Press Release

For Immediate Release

Richelieu announces second-quarter results

2010 and 2011 acquisitions give Richelieu further momentum for growth

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- Increase of 18.0% in **consolidated sales**, which totalled $139.2 million – the strongest second-quarter growth in the last 10 years
- Good performance in the **manufacturers market** – sales growth of 16.8% in Canada, of which 2.7% from internal growth, and 61.2% in the United States, of which 7.8% from internal growth in U.S. dollars
- Slight decline of $0.9 million or 4.1% in sales to **retailers**, due notably to unfavourable weather conditions compared with the spring of 2010
- **Net earnings** of $10.0 million or $0.48 per share, compared with $11.5 million or $0.53 per share in 2010
- **Excellent financial position** – cash of $6.9 million, working capital of $149.7 million, interest-bearing debt of $7.1 million
- **Acquisition** of 85% of the common shares of Provincial Woodproducts Ltd, Newfoundland
- Subsequent event: financial management change

TSX: RCH

Montreal, July 7, 2011 — "Since the beginning of 2010, the Company has continued to expand, closing nine quality acquisitions and opening a distribution centre that have given it further momentum for growth while strengthening its positioning for the future. On March 14, we closed our third acquisition since the beginning of 2011, specifically Provincial Woodproducts Ltd, a solid distributor benefiting from a dominant position in Newfoundland, which allowed the Company to extend its physical presence to cover the Canadian market as a whole. The second quarter yielded strong sales growth thanks notably to the acquisitions of the last 12 months. I particularly want to point to the 7.8% internal growth of U.S. dollar sales in the United States, which resulted from our market penetration efforts at a time when the U.S. economy has not yet shown the expected signs of a recovery. Despite a decline from the second quarter of 2010, our profit margins were satisfactory under the circumstances. It should be noted that the corresponding quarter of 2010 had benefited from exceptional conditions, and some of our recent acquisitions currently yield lower margins than Richelieu due to their different product mix. The integration of these new complementary operations is going well and efficiently, focused on operational profitability and the creation of sales synergies," indicated Richard Lord, President and Chief Executive Officer of Richelieu.

Next dividend payment

In January 2011, the Company increased the quarterly dividend by 22.2%, from $0.09 to $0.11. At its meeting on July 7, 2011, the Board of Directors approved the payment of a quarterly dividend of $0.11 per share. This dividend is payable on August 4, 2011 to shareholders of record as at July 21, 2011.

Management Change

Alain Giasson, Vice-President and Chief Financial Officer, has decided to leave the position he has held since 2004 at Richelieu to meet new challenges as an investor-entrepreneur. It has been agreed with executive management that Mr. Giasson will assume his responsibilities until his successor has been appointed and integrated into the Richelieu team. Richard Lord wishes to highlight "the quality collaboration and dynamism of Mr. Giasson who guided a team committed to the profitable development of the business with great professionalism and successfully piloted several acquisitions in North America."

"I am pleased to have been part of this high-performance team and proud to have contributed to Richelieu's growth. I especially thank Richard Lord for the trust he placed in me and for the quality of the experience I have earned over the past seven years; I also thank all the Board members," indicated Mr. Giasson.

ANALYSIS OF OPERATING RESULTS FOR THE SECOND QUARTER AND FIRST SIX MONTHS ENDED MAY 31, 2011 COMPARED WITH THE SECOND QUARTER AND FIRST SIX MONTHS ENDED MAY 31, 2010

Second-quarter consolidated sales totalled $139.2 million, up by $21.2 million or 18.0% over the corresponding quarter of 2010. This result reflects a 0.7% internal decrease - were it not for the effect of exchange rates on the sales recorded in the United States, internal growth would have come to 0.1% - and an 18.7% growth from the acquisition of Raybern Company, Inc. (Rocky Hill, Connecticut) ("**Raybern**"), Gordon Industrial Materials Ltd. (Montreal, Quebec and Mississauga, Ontario) ("**Gordonply**"), New Century Distributors Group LLC (Avenel, New Jersey) ("**New Century**"), E.Kinast Distributors Inc. (Hanover Park, Chicago, Illinois) ("**E.Kinast**"), PJ White Hardwoods Ltd. (Vancouver, Victoria, B.C. and Edmonton, Calgary, Alberta) ("**PJ White**"), Outwater Hardware (Lincoln Park, New Jersey) ("**Outwater**"), Distribution Madico Inc. (Quebec) ("**Madico**") and Provincial Woodproducts Ltd (Newfoundland) ("**Provincial**"), the latter having been acquired on March 14, 2011.

Sales to **manufacturers** amounted to $118.9 million, compared with $96.8 million for the same period of 2010, an increase of $22.1 million or 22.8%, of which 2.7% from internal growth and 20.1% from the aforementioned acquisitions. The most significant increases were registered in the residential and commercial woodworking, kitchen and bathroom cabinet makers and office furniture manufacturing markets. Sales to hardware **retailers** and renovation superstores amounted to $20.3 million, compared with $21.2 million for the corresponding quarter of 2010, a decline of $0.9 million or 4.1% due to a 16.4% internal decrease in this market, partly offset by the growth from the acquisition of Gordonply and Madico. As indicated by retailers themselves, unfavourable weather conditions are mentioned as a cause of the slowdown in sales in the spring of 2011.

In Canada, sales totalled $113.8 million, compared with $101.3 million for the second quarter of 2010. This $12.5 million or 12.3% increase came from the contribution of Gordonply, PJ White, Madico and Provincial which represented a 13.4% growth, whereas the internal decrease was 1.1%. The markets in Eastern, Central and Western Canada posted a solid internal growth of 2.7% in the **manufacturers** market, with a more significant increase in Western Canada, and a 14.1% growth from acquisitions; they grew to $94.0 million, up from $80.5 million for the second quarter of 2010. Conversely, in the **retailers** market, Canadian sales were down by 4.9% from the corresponding quarter of 2010, due to a 15.8% internal decrease stemming mainly from the Eastern Canadian market for the aforementioned reasons, partly offset by the growth from the acquisition of Gordonply and Madico. Thus, sales to retailers amounted to $19.8 million, compared with $20.8 million for the corresponding quarter of 2010.

In the United States, sales amounted to US$26.3 million, an increase of US$10.0 million or 61.2%, of which 7.8% from internal growth and 53.4% from the contribution of Raybern, New Century, E.Kinast and Outwater. In Canadian dollars, sales recorded in the United States grew to $25.4 million, up from $16.7 million for the corresponding quarter of 2010. They accounted for 18.3% of second-quarter consolidated sales. The internal sales growth in the U.S. markets is all the more appreciable as it was achieved in an economic context that remains difficult.

First-half consolidated sales totalled $252.4 million, an increase of $39.2 million or 18.4% over the first six months of 2010, of which 0.7% from internal growth and 17.7% from the eight acquisitions closed between May 31, 2010 and 2011.

Sales to **manufacturers** amounted to $212.8 million, compared with $174.8 million for the corresponding period of 2010, an increase of $38.1 million or 21.8%, of which 2.8% from internal growth and 19.0% from acquisitions. The most significant increases were registered in the residential and commercial woodworking, kitchen and bathroom cabinet makers and office furniture manufacturing markets. Sales to hardware **retailers** and renovation superstores grew to $39.5 million, up from $38.4 million for the first six months of 2010. This $1.2 million or 3.0% growth is fully attributable to the contribution of Gordonply, which largely compensated for the 9.0% internal decrease caused by the factors discussed for the second quarter of 2011. It should be noted that Gordonply's distribution operations are specifically targeted to hardware retailers and renovation superstores in Quebec and Ontario.

In Canada, sales totalled $206.3 million, compared with $182.5 million for the first half of 2010. This $23.9 million or 13.1% increase came entirely from the contribution of Gordonply, PJ White, Madico and Provincial. The markets in Eastern, Central and Western Canada posted solid internal growth of 2.2% in the **manufacturers** market, with a more significant increase in Western Canada, and a 13.7% growth from acquisitions; they amounted to $167.7 million, compared with $144.7 million for the first half of 2010. Sales to **retailers** grew to $38.7 million, up from $37.8 million for the first half of 2010, an increase of 2.3%. This $0.9 million growth reflects the contribution of Gordonply, which largely compensated for the 8.4% internal decrease in this market adversely affected by the spring weather conditions, as indicated by retailers themselves.

In the United States, sales amounted to US$47.0 million, an increase of US$17.3 million or 58.5%, of which 10.5% from internal growth and 48.0% from the contribution of Raybern, New Century, E.Kinast and Outwater. In Canadian dollars, sales recorded in the United States amounted to $46.0 million, compared with $30.7 million for the first six months of 2010. They accounted for 18.2% of first-half consolidated sales.

Second-quarter earnings before income taxes, interest, amortization and non-controlling interest (EBITDA) amounted to $17.2 million, down by 8.4% from the corresponding quarter of 2010. For comparative purposes, it should be pointed out that results for the second quarter of 2010 had been exceptional. In the second quarter of 2011, **the gross profit margin** did not benefit from the increase in the Canadian dollar, as opposed to 2010; in addition, it was affected by the following factors: the actual lower profit margins of some recent acquisitions than Richelieu because of their different product mix, and the gross margin of operations in the United States due to the aggressive market positioning approach adopted by the Company. These same factors combined with higher expenses related to the launch of new product lines affected **the EBITDA profit margin from continuing operations** which stood at 12.4%, compared with 15.9% for the second quarter of 2010.

Income taxes decreased by $0.7 million to $4.9 million. This decline is related to the lower earnings before income taxes and non-controlling interest.

First-half earnings before income taxes, interest, amortization and non-controlling interest (EBITDA) amounted to $29.3 million, down by 1.3% from the first six months of 2010. **The gross profit margin** was affected mainly by the lower profit margins of some acquisitions closed in 2010 than Richelieu because of their different product mix, combined with the gross margin of operations in the United States where the business environment is exerting downward pressures on selling prices. These same factors affected **the EBITDA profit margin from continuing operations** which stood at 11.6%, compared with 13.9% for the first six months of 2010.

Income taxes decreased by $0.3 million to $8.3 million. This decline is primarily related to the lower earnings before income taxes and the non-controlling interest.

In the second quarter, considering the factors previously provided for the EBITDA, **net earnings** amounted to $10.0 million, down by 13.0% from the corresponding quarter of 2010. The net profit margin from continuing operations stood at 7.2% of consolidated sales, compared with 9.8% for the corresponding quarter of 2010. **Earnings from continuing operations per share** stood at $0.48 (basic) and $0.47 (diluted), a decrease of 11.3%.

Comprehensive income amounted to $9.9 million, on account of a negative adjustment of $0.2 million on translation of the financial statements of the subsidiary in the United States, compared with $11.1 million for the same quarter of 2010, on account of a negative adjustment of $0.4 million on translation of the financial statements of the subsidiary in the United States.

For the first half, **net earnings from continuing operations** totalled $17.0 million, down by 4.7% from the corresponding period of 2010. This decline reflects the previously discussed factors and the fact that in the first quarter of 2010, the Company had realized a non-recurring gain net of taxes of $0.7 million or $0.03 per share on the disposal of the inventories of its ceramics activities. **Earnings per share** stood at $0.81 (basic) and $0.80 (diluted), compared with $0.82 (basic and diluted), excluding the earnings of $0.03 per share related to discontinued operations.

Comprehensive income amounted to $14.2 million, on account of a negative adjustment of $2.8 million on translation of the financial statements of the subsidiary in the United States, compared with $18.0 million for the first half of 2010, on account of a negative adjustment of $0.5 million on translation of the financial statements of the subsidiary in the United States.

FINANCIAL POSITION

Operating activities

Second-quarter cash flows from operating activities (before net change in non-cash working capital balances related to operations) amounted to $12.3 million or $0.58 per share, compared with $13.4 million or $0.61 per share for the second quarter of 2010, primarily reflecting the $1.5 million decline in net earnings from continuing operations, less the $0.5 million increase in amortization of capital and intangible assets related to recent acquisitions. Net change in non-cash working capital balances related to operations represented a cash outflow of $3.6 million, compared with $1.5 million for the second quarter of 2010. Whereas accounts receivable and prepaid expenses represented a cash outflow of $9.3 million, changes in inventories, accounts payable and prepaid taxes provided cash flows of $5.7 million. Consequently, operating activities provided cash flows of $8.7 million, compared with $11.9 million for the second quarter of 2010.

First-half cash flows from operating activities (before net change in non-cash working capital balances related to operations) totalled $21.5 million or $1.00 per share, compared with $21.2 million or $0.97 per share for the first six months of 2010, mainly reflecting the $0.8 million decrease in net earnings from continuing operations. Net change in non-cash working capital balances related to operations required cash flows of $17.5 million, compared with $2.6 million for the first half of 2010. Changes in accounts receivable, inventories, prepaid expenses, accounts payable and income taxes payable required cash flows representing substantially all of the cash outflow of $17.5 million. Consequently, operating activities generated cash flows of $4.0 million, compared with $18.6 million for the first six months of 2010.

Financing activities

Second-quarter dividends paid to shareholders amounted to $2.3 million, up by 18.7% over the dividends paid for the corresponding quarter of 2010. During the period, Richelieu issued common shares for a consideration of $0.6 million upon the exercise of options under the stock option plan, compared with $0.1 million in the second quarter of 2010. The Company also repurchased shares under its normal course issuer bid for a consideration of $5.6 million, compared with $8.9 million in the second quarter of 2010. Consequently, financing activities represented a cash outflow of $7.5 million, compared with $10.8 million for the corresponding quarter of 2010.

First-half dividends paid to shareholders totalled $4.7 million, up by 18.7% over the first six months of 2010. The Company also issued common shares for a consideration of $0.8 million upon the exercise of options under the stock option plan, compared with $0.2 million in the first half of 2010, and repurchased shares under its normal course issuer bid for a consideration of $5.6 million, compared with $8.9 million in the first half of 2010. Financing activities therefore represented a total cash outflow of $9.6 million, compared with $12.6 million for the first six months of 2010.

Investing activities

In the second quarter, Richelieu made investments of $12.5 million, of which $7.4 million in the acquisition of Provincial and $5.1 million in capital assets, primarily in the expansion of the Montreal and Laval distribution centres to meet growth requirements and to maintain excellent standards of service, as well as in complementary modules to the Company's information technology system.

In the first half, the Company invested a total of $26.9 million, including $18.5 million in the acquisition of the net assets of Outwater, the shares of Madico and 85% of the common shares of Provincial, plus $8.4 million in capital assets, primarily in the expansion of the Montreal and Laval distribution centres to meet growth requirements and to maintain excellent standards of service, as well as in complementary modules to the Company's information technology system.

Sources of financing

At the end of the first six months, **cash and cash equivalents** totalled $6.9 million, compared with $53.2 million as at May 31, 2010. The Company posted **working capital** of $149.7 million for a current ratio of 3.6:1, compared with $157.4 million (4.4:1 ratio) as at May 31, 2010 and $162.7 million (3.7:1 ratio) as at November 30, 2010.

Richelieu believes it has the capital resources needed to fulfill its ongoing commitments and obligations in 2011 and to assume the funding requirements needed for its growth and the financing and investing activities planned for the rest of year. Furthermore, the Company continues to benefit from an authorized line of credit of $26.0 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 could obtain access to other outside financing if necessary.

Summary balance sheet

As at May 31 *(in thousands of $)*	**2011**	2010
Current assets	**207,067**	204,191
Long-term assets	**119,309**	94,555
Total	**326,376**	298,746
Current liabilities	**57,355**	46,756
Long-term liabilities	**10,131**	5,688
Shareholders' equity	**258,890**	246,302
Total	**326,376**	298,746

Assets

As at May 31, 2011, **total assets** amounted $326.4 million, compared with $298.7 million a year earlier, an increase of 9.2% mainly reflecting the impact of the acquisitions over the past 12 months. **Current assets** were up by $2.9 million over May 31, 2010. This growth is due notably to the $29.5 million increase in inventories, of which $4.4 million from acquisitions and the balance to meet further demand, and a total $19.2 million increase in accounts receivable, including $4.0 million from acquisitions, whereas cash and cash equivalents were down by $46.3 million from May 31, 2010.

Net cash

As at May 31 *(in thousands of $)*	**2011**	2010
Current portion of long-term debt	**5,150**	539
Long-term debt	**1,924**	313
Total	**7,074**	852
Cash and cash equivalents	***6,901***	*53,249*
Total net cash	**(173)**	52,397

Total interest-bearing debt amounted to $7.1 million, including long-term debt of $1.9 million and a current portion of $5.2 million representing balances payable on acquisitions.

As at May 31, 2011, **shareholders' equity** totalled $258.9 million, compared with $246.3 million a year earlier, a growth of 5.1% primarily reflecting the $14.9 million increase in retained earnings which amounted to $244.8 million, and the $1.7 million increase in capital stock, less changes of $3.6 million in accumulated other comprehensive income and of $0.4 million in contributed surplus. **The book value per share** stood at $12.33 at the end of the first half, compared with $11.49 as at May 31, 2010. The Company continues to benefit from a healthy and solid financial position that enables it to pursue its business strategy.

Profile as at July 7, 2011

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 75,000 different items targeted to a base of some 60,000 customers who are served by 61 centres in North America – 36 distribution centres in Canada, 23 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, 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 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.

CONFERENCE CALL – JULY 7, 2011 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 7, 2011 can dial **1-800-731-5319** a few minutes before the start of the call. For those unable to participate, a taped rebroadcast will be available as of 5:30 p.m. on July 7, 2011 until midnight on July 14, 2011, by dialing **1-877-289-8525, access code: 4452162#.** 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 (unaudited)

Period ended May 31
[In thousands of dollars, except earnings per share]

	For the three-month period ended May 31,		For the six-month period ended May 31,	
	2011	**2010**	**2011**	**2010**
	$	$	$	$
Sales	**139,178**	117,960	**252,370**	213,143
Cost of sales and warehouse, selling and administrative expenses	**121,984**	99,196	**223,113**	183,499
Earnings before the following	**17,194**	18,764	**29,257**	29,644
Amortization of capital assets	**1,569**	1,295	**2,905**	2,556
Amortization of intangible assets	**562**	327	**962**	652
Financial costs, net	**49**	(38)	**14**	(60)
	2,180	1,584	**3,881**	3,148
Earnings before income taxes, non-controlling interest and discontinued operations	**15,014**	17,180	**25,376**	26,496
Income taxes	**4,922**	5,604	**8,296**	8,565
Earnings before non-controlling interest and discontinued operations	**10,092**	11,576	**17,080**	17,931
Non-controlling interest	**86**	74	**70**	86
Net earnings from continued operations	**10,006**	11,502	**17,010**	17,845
Net profit (net loss) from discontinued operations	**–**	–	**–**	659
Net earnings	**10,006**	11,502	**17,010**	18,504
Earnings per share				
Basic				
From continued operations	**0.48**	0.53	**0.81**	0.82
From discontinued operations	**–**	–	**–**	0.03
	0.48	0.53	**0.81**	0.85
Diluted				
From continued operations	**0.47**	0.53	**0.80**	0.82
From discontinued operations	**–**	–	**–**	0.03
	0.47	0.53	**0.80**	0.85

Consolidated statements retained earnings (unaudited)

[In thousands of dollars]

	For the three-month period ended May 31,		For the six-month period ended May 31,	
	2011	2010	2011	2010
	$	$	$	$
Net earnings	**10,006**	11,502	**17,010**	18,504
Retained earnings, beginning of period	**242,584**	229,027	**237,907**	223,986
Dividends	**(2,328)**	(1,962)	**(4,655)**	(3,923)
Premium on redemption of common shares for cancellation	**(5,437)**	(8,629)	**(5,437)**	(8,629)
Retained earnings, end of period	**244,825**	229,938	**244,825**	229,938

Consolidated statements of comprehensive income (unaudited)

[In thousands of dollars]

	For the three-month period ended May 31,		For the six-month period ended May 31,	
	2011	2010	2011	2010
	$	$	$	$
Net earnings	**10,006**	11,502	**17,010**	18,504
Other comprehensive income				
Translation adjustment of the net investment in self-sustaining foreign operations	**(150)**	(356)	**(2,824)**	(489)
Comprehensive income	**9,856**	11,146	**14,186**	18,015

Consolidated statements of cash flows (unaudited)

[In thousands of dollars]

	For the three-month period ended May 31, 2011	2010	For the six-month period ended May 31, 2011	2010
	$	$	$	$
OPERATING ACTIVITIES				
Net earnings from continued operations	**10,006**	11,502	**17,010**	17,845
Non-cash items				
Amortization of capital assets	**1,569**	1,295	**2,905**	2,556
Amortization of intangible assets	**562**	327	**962**	652
Future income taxes	**(63)**	1	**219**	(290)
Non-controlling interest	**86**	74	**70**	86
Stock-based compensation expense	**137**	187	**292**	385
	12,297	13,386	**21,458**	21,234
Net change in non-cash working capital balances related to operations	**(3,557)**	(1,511)	**(17,487)**	(2,615)
	8,740	11,875	**3,971**	18 619
FINANCING ACTIVITIES				
Reimbursement of long term debt	**(95)**		**(95)**	–
Dividends paid	**(2,328)**	(1,962)	**(4,655)**	(3,923)
Issue of common shares	**569**	130	**803**	244
Redemption of common shares for cancellation	**(5,607)**	(8,919)	**(5,607)**	(8,919)
	(7,461)	(10,751)	**(9,554)**	(12,598)
INVESTING ACTIVITIES				
Business acquisition	**(7,403)**	(1,145)	**(18,498)**	(1,767)
Additions to capital assets and intangible assets	**(5,099)**	(918)	**(8,359)**	(1,651)
	(12,502)	(2,063)	**(26,857)**	(3,418)
Effect of exchange rate fluctuations on cash and cash equivalents	**1**	(206)	**52**	(51)
Net change in cash and cash equivalents from continued operations	**(11,222)**	(1,145)	**(32,388)**	2,552
Cash flows from discontinued operations	**–**	–	**–**	2,255
Cash and cash equivalents, beginning of period	**18,123**	54,394	**39,289**	48,442
Cash and cash equivalents, end of period	**6,901**	53,249	**6,901**	53,249
Supplemental information				
Income taxes paid	**3,271**	3,061	**10,608**	7,796
Interest received, net	**3**	(26)	**(53)**	(51)

Consolidated balance sheets (unaudited)

[In thousands of dollars]

	As at May 31, 2011 $	As at May 31, 2010 $	As at November 30, 2010 $
ASSETS			
Current assets			
Cash and cash equivalents	**6,901**	53,249	39,289
Accounts receivable	**76,453**	57,223	65,017
Inventories	**122,163**	92,622	117,609
Prepaid expenses	**1,550**	1,097	837
	207,067	204,191	222,752
Capital assets	**26,222**	18,821	19,132
Intangible assets	**22,839**	12,313	13,242
Future income tax	**2,422**	1,037	2,327
Goodwill	**67,826**	62,384	63,363
	326,376	298,746	320,816
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	**50,081**	44,467	52,641
Income taxes payable	**2,124**	1,750	5,312
Current portion of long-term debt	**5,150**	539	2,072
	57,355	46,756	60,025
Long-term debt	**1,924**	313	786
Future income taxes	**3,175**	2,158	2,706
Non-controlling interest	**5,032**	3,217	3,430
	67,486	52,444	66,947
Shareholders' equity			
Capital stock	**18,896**	17,173	17,623
Contributed surplus	**3,560**	4,004	3,906
Retained earnings	**244,825**	229,938	237,907
Accumulated other comprehensive income	**(8,31)**	(4,813)	(5,567)
	258,890	246,302	253,869
	326,376	298,746	320,816