Press Release

For Immediate Release

Richelieu pursues its solid growth -
Good financial performance for Q2 2015
New acquisition in the U.S.

- **Second-quarter sales increased by 15.5%** to reach $190.8 million, of which 11.7% from internal growth and 3.8% from acquisitions. **For the first six months**, they totalled $350.1 million, up 16.2%.

- **Second-quarter diluted net earnings per share increased by 12.1%** to $0.74. **For the first six months**, they were up 14.7% to $1.25.

- **Repurchase of 143,000 shares** totalling $8.7 million. A healthy and solid **financial position**, almost no debt and return on average equity of 18.2%.

- **Subsequent event**: strategic acquisition in Dallas giving access to the Texas market.

Montreal, July 2, 2015 — "Richelieu (RCH: TSX) again achieved a good financial performance, as indicated by our results for the second quarter ended May 31, 2015. All our markets helped drive the sales growth, attesting to the success of our innovation and market development strategies, with strong value-added marketing programs for our customers, and our ongoing priority on quality execution. This resulted in a 14.3% increase in sales to manufacturers, of which 9.9% from internal growth and 4.4% from acquisitions. In the hardware retailers and renovation superstores market, sales grew by 22.4%, mainly reflecting the impact of exceptional sales resulting from the introduction of additional products in retailers' stores and significant market share gains in Canada. On June 18th, we acquired Single Source Cabinet Supplies, a specialty hardware distributor located in Dallas, Texas. We are proud of this strategic acquisition, which enables Richelieu to penetrate the dynamic Texas market with an extensive customer base of kitchen cabinet manufacturers and residential and commercial woodworkers in addition to adding annual sales of over $5 million. In upcoming periods, we will create further synergies and seek value-creating acquisition opportunities," indicated Richard Lord, President and Chief Executive Officer of Richelieu.

NEXT DIVIDEND PAYMENT

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

ANALYSIS OF OPERATING RESULTS FOR THE SECOND QUARTER AND FIRST SIX MONTHS ENDED MAY 31, 2015 COMPARED WITH THE SECOND QUARTER AND FIRST SIX MONTHS ENDED MAY 31, 2014

Consolidated sales

In the second quarter, Richelieu achieved **consolidated sales** of $190.8 million, compared with $165.2 million for the corresponding quarter of 2014, an increase of $25.6 million or 15.5%, of which 11.7% from internal growth and 3.8% from acquisitions. If exchange rates had been comparable to the second quarter of 2014, the consolidated sales growth would have been 11.7% for the quarter ended May 31, 2015.

Sales to **manufacturers** amounted to $161.3 million, up from $141.1 million for the corresponding period of 2014, an increase of $20.2 million or 14.3%, of which 9.9% from internal growth and 4.4% from acquisitions. Sales to hardware **retailers** and renovation superstores stood at $29.5 million, up from $24.1 million for the corresponding quarter of 2014, an increase of 22.4%.

In Canada, the Corporation recorded sales of $133.6 million, an increase of $11.4 million or 9.3% over the second quarter of 2014, of which 8.3% from internal growth and 1.0% from acquisitions. Sales to **manufacturers** amounted to $107.7 million, an increase of $6.4 million or 6.3%, of which 5.1% from internal growth and 1.2% from acquisitions. Sales to hardware **retailers** and renovation superstores stood at $25.9 million, up by $5.0 million or 23.9% over the corresponding quarter of 2014. This growth primarily reflects the impact of significant market share gains and exceptional sales resulting from the introduction of additional products in retailers' stores.

In the United States, sales amounted to US$46.2 million, compared with US$39.0 million for the corresponding quarter of 2014, an increase of US$7.2 million or 18.4%, of which 7.8% from internal growth and 10.6% from acquisitions. Sales to **manufacturers** stood at US$43.3 million, an increase of US$7.2 million or 19.9% over the second quarter of 2014, of which 8.4% from internal growth and 11.5% from acquisitions. Sales to hardware **retailers** and renovation superstores remained stable. Considering exchange rates, total U.S. sales amounted to $57.2 million, an increase of 33.3%. They thereby accounted for 30.0% of consolidated sales for the second quarter of 2015, whereas they had represented 26.0% of the period's consolidated sales for the second quarter of 2014.

First-half consolidated sales totalled $350.1 million, an increase of $48.9 million or 16.2% over the first six months of 2014, of which 12.1% from internal growth and 4.1% from acquisitions. If exchange rates had been comparable to the first half of 2014, the consolidated sales growth would have been 12.4% for the six-month period ended May 31, 2015.

Sales to **manufacturers** amounted to $295.6 million, compared with $254.9 million for the first half of 2014, an increase of $40.7 million or 16.0%, of which 11.2% from internal growth and 4.8% from acquisitions. Sales to hardware **retailers** and renovation superstores totalled $54.5 million, compared with $46.3 million, up by $8.2 million or 17.7%.

In Canada, sales amounted to $241.3 million, compared with $220.7 million for the first six months of 2014, an increase of $20.6 million or 9.3%, of which 8.2% from internal growth and 1,1% from acquisitions. Sales to **manufacturers** stood at $193.9 million, an increase of $13.5 million or 7.5%, of which 6.2% from internal growth and 1.3% from acquisitions. Sales to hardware **retailers** and renovation superstores stood at $47.4 million, compared with $40.3 million, up by $7.1 million or 17.6% over the corresponding period of 2014, reflecting the impact of significant market share gains and the introduction of additional products in retailers' stores during the second quarter.

In the United States, Richelieu posted sales of US$89.0 million, compared with US$73.6 million for the first six months of 2014, an increase of US$15.4 million or 21.0%, of which 9.9% from internal growth and 11.1% from acquisitions. Sales to **manufacturers** totalled US$83.2 million, compared with US$68.1 million, an increase of US$15.1 million or 22.2% over the first half of 2014, of which 10.2% from internal growth and 12.0% from acquisitions. Sales to hardware **retailers** and renovation superstores grew by 6.9%. Considering exchange rates, U.S. sales expressed in Canadian dollars amounted to $108.8 million, compared with $80.5 million for the corresponding six months of 2014, an increase of 35.1%. They thereby accounted for 31.1% of consolidated sales for the first half of 2015, whereas they had represented 26.7% of the period's consolidated sales for the first six months of 2014.

Consolidated EBITDA and EBITDA margin

Second-quarter earnings before income taxes, interest and amortization (EBITDA) amounted to $21.9 million, up by $2.7 million or 14.0% over the corresponding quarter of 2014. The **gross margin** decreased slightly from the same period of 2014 due notably to the lower margins of certain acquisitions having a different product mix, the higher proportion of sales in the United States, the cost of introducing additional products in the retailers market in Canada and the appreciation of the U.S. currency which had an upward impact on the purchasing cost of certain products before selling price adjustments. In this context, the **EBITDA margin** stood at 11.5%, compared with 11.6% for the corresponding quarter of 2014.

Income taxes amounted to $5.2 million, an increase of $0.8 million over the second quarter of 2014.

First-half earnings before income taxes, interest and amortization (EBITDA) totalled $37.6 million, up by $4.7 million or 14.3% over the first six months of 2014. The **gross margin** and the **EBITDA margin** for the first half declined slightly due to the lower gross margins of certain acquisitions having a different product mix, the higher proportion of sales in the United States where the product mix is also different, the cost of introducing additional products in the retailers market in Canada and the appreciation of the U.S. currency which had an upward impact on the purchasing cost of certain products before selling price adjustments.

Income taxes totalled $8.8 million, an increase of $1.2 million over the first six months of 2014.

Consolidated net earnings attributable to shareholders

Second-quarter net earnings grew by 12.3%. Considering non-controlling interests, **net earnings attributable to shareholders of the Corporation** amounted to $14.7 million, up 12.4% over the second quarter of 2014. **Net earnings per share** rose to $0.75 basic and $0.74 diluted, compared with $0.67 basic and $0.66 diluted for the corresponding quarter of 2014, an increase of 11.9% and 12.1%, respectively.

Comprehensive income amounted to $14.3 million, considering a negative adjustment of $0.4 million on translation of the financial statements of the subsidiary in the United States, compared with $11.8 million for the second quarter of 2014, considering a negative adjustment of $1.3 million on translation of the financial statements of the subsidiary in the United States.

First half net earnings grew by 13.4%. Considering non-controlling interests, **net earnings attributable to shareholders of the Corporation** totalled $24.9 million, an increase of 13.6% over the first six months of 2014. **Net earnings per share** amounted to $1.27 basic and $1.25 diluted, compared with $1.11 basic and $1.09 diluted for the first six months of 2014, an increase of 14.4% and 14.7%, respectively.

Comprehensive income totalled $31.1 million, considering a positive adjustment of $6.2 million on translation of the financial statements of the subsidiary in the United States, compared with $23.1 million for the first half of 2014, considering a positive adjustment of $1.2 million on translation of the financial statements of the subsidiary in the United States.

Analysis of principal cash flows for the second quarter and first six months ended May 31, 2015

Operating activities

Second-quarter cash flows from operating activities (before net change in non-cash working capital balances related to operations) amounted to $17.0 million or $0.86 per share, compared with $14.8 million or $0.75 per share for the second quarter of 2014, an increase of 14.6% stemming primarily from the net earnings growth. Net change in non-cash working capital balances used cash flows of $7.9 million, reflecting the change in accounts receivable ($10.6 million), whereas accounts payable and other items represented a cash inflow of $2.7 million. Consequently, operating activities provided cash flows of $9.1 million, compared with $13.7 million for the corresponding quarter of 2014.

First-half cash flows from operating activities (before net change in non-cash working capital balances related to operations) totalled $29.5 million or $1.48 per share, compared with $25.8 million or $1.29 per share for the first six months of 2014, an increase of 14.0% stemming primarily from the net earnings growth. Net change in non-cash working capital balances used cash flows of $32.8 million, representing changes in inventories ($22.2 million), in accounts receivable ($6.9 million), and in accounts payable and other items ($3.7 million). Consequently, operating activities used cash flows of $3.3 million, whereas they had provided cash flows of $11.9 million for the first half of 2014.

Financing activities

Second-quarter financing activities represented a cash outflow of $12.0 million, compared with $2.5 million for the corresponding quarter of 2014. This change came mainly from the fact that during the second quarter of 2015, the Corporation repurchased common shares for cancellation for $8.7 million, whereas it had purchased shares for $0.5 million in the corresponding quarter of 2014. The Corporation paid dividends to shareholders of $2.9 million, up by $0.2 million over the second quarter of 2014. In addition, Richelieu redeemed $0.5 million on its long-term debt related to a consideration payable on a prior acquisition.

First-half financing activities represented a cash outflow of $15.4 million, compared with $30.1 million for the first half of 2014. During the first six months of the year, Richelieu repurchased common shares for cancellation for $9.2 million, versus $27.5 million in the first half of 2014. The Corporation paid dividends to shareholders of $5.9 million, up by $0.3 million over the first six months of 2014. Furthermore, shares were issued for $0.8 million, compared with a $3.0 million share issue during the first half of 2014.

Investing activities

Second-quarter investing activities amounting to $2.6 million were used for the following: equipment for operational efficiency, software needed for operations and building improvements.

First-half investing activities totalling $4.5 million were used for the following: equipment for operational efficiency, software needed for operations, building improvements and the remodeling of certain showrooms.

Sources of financing

As at May 31, 2015, **cash and cash equivalents** totalled $10.1 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 six months of 2015. The Corporation posted a **working capital** of $229.6 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 the second half 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 estimates it could obtain access to other outside financing if necessary.

Summary financial position

As at (in thousands of $, except exchange rate)	**May 31, 2015**	November 30, 2014
Current assets	**296,987**	285,394
Non-current assets	**107,278**	105,327
Total	**404,265**	390,721
Current liabilities	**67,358**	70,528
Non-current liabilities	**6,814**	6,640
Equity attributable to shareholders of the Corporation	**326,302**	309,149
Non-controlling interests	**3,791**	4,404
Total	**404,265**	390,721
Exchange rate on translation of a subsidiary in the United States	***1.244***	*1.144*

Total assets amounted to $404.3 million as at May 31, 2015, compared with $390.7 million as at November 30, 2014, an increase of 3.5%. **Current assets** were up by $11.6 million over November 30, 2014 primarily due to an inventory increase resulting from the introduction of new products and in anticipation of the coming months which historically represent a more active period. In addition, the appreciation in the U.S. dollar had an upward impact on translation of the assets of the subsidiary in the United States.

Net cash

As at (in thousands of $)	**May 31, 2015**	November 30, 2014
Current portion of long-term debt	**2,036**	3,352
Long-term debt	**2,176**	2,002
Total	**4,212**	5,354
Cash and cash equivalents	***10,083***	*33,721*
Total cash net of debt	**5,871**	28,367

Total debt amounted to $4.2 million, of which $2.2 million in long-term debt and $2.0 million in short-term debt representing balances payable on acquisitions, a decrease of $1.1 million from November 30, 2014. Deducting this debt, net cash stood at $5.9 million as at May 31, 2015. The Corporation continues to benefit from a healthy and solid financial position.

Equity attributable to shareholders of the Corporation totalled $326.3 million as at May 31, 2015, compared with $309.1 million as at November 30, 2014, an increase of 5.5% stemming primarily from a growth of $10.0 million in retained earnings which amounted to $280.9 million, of $6.2 million in accumulated other comprehensive income, and of $0.8 million in share capital. As at May 31, 2015, **the book value per share** was $16.78, up 6.2% over November 30, 2014.

EVENT SUBSEQUENT TO CLOSING DATE

On June 18, 2015, Richelieu acquired the principal net assets of BD Enterprises, Inc. (doing business as Single Source Cabinet Supplies), a specialty hardware distributor located in Dallas, Texas, who serves a customer base of kitchen cabinet manufacturers as well as residential and commercial woodworkers.

PROFILE AS AT MAY 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 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 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.

- 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

JULY 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 July 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 5:15 p.m. on July 2, 2015 until midnight on July 9, 2015, by dialing **1-855-859-2056, access code: 64718835**. 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 May 31, 2015	As at November 30, 2014
	$	$
ASSETS		
Current assets		
Cash and cash equivalents	**10,083**	33,721
Accounts receivable	**102,584**	93,874
Inventories	**182,103**	156,488
Prepaid expenses	**2,217**	1,311
	296,987	285,394
Non-current assets		
Property, plant and equipment	**24,359**	22,895
Intangible assets	**21,221**	20,987
Goodwill	**57,696**	57,669
Deferred taxes	**4,002**	3,776
	404,265	390,721
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**64,992**	64,437
Income taxes payable	**330**	2,739
Current portion of long-term debt	**2,036**	3,352
	67,358	70,528
Non-current liabilities		
Long-term debt	**2,176**	2,002
Deferred taxes	**2,763**	2,762
Other liabilities	**1,875**	1,876
	74,172	77,168
Equity		
Share capital	**30,598**	29,762
Contributed surplus	**1,637**	1,576
Retained earnings	**280,873**	270,826
Accumulated other comprehensive income	**13,194**	6,985
Equity attributable to shareholders of the Corporation	**326,302**	309,149
Non-controlling interests	**3,791**	4,404
	330,093	313,553
	404,265	390,721

CONSOLIDATED STATEMENTS OF EARNINGS

[In thousands of dollars, except earnings per share]
[Unaudited]

	For the three months ended May 31,		For the six months ended May 31,	
	2015	2014	**2015**	2014
	$	$	$	$
Sales	**190,801**	165,155	**350,120**	301,263
Cost of goods sold, warehousing, selling and administrative expenses	**168,923**	145,970	**312,536**	268,374
Earnings before amortization, financial costs and income taxes	**21,878**	19,185	**37,584**	32,889
Amortization of property, plant and equipment	**1,415**	1,223	**2,774**	2,481
Amortization of intangible assets	**646**	513	**1,272**	1,041
Financial costs, net	**(43)**	(41)	**(127)**	(153)
	2,018	1,695	**3,919**	3,369
Earnings before income taxes	**19,860**	17,490	**33,665**	29,520
Income taxes	**5,193**	4,428	**8,814**	7,612
Net earnings	**14,667**	13,062	**24,851**	21,908
Net earnings attributable to:				
Shareholders of the Corporation	**14,653**	13,036	**24,869**	21,895
Non-controlling interests	**14**	26	**(18)**	13
	14,667	13,062	**24,851**	21,908
Net earnings per share attributable to shareholders of the Corporation				
Basic	**0.75**	0.67	**1.27**	1.11
Diluted	**0.74**	0.66	**1.25**	1.09

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	For the three months ended May 31,		For the six months ended May 31,	
	2015	2014	**2015**	2014
	$	$	$	$
Net earnings	**14,667**	13,062	**24,851**	21,908
Other comprehensive income that will be reclassified to net earnings				
Exchange differences on translation of foreign operations	**(412)**	(1,266)	**6,209**	1,175
Comprehensive income	**14,255**	11,796	**31,060**	23,083
Comprehensive income attributable to:				
Shareholders of the Corporation	**14,241**	11,770	**31,078**	23,070
Non-controlling interests	**14**	26	**(18)**	13
	14,255	11,796	**31,060**	23,083

CONSOLIDATED STATEMENTS OF CASH FLOWS

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

	For the three months ended May 31,		For the six months ended May 31,	
	2015	2014	**2015**	2014
	$	$	$	$
OPERATING ACTIVITIES				
Net earnings	**14,667**	13,062	**24,851**	21,908
Items not affecting cash				
Amortization of property, plant and equipment	**1,415**	1,223	**2,774**	2,481
Amortization of intangible assets	**646**	513	**1,272**	1,041
Deferred taxes	**—**	(294)	**—**	(294)
Share-based compensation expense	**276**	328	**557**	697
	17,004	14,832	**29,454**	25,833
Net change in non-cash working capital balances	**(7,920)**	(1,096)	**(32,795)**	(13,896)
	9,084	13,736	**(3,341)**	11,937
FINANCING ACTIVITIES				
Repayment of long-term debt	**(500)**	—	**(600)**	—
Dividends paid to Shareholders of the Parent Corporation	**(2,939)**	(2,741)	**(5,878)**	(5,547)
Other dividends paid	**—**	—	**(596)**	—
Common shares issued	**205**	709	**807**	2,958
Common shares repurchased for cancellation	**(8,735)**	(457)	**(9,180)**	(27,520)
	(11,969)	(2,489)	**(15,447)**	(30,109)
INVESTING ACTIVITIES				
Business acquisitions	**—**	(1,739)	**—**	(3,089)
Additions to property, plant and equipment and intangible assets	**(2,604)**	(1,198)	**(4,469)**	(1,897)
	(2,604)	(2,937)	**(4,469)**	(4,986)
Effect of exchange rate changes on cash and cash equivalents	**(103)**	(77)	**(381)**	18
Net change in cash and cash equivalents	**(5,592)**	8,233	**(23,638)**	(23,140)
Cash and cash equivalents, beginning of period	**15,675**	14,814	**33,721**	46,187
Cash and cash equivalents, end of period	**10,083**	23,047	**10,083**	23,047