Press Release

For Immediate Release

Richelieu announces its Q4 and 2009 financial results and a 12.5% increase in the dividend

- For the fourth quarter ended November 30, 2009, Richelieu recorded net **earnings** of $0.45 per share, compared with $0.46 per share for the corresponding quarter of 2008.
- The **EBITDA margin** improved over the corresponding quarter of 2008 to reach 14.5%.
- For 2009, Richelieu achieved **net earnings** of $30.4 million or $1.38 per share on **consolidated sales** of $424.4 million. **Cash flows from operating activities** totalled $57.4 million, an increase of 39.2%.
- The Company remains in **an excellent financial position** with **a positive net cash balance** of $47.8 million, **a working capital** of $150.5 million for a current ratio of 4.7:1 and almost no debt.
- **Richelieu further expanded its network** with **two new distribution centre start-ups in the United States:** Louisville (Kentucky) and Cincinnati (Ohio), and the **acquisition** of the principal assets of Paint Direct Inc. (Calgary, Alberta).
- *Event subsequent to November 30, 2009* – Richelieu closed **another acquisition in the United States**: Woodland Specialties (Syracuse, New York).
- **Increase of 12.5% in the dividend which rises from $0.08 to $0.09 — a dividend** of $0.09 per share is payable on February 25, 2010 to shareholders of record as at February 11, 2010.

TSX: RCH

Montreal, January 28, 2010 — In 2009, Richelieu's operations continued to generate substantial cash flows ─ the Company further strengthened its balance sheet and expanded its network which now comprises 50 centres in North America. In view of the economic crisis that caused a decrease in residential and commercial renovation spending in the United States, Western and Central Canada, Richelieu recorded a satisfactory financial performance, although its results showed a decline. The Company posted net earnings of $30.4 million or $1.38 per share on consolidated sales of $424.4 million for 2009, compared with net earnings of $35.6 million or $1.56 per share on consolidated sales of $441.4 million for the previous year.

"Our financial results attest to the validity of the strategy implemented in view of the economic crisis, specifically tight expense reduction measures, a focus on rigorous operational management and the efficiency of the integrated supply chain management for better inventory control and the optimization of customer service. Despite a more challenging environment, we continued to increase our market share and customer base throughout the year, which bodes well for our future growth once the economy further recovers," indicated Richard Lord, President and Chief Executive Officer of Richelieu.

ANALYSIS OF OPERATING RESULTS FOR THE YEAR ENDED NOVEMBER 30, 2009 COMPARED WITH THE YEAR ENDED NOVEMBER 30, 2008

For the year ended November 30, 2009, Richelieu recorded a performance that was all the more satisfactory since the year's difficult conditions caused a slowdown, among others, in the residential and commercial renovation industry, which is the Company's primary source of growth. The United States, Western and Central Canada were more affected by this downturn, whereas Eastern Canada was relatively less so, enabling Richelieu to achieve growth in this market. Despite this challenging context, the Company maintained a good business volume and recorded **consolidated sales** of $424.4 million for 2009, a decrease of 3.9% from the previous year, of which a 4.5% internal decrease, whereas the growth-by-acquisition was 0.6% [Top Supplies, Inc. ("Top Supplies"), North Carolina, acquired in April 2008 - Acroma Sales Ltd. ("Acroma"), British Columbia, acquired in July 2008 - Paint Direct Inc., Alberta, acquired on November 4, 2009].

The average annual growth in consolidated sales stood at 5.8% for the last five years.

Sales to manufacturers amounted to $345.2 million in 2009, down from $363.2 million in 2008. This 5.0% decline is due primarily to the economic context and more difficult export conditions affecting Canadian manufacturers. Conversely, **sales to hardware retailers** and renovation superstores, recorded mostly in Canada, grew by 1.2% to $79.1 million in 2009. The most significant increase in the retailers market was posted in Western Canada through market penetration efforts made in recent years.

In Canada, **sales** amounted to $356.6 million in 2009, compared with $365.0 million in 2008, a decline of 2.3%, of which a 2.8% internal decrease and a 0.5% growth mainly from the acquisition of Acroma. Sales in Canada accounted for 84.0% of 2009 consolidated sales, compared with 82.7% in 2008.

In the United States, sales totalled US$58.5 million, down 19.9% from the previous year. This decline is attributable to a 20.6% internal decrease, whereas the growth from the contribution of Top Supplies was 0.7%. On account of the exchange rate, sales in the United States amounted to CA$67.7 million, compared with CA$76.4 million for 2008, thereby representing 16.0% of 2009 consolidated sales, versus 17.3% in 2008.

Earnings before income taxes, interest, amortization and non-controlling interest (EBITDA) amounted to $51.3 million, down 11.9% from 2008. During the first half, Richelieu's gross margin declined due to the market penetration costs incurred in the first quarter to enhance its offering and presence in the retailers market and to the increase in supply costs that affected second-quarter results. This increase was caused by the weak Canadian dollar in relation to the U.S. dollar during the first quarter, whereas selling prices could not be adjusted accordingly in light of the sudden strengthening of the Canadian dollar in the second quarter. These factors were offset in the second half by an adjustment of selling prices and an improvement in the gross margin in the United States resulting from the mix of products sold. Thus, Richelieu's 2009 gross profit margin was relatively equivalent to that of the previous year. In a more challenging business context, the Company redoubled its efforts with respect to cost control and the rigorous management of selling prices. Considering the year's sales decrease and the exchange loss incurred during the year (versus an exchange gain in 2008) as a result of the strong fluctuations in the Canadian dollar/U.S. dollar exchange rate, the 2009 **EBITDA margin** stood at 12.1%, down 1.1% from 2008.

The average annual EBITDA growth stood at 3.4% for the last five years.

Amortization of capital assets increased by $0.9 million due primarily to the expansion completed in 2008, whereas amortization of intangible assets was relatively stable compared with 2008, at $1.3 million.

Income taxes amounted to $14.2 million, down by $2.6 million from 2008, mainly reflecting the decline in earnings and the gradual reduction in the Canadian tax rate effective January 1, 2008.

Richelieu posted **net earnings** of $30.4 million for 2009, down 14.6% from 2008. They represented 7.2% of consolidated sales, compared with 8.1% the previous year. **Earnings per share** amounted to $1.38 (basic and diluted), versus $1.56 (basic and diluted) for 2008; the average number of shares outstanding has decreased by approximately 4% over the past 12 months due to the purchase of common shares under Richelieu's normal course issuer bid.

The average annual growth in consolidated net earnings stood at 3.1% for the last five years

On account of a negative adjustment of $7.8 million on translation of the financial statements of the self-sustaining subsidiary in the United States, **comprehensive income** totalled $22.6 million for 2009.

Fourth quarter ended November 30, 2009

In the fourth quarter, Richelieu improved several of its performance indicators compared with the first three quarters of 2009 and achieved efficiency gains from market development, product mix and inventory management and expense control. The Company recorded good results, despite the difficult economic conditions that continued to affect the United States and Western Canada and caused a slowdown from the same period of the previous year, whereas the Eastern Canadian market yielded a slight growth over the same period of the previous year. Fourth-quarter **consolidated sales** totalled $110.7 million, down 6.7% from the corresponding period of 2008. This variation came from a 6.8% internal decrease and a 0.1% growth reflecting the contribution of Paint Direct acquired in the fourth quarter.

Earnings before income taxes, interest, amortization and non-controlling interest (EBITDA) amounted to $16.1 million, down 4.9% from $16.9 million for the fourth quarter of 2008. The gross profit margin improved over the same quarter of 2008. Canadian distribution and manufacturing operations generated a gross margin equivalent to the corresponding quarter of the previous year, whereas U.S. operations yielded a higher gross margin than the same quarter of the previous year due to the mix of products sold. **The EBITDA margin** therefore improved to 14.5% from 14.2% in the same quarter of 2008. In addition to the improvement in the gross margin, this positive variation reflects the reduction in fixed expenses resulting from the implementation of cost-cutting measures.

Net earnings amounted to $9.9 million, down 3.5% from the fourth quarter of the previous year. Driven by the factors indicated for the EBITDA margin, the net profit margin improved to 8.9% from 8.6% for the last three months of the previous year. **Earnings per share** amounted to $0.45 (basic and diluted), compared with $0.46 (basic and diluted) for the fourth quarter of 2008, a decrease of 2.2%.

Cash flows from operating activities (before net change in non-cash working capital balances related to operations) amounted to $10.7 million or $0.48 per share, compared with $12.6 million or $0.55 per share for the fourth quarter of 2008, mainly reflecting the decrease in net earnings and variation in future income taxes. In the current context of slower demand, the Company concentrated on supply management, enabling it to reduce its inventories while maintaining excellent customer service. Consequently, operating activities provided cash flows of $18.6 million, up from $14.6 million for the corresponding period of the previous year.

Financing activities used net cash flows of $5.9 million to pay $1.8 million in shareholder dividends and to purchase common shares under the normal course issuer bid for a consideration of $4.1 million during the fourth quarter.

Investing activities used cash flows of $1.2 million, including $0.7 million for the acquisition of Paint Direct on November 4, 2009 and $0.5 million for various capital assets.

FINANCIAL POSITION

Analysis of principal cash flows for 2009

Operating activities provided cash flows (before net change in non-cash working capital balances related to operations) of $37.1 million or $1.69 per share, compared with $42.9 million or $1.88 per share for 2008, mainly reflecting the decline in net earnings and changes in capital assets and future income taxes. Net change in non-cash working capital balances related to operations represented a cash inflow of $20.3 million, as opposed to a cash outflow of $1.7 million for the previous year. This variation is due primarily to the substantial reduction in inventories and accounts receivable in 2009. Consequently, operating activities provided cash flows of $57.4 million for 2009, compared with $41.2 million for 2008.

During 2009, Richelieu paid a total of $7.0 million in shareholder dividends, representing 23% of the year's net earnings and relatively equivalent to the amount paid the previous year. The Company purchased common shares for cancellation for $4.2 million in 2009, compared with a common share repurchase of $20.1 million in 2008. During the previous year, the Company had repaid $7.4 million of long-term debt, whereas it repaid $36,000 of long-term debt in 2009. Financing activities thus used total cash flows of $11.2 million in 2009, compared with $34.6 million the previous year.

During the year, Richelieu invested $3.6 million, including $2.9 million mainly in displays targeted to renovation superstores, computer equipment and rolling stock for warehouses, and $0.7 million in the fourth-quarter acquisition of the distributor Paint Direct Inc.

As at November 30, 2009, Richelieu had substantial **cash and cash equivalents**, which amounted to $48.4 million, compared with $6.1 million as at November 30, 2008. The Company also posted a **working capital** of $150.5 million for a current ratio of 4.7:1, compared with $130.9 million and a 4.3:1 ratio at the end of the previous year.

Richelieu estimates that it has the capital resources needed to fulfill its commitments and respect its ongoing obligations in 2010. Its cash flows from operating activities should suffice for the funding requirements arising from its growth strategy and its financing and investing activities planned for the year ending November 30, 2010. Furthermore, Richelieu has an **authorized line of credit** of $26.0 million, renewable annually and bearing interest at the bank's prime rate, and has obtained a new authorized and renewable line of credit of US$5 million bearing interest at the bank's prime rate plus 2%. These lines of credit were unused as at November 30, 2009. In addition, the Company could obtain access to other outside financing if necessary.

Balance sheet analysis as at November 30, 2009

Total assets amounted to $286.5 million as at November 30, 2009, compared with $273.5 million a year earlier, an increase of $13.0 million or 4.8%. The acquisition of Paint Direct represents assets of $1.2 million. As at November 30, 2009, current assets were up by $21.0 million over a year earlier, reflecting a $42.3 million increase in cash and cash equivalents, whereas inventories were down by $15.9 million and accounts receivable by $4.4 million.

Richelieu's debt remained almost nil, at $0.7 million. Deducting cash and cash equivalents, the Company therefore had **total cash net of debt** of $47.8 million at the end of 2009. Thus, Richelieu continues to benefit from a healthy and solid financial position, enabling it to pursue its business strategy, particularly by way of business acquisitions in its sector and distribution centre start-ups in North America.

Shareholders' equity totalled $240.5 million as at November 30, 2009, up from $228.2 million as at November 30, 2008; this $12.3 million or 5.4% increase reflects the $19.4 million growth in retained earnings which amounted to $224.0 million as at November 30, 2009 and a contributed surplus of $3.9 million, less accumulated other comprehensive income of $4.3 million. **The book value per share** was $11.04 at the end of 2009, compared with $10.39 as at November 30, 2008.

The total interest-bearing debt to shareholders' equity ratio was stable at 0.3% as at November 30, 2009.

Events subsequent to November 30, 2009

On December 1, 2009, the Company acquired the principal net assets of Woodland Specialties Inc. for a consideration of $0.5 million, excluding acquisition fees. Based in Syracuse (New York, U.S.), Woodland is a distributor of hardware products, high-pressure laminates, finishing products and other complementary products targeted mainly to kitchen cabinet makers and the commercial woodworking segment.

On December 29, 2009, the Company decided to discontinue its ceramic distribution activities and entered into a selling agreement to dispose of its inventories for a conditional consideration of $2.8 million. The closing date of this transaction is scheduled for January 29, 2010. For the year ended November 30, 2009, sales of the ceramic distribution activities amounted to $8.8 million.

Profile as at January 28, 2010

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 65,000 different items targeted to a base of over 40,000 customers who are served by 50 centres in North America – 30 distribution centres across Canada, 18 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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The Management's Report for the year ended November 30, 2009, along with the audited consolidated financial statements and accompanying notes, are filed as of today on SEDAR (www.sedar.com).

Notes to readers — Richelieu uses earnings before income taxes, interest, amortization and non-controlling interest (“EBITDA”) because this measure enables management to assess the Company’s operational performance. This measure is a widely accepted financial indicator of a company’s ability to service and incur debt. However, EBITDA should not be considered by an investor as an alternative to operating income or net earnings, an indicator of operating performance or cash flows, or as a measure of liquidity. Because EBITDA is not a standardized measurement as prescribed by GAAP, it may not be comparable to the EBITDA of other companies. Certain statements set forth in this press release, such as statements about the growth outlook, constitute forward-looking statements. In some cases, these statements are identified by the use of terms such as “may”, “could”, “might”, “intend”, “should”, “expect”, “project”, “plan”, “believe”, “estimate” or the negative form of these expressions or other comparable variants. These statements are based on the information available at the time they are written, on assumptions made by management and on the expectations of management, acting in good faith, regarding future events, including those relating to economic conditions, fluctuations in exchange rates and operating expenses, and the absence of unusual events entailing supplementary expenditures. Although management considers these assumptions and expectations reasonable based on the information available at the time they are written, they could 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 2008 Annual Report as well as its Annual Information Form, which are available on the System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com. 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 – JANUARY 28, 2010 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 January 28, 2010 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 5:30 p.m. on January 28, 2010 until midnight on February 4, 2010, by dialing **1-800-642-1687, access code: 50855970.** 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
(in thousands of dollars, except per-share amounts)

	12 Months		3 Months	
Periods ended November 30	**2009**	2008	**2009**	2008
	$	$	**$**	$
	(audited)		(unaudited)	
Sales	**424,375**	441,428	**110,706**	118,702
Cost of sales and warehouse, selling and administrative expenses	**373,083**	383,180	**94,648**	101,813
Earnings before the following	**51,292**	58,248	**16,058**	16,889
Amortization of capital assets	**5,063**	4,159	**1,037**	977
Amortization of intangible assets	**1,348**	1,299	**545**	573
Interest,net	**--**	104	**64**	(2)
	6,411	5,562	**1,646**	1,548
Earnings before income taxes and non-controlling interest	**44,881**	52,686	**14,412**	15,341
Income taxes	**14,183**	16,749	**4,421**	4,928
Earnings before non-controlling interest	**30,698**	35,937	**9,991**	10,413
Non-controlling interest	**294**	330	**111**	173
Net earnings	**30,404**	35,607	**9,880**	10,240
Earnings per share				
Basic	**1.38**	1.56	**0.45**	0.46
Diluted	**1.38**	1.56	**0.45**	0.46

Consolidated statements of retained earnings
(in thousands of dollars)

	12 Months		3 Months	
Periods ended November 30	**2009**	2008	**2009**	2008
	$	$	**$**	$
	(audited)		(unaudited)	
Net earnings	**30,404**	35,607	**9,880**	10,240
Retained earnings, beginning of period	**204,591**	195,511	**219,784**	206,473
Dividends	**(7,032)**	(7,301)	**(1,758)**	(1,805)
Premium on redemption of common shares for cancellation	**(3,977)**	(19,226)	**(3,920)**	(10,317)
Retained earnings, end of period	**223,986**	204,591	**223,986**	204,591

Consolidated statements of comprehensive income
(in thousands of dollars)

	12 Months		3 Months	
Periods ended November 30	**2009**	2008	**2009**	2008
	$	$	**$**	$
	(audited)		(unaudited)	
Net earnings	**30,404**	35,607	**9,880**	10,240
Components of comprehensive income:				
Change in fair value of derivatives designated as cash flow hedges, net of income taxes	**--**	--	**--**	(192)
Translation adjustment of the net investment in self-sustaining foreign operations	**(7,825)**	9,698	**(1,683)**	7,665
Comprehensive income	**22,579**	45,305	**8,197**	17,713

Consolidated statements of cash flows
(in thousands of dollars)

	12 Months		3 Months	
Periods ended November 30	**2009**	2008	**2009**	2008
	$	$	**$**	$
	(audited)		(unaudited)	
OPERATING ACTIVITIES				
Net earnings	**30,404**	35,607	**9,880**	10,240
Non-cash items				
Amortization of capital assets	**5,063**	4,159	**1,037**	977
Amortization of intangible assets	**1,348**	1,299	**545**	573
Future income taxes	**(885)**	457	**(1,111)**	407
Non-controlling interest	**294**	330	**111**	173
Stock-based compensation expense	**885**	1,055	**212**	264
	37,109	42,907	**10,674**	12,634
Net change in non-cash working capital balances related to operations	**20,257**	(1,686)	**7,972**	1,934
	57,366	41,221	**18,646**	14,568
FINANCING ACTIVITIES				
Repayment of long-term debt	**(36)**	(7,401)	**--**	(7,195)
Dividends paid	**(7,032)**	(7,301)	**(1,758)**	(1,805)
Issue of common shares	**8**	203	**8**	14
Redemption of common shares for cancellation	**(4,176)**	(20,124)	**(4,116)**	(10,835)
	(11,236)	(34,623)	**(5,866)**	(19,821)
INVESTING ACTIVITIES				
Business acquisitions	**(706)**	(1,094)	**(706)**	(44)
Additions to capital assets	**(2,912)**	(7,277)	**(467)**	(2,002)
	(3,618)	(8,371)	**(1,173)**	(2,046)
Effect of exchange rate fluctuations on cash and cash equivalents	**(196)**	20	**(165)**	126
Net change in cash and cash equivalents	**42,316**	(1,753)	**11,442**	(7,173)
Cash and cash equivalents, beginning of the period	**6,126**	7,879	**37,000**	13,299
Cash and cash equivalents, end of the period	**48,442**	6,126	**48,442**	6,126
Supplemental information				
Income taxes paid	**15,269**	17,149	**3,324**	4,071
Interest paid	**(129)**	458	**(24)**	1

Consolidated balance sheets
(in thousands of dollars) (audited)

As at November 30	**2009**	2008
	$	$
ASSETS		
Current assets		
Cash and cash equivalents	**48,442**	6,126
Accounts receivable	**55,793**	60,236
Inventories	**87,058**	102,963
Prepaid expenses	**327**	1,273
	191,620	170,598
Capital assets	**19,569**	21,915
Intangible assets	**12,853**	15,199
Goodwill	**62,449**	65,772
	286,491	273,484
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**40,108**	38,774
Income taxes payable	**676**	681
Current portion of long-term debt	**351**	278
	41,135	39,773
Long-term debt	**317**	371
Future income taxes	**1,407**	2,308
Non-controlling interest	**3,132**	2,838
	45,991	45,250
Shareholders' equity		
Capital stock	**16,916**	17,105
Contributed surplus	**3,922**	3,037
Retained earnings	**223,986**	204,591
Accumulated other comprehensive income	**(4,324)**	3,501
	240,500	228,234
	286,491	273,484