Press Release
For Immediate Release

Richelieu achieves strong growth for the 3rd quarter of 2015
Agreement in principle for a new acquisition in the U.S.

- **Increase of 18.9% in third-quarter sales** which amounted to $199.5 million (16.8% from internal growth and 2.1% from acquisitions). **For the first nine months, sales** totalled $549.6 million, an increase of 17.2%.
- **Increase of 13.7% in third-quarter diluted net earnings per share** which stood at $0.83. **For the first nine months**, they rose to $2.08, up 13.7%.
- **Since the beginning of 2015, repurchase of 150,600 shares** for a total of $9.2 million. Healthy and solid **financial position** – almost no debt and 17.9% return on average equity.
- After the **acquisition in Dallas, Texas** early in the third quarter, signing of **an agreement in principle** for a new acquisition in the U.S.

Montreal, October 8, 2015 — "Richelieu (RCH: TSX) pursued its growth during the third quarter with increases of 13.7% in diluted net earnings per share and 18.9% in total sales (13.2% at comparable exchange rates to the third quarter of 2014). This performance reflects the solid contribution from all our market segments in Canada and the U.S. where we pursued our innovation and development strategies while focusing on quality execution and service. We achieved good internal growth of 11.0% in our Canadian markets sales – whereas in the U.S., we continued to reap the benefits of our development efforts and synergies created with our latest acquisitions, our sales grew by 19.0% in US$, of which 12.4% from internal growth and 6.6% from acquisitions. Since the beginning of the year, a total of $18.0 million has been distributed to shareholders – $8.8 million in dividends and $9.2 million in common share repurchases. Richelieu continues to benefit from an impeccable financial position and to focus on growth by pursuing its acquisition and innovation strategy in North America," indicated Mr. Richard Lord, President and Chief Executive Officer of Richelieu.

NEXT DIVIDEND PAYMENT

At its meeting on October 8, 2015, the Board of Directors approved the payment of a quarterly dividend of $0.15 per share. This dividend is payable on November 5, 2015 to shareholders of record as at October 22, 2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATING RESULTS AND FINANCIAL POSITION FOR THE THIRD QUARTER AND FIRST NINE MONTHS ENDED AUGUST 31, 2015

In the third quarter, Richelieu achieved **consolidated sales** of $199.5 million, an increase of 18.9% over the corresponding quarter of 2014, of which 16.8% from internal growth and 2.1% from acquisitions. At comparable exchange rates to the third quarter of 2014, the consolidated sales growth would have been 13.2% for the quarter ended August 31, 2015. It is to be noted that this quarter included one more business day than the corresponding quarter of 2014.

In the **manufacturers** market, all the Corporation's market segments contributed to the quarter's sales growth. Sales totalled $169.6 million, compared with $143.8 million for the third quarter of 2014, an increase of $25.8 million or 17.9%, of which 15.5% from internal growth and 2.4% from acquisitions. Sales to hardware **retailers** and renovation superstores amounted to $29.9 million, up 24.6% over $24.0 million for the corresponding quarter of 2014. This increase is due primarily to significant market share gains and improved market conditions.

In Canada, sales posted a $13.5 million or 11.0% internal growth to stand at $136.0 million, compared with $122.5 million for the third quarter of 2014. Sales to **manufacturers** amounted to $110.1 million, compared with $101.2 million for the corresponding quarter of 2014, reflecting internal growth of 8.8%. Sales to hardware **retailers** and renovation superstores totalled $25.9 million, up 21.6% over $21.3 million for the third quarter of 2014.

In the United States, Richelieu recorded sales of US$49.7 million, compared with US$41.7 million for the corresponding quarter of 2014, an increase of US$8.0 million or 19.0%, of which 12.4% from internal growth and 6.6% from acquisitions. Sales grew by 18.5% in the **manufacturers** market to reach US$46.5 million, of which 11.5% from internal growth and 7.0% from acquisitions. Sales to hardware **retailers** and renovation superstores increased by 28.1% (in US$). Considering exchange rate fluctuations, total U.S. sales expressed in Canadian dollars rose to $63.5 million, an increase of 40.1%. They accounted for 31.8% of consolidated sales for the third quarter of 2015, whereas they had represented 27.0% of the period's consolidated sales for the third quarter of 2014.

For the first nine months, **consolidated sales** totalled $549.6 million, an increase of $80.5 million or 17.2% over the first nine months of 2014, of which 13.8% from internal growth and 3.4% from acquisitions. At comparable exchange rates to the first nine months of 2014, the consolidated sales growth would have been 12.7% for the first nine months ended August 31, 2015.

Sales to **manufacturers** amounted to $465.1 million, compared with $398.7 million for the first nine months of 2014, an increase of $66.4 million or 16.7%, of which 12.7% from internal growth and 4.0% from acquisitions. Sales to hardware **retailers** and renovation superstores grew by 20.0% over the corresponding period of 2014 to reach $84.4 million. This increase is due primarily to significant market share gains and improved market conditions.

In Canada, the Corporation achieved sales of $377.2 million, compared with $343.3 million for the first nine months of 2014, an increase of $33.9 million or 9.9%, of which 9.2% from internal growth. In the **manufacturers** market, the Corporation recorded sales of $304.0 million, an increase of 8.0% over the first nine months of 2014, of which 7.1% from internal growth and 0.9% from acquisitions. Sales to hardware **retailers** and renovation superstores grew by 18.4% over the corresponding period of 2014 to total $73.2 million.

In the United States, sales stood at US$138.7 million, compared with US$115.2 million for the first nine months of 2014, an increase of US$23.5 million or 20.4%, of which 10.9% from internal growth and 9.5% from acquisitions. The Corporation recorded sales of US$129.7 million in the **manufacturers** market, compared with $107.4 million, an increase of 20.8% over the first nine months of 2014, of which 10.6% from internal growth and 10.2% from acquisitions. Sales to hardware **retailers** and renovation superstores grew by 15.5% (in US$) over the first nine months of 2014. Considering exchange rate fluctuations, U.S. sales expressed in Canadian dollars amounted to $172.3 million, compared with $125.7 million for the first nine months of 2014, an increase of 37.1%. They accounted for 31.4% of consolidated sales for the first nine months of 2015, whereas they had represented 26.8% of the period's consolidated sales for the corresponding period of 2014.

Consolidated EBITDA and EBITDA margin

Third-quarter earnings before income taxes, interest and amortization (EBITDA) amounted to $24.4 million, up by $3.3 million or 15.9% over the corresponding quarter of 2014. The **gross margin** decreased slightly from the corresponding period of 2014 due mainly to the higher proportion of sales in the United States where the product mix is different, the appreciation of the U.S. dollar which had an upward impact on the purchasing cost of certain products before selling price adjustments, and the lower gross margins of certain acquisitions also having a different product mix. Consequently, the **EBITDA margin** stood at 12.2%, compared with 12.5% for the corresponding quarter of 2014.

Income taxes amounted to $5.8 million, an increase of $1.0 million over the third quarter of 2014.

For the first nine months, **earnings before income taxes, interest and amortization (EBITDA)** totalled $62.0 million, up by $8.0 million or 14.9% over the first nine months of 2014. It should be noted that the **gross margin** and the **EBITDA margin** decreased slightly due to the higher proportion of sales in the United States where the product mix is different, the lower gross margins of certain acquisitions also having a different product mix, the impact of introducing additional products in the retailers market in Canada and the appreciation of the U.S. dollar which had an upward impact on the purchasing cost of certain products before selling price adjustments. Consequently, the **EBITDA margin** stood at 11.3%, compared with 11.5% for the corresponding period of 2014.

Income taxes totalled $14.6 million, an increase of $2.3 million over the first nine months of 2014.

Consolidated net earnings attributable to shareholders

Third-quarter net earnings grew by 12.0%. Considering non-controlling interests, **net earnings attributable to shareholders of the Corporation** amounted to $16.3 million, up 12.3% over the third quarter of 2014. **Net earnings per share** rose to $0.84 basic and $0.83 diluted, compared with $0.74 basic and $0.73 diluted for the corresponding quarter of 2014, an increase of 13.5% and 13.7% respectively.

Comprehensive income amounted to $21.1 million, considering a positive adjustment of $4.7 million on translation of the financial statements of the subsidiary in the United States, compared with comprehensive income of $14.9 million for the third quarter of 2014, considering a positive adjustment of $0.2 million on translation of the financial statements of the subsidiary in the United States.

For the first nine months, **net earnings** grew by 12.9%. Considering non-controlling interests, **net earnings attributable to shareholders of the Corporation** amounted to $41.2 million, up 13.1% over the first nine months of 2014. **Net earnings per share** rose to $2.11 basic and $2.08 diluted, compared with $1.85 basic and $1.83 diluted for the first nine months of 2014, an increase of 14.1% and 13.7% respectively.

Comprehensive income totalled $52.2 million, considering a positive adjustment of $10.9 million on translation of the financial statements of the subsidiary in the United States, compared with comprehensive income of $38.0 million for the corresponding period of 2014, considering a positive adjustment of $1.4 million on translation of the financial statements of the subsidiary in the United States.

FINANCIAL POSITION

Analysis of principal cash flows for the third quarter and first nine months ended August 31, 2015

Operating activities

Third-quarter cash flows from operating activities (before net change in non-cash working capital balances) amounted to $18.9 million or $0.96 per share, compared with $16.5 million or $0.83 per share for the third quarter of 2014, an increase of 15.7% per share stemming notably from the net earnings growth. Net change in non-cash working capital items used cash flows of $2.1 million, reflecting the change in inventories ($18.4 million), whereas accounts receivable, accounts payable and other items represented a cash inflow of $16.3 million. Consequently, operating activities provided cash flows of $16.8 million, compared with $15.4 million for the corresponding quarter of 2014.

For the first nine months, **cash flows from operating activities** (before net change in non-cash working capital balances) totalled \$48.4 million or \$2.44 per share, compared with \$42.3 million or \$2.12 per share for the first nine months ended August 31, 2014, an increase of 15.1% per share stemming primarily from the net earnings growth. Net change in non-cash working capital balances used cash flows of \$34.9 million, reflecting the change in inventories, accounts receivable and other items (\$44.9 million), whereas accounts payable represented a cash inflow of \$10.0 million. Consequently, operating activities provided cash flows of \$13.5 million, whereas they had provided cash flows of \$27.4 million for the first nine months of 2014.

Financing activities

Third-quarter **financing activities** represented a cash outflow of \$2.8 million, compared with \$4.8 million for the corresponding quarter of 2014. This change came mainly from the fact that the Corporation did not repurchase any common shares, whereas it had repurchased shares for \$2.7 million during the corresponding quarter of 2014. Furthermore, it repaid long-term debt of \$0.2 million and issued shares for \$0.3 million, compared with no long-term debt repayment and a \$0.6 million share issue in the third quarter of 2014. Dividends paid to shareholders of the Parent Corporation amounted to \$2.9 million, up by \$0.2 million over the corresponding quarter of 2014.

For the first nine months, **financing activities** represented a cash outflow of \$18.3 million, compared with \$34.9 million for the corresponding period of 2014. Richelieu repurchased common shares for cancellation for \$9.2 million, compared with \$30.2 million for the corresponding period of 2014. The Corporation repaid long-term debt of \$0.8 million, compared with no repayment during the same period of 2014. Furthermore, it issued common shares for \$1.1 million, compared with \$3.6 million for the first nine months of 2014. Dividends paid to shareholders of the Parent Corporation totalled \$8.8 million, an increase of 6.2%.

Investing activities

Third-quarter **investing activities** amounted to \$3.1 million, of which \$2.5 million in equipment for operational efficiency, software needed for operations and building improvements, to which was added the acquisition of the principal net assets of Single Source closed on June 18, 2015 in Dallas, Texas.

For the first nine months, **investing activities** totalled \$7.6 million, of which \$7.0 million in equipment for operational efficiency, software, building improvements and the remodeling of certain showrooms, to which was added the acquisition of the principal net assets of Single Source in the third quarter of 2015.

Sources of financing

As at August 31, 2015, **cash and cash equivalents** totalled $20.9 million, compared with $33.7 million as at November 30, 2014. This change primarily reflects the increase in inventories and the repurchase of common shares during the first nine months of 2015. The Corporation posted a **working capital** of $245.3 million for a current ratio of 4.1:1, 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 between now and the end of 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 believes it could obtain access to other outside financing if necessary.

Summary financial position

(in thousands of $, except exchange rate)

As at	**August 31, 2015**	November 30, 2014
Current assets	**325,549**	285,394
Non-current assets	**109,650**	105,327
Total	**435,199**	390,721
Current liabilities	**80,280**	70,528
Non-current liabilities	**6,195**	6,640
Equity attributable to shareholders of the Corporation	**344,817**	309,149
Non-controlling interests	**3,907**	4,404
Total	**435,199**	390,721
Exchange rate on translation of a subsidiary in the United States	***1.316***	*1.144*

Total assets grew by 11.4% to $435.2 million as at August 31, 2015, compared with $390.7 million as at November 30, 2014. **Current assets** were up by 14.1% over November 30, 2014. This growth is due to the appreciation of the U.S. dollar which had an upward impact on translation of the assets of the subsidiary in the United States, the inventory increase subsequent to the addition of new products to meet demand resulting from the significant market share gains and the higher purchasing costs attributable to the appreciation of the U.S. dollar.

Net cash

(in thousands of $)

As at	**August 31, 2015**	November 30, 2014
Current portion of long-term debt	**2,406**	3,352
Long-term debt	**1,552**	2,002
Total	**3,958**	5,354
Cash and cash equivalents	***20,865***	*33,721*
Total cash net of debt	**16,907**	28,367

Total debt stood at $4.0 million, including a current portion of long-term debt of $2.4 million representing balances payable on recent acquisitions. Deducting this total debt, **net cash** amounted to $16.9 million as at August 31, 2015. Richelieu continues to benefit from a healthy and solid financial position to pursue its growth strategy.

Equity attributable to shareholders of the Corporation totalled $344.8 million as at August 31, 2015, compared with $309.1 million as at November 30, 2014, an increase of $35.7 million or 11.5% reflecting the $23.5 million growth in retained earnings, $1.2 million in share capital, $10.9 million in accumulated other comprehensive income and $0.2 million in contributed surplus. At the end of the first nine months of 2015, **the book value per share** stood at $17.72, up 12.2% over $15.80 as at November 30, 2014.

PROFILE AS AT AUGUST 31, 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 over 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 manufacturing 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.

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OCTOBER 8, 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 October 8, 2015 may call **1-866-865-3087** a few minutes before the start of the call. For those unable to participate, a taped rebroadcast will be available as of 5:15 p.m. until midnight on October 15, 2015, by dialing **1-855-859-2056, access code: 43707497.** 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 August 31, 2015	As at November 30, 2014
	$	$
ASSETS		
Current assets		
Cash and cash equivalents	**20,865**	33,721
Accounts receivable	**99,206**	93,874
Inventories	**203,538**	156,488
Prepaid expenses	**1,940**	1,311
	325,549	285,394
Non-current assets		
Property, plant and equipment	**25,590**	22,895
Intangible assets	**21,700**	20,987
Goodwill	**58,194**	57,669
Deferred taxes	**4,166**	3,776
	435,199	390,721
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**76,518**	64,437
Income taxes payable	**1,356**	2,739
Current portion of long-term debt	**2,406**	3,352
	80,280	70,528
Non-current liabilities		
Long-term debt	**1,552**	2,002
Deferred taxes	**2,763**	2,762
Other liabilities	**1,880**	1,876
	86,475	77,168
Equity		
Share capital	**30,933**	29,762
Contributed surplus	**1,732**	1,576
Retained earnings	**294,295**	270,826
Accumulated other comprehensive income	**17,857**	6,985
Equity attributable to shareholders of the Corporation	**344,817**	309,149
Non-controlling interests	**3,907**	4,404
	348,724	313,553
	435,199	390,721

CONSOLIDATED STATEMENTS OF EARNINGS

For the three and nine-month periods ended August 31
[In thousands of dollars, except earnings per share]
[Unaudited]

	For the three months ended August 31, 2015	For the three months ended August 31, 2014	For the nine months ended August 31, 2015	For the nine months ended August 31, 2014
	$	$	$	$
Sales	**199,457**	167,809	**549,577**	469,072
Cost of goods sold, warehousing, selling and administrative expenses	**175,063**	146,755	**487,599**	415,129
Earnings before amortization, financial costs and income taxes	**24,394**	21,054	**61,978**	53,943
Amortization of property, plant and equipment	**1,507**	1,243	**4,281**	3,724
Amortization of intangible assets	**685**	473	**1,957**	1,514
Financial costs, net	**(16)**	(62)	**(143)**	(215)
	2,176	1,654	**6,095**	5,023
Earnings before income taxes	**22,218**	19,400	**55,883**	48,920
Income taxes	**5,757**	4,703	**14,571**	12,315
Net earnings	**16,461**	14,697	**41,312**	36,605
Net earnings attributable to:				
Shareholders of the Corporation	**16,340**	14,554	**41,209**	36,449
Non-controlling interests	**121**	143	**103**	156
	16,461	14,697	**41,312**	36,605
Net earnings per share attributable to shareholders of the Corporation				
Basic	**0.84**	0.74	**2.11**	1.85
Diluted	**0.83**	0.73	**2.08**	1.83

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three and nine-month periods ended August 31
[In thousands of dollars]
[Unaudited]

	For the three months ended August 31, 2015	For the three months ended August 31, 2014	For the nine months ended August 31, 2015	For the nine months ended August 31, 2014
	$	$	$	$
Net earnings	**16,461**	14,697	**41,312**	36,605
Other comprehensive income that will be reclassified to net earnings				
Exchange differences on translation of foreign operations	**4,663**	181	**10,872**	1,356
Comprehensive income	**21,124**	14,878	**52,184**	37,961
Comprehensive income attributable to:				
Shareholders of the Corporation	**21,003**	14,735	**52,081**	37,805
Non-controlling interests	**121**	143	**103**	156
	21,124	14,878	**52,184**	37,961

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three and nine-month periods ended August 31
[In thousands of dollars]
[Unaudited]

	For the three months ended August 31,		For the nine months ended August 31,	
	2015	2014	**2015**	2014
	$	$	$	$
OPERATING ACTIVITIES				
Net earnings	**16,461**	14,697	**41,312**	36,605
Items not affecting cash				
Amortization of property, plant and equipment	**1,507**	1,243	**4,281**	3,724
Amortization of intangible assets	**685**	473	**1,957**	1,514
Deferred taxes	**—**	(191)	**—**	(485)
Share-based compensation expense	**295**	278	**852**	975
	18,948	16,500	**48,402**	42,333
Net change in non-cash working capital balances	**(2,132)**	(1,057)	**(34,927)**	(14,953)
	16,816	15,443	**13,475**	27,380
FINANCING ACTIVITIES				
Repayment of long-term debt	**(166)**	—	**(766)**	—
Dividends paid to Shareholders of the Parent Corporation	**(2,918)**	(2,737)	**(8,796)**	(8,284)
Other dividends paid	**—**	—	**(596)**	—
Common shares issued	**261**	599	**1,068**	3,557
Common shares repurchased for cancellation	**—**	(2,669)	**(9,180)**	(30,189)
	(2,823)	(4,807)	**(18,270)**	(34,916)
INVESTING ACTIVITIES				
Business acquisitions	**(556)**	(2,666)	**(556)**	(5,755)
Additions to property, plant and equipment and intangible assets	**(2,535)**	(1,303)	**(7,004)**	(3,200)
	(3,091)	(3,969)	**(7,560)**	(8,955)
Effect of exchange rate changes on cash and cash equivalents	**(120)**	(63)	**(501)**	(45)
Net change in cash and cash equivalents	**10,782**	6,604	**(12,856)**	(16,536)
Cash and cash equivalents, beginning of period	**10,083**	23,047	**33,721**	46,187
Cash and cash equivalents, end of period	**20,865**	29,651	**20,865**	29,651