also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. SFAS 141(R) is effective for fiscal years beginning after December 15, 2008. The Company adopted SFAS 141(R) in the first quarter of fiscal 2009 and will apply the provisions of this Statement for any acquisition after the adoption date. The adoption of SFAS 141(R) did not have a material impact on the Company's results of operations or financial position.

In March 2008, the FASB issued Statement No. 161, Disclosures about Derivative Instruments and Hedging Activities. This Statement significantly increases the disclosure requirements for derivative instruments. The new requirements include the location and fair value amounts of all derivatives by category reported in the consolidated balance sheet; the location and amount of gains or losses of all derivatives and designated hedged items by category reported in the consolidated income statement or in other comprehensive income in the consolidated balance sheet; and measures of volume such as notional amounts. For derivatives designated as hedges, the gains or losses must be divided into the effective portions and the ineffective portions. The Statement also requires the disclosure of group concentrations of credit risk by counterparties, including the maximum amount of loss due to credit risk and policies concerning collateral and master netting arrangements. Most disclosures are required on an interim and annual basis. The Company adopted this Statement effective the second quarter of fiscal year 2009. The adoption of this Statement did not have a material impact on the Company's consolidated financial statements.

In April 2008, the FASB issued FASB Staff Position ("FSP") No. 142-3, Determination of the Useful Life of Intangible Assets ("FSP FAS 142-3"). FSP FAS 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS 142. FSP FAS 142-3 requires a company estimating the useful life of a recognized intangible asset to consider its historical experience in renewing or extending similar arrangements or, in the absence of such experience, to consider assumptions that market participants would use about renewal or extension as adjusted for entity-specific factors. FSP FAS 142-3 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is prohibited. The Company does not anticipate the adoption of FSP FAS 142-3 will have a material effect on the Company's financial position, results of operations or cash flows.

In October 2008, the FASB issued FSP FAS No. 157-3, Determining the Fair Value of a Financial Asset When the Market for That Asset is Not Active ("FSP FAS 157-3"), which clarifies the application of SFAS No. 157, "Fair Value Measurements" in an inactive market. FSP FAS 157-3 addresses application issues such as how management's internal assumptions should be considered when measuring fair value when relevant observable data do not exist; how observable market information in a market that is not active should be considered when measuring fair value and how the use of market quotes should be considered when assessing the relevance of observable and unobservable data available to measure fair value. FSP FAS 157-3 was effective upon issuance. The Company's adoption of FSP FAS 157-3 did not have a material effect on the Company's financial condition, results of operations or cash flows.

3. Balance sheet components (in thousands of U.S. dollars)

	2009	2008
Accounts receivable		
Trade	\$ 2,744	\$ 2,444
Allowance for doubtful accounts	(45)	(85)
	<u>\$ 2,699</u>	<u>\$ 2,359</u>
Inventories		
Raw materials	\$ 2,006	\$ 1,714
Finished goods	2,280	1,452
	<u>\$ 4,286</u>	<u>\$ 3,166</u>
Accounts Payable and accrued liabilities		
Accounts payable		
Trade	\$ 1,031	\$ 865
Equipment and other	453	155
Accrued Liabilities		
Payroll	746	614
Other	456	485
	<u>\$ 2,686</u>	<u>\$ 2,119</u>

4. Property, Plant and Equipment

	2009	2008
Property, plant and equipment		
Land	\$ 1,547	\$ 1,547
Buildings	8,950	8,759
Leashold improvements	-	-
Equipment	15,961	15,164
Construction in progress	1,189	446
	<u>\$ 27,647</u>	<u>\$ 25,916</u>
Less: Accumulated depreciation	<u>(8,037)</u>	<u>(6,254)</u>
	<u>\$ 19,610</u>	<u>\$ 19,662</u>

Depreciation expense from property, plant and equipment for the fiscal years ended January 31, 2009 and 2008 was \$1,800,000 and \$1,689,000, respectively.

The Company incurred interest costs of \$315,000 and \$415,000 during the fiscal years 2009 and 2008, respectively, of which \$0- and \$30,000 was capitalized as part of the purchase and installation of manufacturing equipment during fiscal years 2009 and 2008, respectively.

5. Fair value of financial instruments

The fair value of cash and cash equivalents, restricted cash, investments, accounts receivable, accounts payable, and accrued liabilities, and amounts due to related parties approximate their carrying value due to the relatively short-term maturities of these instruments.

The fair value of the Company's debt at January 31, 2009 and 2008 approximates the carrying value. The fair value is based on management's estimate of current rates available to the Company for similar debt with the same remaining maturity.

6. Concentration of credit risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and cash equivalents, restricted cash, short-term investments and trade accounts receivable. Receivables arising from sales to customers are generally not significant individually and are not collateralized; as a result, management continually monitors the financial condition of its customers to reduce the risk of loss. The Company had three customers who individually exceeded 10% of sales, who collectively accounted for 44% and 46% of total trade accounts receivable at January 31, 2009 and 2008, respectively, and who collectively accounted for 59% and 58% of total sales during the fiscal year ending January 31, 2009 and 2008, respectively.

The Company invests its cash and cash equivalents in high quality issuers. These cash balances may be insured by the Federal Deposit Insurance Corporation, the Canada Deposit Insurance Corporation, the Securities Investor Protection Corporation or through other private insurance purchased by the issuer. The Company maintains its cash in demand deposits and money market accounts held primarily by four banks and in the normal course of business, maintains cash balances in excess of these insurance limits.

7. Operating line of credit

On May 23, 2007, Absorption renewed a bank line of credit with Branch Banking & Trust Co. that provides for up to \$2,000,000 of cash borrowings for general corporate purposes which is secured by accounts receivable and inventory of Absorption. Interest is payable on funds advanced at the one-month London Interbank Offered Rate ("LIBOR") plus 2.5%. The line of credit matures on May 23, 2009. At January 31, 2009, the Company had no borrowings outstanding under this line of credit.

8. Long-term debt (in thousands of U.S. dollars)

	2009	2008
Tax-exempt bonds	\$ 6,664	\$ 7,521
Taxable bonds	-	-
Total debt	<u>6,664</u>	<u>7,521</u>
Less: current portion	<u>(877)</u>	<u>(857)</u>
Long-term debt	<u>\$ 5,787</u>	<u>\$ 6,664</u>

On September 14, 2006, the Company entered into a bond financing agreement in the amount of \$1,600,000 with GE Capital Public Finance, Inc. ("GECPF") to fund the purchase and installation of manufacturing equipment to be used in connection with the closure and relocation of the Bellingham, Washington production facility to the new Ferndale, Washington manufacturing and warehouse facility. GECPF agreed to fund and guarantee the Economic Development Revenue Bond issued by the Washington State Economic Finance Authority at a fixed interest rate of 5.70%, amortized over 90 months with interest-only payments during the six months of construction. If Absorption defaults under the terms of the loan agreement, including failure to pay any amount when due or violating any of the financial and other covenants, GECPF may accelerate all amounts then-owing under the bond. Costs incurred in issuing the bond were \$32,000. The bond is secured by the equipment financed. At January 31, 2009 and 2008 the balance outstanding was \$1,240,000 and \$1,441,000, respectively.

In September of 2004, the Company completed a \$4,900,000 tax-exempt bond financing. Of the total proceeds from the financing, \$2,099,000 were used to pay off the loan held by Branch Banking & Trust Co., \$98,000 was paid for costs of issuance and the remaining proceeds of \$2,703,000 were placed in a trust account to be used to finish the construction of the new production facility located in Jesup, Georgia. The bonds were issued by Wayne County Industrial Development Authority in the state of Georgia. The bonds have a variable rate equal to Branch Banking & Trust Co.'s Variable Rate Demand Bond "VRDB" rate (2.28 % as of March 27, 2009) plus a letter of credit fee of 0.95%, a remarketing fee of 0.125% and a \$2,000 annual trustee fee. The term of these bonds is seven years for the equipment portion and 15 years for the real estate portion. The bond is secured by the property, building, and

equipment financed. At January 31, 2009 and 2008, the balance outstanding was \$3,300,000 and \$3,800,000, respectively. The letter of credit expires September 2, 2011, at which time it will need to be renewed.

In March 2003, the Company completed a \$2,910,000 bond financing, comprised of \$2,355,000 as tax exempt and \$555,000 as taxable. The bonds were issued through the Washington Economic Development Finance Authority in Washington State. The purchaser and holder of the bonds is GECPF. The tax exempt bonds have a fixed rate of 5.38% with a term of 190 months, maturing February 2019, and with interest-only payments for the first 52 months. The taxable bonds had a fixed rate of 5.53% a term of 52 months, and matured in August 2007. The indebtedness underlying the bonds is secured by a mortgage on the real property, and a security interest in the equipment assets, located in Whatcom County, Washington. At January 31, 2009 and 2008, the balance outstanding was \$2,124,000 and \$2,280,000 on the tax-exempt bonds, respectively.

The aggregate principal maturities on long-term debt for each of the twelve-month periods subsequent to January 31, 2009 are as follows (in thousands of U.S. dollars):

Fiscal Year ending January 31,:	Long-term Debt
2010	\$ 877
2011	899
2012	922
2013	646
2014	671
Thereafter	2,649
	\$ 6,664

9. Capital stock

Common shares

Holders of Common Shares are entitled to one vote per share and to share equally in any dividends declared and in distributions on liquidation.

During both fiscal years 2009 and 2008, no common stock options were exercised.

Stock options

The 2003 Omnibus Plan permits the granting of stock options (including nonqualified stock options and incentive stock options qualifying under Section 422 of the Code and for residents of Canada under the terms and conditions of the Income Tax Act of Canada), stock appreciation rights (including free-standing, tandem and limited stock appreciation rights), restricted or unrestricted share awards, phantom stock, performance awards, or any combination of the foregoing. The 2003 Omnibus Plan has 1,100,000 Common Shares reserved for issuance and/or grant.

The exercise price of stock options under the 2003 Omnibus Plan will be at least equal to the fair market value of the Common Shares on the date of grant for each incentive stock option or an amount equal to no less than 85% of fair market value for each non-qualified stock option, or the acceptable discount amount allowed under applicable securities laws. The exercise price of options granted under the 2003 Omnibus Plan must be paid in cash, property, qualifying services or under a qualifying deferred payment arrangement. In addition, subject to applicable law, the Company may make loans to individual grantees on such terms as may be approved by the Board of Directors for the purpose of financing the exercise of options granted under the 2003 Omnibus Plan and the payment of any taxes that may be due in respect of such exercise. The Compensation Committee will fix the term of each option, but no option under the 2003 Omnibus Plan will be exercisable more than ten years after the option is granted. Each option will be exercisable at such time or times as determined by the Compensation Committee, provided, however, that no stock option granted under the 2003 Omnibus Plan, or any portion thereof, to any grantee who is subject to Section 16 of the Exchange Act shall be exercisable prior to seven (7) months after the grant date of the option; and stock options, or any portion thereof, granted to grantees who are not subject to Section 16 of the Exchange Act shall not be

exercisable prior to ninety (90) days after the grant date of the option. Upon a grantee's termination of employment with the Company or its subsidiary (other than as a result of death), the 2003 Omnibus Plan provides for an expiration of any outstanding options expire immediately or within a period of 12 months or less, depending upon the cause of termination. No option shall be transferable by the option holder otherwise than by will or the laws of descent.

The following table summarizes the Company's stock option activity for the years ended January 31, 2009 and 2008:

	2009		2008	
	Shares	Weighted Average Price	Shares	Weighted Average Price
Outstanding - beginning of year	563,517	\$ 3.95	536,100	\$ 4.17
Granted	174,680	3.55	140,000	3.71
Exercised	-	-	-	-
Repurchased, surrendered or expired	(42,517)	(3.24)	(112,583)	(4.70)
Outstanding - end of year	695,680	\$ 3.89	563,517	\$ 3.95
Vested	141,000	\$ 3.95	166,667	\$ 3.58

The following table summarizes information about options outstanding at January 31, 2009:

Range of exercise prices	Number outstanding at January 31, 2009	Weighted average remaining contractual life (months)	Outstanding weighted average exercise price	Number exercisable at January 31, 2009	Exercisable weighted average exercise price
\$ 3.20	100,000	51	\$ 3.20	10,000	\$ 3.20
3.25	40,000	11	3.25	40,000	3.25
3.55	174,680	71	3.55	-	-
3.60	100,000	62	3.60	-	-
4.00	40,000	23	4.00	40,000	4.00
4.60	141,000	32	4.60	41,000	4.60
4.70	100,000	26	4.70	10,000	4.70
\$ 3.20 -	695,680	46	\$ 3.89	141,000	\$ 3.95

At January 31, 2009, the Company had 404,320 remaining Common Shares available to be granted under the 2003 Omnibus Plan.

There were outstanding options to purchase 7,000 Common Shares issued to individuals who are not employees or directors of the Company as of January 31, 2009.

Restricted stock units

The Company granted 75,120 and -0- restricted stock units ("RSUs") to employees during the years ended January 31, 2009 and 2008, respectively. The RSUs have both a service and a performance condition that must be satisfied before vesting will occur. The fair value of these RSUs is based on the fair value of the Companies common stock on the award date and the probability of achieving the performance condition. The weighted average grant date fair value of the RSUs was -0- and -0- during the years ended January 31, 2009 and 2008, respectively.

During fiscal year 2009 -0- RSUs expired. The outstanding RSUs at January 31, 2009 and 2008 were 75,120 and -0-, respectively.

10. Employee benefit plan

The Company initiated a 401(k) savings plan for employees during fiscal year 2006. Employees with at least 12 months of service are eligible to participate. Under the terms of the retirement savings plan, the Company provides matching contributions equal to 100% of each participant's contribution up to 3% of a participant's eligible compensation and 50% of each participant's contribution over 3% up to a maximum of 5%. The Company's contributions to the plan totalled \$107,000 and \$100,000 for the years ended January 31, 2009 and 2008, respectively.

11. Related party transactions

General and administrative expenses for 2009 and 2008 included \$81,000 and \$82,000, respectively, each year for office rent and related services which were incurred on a cost reimbursement basis from a corporation owned and controlled by an officer and director of the Company. At January 31, 2009 and 2008, \$5,000 and \$6,000, respectively, were owing to this related party.

12. Income taxes

The components of income before income taxes are as follows (in thousands of U.S. dollars):

	2009	2008
U.S.	\$ 3,784	\$ 3,253
Canada	(130)	17
	<u>\$ 3,654</u>	<u>\$ 3,270</u>

The components of the provision for current income taxes consist of the following (in thousands of U.S. dollars):

	2009	2008
U.S.	\$ 1,103	\$ 877
State	52	49
Canada	20	26
	<u>\$ 1,175</u>	<u>\$ 952</u>

The components of the provision for deferred income taxes consist of the following (in thousands of U.S. dollars):

	2009	2008
U.S.	\$ 339	\$ 264
State	(99)	38
Canada	-	-
	<u>\$ 240</u>	<u>\$ 302</u>

The provision for income taxes differs from the amount computed by applying the statutory income tax rate to net income before taxes as follows (in thousands of U.S. dollars):

	2009	2008
Income tax at statutory rate (Canada)	\$ 1,128	\$ 1,108
Difference in foreign tax rate	118	3
Permanent differences	10	(1)
Stock option expense	151	127
Domestic production deduction	(64)	(54)
Change in valuation allowance	(333)	38
Net operating losses expired	-	57
Change in tax rate	32	115
Effect from remeasurement from		
Canadian currency	300	(258)
State and local, net	(18)	78
Other differences	91	41
	<u>\$ 1,415</u>	<u>\$ 1,254</u>

Deferred income taxes are provided for temporary differences. Deferred income tax assets and liabilities are comprised of the following (in thousands of U.S. dollars):

	2009	2008
Deferred income tax assets		
Net operating loss carryforward	\$ -	\$ 26
Intangibles	16	20
Non-deductible liabilities and other	172	158
State tax credits	168	49
Unrealized loss	35	338
Valuation allowance	(51)	(384)
	<u>\$ 340</u>	<u>\$ 207</u>
Deferred income tax liabilities		
Property, plant and equipment	(1,532)	(1,159)
	<u>\$ (1,532)</u>	<u>\$ (1,159)</u>

The deferred state tax credits referenced above are job tax credits from Georgia which are available to offset Georgia taxable income in future years. These credits can be carried forward 10 years and begin expiring January 31, 2018.

The Company has recorded a valuation allowance against deferred tax assets which relates to uncertainties related to utilization of Canadian deferred tax assets. The valuation allowance decreased by \$333,000 during the year ended January 31, 2009 and increased by \$38,000 during the year ended January 31, 2008.

The Company has not provided for Canadian deferred income taxes on undistributed earnings of International Absorbent's U.S. subsidiary because of its intention to indefinitely reinvest these earnings in the U.S. The determination of the amount of the unrecognized deferred U.S. income tax liability related to the undistributed earnings is not practicable.

In June 2006, the FASB issued interpretation No. 48 ("FIN 48"), *Accounting for Uncertainty in Income Taxes – interpretation of FASB Statement No. 109*. FIN 48 clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. FIN 48 also provides guidance on de-recognition, measurement, classification, interest and penalties, accounting interim periods, disclosure and transition. FIN 48 applies to all tax positions related to income taxes. On February 1, 2007 the Company adopted the provisions of FIN 48. The adoption and implementation of FIN 48 resulted in a \$83,000 increase in the liability for unrecognized tax benefits, which was accounted for as a reduction to the February

1, 2007 balance of retained earnings. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

	2009	2008
Balance at beginning of year	\$ 45	\$ 83
Settlements	-	-46
Additions for tax positions of current period	70	2
Additions for tax positions of prior periods	34	6
	<u>\$ 149</u>	<u>\$ 45</u>

The Company is subject to taxation in the United States, Canada and various state jurisdictions. The material jurisdictions that are subject to examination by tax authorities are for tax years after fiscal year 2004. The Company classifies interest and penalties on tax uncertainties as components of the provision for income taxes.

13. Commitments and contingencies

Operating leases

The Company has entered into various operating lease agreements for equipment that expire in 2010 to 2013. Rental expenses for the year ended January 31, 2009 and 2008 were \$251,000 and \$223,000, respectively. Minimum annual rental payments under non-cancellable operating leases are approximately \$94,000, \$67,000, \$50,000 and \$1,000 for the years ending January 31, 2010, 2011, 2012 and 2013, respectively.

Legal matters

The Company is subject to ordinary routine litigation incidental to the Company's business. Currently, there are no material legal proceedings pending to which the Company is a party, or of which any of the Company's properties is the subject.

14. Segmented information

The Company is involved primarily in the development, manufacture, distribution and sale of absorbent products. Its assets are located and its operations are primarily conducted in the United States.

The Company defines its business segments primarily based upon the market in which its customers sell products, as well as how the Company internally manages its various business activities. The Company operates principally in two business segments: the animal care industry and the industrial cleanup industry. Management decisions on resource allocation and performance assessment are made currently based on these two identifiable segments.

Management of the Company evaluates these segments based upon the operating income before depreciation and amortization generated by each segment. Depreciation, amortization, and interest expense are managed on a consolidated basis and as such are not allocated to individual segments. Certain segment information, including segment assets, asset expenditures and related depreciation expense, is not presented as all of the Company's assets are commingled and are not available by segment. There are no inter-segment transactions or significant differences between segment accounting and corporate accounting basis.

Business segment data (in thousands of U.S. dollars)

	2009		
	Animal Care	Industrial	Consolidated
Sales, net	\$ 34,934	\$ 818	\$ 35,752
Operating cost and expenses	<u>29,246</u>	<u>769</u>	<u>30,015</u>
Operating income (loss) before depreciation and amortization	5,688	49	5,737
Depreciation and amortization			(1,830)
Interest expense			(315)
Interest Income			<u>62</u>
Net income before taxes			<u>\$ 3,654</u>

	2008		
	Animal Care	Industrial	Consolidated
Sales, net	\$ 32,271	\$ 824	\$ 33,095
Operating cost and expenses	<u>26,944</u>	<u>863</u>	<u>27,807</u>
Operating income (loss) before depreciation and amortization	5,327	(39)	5,288
Depreciation and amortization			(1,719)
Interest expense			(385)
Interest Income			<u>86</u>
Net income before taxes			<u>\$ 3,270</u>

Sales revenues by geographic areas are as follows:

	2009	2008
United States	\$ 33,512	\$ 31,280
Canada	1,093	948
Other countries	<u>1,147</u>	<u>867</u>
	<u>\$ 35,752</u>	<u>\$ 33,095</u>

Three customers from the Animal Care segment represent 10% or more of the Company's sales.

	2009	2008
Customer A	\$ 8,084	\$ 7,843
Customer B	9,329	8,080
Customer C	<u>3,631</u>	<u>3,102</u>
	<u>\$ 21,044</u>	<u>\$ 19,025</u>

15. Earnings per share

	2009		
	Net Income (numerator)	Shares (denominator)	Per share amount
Basic earnings per share			
Net income available to stockholders	\$ 2,239,000	6,410,000	\$ 0.35
Effect of dilutive securities			
Stock options to purchase common stock	-	36,000	
Diluted earnings per shares			
Net income available to stockholders	<u>\$ 2,239,000</u>	<u>6,446,000</u>	\$ 0.35
	2008		
	Net Income (numerator)	Shares (denominator)	Per share amount
Basic earnings per share			
Net income available to stockholders	\$ 2,016,000	6,410,000	\$ 0.31
Effect of dilutive securities			
Stock options to purchase common stock	-	67,000	
Diluted earnings per shares			
Net income available to stockholders	<u>\$ 2,016,000</u>	<u>6,477,000</u>	\$ 0.31

The Company excludes all potentially dilutive securities from its diluted net income per share computation when their effect would be anti-dilutive (strike price less than market value). The following common stock equivalents were excluded from the earnings per share computation because the exercise prices of the stock options and rights were greater than or equal to the average price of the common shares, and therefore their inclusion would have been anti-dilutive:

	2009	2008
Stock options excluded from the computation of diluted net income per share, other than those used in the determination of common stock equivalents disclosed above	<u>555,680</u>	<u>244,150</u>

16. Selected Quarterly Financial Data (in thousands of U.S. dollars, except per share amounts)

The following table sets forth selected quarterly financial data for each of the quarters in fiscal years 2009 and 2008:

	2009			
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Sales, net	\$ 8,390	\$ 9,603	\$ 9,298	\$ 8,461
Cost of goods sold	5,471	6,352	6,496	5,951
Gross Profit	<u>2,919</u>	<u>3,251</u>	<u>2,802</u>	<u>2,510</u>
Selling, general and administrative expenses	<u>1,960</u>	<u>1,990</u>	<u>1,820</u>	<u>1,805</u>
Income from operations	959	1,261	982	705
Interest expense	(66)	(88)	(79)	(82)
Interest income	10	24	14	14
Income before provision for income taxes	<u>903</u>	<u>1,197</u>	<u>917</u>	<u>637</u>
Income tax provision	<u>(405)</u>	<u>(361)</u>	<u>(355)</u>	<u>(294)</u>
Net income	<u>\$ 498</u>	<u>\$ 836</u>	<u>\$ 562</u>	<u>\$ 343</u>
Basic earnings per share	\$.08	\$.13	\$.09	\$.05
Fully diluted earnings per share	\$.08	\$.13	\$.09	\$.05
Weighted average number of shares outstanding (in thousands)				
Basic	6,410	6,410	6,410	6,410
Diluted	6,485	6,446	6,440	6,467

	2008			
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Sales, net	\$ 8,301	\$ 9,028	\$ 7,401	\$ 8,365
Cost of goods sold	5,889	6,287	5,365	5,598
Gross Profit	2,412	2,741	2,036	2,767
Selling, general and administrative expenses	1,509	1,487	1,721	1,670
Income from operations	903	1,254	315	1,097
Interest expense	(94)	(103)	(101)	(87)
Interest income	21	18	23	24
Income before provision for income taxes	830	1,169	237	1,034
Income tax provision	(307)	(425)	(111)	(411)
Net income	\$ 523	\$ 744	\$ 126	\$ 623
Basic earnings per share	\$.07	\$.12	\$.02	\$.10
Fully diluted earnings per share	\$.08	\$.11	\$.02	\$.10
Weighted average number of shares outstanding (in thousands)				
Basic	6,410	6,410	6,410	6,410
Diluted	6,486	6,504	6,511	6,428

CORPORATE INFORMATION

BOARD OF DIRECTORS

Gordon L. Ellis

John J. Sutherland⁽¹⁾⁽²⁾

Dan J. Whittle⁽²⁾⁽³⁾

Michael Bentley⁽¹⁾⁽²⁾⁽³⁾

Lionel Dodd⁽¹⁾⁽³⁾

AS OF June, 2008

⁽¹⁾ Member of Corporate Governance Committee

⁽²⁾ Member of Audit Committee

⁽³⁾ Member of Compensation Committee

EXECUTIVE OFFICERS

Gordon L. Ellis
*Chairman, Chief Executive Officer
& President*

Douglas E. Ellis
*President, Chief Operations Officer,
Absorption Corp.*

Dave H. Thompson
*Secretary, Chief Financial Officer,
International Absorbents Inc. and
Absorption Corp.*

Shawn M. Dooley
*Vice President, Sales and Marketing,
Absorption Corp.*

ANNUAL MEETING

The Annual Meeting of Shareholders will be held on June 10, 2009 at 10:00 a.m. Pacific Time in Vancouver, BC, Canada. All shareholders are invited to attend.

STOCK LISTING

NYSE Amex LLC: IAX

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