

International Absorbents Inc.

"Makers of CareFRESH® Brand Small Animal Bedding"

FOR IMMEDIATE RELEASE:

International Absorbents Announces Increases in Net Income and Sales for the Third Quarter and Nine Months

FERNDALE, WASH., Dec. 15, 2008... International Absorbents Inc. (AMEX: IAX), a leading developer and producer of environmentally-friendly pet care and industrial products, today reported financial results for the third quarter and nine months ended October 31, 2008.

Sales for the nine months increased by 10% to \$27,362,000, versus \$24,794,000 for the previous year's nine months. Sales for the third quarter of fiscal year 2009 improved by 6% to \$9,603,000, versus \$9,028,000 for the third quarter of fiscal year 2008.

Gross profit for the nine months was \$8,563,000, compared to \$7,544,000 for the previous year's nine months, an improvement of 14%. Gross profit for the third quarter of fiscal year 2009 increased by 19% to \$3,251,000 compared to \$2,741,000 for the third quarter fiscal year 2008.

Net income for the nine months improved by 17% to \$1,741,000, compared to \$1,493,000 during the prior year's nine months. Net income for the third quarter of fiscal year 2009 was \$836,000, an increase of 12% versus a net income of \$744,000 for the third quarter of fiscal year 2008.

Cash, restricted cash and short term investments for the nine months increased to \$4,706,000 compared to \$2,809,000 for the nine months last fiscal year. For the nine months, cash generated from operations was \$3,469,000.

"As is reflected in our improving margins, efficiency levels at our production facilities continue to get better. These improvements are ongoing as we continue to focus on being in the best possible position to weather the current challenging financial environment, while maintaining flexibility for growth." stated Gordon L. Ellis, Chairman of International Absorbents Inc. "Although we have not yet seen any drastic change in our sales levels, we are watching closely to ensure that we can react quickly and effectively in the event that there is a significant change. Our cash flow is strong and we believe that we are in a relatively good position to endure any recession and possibly take advantage of opportunities that could arise as a result of difficult economic times."

International Absorbents Inc. develops, manufactures and markets patented and proprietary, cost effective consumer and commercial products derived from recycled, renewable materials. These environmentally safe products outperform conventional products used in a broad range of consumer and industrial applications, including retail/commercial pet bedding and litter, oil and hazardous liquid spill cleanup and control, oil/water filtration, and packaging. Further information is available at **www.internationalabsorbents.com**.

FINANCIAL HIGHLIGHTS

	3 Months Ended Oct. 31,		9 Months Ended Oct. 31,	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Sales, net	\$9,603,000	\$9,028,000	\$27,362,000	\$24,794,000
Gross profit	3,251,000	2,741,000	8,563,000	7,544,000
Net income before taxes	1,197,000	1,169,000	2,751,000	2,440,000
Net income	836,000	744,000	1,741,000	1,493,000
Basic earnings per share	0.13	0.12	0.27	0.23
Weighted average shares (basic)	6,410,000	6,410,000	6,410,000	6,410,000

	As at Oct. 31,	As at Jan. 31,
	<u>2008</u>	<u>2008</u>
Total assets	\$31,172,000	\$28,589,000
Stockholders' equity	19,760,000	17,689,000

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A number of the matters and subject areas discussed in this press release that are not historical or current facts deal with potential future circumstances and developments, including without limitation, statements referring to the Company's future growth strategies, prospects for the future, potential financial results, capacity to improve profitability, intent to improve production efficiencies and decrease costs, ability to expand and grow its markets and product lines, abilities to enter new markets, ability to introduce new products, benefits from infrastructure improvements and the Company's competitiveness and profitability as a result of new sales and marketing programs, are forward-looking statements. The words "believe," "expect," "intend," "estimate," "assume" and "anticipate," variations of such words and similar expressions identify forward-looking statements, but their absence does not mean that a statement is not forward-looking. The discussion of such matters and subject areas is qualified by the inherent risks and uncertainties surrounding future expectations generally, changes in energy and transportation costs, and it is important to note that the Company's actual results could differ materially from those projected, due to various risk factors. Those risks include, but are not limited to installed equipment performance, consumer acceptance of the Company's products at a new location, competitor reactions and their ability to market and price their products, general economic conditions outside of the control of the Company, and the economic availability of sources of raw materials to meet demand rates necessary to sustain growth. Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements is contained from time to time in the Company's reports filed with the SEC, including, but not limited to, the Company's annual report on Form 10-K for the fiscal year ended January 31, 2008 and its quarterly filings on Form 10-Q. This press release speaks only as of its date, and the Company disclaims any duty to update the information herein.