Press Release

For Immediate Release

Richelieu achieves strong growth in 1st quarter 2015
Increase of 15.9% in net earnings per share

- **Consolidated sales** amounted to $159.3 million, up 17.1%**,** of which 12.7% from internal growth and 4.4% from acquisitions.
- **Sales in the U.S.** increased by 23.8% (US$).
- **Diluted net earnings per share** grew by 15.9%.
- **The financial position** remains healthy and solid with net cash of $10.3 million and a working capital of $226.4 million, for a current ratio of 4.4:1.

Montreal, April 2, 2015 — "Richelieu (RCH:TSX) is off to a strong start in 2015, with a significant increase in results thanks to solid internal growth on all our markets and the benefits we are starting to reap from the five acquisitions completed in 2014. We are very pleased with our sales figures, which were up 9.4% in Canada and 23.8% (US$) in the U.S., especially for a first quarter, historically the weakest period of the year. This performance can be attributed to our innovation, market development, and acquisition strategies, as well as the sales and operational synergies we continue to create through our acquisitions. We closed the quarter with a strong cash position and a still impeccable financial position and are confident we can pursue our growth strategy in the months ahead," indicated Richard Lord, President and Chief Executive Officer.

NEXT DIVIDEND PAYMENT

Effective April 2, 2015, the Board of Directors approved the payment of a quarterly dividend of $0.15 per share. This dividend is payable on April 30, 2015 to shareholders of record as at April 16, 2015.

ANALYSIS OF OPERATING RESULTS FOR THE FIRST QUARTER ENDED FEBRUARY 28, 2015 COMPARED WITH THE FIRST QUARTER ENDED FEBRUARY 28, 2014

Consolidated sales

For the quarter ended February 28, 2015, Richelieu posted **consolidated sales** of $159.3 million, compared with $136.1 million for the first quarter of 2014, an increase of 17.1%, of which 12.7% from internal growth and 4.4% from acquisitions. If the US exchange rate had been comparable to the first quarter of 2014, the consolidated sales growth would have been 13.4% for the quarter ended February 28, 201

Sales to manufacturers amounted to $134,3 million, compared with $113.8 million in the first quarter of 2014, an increase of 18.0%, of which 12.7% from internal growth and 5.3% from acquisitions. All market segments brought a solid contribution to internal growth. In the hardware **retailers** and renovation superstores market, the Corporation recorded sales of $25.0 million, compared with $22.3 million for the first quarter of 2014, an increase of 12.1% stemming from internal growth.

In Canada, **sales** totalled $107.7 million for the first quarter of 2015, an increase of 9.4%, of which 8.2% from internal growth and 1.2% from the acquisitions. Sales to **manufacturers** amounted to $86.2 million, compared with $79.0 million for the first quarter of 2014, an increase of 9.1%, of which 7.6% from internal growth and 1.5% from acquisitions. In the **retailers** and renovation superstores market, Richelieu posted sales of $21.5 million, up 10.0% over the first quarter of 2014, thanks to improved market conditions and new business resulting from market penetration efforts.

In the United States, the Corporation recorded **sales** of US$42.8 million, an increase of 23.8% over the first quarter of 2014, of which 12.2% from internal growth and 11.6% from acquisitions. In the **manufacturers** market, sales amounted to US$39.9 million, compared with US$32.0 million in the first quarter of 2014, an increase of 24.5%, of which 12% from internal growth and 12.5% from acquisitions. In the **retailers** and renovation superstores market, sales in US$ were up 16% over the first quarter of 2014. Considering exchange rates, total U.S. sales expressed in Canadian dollars amounted to $51.6 million, compared with $37.6 million for the first quarter of 2014, an increase of 37.1%. They accounted for 32.4% of the period's consolidated sales, whereas U.S. sales for the first quarter of 2014 had represented 27.6% of the period's consolidated sales. If the U.S. exchange rate had been comparable to the first quarter of 2014, sales in the United States would have accounted for 30% of total sales for the first quarter of 2015.

Consolidated EBITDA and EBITDA margin

Earnings before income taxes, interest and amortization (EBITDA) totalled $15.7 million, up 14.6% over the corresponding quarter of 2014. **The gross margin** remained stable with the first quarter of 2014 and **the EBITDA margin** stood at 9.9%, compared with 10.1% in the first quarter of 2014, due notably to the lower margins of certain prior acquisitions and the higher proportion of sales in the United States where the product mix is different.

Income taxes amounted to $3.6 million, an increase of $0.4 million over the first quarter of 2014.

Consolidated net earnings

Net earnings grew by 15.1%. Considering non-controlling interests, **net earnings attributable to shareholders** totalled $10.2 million, up 15.3% over the first quarter of 2014. **Net earnings per share** amounted to $0.52 basic and $0.51 diluted, compared with $0.44 (basic and diluted) for the first quarter of 2014, an increase of 18.2% and 15.9% respectively.

Comprehensive income stood at $16.8 million, considering a positive adjustment of $6.6 million on translation of the financial statements of the subsidiary in the United States, compared with $11.3 million for the first quarter of 2014, considering a positive adjustment of $2.4 million on translation of the financial statements of the subsidiary in the United States.

FINANCIAL POSITION

Analysis of principal cash flows for the first quarter ended February 28, 2015

Operating activities

Cash flows from operating activities (before net change in non-cash working capital balances) totalled $12,5 million or $0.63 diluted per share, compared with $11.0 million or $0.54 diluted per share for the first quarter of 2014, an increase of 13.2% stemming primarily from the net earnings growth. Net change in non-cash working capital balances used cash flows of $24.9 million, representing the change in inventories ($22.0 million) in anticipation of the second quarter which is historically a busier period and to meet the demand resulting from our market penetration efforts in the retailers market, and the change in accounts payable and other items ($6.6 million), whereas the change in accounts receivable represented a cash inflow of $3.7 million. Consequently, operating activities used cash flow of $12.4 million, compared with $1.6 million for the first quarter of 2014.

Financing activities represented a cash outflow of $3.5 million, compared with $27.6 million for the first quarter of 2014. During the quarter, the Corporation repurchased common shares for $0.4 million under its normal course issuer bid, compared with $27.1 million in the first quarter of 2014. Richelieu paid dividends of $2.9 million to shareholders of the Parent Corporation, up by $0.1 million over the first quarter of 2014, and issued common shares for $0.6 million upon the exercise of options under its stock option plan, compared with $2.2 million in the first quarter of 2014.

Investing activities represented a cash outflow of $1.9 million in the first quarter. These funds were used for equipment needed for operations and operational efficiency improvements as well as the remodeling of certain showrooms.

Sources of financing

As at February 28, 2015, **cash and cash equivalents** totalled $15.7 million, compared with $33.7 million as at November 30, 2014. This variation primarily reflects the significant increase in inventories. The Corporation posted a **working capital** of $226.4 million for a current ratio of 4.4:1, compared with $214.9 million (4.0:1 ratio) as at November 30, 2014.

Richelieu believes it has the capital resources to fulfill its ongoing commitments and obligations and to assume the funding requirements needed for its growth and the financing and investing activities planned for 2015. The Corporation continues to benefit from an authorized line of credit of CA$26 million as well as a line of credit of US$6 million renewable annually and bearing interest respectively at prime and base rates. In addition, the Corporation estimates it could obtain access to other outside financing if necessary.

Analysis of financial position as at February 28, 2015

Summary financial position

As at *(in thousands of $)*	**February 28, 2015**	November 30, 2014
Current assets	**292,074**	285,394
Non-current assets	**107,540**	105,327
Total	**399,614**	390,721
Current liabilities	**65,655**	70,528
Non-current liabilities	**6,824**	6,640
Equity attributable to shareholders of the Corporation	**323,356**	309,149
Non-controlling interests	**3,779**	4,404
Total	**399,614**	390,721
Exchange rate on translation of a subsidiary in the United States	***1.250***	*1.144*

Assets

Total assets amounted to $399.6 million as at February 28, 2015, compared with $390.7 million as at November 30, 2014, an increase of 2.3%. **Current assets** were up by $6.7 million over November 30, 2014 resulting from a significant increase in inventory in anticipation of the upcoming period.

Net cash

As at *(in thousands of $)*	**February 28, 2015**	November 30, 2014
Current portion of long-term debt	**3,205**	3,352
Long-term debt	**2,188**	2,002
Total	**5,393**	5,354
Cash and cash equivalents	***15,675***	*33,721*
Total cash net of debt	**10,282**	28,367

Total debt amounted to $5.4 million as at February 28, 2015, representing balances payable on acquisitions, of which $3.2 million in short-term debt. Deducting this debt, net cash totalled $10.3 million. Richelieu continues to benefit from a healthy and solid financial position to pursue its business strategy.

Equity attributable to shareholders of the Corporation amounted to $323.4 million as at February 28, 2015, compared with $309.1 million as at November 30, 2014, an increase of 4.6% stemming primarily from a growth in accumulated other comprehensive income of $6.6 million and $6.8 million in retained earnings which totalled $277.7 million. The book value per share was $16.51, compared with $15.80 as at November 30, 2014.

PROFILE AS AT FEBRUARY 28, 2015

Richelieu is a leading North American distributor, importer and manufacturer of specialty hardware and complementary products. Its products are targeted to an extensive customer base of kitchen and bathroom cabinet, furniture, and window and door manufacturers plus the residential and commercial woodworking industry, as well as a large customer base of hardware retailers, including renovation superstores. Richelieu offers customers a broad mix of high-end products sourced from manufacturers around the world. Its product selection consists of some 100,000 different items targeted to a base of more than 70,000 customers who are served by 66 centres in North America – 36 distribution centres in Canada, 28 in the United States and two manufacturing plants in Canada, specifically Cedan Industries Inc. which specializes in the manufacture of a wide variety of veneer sheets and edgebanding products and Menuiserie des Pins Ltée which manufactures components for the window and door industry and a broad selection of decorative mouldings.

Notes to readers — Richelieu uses earnings before interest, income taxes and amortization ("EBITDA") because this measure enables management to assess the Corporation's operational performance. This measure is a widely accepted financial indicator of a corporation's ability to service and incur debt. However, EBITDA should not be considered by an investor as an alternative to operating income or net earnings attributable to Shareholder of the Corporation, as an indicator of financial performance or cash flows, or as a measure of liquidity. Because EBITDA is not a standardized measurement as prescribed by IFRS, it may not be comparable to the EBITDA of other companies. Richelieu also uses cash flows from operating activities and cash flows from operating activities per share. Cash flows from operating activities are based on net earnings plus amortization of property, plant and equipment and intangible assets, deferred tax expense (or recovery) and share-based compensation expense. These additional measures do not account for net change in non-cash working capital items to exclude seasonality effects and are used by management in its assessments of cash flows from long-term operations. Therefore, cash flows from operating activities may not be comparable to the cash flows from operating activities of other companies. Certain statements set forth in this management's report, including statements relating to the expected sufficiency of cash flows to cover contractual commitments, to maintain growth and to provide for financing and investing activities, growth outlook, Richelieu's competitive position in its industry, Richelieu's ability to weather the current economic context and access other external financing, the closing of new acquisitions, and other statements not pertaining to past events, constitute forward-looking statements. In some cases, these statements are identified by the use of terms such as "may", "could", "might", "intend" "should", "expect", "project", "plan", "believe", "estimate" or the negative form of these expressions or other comparable variants. These statements are based on the information available at the time they are written, on assumptions made by management and on the expectations of management, acting in good faith, regarding future events, including the assumption that economic conditions and exchange rates will not significantly deteriorate, changes in operating expenses will not increase significantly, the Corporation's deliveries will be sufficient to fulfill Richelieu's needs, the availability of credit will remain stable during the fiscal year and no extraordinary events will require supplementary capital expenditures. Although management considers these assumptions and expectations reasonable based on the information available at the time they are written, they could prove inaccurate. Forward-looking statements are also subject, by their very nature, to known and unknown risks and uncertainties such as those related to the industry, acquisitions, labour relations, credit, key officers, supply, product liability, and other factors set forth in the Management's Report included in the Corporation's Annual Report as well as its Annual Information Form, which are available on the System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com. Richelieu's actual results could differ materially from those indicated or underlying these forward-looking statements. The reader is therefore recommended not to unduly rely on these forward-looking statements. Forward-looking statements do not reflect the potential impact of special items, any business combination or any other transaction that may be announced or occur subsequent to the date hereof. Richelieu undertakes no obligation to update or revise the forward-looking statements to account for new events or new circumstances, except where provided for by applicable legislation.

- 30 -

For information:
Richard Lord
President and Chief Executive Officer
Antoine Auclair
Vice-President and Chief Financial Officer
Tel: (514) 336-4144 www.richelieu.com

APRIL 2, 2015 CONFERENCE CALL AT 2:30 P.M. (EASTERN TIME)

Financial analysts and investors interested in participating in the conference call on Richelieu's results to be held at 2:30 p.m. on April 2, 2015 may call **1-866-865-3087** a few before the start of the call. For those unable to participate, a taped rebroadcast will be available as of 5:30 p.m. on April 2, 2015 until midnight on April 9, 2015, by dialing **1-855-859-2056, access code: 1603345**. Members of the media are invited to listen in.

Photos are available under "About Richelieu" – "Media" section at www.richelieu.com.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

[In thousands of dollars]
[Unaudited]

	As at February 28, 2015	As at November 30, 2014
	$	$
ASSETS		
Current assets		
Cash and cash equivalents	**15,675**	33,721
Accounts receivable	**92,161**	93,874
Inventories	**182,114**	156,488
Prepaid expenses	**2,124**	1,311
	292,074	285,394
Non-current assets		
Property, plant and equipment	**23,507**	22,895
Intangible assets	**21,612**	20,987
Goodwill	**58,404**	57,669
Deferred taxes	**4,017**	3,776
	399,614	390,721
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**62,279**	64,437
Income taxes payable	**171**	2,739
Current portion of long-term debt	**3,205**	3,352
	65,655	70,528
Non-current liabilities		
Long-term debt	**2,188**	2,002
Deferred taxes	**2,763**	2,762
Other liabilities	**1,873**	1,876
	72,479	77,168
Equity		
Share capital	**30,559**	29,762
Contributed surplus	**1,521**	1,576
Retained earnings	**277,670**	270,826
Accumulated other comprehensive income	**13,606**	6,985
Equity attributable to shareholders of the Corporation	**323,356**	309,149
Non-controlling interests	**3,779**	4,404
	327,135	313,553
	399,614	390,721

CONSOLIDATED STATEMENTS OF EARNINGS

For the three-month periods ended February 28
[In thousands of dollars, except earnings per share]
[Unaudited]

	2015 $	2014 $
Sales	**159,319**	136,108
Cost of goods sold, warehousing, selling and administrative expenses	**143,613**	122,404
Earnings before amortization, financial costs and income taxes	**15,706**	13,704
Amortization of property, plant and equipment	**1,359**	1,258
Amortization of intangible assets	**626**	528
Financial costs, net	**(84)**	(112)
	1,901	1,674
Earnings before income taxes	**13,805**	12,030
Income taxes	**3,621**	3,184
Net earnings	**10,184**	8,846
Net earnings attributable to:		
Shareholders of the Corporation	**10,216**	8,859
Non-controlling interests	**(32)**	(13)
	10,184	8,846
Net earnings per share attributable to shareholders of the Corporation		
Basic	**0.52**	0.44
Diluted	**0.51**	0.44

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three-month periods ended February 28
[In thousands of dollars]
[Unaudited]

	2015 $	2014 $
Net earnings	**10,184**	8,846
Other comprehensive income that will be reclassified to net earnings		
Exchange differences on translation of foreign operations	**6,621**	2,441
Comprehensive income	**16,805**	11,287
Comprehensive income attributable to:		
Shareholders of the Corporation	**16,837**	11,300
Non-controlling interests	**(32)**	(13)
	16,805	11,287

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three-month periods ended February 28
[In thousands of dollars]
[Unaudited]

	2015	2014
	$	$
OPERATING ACTIVITIES		
Net earnings	**10,184**	8,846
Items not affecting cash		
Amortization of property, plant and equipment	**1,359**	1,258
Amortization of intangible assets	**626**	528
Share-based compensation expense	**281**	369
	12,450	11,001
Net change in non-cash working capital balances	**(24,875)**	(12,563)
	(12,425)	(1,562)
FINANCING ACTIVITIES		
Repayment of long-term debt	**(100)**	—
Dividends paid to Shareholders of the Parent Corporation	**(2,939)**	(2,806)
Other dividends paid	**(596)**	—
Common shares issued	**602**	2,249
Common shares repurchased for cancellation	**(445)**	(27,063)
	(3,478)	(27,620)
INVESTING ACTIVITIES		
Business acquisition	—	(1,350)
Additions to property, plant and equipment and intangible assets	**(1,865)**	(699)
	(1,865)	(2,049)
Effect of exchange rate changes on cash and cash equivalents	**(278)**	(142)
Net change in cash and cash equivalents	**(18,046)**	(31,373)
Cash and cash equivalents, beginning of period	**33,721**	46,187
Cash and cash equivalents, end of period	**15,675**	14,814