



## Press Release For Immediate Release

### Richelieu announces its results for the first quarter of 2009

- **Net earnings** totalled \$4.3 million or \$0.20 per share on **consolidated sales** of \$94.2 million, while **cash flows from operating activities\*** amounted to \$6.3 million or \$0.29 per share for the quarter ended February 28, 2009.
- Richelieu ended the period with a **positive cash balance and a working capital of \$135.0 million for a ratio of 4.9:1**: an excellent financial position to easily pursue its business strategy.
- **Next dividend payment** – a dividend of \$0.08 per share is payable on April 23, 2009 to shareholders of record as at April 9, 2009.

#### TSX: RCH

**Montreal, March 26, 2009** — At its Annual General Meeting of Shareholders held today, Richelieu announced sales of \$94.2 million, EBITDA of \$8.0 million and net earnings of \$4.3 million or \$0.20 per share for the quarter ended February 28, 2009. The Company remains in a most healthy and solid financial position. As at February 28, Richelieu had no significant debt, a positive cash balance and a working capital of \$135.0 million.

Although they are positive, these results are lower than the first quarter of the previous fiscal year. It is important to remember that the first three months from the beginning of December to the end of February are generally the year's weakest due to the winter season. This year, the first quarter witnessed a slowdown in activity in three geographic markets, namely Central and Western Canada and the United States, which were further affected by the economic crisis. Thus, the growth Richelieu achieved in Eastern Canada in its two major markets — manufacturers and retailers including renovation superstores — did not offset the internal decrease in its other geographic markets; consequently, sales decreased from the corresponding period of 2008. Besides this factor are the additional expenses incurred by Richelieu to increase its product offering and presence in the retailers and renovation superstores market, thereby reducing net earnings from the same quarter of 2008. Nevertheless, the expenses incurred to further develop the retailers market should be considered an investment that should lead to benefits in the medium term.

“Over the next year, we plan to open two distribution centres in the United States, the cost structures of which should not affect our results. Thus, we will increase our presence in this market in order to better meet demand. We are considering various acquisition projects, but will be extra cautious in order to target the best expansion opportunities matching Richelieu's criteria,” indicated Richard Lord, President and Chief Executive Officer of Richelieu.

\* Before net change in non-cash working capital balances related to operations

**OPERATING RESULTS FOR THE FIRST QUARTER ENDED FEBRUARY 28, 2009 COMPARED WITH THE FIRST QUARTER ENDED FEBRUARY 29, 2008**

**Consolidated sales** totalled \$94.2 million, compared with \$96.1 million for the same period of 2008. This 2.0% or \$1.9 million decline is attributable to a 3.2% internal decrease, whereas the growth-by-acquisition was 1.2%, reflecting the contribution of Top Supplies, Inc. (North Carolina) and Acroma Sales Ltd (British Columbia), acquired on April 7 and July 28, 2008 respectively.

Sales to **manufacturers** amounted to \$77.1 million, down by 1.8% or \$1.4 million from the same quarter of 2008. Sales to hardware **retailers** including renovation superstores decreased to \$17.0 million, down by 3.1% or \$0.5 million.

**In Canada**, sales totalled \$76.0 million, down by 3.6% or \$2.8 million, reflecting a 4.3% internal decrease, whereas the growth-by-acquisition was 0.8%, stemming from Acroma's contribution. Sales in Canada accounted for 80.8% of the quarter's consolidated sales. Richelieu posted sales growth in Eastern Canada in the manufacturers and retailers including renovation superstores markets, whereas the Central and Western Canadian markets sustained a decrease as the economic climate further affected these regions.

**In the United States**, sales totalled US\$14.7 million, down by 14.5% or US\$2.5 million, of which 16.9% came from an internal decrease, whereas the growth-by-acquisition was 2.4% due to Top Supplies' contribution. The decline in sales in the U.S. network was caused by the crisis prevailing in the United States. Taking into account the exchange rate, these sales expressed in Canadian dollars amounted to \$18.1 million, compared with \$17.2 million for the first quarter of 2008, thereby representing 19.2% of the period's consolidated sales.

**Earnings before income taxes, interest, amortization and non-controlling interest (EBITDA)** stood at \$8.0 million, down by 23.9%. The gross profit margin decreased slightly due to the market penetration expenses incurred to increase the Company's offering and presence in the retailers including renovation superstores market. Nevertheless, these expenses should be considered an investment that should lead to benefits in the medium term. The **EBITDA profit margin** decreased to 8.5% from 11.0% for the first quarter of 2008; this decline is due to the reduction in sales and the operating expenses incurred to further develop the retailers market.

**Amortization of capital assets** increased by \$0.3 million due primarily to the expansion completed in 2008, whereas **amortization of intangible assets** was practically stable at some \$0.3 million.

**Income taxes** amounted to \$2.1 million, compared with \$2.7 million for the first quarter of 2008, reflecting the decline in earnings before income taxes and non-controlling interest. The income taxes of the first quarter of 2008 reflected the reduction in the Canadian tax rate effective January 1, 2008.

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Considering the aforementioned factors, **net earnings** decreased by 34.4% or \$2.3 million to \$4.3 million, representing 4.6% of the quarter's consolidated sales. **Earnings per share** amounted to \$0.20 (basic and diluted), compared with \$0.29 (basic and diluted) for the first quarter of 2008.

**Comprehensive income** totalled \$5.9 million, on account of a latent foreign exchange gain of \$1.5 million on translation of the financial statements of the subsidiary in the United States.

### **FINANCIAL POSITION**

#### **Change in principal cash flows and sources of financing**

##### **Operating activities**

**Cash flows from operating activities** (before net change in non-cash working capital balances related to operations) totalled \$6.3 million or \$0.29 per share, compared with \$8.0 million or \$0.34 per share for the first quarter of 2008, mainly reflecting the decline in net earnings. Net change in non-cash working capital balances related to operations represented a cash outflow of \$6.3 million; whereas accounts receivable provided cash flows of \$7.2 million, accounts payable decreased by \$4.7 million, income tax receivable increased by \$4.0 million, and inventories by \$4.8 million – these are always higher at the end of the first quarter in anticipation of future demand. Consequently, operating activities represented a cash outflow of \$26,000, as opposed to a cash inflow of \$1.1 million during the comparable period of 2008.

##### **Financing activities**

Richelieu paid a total of \$1.8 million in **shareholder dividends**, an amount comparable to the dividends paid in the first quarter of 2008. The Company purchased common shares for a consideration of some \$0.1 million, whereas it purchased shares for \$0.8 million and repaid \$0.2 million in debt during the first quarter of 2008. Financing activities thus used total cash flows of \$1.8 million during the first quarter of 2009, compared with \$2.7 million in the corresponding quarter of 2008.

##### **Investing activities**

Richelieu invested \$0.9 million in various capital expenditures during the first quarter, compared with \$0.5 million in the first quarter of 2008. This amount was primarily invested in displays targeted to renovation superstores, computer equipment and rolling stock for warehouses.

##### **Sources of financing**

As at February 28, 2009, **cash and cash equivalents** totalled \$3.2 million, compared with \$5.7 million for the same period of 2008. The Company posted a **working capital** of \$135.0 million for a current ratio of 4.9:1, compared with \$130.9 million and a 4.3:1 ratio as at November 30, 2008. Richelieu estimates that it has the capital resources needed to respect its ongoing obligations in 2009 and to assume the funding requirements needed for its growth and the financing and investing activities planned for the year. Furthermore, the Company has an authorized line of credit of \$26.0 million, renewable annually and bearing interest at the bank's prime rate, and could probably obtain access to other outside financing if necessary

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### Summary balance sheet

As at February 28 and 29 <i>(in thousands of \$)</i>	2009	2008
Current assets	<b>169,437</b>	167,561
Long-term assets	<b>103,172</b>	92,036
<b>Total</b>	<b>272,609</b>	259,597
Current liabilities	<b>34,432</b>	41,724
Long-term liabilities	<b>5,630</b>	4,976
Shareholders' equity	<b>232,547</b>	212,897
<b>Total</b>	<b>272,609</b>	259,597

**Total assets** amounted to \$272.6 million as at February 28, 2009, up by 5.0% over February 29, 2008. Current assets increased by \$1.9 million, reflecting the reduction of \$2.5 million in cash and cash equivalents and of \$2.7 million in accounts receivable, whereas income taxes were up by \$2.3 million and inventories were up by \$4.8 million due to acquisitions and the inventories required to meet the needs arising from the business agreements with major Canadian renovation chains.

As at February 28 and 29 <i>(in thousands of \$)</i>	2009	2008
Bank indebtedness	-	-
Current portion of long-term debt	<b>283</b>	5,553
Long-term debt	<b>382</b>	847
<b>Total</b>	<b>665</b>	6,400
<i>less cash and cash equivalents</i>	<b>3,186</b>	5,670
<b>Total debt net of cash (surplus)</b>	<b>(2,521)</b>	730

Richelieu has reduced its **total interest-bearing debt** by \$5.7 million or 89.6% over the past 12 months, to \$0.7 million as at February 28, 2009. Deducting cash and cash equivalents, the Company had a **cash surplus** of \$2.5 million at the end of the first quarter.

**Shareholders' equity** totalled \$232.5 million as at February 28, 2009, up from \$212.9 million a year earlier, a growth of 9.2% mainly reflecting the increase of \$7.6 million in retained earnings which amounted to \$207.1 million as at February 28, 2009, and of approximately \$1.1 million in contributed surplus, plus accumulated comprehensive income of \$5.0 million. **The book value per share** was \$10.58 as at February 28, 2009, compared with \$9.23 a year earlier.

**OUTLOOK**

“Considering the difficult economic climate, we have adopted preventive and proactive measures, including rigorous control of our gross margins, a cost-reduction program and a freeze on officers’ and managers’ salaries. Our teams are making the most of their dynamism and expertise to provide customers with further added value, new solutions and enhanced marketing programs. We are confident we will achieve positive results in upcoming periods and a satisfactory performance for the year,” added Richard Lord.

The expectation set forth above consists of forward-looking information based on the assumption that economic conditions and exchange rate will not deteriorate significantly, operating expenses will not increase considerably, deliveries will be sufficient to fulfill Richelieu’s requirements, the availability of credit will remain stable all year and no unusual events will entail additional capital expenditures. This expectation also remains subject to the risks identified under “Risk Management” on page 29 of the Company’s 2008 Annual Report, available on [www.sedar.com](http://www.sedar.com).

**Profile as at February 28, 2009**

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 close to 58,000 different items targeted to a base of over 40,000 customers who are served by 49 centres in North America – 31 distribution centres across Canada, 16 in the United States and two manufacturing plants in Canada, specifically Cedar 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.

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**For information:**

**Richard Lord**

President and Chief Executive Officer

**Alain Giasson**

Vice-President and Chief Financial Officer

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[www.richelieu.com](http://www.richelieu.com)

**The management’s report for the quarter ended February 28, 2009, along with the unaudited consolidated financial statements and accompanying notes, are filed as of today on SEDAR at [www.sedar.com](http://www.sedar.com).**

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**Notes to readers** — Richelieu uses earnings before income taxes, interest, amortization and non-controlling interest (“EBITDA”) because this measure enables management to assess the Company’s operational performance. This measure is a widely accepted financial indicator of a company’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, an indicator of operating performance or cash flows, or as a measure of liquidity. Because EBITDA is not a standardized measurement as prescribed by GAAP, it may not be comparable to the EBITDA of other companies. Certain statements set forth in this press release, such as statements about the growth outlook, 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 those relating to economic conditions, fluctuations in exchange rates and operating expenses, and the absence of unusual events entailing supplementary expenditures. Although management considers these assumptions and expectations reasonable based on the information available at the time they are written, they could proved 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 Company’s 2008 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](http://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.

### **CONFERENCE CALL ON MARCH 26, 2009 AT 3:00 P.M. (EASTERN TIME)**

Financial analysts and investors interested in participating in the conference call on Richelieu’s results to be held at 3:00 p.m. on March 26, 2009 can dial **1-800-595-8550** a few minutes before the start of the call. For those unable to participate, a taped rebroadcast will be available as of 5:00 p.m. on March 26, 2009 until midnight on April 2, 2009, by dialing **1-877-289-8525**, **access code: 21301293 #**. Members of the media are invited to listen in.

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**Consolidated statements of earnings and of retained earnings (unaudited)**

(in thousands of dollars, except per-share amounts)

	For the three months ended February 28 and 29,	
	2009	2008
	\$	\$
<b>Sales</b>	<b>94,152</b>	96,082
Cost of sales, warehouse, selling and administrative expenses	<b>86,105</b>	85,513
<b>Earnings before the following</b>	<b>8,047</b>	10,569
Amortization of capital assets	<b>1,343</b>	1,011
Amortization of intangible assets	<b>274</b>	241
Interest on debt, net	<b>2</b>	27
	<b>1,619</b>	1,279
<b>Earnings before income taxes and non-controlling interest</b>	<b>6,428</b>	9,290
Income taxes	<b>2,066</b>	2,659
<b>Earnings before non-controlling interest</b>	<b>4,362</b>	6,631
Non-controlling interest	<b>14</b>	3
<b>Net earnings</b>	<b>4,348</b>	6,628
<b>Earnings per share</b>		
Basic	<b>0.20</b>	0.29
Diluted	<b>0.20</b>	0.29

**Consolidated statements of comprehensive income (unaudited)**

(in thousands of dollars)

	For the three months ended February 28 and 29,	
	2009	2008
	\$	\$
Retained earnings, beginning of period	<b>204,591</b>	195,511
Dividends	<b>(1,758)</b>	(1,849)
Premium on redemption of common shares for cancellation	<b>(57)</b>	(770)
<b>Retained earnings, end of period</b>	<b>207,124</b>	199,520

**Consolidated statements of Retained Earnings (unaudited)**

(in thousands of dollars)

	For the three months ended February 28 and 29,	
	2009	2008
	\$	\$
<b>Net earnings</b>	<b>4,348</b>	6,628
<b>Components of comprehensive income:</b>		
Change in fair value of derivatives designated as cash flow hedges, net of income taxes of \$27 in 2008	--	18
Translation adjustment of the net investment in self-sustaining foreign operations	<b>1,536</b>	(557)
	<b>1,536</b>	(539)
<b>Comprehensive income</b>	<b>5,884</b>	6,089

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**Consolidated statements of cash flows (unaudited)**  
(in thousands of dollars)

	For the three months ended February 28 and 29,	
	2009	2008
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Net earnings	4,348	6,628
Non-cash items		
Amortization of capital assets	1,343	1,011
Amortization of intangible assets	274	241
Future income taxes	75	(131)
Non-controlling interest	14	3
Stock-based compensation expense	247	251
	<b>6,301</b>	<b>8,003</b>
Net change in non-cash working capital	<b>(6,327)</b>	<b>(6,901)</b>
	<b>(26)</b>	<b>(1,102)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of long-term debt	--	(206)
Dividends paid	(1,758)	(1,849)
Issue of common shares	--	109
Redemption of common shares for cancellation	(60)	(800)
	<b>(1,818)</b>	<b>(2,746)</b>
<b>INVESTING ACTIVITIES</b>		
Additions to capital assets	(937)	(507)
	<b>(937)</b>	<b>(507)</b>
Effect of exchange rate fluctuations on cash and cash equivalents	(159)	(58)
<b>Net change in cash and cash equivalents</b>	<b>(2,940)</b>	<b>(2,209)</b>
Cash and cash equivalents, beginning of period	6,126	7,879
<b>Cash and cash equivalents, end of period</b>	<b>3,186</b>	<b>5,670</b>
<b>Supplemental information</b>		
Income taxes paid	6,103	4,786
Interest paid (received)	15	(8)



**Consolidated balance sheets (unaudited)**  
(in thousands of dollars)

	As at February 28, 2009	As at February 29, 2008	As at November 30, 2008
	\$	\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3,186	5,670	6,126
Accounts receivable	53,292	56,015	60,236
Income taxes receivable	3,357	1,046	--
Inventories	108,414	103,596	102,963
Prepaid expenses	1,188	1,234	1,273
	<b>169,437</b>	<b>167,561</b>	<b>170,598</b>
Capital assets	22,372	19,267	22,801
Intangible assets	14,333	12,598	14,313
Goodwill	66,467	60,171	65,772
	<b>272,609</b>	<b>259,597</b>	<b>273,484</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	34,149	36,171	38,774
Income taxes payable	--	--	681
Current portion of long term debt	283	5,553	278
	<b>34,432</b>	<b>41,724</b>	<b>39,733</b>
Long-term debt	382	847	371
Future income taxes	2,397	1,619	2,308
Non-controlling interest	2,851	2,510	2,838
	<b>40,062</b>	<b>46,700</b>	<b>45,250</b>
<b>Shareholders' equity</b>			
Capital stock	17,102	17,880	17,105
Contributed surplus	3,284	2,233	3,037
Retained earnings	207,124	199,520	204,591
Accumulated other comprehensive income	5,037	(6,736)	3,501
	<b>232,547</b>	<b>212,897</b>	<b>228,234</b>
	<b>272,609</b>	<b>259,597</b>	<b>273,484</b>