Richelieu

Press Release

For Immediate Release

Richelieu pursues its growth in Canada and the United States and increases its earnings per share by 15.2% in the first quarter of 2012

- **Consolidated sales** up 9.6% to $124.1 million and **net earnings** up 15.1% to $8.0 million or $0.38 per share.
- **Sales in the United States** up 25.8% (in US$) and **sales in Canada** up 5.6%.
- **Excellent financial position** - **almost no debt – net cash** of $23.2 million – **working capital** of $172.7 million (4.2:1 ratio) as at February 29, 2012.

TSX: RCH

Montreal, March 29, 2012 — "We are very pleased with our performance for the first quarter, which is historically the weakest period of the year. This performance was achieved thanks to good internal growth in Canada, a strong increase in the United States, the positive impact of our acquisitions and operational efficiency as a priority. Our market development initiatives, supported by our innovation strategy and the selling synergies we create with our acquisitions, generated a 5.9% sales internal growth, to which was added a 3.7% growth from the 2011 acquisitions. In the United States, even though economic conditions remained challenging during the quarter, our sales grew by 25.8% in U.S. dollars, of which 17.9% from internal growth. In 2012, we intend to pursue our growth and are ready to take advantage of further acquisition opportunities that might arise between now and year-end," indicated Richard Lord, President and Chief Executive Officer of Richelieu.

Next dividend payment

At its meeting on March 29, 2012, the Board of Directors approved the payment of a quarterly dividend of $0.12 per share. This dividend is payable on April 26, 2012 to shareholders of record as at April 12, 2012.

ANALYSIS OF OPERATING RESULTS FOR THE FIRST QUARTER ENDED FEBRURY 29, 2012 COMPARED WITH THE FIRST QUARTER ENDED FEBRUARY 28, 2011

Consolidated sales totalled $124.1 million, compared with $113.2 million for the same quarter of 2011, an increase of 9.6%, of which 5.9% from internal growth and 3.7% from the three acquisitions closed in 2011. For information, these were Outwater Hardware (New Jersey) ("**Outwater**") and Madico Inc. (Quebec) ("**Madico**") acquired in January 2011 and Provincial Woodproducts Ltd (Newfoundland) ("**Provincial Woodproducts**") closed in March 2011.

Sales to **manufacturers** amounted to $103.3 million, an increase of $9.1 million or 9.7% over the corresponding quarter of 2011, of which 4.0% from the three aforementioned acquisitions and 5.7% from internal growth, reflecting the sustained contribution of all the Company's market segments throughout the quarter, and especially kitchen cabinet manufacturers. Sales to hardware **retailers** and renovation superstores totalled $20.8 million, an increase of 9.3%, of which 2.1% from the 2011 acquisitions and 7.2% from internal growth, to which our market penetration in the United States brought a strong contribution.

Sales in **Canada** totalled $97.8 million, an increase of $5.2 million or 5.6% over the corresponding quarter of 2011, stemming almost equally from internal growth which accounted for 2.9% and the acquisition of Madico and Provincial Woodproducts which contributed 2.7%. It should be noted that we benefited from an additional business day for this first quarter compared with the first quarter of the previous year. In the **manufacturers** market, our sales amounted to $78.0 million, an increase of 5.5% over the corresponding quarter of 2011, of which 2.5% from internal growth and 3.0% from the two acquisitions closed in Canada in 2011. In the **retailers** and renovation superstores market, our sales grew by 6.0% over the first quarter of 2011, rising to $19.8 million, thanks to internal growth of 4.3% and the acquisitions which contributed 1.7%.

Sales in the **United States** totalled US$26.0 million, an increase of 25.8% or US$5.3 million over the first quarter of 2011, of which 17.9% from internal growth reflecting the sustained market penetration efforts with a diversified product offering and a 7.9% growth-by-acquisition. Considering the effect of exchange rates, these sales expressed in Canadian dollars amounted to $26.3 million, compared with $20.6 million for the first quarter of the previous year. Thus, they accounted for 21.2% of the period's consolidated sales, up from 18.2% for the first quarter of 2011.

Earnings before income taxes, interest and amortization (EBITDA) totalled $13.3 million, up 10.5% over the corresponding quarter of 2011 due to the increase in sales. The gross margin remained substantially the same as in the first quarter of 2011, despite the lower gross margin of some 2010-2011 acquisitions because of their different product mix. **The EBITDA margin** stood at 10.7%, compared with 10.6% for the first quarter of 2011.

Although EBITDA increased, income taxes remained stable compared with the first quarter of 2011 on account of fluctuations in results by region where the Company and its subsidiaries are subject to tax rates differing from one another.

Net earnings grew by 15.1%. Considering non-controlling interests, **net earnings attributable to shareholders of the Company** totalled $8.0 million, an increase of 14.5% over the corresponding quarter of 2011. **Net earnings per share** amounted to $0.38 (basic and diluted), compared with $0.33 (basic and diluted) for the first quarter of 2011, an increase of 15.2%.

FINANCIAL POSITION

Analysis of principal cash flows

Operating activities

Cash flows related to operating activities (before net change in non-cash working capital balances related to operations) were $10.3 million or $0.49 per share, up from $9.1 million or $0.43 per share for the first quarter of 2011, an increase of 12.4% primarily reflecting the growth in net earnings. Net change in non-cash working capital balances related to operations used cash flows of $7.7 million, compared with $14.0 million in the first quarter of 2011. This net change for the quarter primarily reflects a positive change in accounts receivable of $1.0 million, whereas inventories, prepaid expenses, accounts payable and taxes payable represented a total net increase of $8.7 million. Consequently, **operating activities** provided cash flows of $2.6 million, whereas they had used cash flows of $4.9 million in the first quarter of 2011.

Financing activities

In the first quarter of 2012, Richelieu paid shareholder dividends of approximately $2.5 million, up 7.6% over the corresponding quarter of 2011, on account of the 9.1% increase in the dividend announced in January 2012. The Company also repaid $2.5 million in long-term debt; it repurchased shares in the normal course of business for $0.3 million and issued common shares for $0.6 million upon the exercise of stock options under its stock option plan. Consequently, financing activities represented a cash outflow of $4.7 million, compared with $2.1 million for the corresponding quarter of 2011.

Investing activities

Richelieu invested a total of $1.1 million in the first quarter of 2012, primarily in software and operational equipment, whereas it had invested $14.3 million in the corresponding quarter of 2011 for the acquisition of the principal net assets of Outwater and the shares of Madico and for the expansion of the Montreal and Laval distribution centres.

Sources of financing

As at February 29, 2012, **cash and cash equivalents** totalled $25.8 million, compared with $29.1 million as at November 30, 2011. The Company posted **a working capital** of $172.7 million for a current ratio of 4.2:1, compared with $166.9 million (4.0:1 ratio) as at November 30, 2011.

Richelieu believes it has the capital resources to fulfill its ongoing commitments and obligations in 2012 and to assume the funding requirements needed for its growth and the financing and investing activities planned for the rest of the year. Furthermore, the Company continues to benefit from an authorized line of credit of $26 million, renewable annually and bearing interest at the bank's prime rate, as well as a line of credit of US$5 million bearing interest at prime rate plus 2%. In addition, the Company estimates it could obtain access to other outside financing if necessary.

Summary financial position

As at *(in thousands of $)*	**February 29, 2012**	November 30, 2011
Current assets	**226,597**	223,059
Non-current assets	**94,673**	95,617
Total	**321,270**	318,676
Current liabilities	**53,928**	56,162
Other liabilities	**6,408**	6,327
Equity	**260,934**	256,187
Total	**321,270**	318,676
Translation exchange rate of a self-sustaining foreign operation in the United States	***0.9895***	*1.0203*

Assets

As at February 29, 2012, **total assets** amounted to $321.3 million, compared with $318.7 million as at November 30, 2011, an increase of 0.8%. **Current assets** were up by 1.6% or $3.5 million over November 30, 2011. This growth notably reflects the increase of $5.9 million in inventories and $1.6 million in taxes receivable, as well as the decrease of $3.3 million in cash and cash equivalents and $1.4 million in accounts receivable.

Net cash

As at *(in thousands of $*	**February 29, 2012**	November 30, 2011
Current portion of long-term debt	**1,289**	4,309
Long-term debt	**1,234**	1,235
Total	**2,523**	5,544
Cash and cash equivalents	***25,771***	*29,095*
Total net cash	**23,248**	23,551

Total interest-bearing debt amounted to $2.5 million, including long-term debt of $1.2 million and a current portion of long-term debt of $1.3 million representing solely the balances payable on acquisitions. Deducting this total debt, net cash amounted to $23.2 million as at February 29, 2012. The Company continues to benefit from an excellent financial position to pursue its business strategy in its sector.

Equity totalled $260.9 million as at February 29, 2012, compared with $256.2 million as at November 30, 2011, an increase of 1.9% stemming mainly from the $5.2 million growth in retained earnings, which rose to $234.3 million as at February 29, 2012, and a $0.9 million increase in share capital, less changes in accumulated other comprehensive income of $1.2 million and contributed surplus of $0.1 million. At the close of the first quarter, **the book value per share** was $12.33.

Profile as at March 29, 2012

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 more than 90,000 different items targeted to a base of some 70,000 customers who are served by 60 centres in North America – 34 distribution centres in Canada, 24 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.

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Notes to readers — Richelieu uses earnings before income taxes, interest and amortization ("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 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, the optimization of the synergies arising therefrom and their impact on sales 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 Company'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 Company's 2010 Annual Report as well as its 2010 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.

MARCH 29, 2012 CONFERENCE CALL 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 29, 2012 can dial **1-888-231-8191** a few minutes before the start of the call. For those unable to participate, a taped rebroadcast will be available as of 6:00 p.m. on March 29, 2012 until midnight on April 5, 2012, by dialing **1-855-859-2056, access code: 64529061.** Members of the media are invited to listen in.

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

CONSOLIDATED STATEMENTS OF EARNINGS

Three-month periods ended February 29 and 28
[In thousands of dollars, except earnings per share]
[Unaudited]

	2012 $	2011 $
Sales	**124,083**	113,192
Cost of goods sold, and warehousing, selling and administrative expenses	**110,803**	101,174
Earnings before the undernoted	**13,280**	12,018
Amortization of property, plant and equipment	**1,435**	1,359
Amortization of intangible assets	**575**	356
Financial costs, net	**(46)**	(35)
	1,964	1,680
Earnings before income taxes	**11,316**	10,338
Income taxes	**3,288**	3,365
Net earnings	**8,028**	6,973
Net earnings attributable to:		
Shareholders of the Company	**8,004**	6,989
Non-controlling interests	**24**	(16)
	8,028	6,973
Net earnings per share attributable to shareholders of the Company		
Basic	**0.38**	0.33
Diluted	**0.38**	0.33

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Three-month periods ended February 29 and 28
[In thousands of dollars]
[Unaudited]

	2012 $	2011 $
Net earnings	**8,028**	6,973
Other comprehensive income (loss)		
Exchange difference on net investment in a self-sustaining foreign operation	**(1,220)**	(1,395)
Comprehensive income	**6,808**	5,578
Comprehensive income attributable to:		
Shareholders of the Company	**6 784**	5 594
Non-controlling interests	**24**	(16)
	6,808	5,578

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

[In thousands of dollars]
[Unaudited]

	As at February 29, 2012	As at November 30, 2011	As at November 30, 2010
	$	$	$
ASSETS			
Current assets			
Cash and cash equivalents	**25,771**	29,095	39,289
Accounts receivable	**70,965**	72,366	65,017
Taxes receivable	**3,334**	1,688	—
Inventories	**124,689**	118,753	117,609
Prepaid expenses	**1,838**	1,157	837
	226,597	223,059	222,752
Property, plant and equipment	**24,183**	24,927	18,473
Intangible assets	**16,177**	16,639	7,420
Goodwill	**51,046**	50,748	43,335
Deferred taxes	**3,267**	3,303	2,972
	321,270	318,676	294,952
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	**52,639**	51,853	54,612
Taxes payable	**—**	—	3,741
Current portion of long-term debt	**1,289**	4,309	2,072
	53,928	56,162	60,425
Long-term debt	**1,234**	1,235	786
Deferred taxes	**3,529**	3,471	—
Other liabilities	**1,645**	1,621	—
	60,336	62,489	61,211
EQUITY			
Share capital	**20,565**	19,714	17,623
Contributed surplus	**3,463**	3,586	3,906
Retained earnings	**234,303**	229,064	208,782
Accumulated other comprehensive income (loss)	**(1,117)**	103	**—**
Equity attributable to shareholders of the Company	**257,214**	252,467	230,311
Non-controlling interests	**3,720**	3,720	3,430
	260,934	256,187	233,741
	321,270	318,676	294,952

CONSOLIDATED STATEMENTS OF CASH FLOWS

Three-month periods ended February 29 and 28
[In thousands of dollars, except earnings per share]
[Unaudited]

	2012 $	2011 $
OPERATING ACTIVITIES		
Net earnings	**8,028**	6,973
Items not affecting cash		
Amortization of property, plant and equipment	**1,435**	1,359
Amortization of intangible assets	**575**	356
Deferred taxes	**94**	282
Share-based compensation expense	**125**	155
	10,257	9,125
Net change in non-cash working capital balances related to operations	**(7,665)**	(13,984)
	2,592	(4,859)
FINANCING ACTIVITIES		
Repayment of long-term debt	**(2,538)**	—
Dividends paid	**(2,505)**	(2,327)
Common shares issued	**612**	234
Common shares repurchased for cancellation	**(269)**	—
	(4,700)	(2,093)
INVESTING ACTIVITIES		
Business acquisitions	**—**	(11,005)
Additions to property, plant and equipment and intangible assets	**(1,102)**	(3,260)
	(1,102)	(14,265)
Effect of exchange rate changes on cash and cash equivalents	**(114)**	51
Net change in cash and cash equivalents	**(3,324)**	(21,166)
Cash and cash equivalents, beginning of period	**29,095**	39,289
Cash and cash equivalents, end of period	**25,771**	18,123
Supplementary information		
Income taxes paid	**4,723**	7,337
Interest paid	**(49)**	(56)