Interim Report
Three-month and six-month periods ended May 31, 2009

2

Richelieu

Message to Shareholders

For the second quarter ended May 31, 2009, Richelieu achieved net earnings of $7.3 million or $0.33 per share on sales of $110.1 million, and first-half net earnings totalled $11.7 million or $0.53 per share on sales of $204.2 million. In the first six months, we further increased our liquidity, ending the period with a working capital of $138.9 million, a record current ratio of 5.2:1, a cash balance of $12.7 million and very low debt of $0.6 million, which maintains the Company in excellent financial health.

While relatively satisfactory, these results are lower than in the corresponding periods of 2008 due to the impact of the economic slowdown on the residential and commercial renovation market in the United States, as well as in Canada, in particular Western and Central Canada. Thus, since the beginning of the year, our earnings have sustained a downward pressure due to more difficult conditions, especially in the manufacturers market.

Pursuant to the action plan we implemented early in the year, we are focusing on market development with a diversified offering, including innovations tailored to customers' current needs, efficient distribution logistics and an optimal quality of service. Our sales at www.richelieu.com are growing, and 13.7% of our second-quarter sales to cabinet makers were recorded on our website. We are also further improving our distribution centres and pursuing our network development. While maintaining the excellent quality of our teams, we are continuing to rigorously control operating costs and administrative expenses and to tightly manage our liquidity and working capital.

Despite a very challenging economic environment, we remain well positioned to carry on our business strategy and create long-term value. On June 1st, 2009, we opened two new distribution centres in Louisville (Kentucky, U.S.) and Cincinnati (Ohio, U.S.) to increase our presence in these markets, and we are also looking at various growth opportunities. Regarding the acquisition of Acroma Sales Ltd. in July 2008, we have integrated its two branches into our Vancouver and Kelowna centres as planned upon the transaction in order to achieve cost savings and sales synergies.

Next dividend payment

At its meeting on July 9, 2009, the Board of Directors approved the payment of a quarterly dividend of $0.08 per share. This dividend is payable on August 6, 2009 to shareholders of record as at July 23, 2009.

Management's Discussion and Analysis
of Operating Results and Financial Position for the Second Quarter and First Six Months Ended May 31, 2009

This management's report relates to Richelieu's consolidated operating results and cash flows for the second quarter and first six months ended May 31, 2009 in comparison with the second quarter and first half ended May 31, 2009, as well as its financial position at those dates. This report should be read in conjunction with the unaudited consolidated financial statements and accompanying notes for the second quarter and first six months of 2009 as well as the analysis and notes to the audited consolidated financial statements for the year ended November 30, 2008 appearing in the 2008 Annual Report. In this management's report, "Richelieu" or the "Company" designates, as the case may be, Richelieu Hardware Ltd. and its subsidiaries and divisions, or one of its subsidiaries or divisions. Supplementary information, including certificates for the interim period ended May 31, 2009, signed by the Company's President and Chief Executive Officer and Vice-President and Chief Financial Officer, is available on SEDAR's website at www.sedar.com.

The information contained in this management's report accounts for any major event occurring prior to July 9, 2009, on which date the unaudited consolidated financial statements and the management's report were approved by the Company's Board of Directors. Unless otherwise indicated, the financial information presented below, including tabular amounts, is expressed in Canadian dollars and prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The interim consolidated financial statements have not been audited or reviewed by the Company's auditors.

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.

FORWARD-LOOKING STATEMENTS

Certain statements set forth in this management's report, including statements relating to the expected sufficiency of cash flows to cover contractual commitments, growth outlook, Richelieu's competitive position in its industry, Richelieu's ability to face the current economic climate 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 economic conditions, exchange rate fluctuations, changes in operating expenses, the sufficiency of the Company's deliveries, the absence of unusual events requiring supplementary capital expenditures and the availability of credit.

Although management believes these assumptions and expectations to be 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 and product liability, as well as other factors set forth in the Company's 2008 Annual Report (see the "Risk Management" section on page 29 of the 2008 Annual Report available on SEDAR 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.

GENERAL BUSINESS OVERVIEW as at May 31, 2009

Richelieu Hardware Ltd. is a leading North American importer, distributor and manufacturer of specialty hardware and related 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**. The residential and commercial renovation industry is the Company's major source of growth.

Richelieu offers customers a broad mix of products sourced from manufacturers worldwide. The solid relationships Richelieu has built with the world's leading suppliers enable it provide customers with the latest innovative products tailored to their business needs. The Company's product selection consists of **more than 58,000 stock-keeping units (SKUs)** targeted to a base of **over 40,000 customers** who are served by **49 centres in North America** – 29 distribution centres across Canada, 18 in the United States and two manufacturing plants in Canada.

Main product categories include functional cabinet hardware and assembly products for the manufacture of furniture and kitchen cabinets, decorative hardware products, high-pressure laminates, decorative and functional panels, veneer sheets and edgebanding products, kitchen accessories, ergonomic workstation components, ceramic tiles, finishing products, whiteboards and tackboards. Richelieu also specializes in the manufacture of a wide variety of veneer sheets and edgebanding products through its subsidiary Cedan Industries Inc., and of components for the window and door industry and of mouldings through Menuiserie des Pins Ltée. In addition, some of the Company's products are manufactured in Asia according to its specifications and those of its customers.

The Company employs over 1,200 people at its head office and throughout the network, close to half of whom work in marketing, sales and customer service. More than 60% of its employees are Richelieu shareholders.

MISSION AND STRATEGY

Richelieu's mission is to create shareholder value and contribute to its customers' growth and success, while favouring a business culture focused on quality of service and results, partnership and entrepreneurship.

To sustain its growth and remain the leader in its specialty market, the Company continues to implement the strategy that has benefited it until now, with a focus on:

+ continuing to strengthen its product selection by introducing every year an average of over 1,000 diversified products that meet its market segment needs and position it as the specialist in functional and decorative hardware for manufacturers and retailers;
+ further developing its current markets in Canada and the United States with the support of a specialized sales and marketing force capable of providing customers with personalized service; and
+ expanding in North America through the opening of distribution centres and through efficiently integrated, profitable acquisitions made at the right price, offering high growth potential and complementary to its product mix and expertise

Richelieu's solid and efficient organization, highly diversified product selection and long-term relationships with leading suppliers worldwide position it to compete effectively in a fragmented market consisting mainly of a host of regional distributors who distribute a limited range of products.

SELECTED CONSOLIDATED QUARTERLY INFORMATION (Unaudited)

Periods ended May 31

(in thousands of $, except per-share amounts,ratio and number of outstanding shares)	3 months			6 months		
	2009 $	2008 $	Δ%	**2009 $**	2008 $	Δ%
Sales	**110,083**	114,845	- 4.1	**204,235**	210,927	- 3.2
EBITDA	**12,336**	14,980	- 17.7	**20,383**	25,548	-20.2
EBITDA margin (%	***11.2***	*13.0*		***10.0***	*12.1*	
Net earnings	**7,306**	9,100	- 19.7	**11,654**	15,728	-25.9
• basic per share	**0.33**	0.40	- 17.5	**0.53**	0.68	- 22.1
• diluted per share	**0.33**	0.40	- 17.5	**0.53**	0.68	- 22.1
Cash flows*	**9,249**	10,843	- 14.7	**15,550**	18,846	- 17.5
• per share	**0.42**	0.47	- 10.6	**0.71**	0.82	- 13.4
Cash dividends paid on shares	**1,758**	1,823	- 3.6	**3,516**	3,672	- 4.2
• per share	**0.08**	0.08		**0.16**	0.16	
Weighted average number of shares outstanding (diluted) (in thousands)	**21,972**	22,831		**21,973**	22,970	

Balance sheet data

As at May 31	**2009**	2008	Δ%
Total assets	**269,493**	266,710	+ 1.0
Working capital	**138,919**	125,876	+ 10.4
Shareholders' equity	**230,485**	215,482	+ 7.0
Return on average equity (%)	**14.1**	16.9	
Book value ($)	**10.49**	9.45	+ 11.0
Total interest-bearing debt	**550**	6,853	- 92.0
Cash and cash equivalents	**12,653**	6,409	+ 97.4

* Cash flows from operating activities before net change in non-cash working capital balances related to operations

OPERATING RESULTS FOR THE SECOND QUARTER AND FIRST SIX MONTHS ENDED MAY 31, 2009 COMPARED WITH THE SECOND QUARTER AND FIRST SIX MONTHS ENDED MAY 31, 2008

Second-quarter consolidated sales totalled $110.1 million, down 4.1% from the same quarter of 2008. This $4.7 million decline reflects a 4.8% internal decrease and a 0.6% growth from the acquisition of Top Supplies Inc. ("Top Supplies") inApril 2008 and Acroma Sales Ltd. ("Acroma") in July 2008. It is due mainly to a reduction in residential and commercial renovation spending in the United States and Canada under more challenging economic conditions.

Sales to **manufacturers** amounted to $90.1 million, down by $4.9 million or 5.2% from the same quarter of 2008. Conversely, sales to hardware **retailers** and renovation superstores, recorded primarily in Canada, grew to $20.0 million, up slightly by 0.8% over the corresponding quarter of the previous year.

In Canada, Richelieu recorded sales of $92.0 million, down by $3.7 million or 3.8% from the second quarter of 2008, reflecting a 4.5% internal decrease and a 0.7% growth from the acquisition of Acroma. This decline stemmed primarily from a more significant slowdown in the Western and Central Canadian markets. Canadian sales accounted for 83.6% of second-quarter consolidated sales. **In the United States**, sales amounted to US$14.8 million, down by US$4.2 million or 22.0% – whereas the growth from the acquisition of Top Supplies was 0.5%, the internal decrease was 22.5% for the quarter. Expressed in Canadian dollars, U.S. sales totalled $18.0 million, compared with $19.1 million for the corresponding quarter of 2008, a decrease of 5.7%. They accounted for 16.4% of second-quarter consolidated sales.

SALES

Periods ended May 31 *(in thousands of $, except exchange rate)*	3 months			6 months		
	2009 $	2008 $	Δ%	**2009 $**	2008 $	Δ%
Canada	**92,041**	95,718	- 3.8	**168,087**	174,569	- 3.7
United States (CA$)	**18,042**	19,127	- 5.7	**36,148**	36,358	- 0.6
(US$)	**14,838**	19,031	-22.0	**29,496**	36,181	- 18.5
Average exchange rate	***1.2159***	*1.0051*		***1.2255***	*1.0049*	
Consolidated sales	**110,083**	114,845	- 4.1	**204,235**	210,927	- 3.2

First-half consolidated sales declined by 3.2% to $204.2 million, reflecting a 4.0% internal decrease and a 0.9% growth from the contribution of Top Supplies and Acroma.

Sales to **manufacturers** totalled $167.2 million, down 3.6% from the first six months of the previous year. Sales to hardware **retailers** and renovation superstores stood at $37.0 million, a slight decline of 1.2% from the first half of the previous year.

In Canada, Richelieu recorded sales of $168.1 million, down 3.7% from the first half of 2008, reflecting a 4.4% internal decrease and a 0.7% growth from Acroma's contribution. This decline was recorded in the Central and Western Canadian markets, whereas a 0.4% increase was posted in Eastern Canada. Canadian sales accounted for 82.3% of first-half consolidated sales. **In the United States**, sales amounted to US$29.5 million, down by US$6.7 million or 18.5% – whereas the growth from the acquisition of Top Supplies was 1.4%, the internal decrease was 19.9% for the first six months of the year. Expressed in Canadian dollars, U.S. sales totalled $36.1 million, down 0.6% from the corresponding six months of 2008. They accounted for 17.7% of first-half consolidated sales.

CONSOLIDATED EBITDA AND EBITDA MARGIN

Periods ended May 31 *(in thousands of $)*	3 months			6 months		
	2009 $	2008 $	Δ%	**2009 $**	2008 $	Δ%
Sales	**110,083**	114,845	- 4.1	**204,235**	210,927	- 3.2
EBITDA	**12,336**	14,980	- 17.7	**20,383**	25,548	-20.2
EBITDA margin (%)	***11.2***	*13.0*		***10.0***	*12.1*	

Second-quarter earnings before income taxes, interest, amortization and non-controlling interest (EBITDA) stood at $12.3 million, down 17.7% from the corresponding quarter of 2008. The gross profit margin decreased due primarily to the higher supply costs caused by the weak Canadian dollar in relation to the U.S. dollar in the first quarter and the fact that selling prices could not be adjusted accordingly because of the sudden strengthening of the Canadian dollar in the second quarter. Considering this factor and the sales decrease, the EBITDA margin slipped to 11.2% from 13.0% in the second quarter of 2008. This margin is satisfactory since it also includes market penetration costs incurred by the Company to further increase its presence in the retailers market.

Amortization of capital assets increased by $0.3 million, due primarily to the expansion in 2008, whereas amortization of intangible assets was stable compared with the corresponding period, at approximately $0.3 million.

Income taxes decreased by $1.0 million to $3.4 million, due to the lower earnings and the reduction in the Canadian tax rate effective January 1st, 2008.

First-half earnings before income taxes, interest, amortization and non-controlling interest (EBITDA) totalled $20.4 million, down 20.2% from the corresponding six months of 2008. The gross profit margin was affected by the market penetration costs incurred during the first quarter to increase Richelieu's offering and presence in the retailers including renovation superstores market and by the factor that impacted the second quarter. The EBITDA margin slipped to 10.0% from 12.1% in the first half of 2008 as a result of the decline in the gross profit margin and sales.

Amortization of capital assets increased by $0.6 million, due primarily to the expansion in 2008, whereas amortization of intangible assets was relatively stable compared with the first half of 2008, at approximately $0.5 million.

Income taxes decreased by $1.6 million to $5.5 million, due to the lower earnings and the reduction in the Canadian tax rate effective January 1st, 2008.

CONSOLIDATED NET EARNINGS

Periods ended May 31 *(in thousands of $)*	3 months 2009 $	2008 $	△%	6 months 2009 $	2008 $	△%
EBITDA	**12,336**	14,980	- 17.7	**20,383**	25,548	-20.2
Amortization of capital and intangible assets	**1,603**	1,288	- 24.5	**3,220**	2,540	-26.8
Interest	**(49)**	99		**(47)**	125	
Income taxes	**3,424**	4,434		**5,490**	7,093	
Non-controlling interest	**52**	59		**66**	62	
Net earnings	**7,306**	9,100	- 19.7	**11,654**	15,728	-25.9
Net profit margin (%)	***6.6***	*7.9*		***5.7***	*7.5*	
Comprehensive income (loss)	**(517)**	9,404		**5,367**	15,493	

In the second quarter, Richelieu posted **net earnings** of $7.3 million, down 19.7% from the same period of 2008. The net profit margin as a percentage of consolidated sales worked out to 6.6%. **Earnings per share** amounted to $0.33 (basic and diluted), a decrease of 17.5%.

An adjustment of $7.8 million on translation of the financial statements of the self-sustaining subsidiary in the United States resulted in a **comprehensive loss** of $0.5 million.

First-half net earnings totalled $11.7 million, down 25.9% from the same period of 2008, and the net profit margin as a percentage of consolidated sales worked out to 5.7%. **Earnings per share** amounted to $0.53 (basic and diluted), a decrease of 22.1%.

Comprehensive income amounted to $5.4 million, on account of an adjustment of $6.3 million on translation of the financial statements of the self-sustaining subsidiary in the United States.

SUMMARY OF QUARTERLY FINANCIAL RESULTS (Unaudited)
(in thousands of $, except per-share amounts)

Quarters	1	2	3	4
2009				
Sales	**94,152**	**110,083**		
EBITDA	**8,047**	**12,336**		
Net earnings	**4,348**	**7,306**		
basic per share	**0.20**	**0.33**		
diluted per share	**0.20**	**0.33**		
2008				
Sales	96,082	114,845	111,799	118,702
EBITDA	10,569	14,980	15,811	16,889
Net earnings	6,628	9,100	9,639	10,240
basic per share	0.29	0.40	0.42	0.46
diluted per share	0.29	0.40	0.42	0.46
2007				
Sales	94,509	116,331	111,921	113,396
EBITDA	10,470	14,784	15,514	16,333
Net earnings	5,973	8,651	9,110	10,220
basic per share	0.26	0.37	0.39	0.44
diluted per share	0.26	0.37	0.39	0.44

Quarterly variations in earnings – The first quarter ending February 28 or 29 is generally the year's weakest for Richelieu in light of the smaller number of business days due to the end-of-year holiday period and a wintertime slowdown in renovation and construction work. The third quarter ending August 31 also includes a smaller number of business days due to the summer holidays, which can be reflected in the period's financial results. The second and fourth quarters respectively ending May 31 and November 30 generally represent the year's most active periods.

FINANCIAL POSITION

Analysis of principal cash flows for the second quarter and first six months ended May 31, 2009

CHANGE IN PRINCIPAL CASH FLOWS AND CAPITAL RESOURCES

Periods ended May 31 *(in thousands of $)*	3 months 2009 $	2008 $	6 months 2009 $	2008 $
Cash flows provided by (used for):				
Operating activities	**11,960**	10,964	**11,934**	12,066
Financing activities	**(1,794)**	(7,092)	**(3,612)**	(9,838)
Investing activities	**(835)**	(2,984)	**(1,772)**	(3,491)
Effect of exchange rate fluctuations	**136**	(149)	**(23)**	(207)
Net change in cash and cash equivalents	**9,467**	739	**6,527**	(1,470)
Cash and cash equivalents, beginning of period	**3,186**	5,670	**6,126**	7,879
Cash and cash equivalents, end of period	**12,653**	6,409	**12,653**	6,409
Working capital	**138,919**	125,876	**138,919**	125,876
Renewable line of credit	**26,000**	26,000	**26,000**	26,000

Operating activities

Second-quarter operating activities provided cash flows (before net change in non-cash working capital balances related to operations) of $9.2 million or $0.42 per share, compared with $10.8 million or $0.47 per share for the second quarter of 2008, mainly reflecting the decline in net earnings. Net change in non-cash working capital balances related to operations provided cash flows of $2.7 million, compared with $0.1 million for the second quarter of 2008. Whereas accounts receivable and income taxes payable used cash flows of $7.6 million and $0.8 million respectively, changes in inventories and accounts payable generated cash flows of $8.9 million and $2.2 million respectively. Consequently, operating activities provided cash flows of $12.0 million, compared with $11.0 million for the second quarter of 2008.

First-half operating activities provided cash flows (before net change in non-cash working capital balances related to operations) of $15.6 million or $0.71 per share, compared with $18.8 million or $0.82 per share for the first six months of 2008, mainly reflecting the decline in net earnings. Net change in non-cash working capital balances related to operations used cash flows of $3.6 million, since accounts payable and income taxes payable each increased by $4.8 million and changes in inventories and accounts receivable generated cash flows of $3.9 million and $2.1 million respectively. Consequently, operating activities provided cash flows of $11.9 million, compared with $12.1 million for the first half of 2008.

Financing activities

Second-quarter financing activities used cash flows of $1.8 million, compared with $7.1 million for the second quarter of 2008. The Company paid $1.8 million in shareholder dividends, relatively equivalent to the second quarter of the previous year, and purchased no common shares for cancellation, whereas it purchased shares for $5.3 million in the second quarter of 2008.

First-half financing activities used cash flows of $3.6 million, compared with $9.8 million for the corresponding period of 2008. The Company paid $3.5 million in shareholder dividends, relatively equivalent to the first six months of the previous year. Common shares were purchased for cancellation for a consideration of approximately $0.1 million, compared with a $6.1 million share purchase in the corresponding six months of 2008.

Investing activities

In the second-quarter, Richelieu invested $0.8 million, primarily in the design and manufacture of displays targeted to the retailers market, compared with $3.0 million in the second quarter of the previous year when the Company also invested in the purchase of manufacturing equipment and various capital assets including the improvement of business premises as well as the acquisition of the principal net assets of Top Supplies.

In the first-half, Richelieu invested $1.8 million, primarily in displays targeted to renovation superstores, computer equipment and rolling stock for warehouses.

Sources of financing

As at May 31, 2009, **cash and cash equivalents** totalled $12.7 million, up from $6.4 million for the comparable period of 2008. The Company posted an excellent **working capital** of $138.9 million for a current ratio of 5.2:1, compared with $130.9 million and a 4.3:1 ratio as at November 30, 2008.

Richelieu estimates that it has the capital resources needed to respect its ongoing obligations in 2009 and to assume the funding requirements needed for its growth and planned financing and investing activities. Furthermore, the Company has an authorized line of credit of $26.0 million, renewable annually and bearing interest at the bank's prime rate, and could readily obtain access to other outside financing if necessary.

The expectation set forth above consists of forward-looking information based on the assumption that economic conditions and exchange rates will not deteriorate significantly, operating expenses will not increase considerably, deliveries will be sufficient to fulfill Richelieu's requirements, the availability of credit will remain stable in the second half of the year and no unusual events will entail additional capital expenditures. This expectation also remains subject to the risks identified under "Risk Management" on page 29 of the Company's 2008 Annual Report, available on SEDAR at www.sedar.com.

Balance sheet analysis

SUMMARY BALANCE SHEET

As at May 31 *(in thousands of $)*	**2009 $**	2008 $
Current assets	**172,294**	172,494
Long-term assets	**97,199**	94,216
Total	**269,493**	266,710
Current liabilities	**33,375**	46,618
Long-term liabilities	**5,633**	4,610
Shareholders' equity	**230,485**	215,482
Total	**269,493**	266,710

Assets

Total assets amounted to $269.5 million as at May 31, 2009, up 1.0% over May 31, 2008. Current assets were relatively stable, reflecting the increase of $6.2 million in cash and cash equivalents and of $3.1 million in income taxes, whereas accounts receivable and inventories decreased by $4.2 million and approximately $5.0 million respectively.

TOTAL INTEREST-BEARING DEBT

As at May 31 *(in thousands of $)*	**2009 $**	2008 $
Bank indebtedness	**–**	–
Current portion of long-term debt	**222**	6,555
Long-term debt	**328**	298
Total	**550**	6,853
less cash and cash equivalents	***12,653***	*6,409*
Total cash net of debt	**12,103**	444

Richelieu has virtually eliminated its interest-bearing debt over the past 12 months, lowering it from $6.9 million as at May 31, 2008 to about $0.6 million as at May 31, 2009. Deducting cash and cash equivalents, the Company had **cash net of debt** of $12.1 million as at May 31, 2009. With almost no debt and substantial cash flows generated every quarter, Richelieu remains in solid financial health to pursue its business strategy.

Shareholders' equity totalled $230.5 million as at May 31, 2009, up 7.0% over a year earlier, reflecting the increase of $11.0 million in retained earnings which amounted to $212.7 million as at May 31, 2009, and the increase of $1.0 million in contributed surplus, less accumulated comprehensive income of $2.8 million. **The book value per share** was $10.49 as at May 31, 2009, compared with $9.45 as at May 31, 2008.

As at May 31, 2009, Richelieu's **capital stock** consisted of 21,972,409 common shares (21,976,409 common shares as at November 30, 2008). In the first half of the current fiscal year, the Company did not issue common shares (27,000 shares issued at a weighted average price of $6.52 per share in 2008) pursuant to the exercise of options under the share purchase plan. In addition, during the six-month period ended May 31, 2009, the Company, through a normal course issuer bid, purchased for cancellation 4,000 common shares for a cash consideration of $60,000.

As at May 31, 2009, 946,050 share options were outstanding (766,000 options as at May 31, 2008), subsequent to the grant of 153,000 options during the first half of 2009 (166,000 options had been granted in the first half of 2008).

CONTRACTUAL COMMITMENTS

There were no major changes in Richelieu's contractual commitments outside the normal course of business, compared with those set forth on page 26 of the Company's 2008 Annual Report. For 2009 and the foreseeable future, the Company expects cash flows from operating activities and other sources of financing to meet its ongoing contractual commitments.

The expectation set forth above consists of forward-looking information based on the assumption that economic conditions and exchange rates will not deteriorate significantly, operating expenses will not increase considerably, deliveries will be sufficient to fulfill Richelieu's requirements, credit availability will remain stable during the second half and no unusual events will entail additional capital expenditures. This expectation also remains subject to the risks identified under "Risk Management" on page 29 of the Company's 2008 Annual Report, available on SEDAR at www.sedar.com.

FINANCIAL INSTRUMENTS

Richelieu periodically enters into forward exchange contracts to fully or partially hedge the effects of foreign currency fluctuations related to foreign-currency denominated payables or to hedge forecasted purchase transactions. The Company has a policy of not entering into derivatives for speculative or negotiation purposes and to enter into these contracts only with major financial institutions.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

Significant accounting policies and estimates are described on pages 27 to 29 of the Company's 2008 Annual Report. Changes in accounting policies for the current year are described in Note 2, respectively, of the notes to financial statements for the second quarter and six-month period ended May 31, 2009.

In February 2008, the CICA's Accounting Standard Board confirmed that publicly accountable enterprises must adopt IFRS for the fiscal years beginning on or after January 1, 2011. The Company's plan to convert to IFRS, which will apply to the fiscal year beginning on December 1, 2011, is presently being drawn up. This plan will notably take into account the major differences between the current standards and IFRS, their expected impact on the information systems, the staff training needs and the resources required to pursue this conversion.

INTERNAL CONTROL OVER FINANCIAL REPORTING

During the six-month period ended May 31, 2009, there were no changes in the Company's procedures that had or could have a material impact on its internal control over financial reporting.

RISK FACTORS

Risk factors are described in the "Risk Management" section on page 29 of Richelieu's 2008 Annual Report, available on SEDAR at www.sedar.com.

GROWTH OUTLOOK

Richelieu intends to maintain the preventative measures implemented early in the year to mitigate the impact of the economic crisis, while continuing to focus on further developing its markets with differentiating marketing programs, innovations tailored to its customers' needs and a quality of service that helps them manage their operations and yields added value. Since the beginning of the year, the Company has further increased its liquidity and enhanced its balance sheet, which is almost debt-free. It is therefore in excellent financial health to seize expansion opportunities by way of new distribution centre openings or acquisitions complementary to its operations and meeting its criteria of quality and profitability.

The expectation set forth above consists of forward-looking information based on the assumption that economic conditions and exchange rates will not deteriorate significantly, operating expenses will not increase considerably, deliveries will be sufficient to fulfill Richelieu's requirements, credit availability will remain stable during the second half and no unusual events will entail additional capital expenditures. This expectation also remains subject to the risks identified under "Risk Management" on page 29 of the Company's 2008 Annual Report, available on SEDAR at www.sedar.com.

SUPPLEMENTARY INFORMATION

Further information about Richelieu, including its latest Annual Information Form, is available on the System for Electronic Data Analysis and Research (SEDAR) website at www.sedar.com.

(Signed) Richard Lord

President and Chief
Executive Officer

(Signed) Alain Giasson

Vice-President and
Chief Financial Officer

July 9, 2009

Consolidated statements of earnings (unaudited)

(in thousands of dollars, except per-share amounts)

	For the three months ended May 31,		For the six months ended May 31,	
	2009 **$**	2008 $	**2009** **$**	2008 $
Sales	**110,083**	114,845	**204,235**	210,927
Cost of sales, warehouse, selling and administrative expenses	**97,747**	99,865	**183,852**	185,379
Earnings before the following	**12,336**	14,980	**20,383**	25,548
Amortization of capital assets	**1,333**	1,047	**2,676**	2,058
Amortization of intangible assets	**270**	241	**544**	482
Interest, net	**(49)**	99	**(47)**	125
	1,554	1,387	**3,173**	2,665
Earnings before income taxes and non-controlling interest	**10,782**	13,593	**17,210**	22,883
Income taxes	**3,424**	4,434	**5,490**	7,093
Earnings before non-controlling interest	**7,358**	9,159	**11,720**	15,790
Non-controlling interest	**52**	59	**66**	62
Net earnings	**7,306**	9,100	**11,654**	15,728
Earnings per share *(Note 4)*				
Basic	**0.33**	0.40	**0.53**	0.68
Diluted	**0.33**	0.40	**0.53**	0.68

See accompanying notes.

Consolidated statements of retained earnings (unaudited)

(in thousands of dollars)

	For the three months ended May 31,		For the six months ended May 31,	
	2009 **$**	2008 $	**2009** **$**	2008 $
Retained earnings, beginning of period	**207,124**	199,520	**204,591**	195,511
Net earnings	**7,306**	9,100	**11,654**	15,728
Dividends	**(1,758)**	(1,823)	**(3,516)**	(3,672)
Premium on redemption of common shares for cancellation *(Note 3)*	**–**	(5,115)	**(57)**	(5,885)
Retained earnins end of period	**212,672**	201,682	**212,672**	201,682

See accompanying notes.

Consolidated statements of comprehensive income (unaudited)

(in thousands of dollars)

	For the three months ended May 31,		For the six months ended May 31,	
	2009 **$**	2008 $	**2009** **$**	2008 $
Net earnings	**7,306**	9,100	**11,654**	15,728
Other comprehensive income:				
Change in fair value of derivatives designated as cash flow hedges	**–**	12	**–**	30
Translation adjustment of the net investment in self-sustaining foreign operation	**(7,823)**	292	**(6,287)**	(265)
	(7,823)	304	**(6,287)**	(235)
Comprehensive income	**(517)**	9,404	**5,367**	15,493

See accompanying notes.

Consolidated statements of cash flows (unaudited)

(in thousands of dollars)

	For the three months ended May 31,		For the six months ended May 31,	
	2009	2008	**2009**	2008
	$	$	**$**	$
OPERATING ACTIVITIES				
Net earnings	**7,306**	9,100	**11,654**	15,728
Non-cash items				
Amortization of capital assets	**1,333**	1,047	**2,676**	2,058
Amortization of intangible assets	**270**	241	**544**	482
Future income taxes	**75**	122	**150**	(9)
Non-controlling interest	**52**	59	**66**	62
Stock-based compensation expense	**213**	274	**460**	525
	9,249	10,843	**15,550**	18,846
Net change in non-cash working capital	**2,711**	121	**(3,616)**	(6,780)
	11,960	10,964	**11,934**	12,066
FINANCING ACTIVITIES				
Repayment of long-term debt	**(36)**	–	**(36)**	(206)
Dividends paid	**(1,758)**	(1,823)	**(3,516)**	(3,672)
Issue of common shares	**–**	68	**–**	177
Redemption of common shares for cancellation	**–**	(5,337)	**(60)**	(6,137)
	(1,794)	(7,092)	**(3,612)**	(9,838)
INVESTING ACTIVITIES				
Business acquisitions	**–**	(242)	**–**	(242)
Additions to capital assets	**(835)**	(2,742)	**(1,772)**	(3,249)
	(835)	(2,984)	**(1,772)**	(3,491)
Effect of exchange rate fluctuations on cash and cash equivalents	**136**	(149)	**(23)**	(207)
Net change in cash and cash equivalents	**9,467**	739	**6,527**	(1,470)
Cash and cash equivalents, beginning of period	**3,186**	5,670	**6,126**	7,879
Cash and cash equivalents, end of period	**12,653**	6,409	**12,653**	6,409
Supplemental information:				
Income taxes paid	**3,610**	4,415	**9,713**	9,201
Interest paid (received)	**(102)**	151	**(87)**	143

See accompanying notes.

Consolidated balance sheets (unaudited)

(in thousands of dollars)

	As at May 31, 2009 $	As at May 31, 2008 $	As at November 30, 2008 $
ASSETS			
Current assets			
Cash and cash equivalents	**12,653**	6,409	6,126
Accounts receivable	**57,172**	61,411	60,236
Income taxes receivable	**4,118**	1,028	–
Inventories	**97,205**	102,178	102,963
Prepaid expenses	**1,146**	1,468	1,273
	172,294	172,494	170,598
Capital assets	**21,712**	20,986	22,801
Intangible assets	**12,573**	12,572	14,313
Goodwill	**62,914**	60,658	65,772
	269,493	266,710	273,484
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	**33,153**	40,063	38,774
Income taxes payable	**–**	–	681
Current portion of long term debt	**222**	6,555	278
	33,375	46,618	39,733
Long-term debt	**328**	298	371
Future income taxes	**2,402**	1,742	2,308
Non-controlling interest	**2,903**	2,570	2,838
	39,008	51,228	45,250
Shareholders' equity			
Capital stock *(Note 3)*	**17,102**	17,725	17,105
Contributed surplus *(Note 3)*	**3,497**	2,507	3,037
Retained earnings	**212,672**	201,682	204,591
Accumulated other comprehensive income *(Note 5)*	**(2,786)**	(6,432)	3,501
	230,485	215,482	228,234
	269,493	266,710	273,484

See accompanying notes.

Notes to interim consolidated financial statements

May 31, 2009 and 2008 *(in thousands of dollars, except per-share amounts) (unaudited)*

NATURE OF BUSINESS

Richelieu Hardware Ltd. (the "Company") acts as a distributor, importer, and manufacturer of specialty hardware and complementary products. These 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 retailers, including hardware and renovation products superstores.

1) ACCOUNTING POLICIES

The unaudited interim consolidated financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada and follow the same accounting principles and methods of application as the recent audited annual consolidated financial statements, except for the new accounting policies described in note 2). In management's opinion, these interim financial statements reflect all the adjustments required for a fair presentation. These adjustments consist only of normal recurring adjustments. Operating results for the period are not necessarily indicative of the results that may be expected for the full year as the operating level of the Company is subject to seasonal fluctuations. The first quarter has historically generated lower sales and earnings. These interim financial statements should be read in conjunction with the audited consolidated annual financial statements and the accompanying notes included in Company's annual report for the fiscal year 2008.

2) NEW ACCOUNTING POLICIES ADOPTED

Inventories

In March 2007, the CICA adopted the new Section 3031, which has replaced Section 3030, The new Section prescribes measurement of inventories at the lower of cost and net realizable value. It provides guidance on the determination of cost and requires reversal of previous write-downs when there is a subsequent increase in the value of inventories.

The new standard was applied on December 1, 2008 and did not have a significant impact on the results, financial position, or cash flow of the Company's three-month and six-month periods ended on May 31, 2009.

Goodwill and Intangible Assets

In February 2008, the CICA issued a Section 3064, "Goodwill and Intangible Assets", which replaced Section 3062, "Goodwill and Other Intangible Assets", as well as Section 3450, "Research and Development Costs".

The Section 3064 states that upon their initial identification, intangible assets are to be recognized as assets only if they meet the definition of an intangible asset and the recognition criteria. Section 3064 also provides further information on the recognition of internally generated intangible assets [including research and development costs].

As for subsequent measurement of intangible assets, goodwill, and disclosure, Section 3064 carries forward the requirements of the old Section 3062.

The new standard was applied on December 1, 2008 and did not have a significant impact on the results, financial position, or cash flow of the Company's three-month and six-month periods ended on May 31, 2009.

3) CAPITAL STOCK

Issued

As at May 31, 2009, capital stock outstanding amounted to 21,972,409 common shares (21,976,409 common shares as at November 30, 2008).

During the six-month period ended May 31, 2009, the Company did not issue common shares (27,000 at a weighted average price of $6.52 per share in 2008) pursuant to the exercise of options under the share option plan. In addition, during the six-month period ended May 31, 2009, the Company, through a normal course issuer bid, purchased for cancellation 4,000 common shares for a cash consideration of $60.

Stock option plan

During the six-month period ended May 31, 2009, the Company granted 153,000 options (2008 – 166,000) with a weighted average exercise price of $17.40 (2008 – $20.66) and an average fair value of $4.02 per option (2008 – $5.11) as determined using the Black & Scholes option pricing model based on an expected dividend yield of 1.7% (2008 – 1.5%), a volatility of 23% (2008 – 20%), a risk free interest rate of 2.36% (2008 – 3.73%) and an expected life of 7 years (2008 – 7 years). As at May 31, 2009, 946,050 share options were outstanding (2008 – 766,000) with exercise prices varying from $5.15 to $24.76 (2008 – $4.26 to $24.76) for a weighted average of $19.73 (2008 – $20.31).

For the three-month and six-month periods ended May 31, 2009, the stock-based compensation expense amounted to $213 (2008 – $274) and $460 (2008 – $525).

May 31, 2009 and 2008 *(in thousands of dollars, except per-share amounts) (unaudited)*

4) EARNINGS PER SHARE

3-MONTH PERIOD ENDED MAY 31

			2009			2008
	Earnings $	Weighted average number of shares (in thousands)	Earnings per share $	Earnings $	Weighted average number of shares (in thousands)	Earnings per share $
Basic net earnings	7,306	21,972	0.33	9,100	22,831	0.40
Dilutive effect of stock options	–	39	–	–	61	–
Diluted net earnings	7,306	22,011	0.33	9,100	22,892	0.40

6-MONTH PERIOD ENDED MAY 31

			2009			2008
	Earnings $	Weighted average number of shares (in thousands)	Earnings per share $	Earnings $	Weighted average number of shares (in thousands)	Earnings per share $
Basic net earnings	11,654	21,973	0.53	15,728	22,970	0.68
Dilutive effect of stock options	–	42	–	–	68	–
Diluted net earnings	11,654	22,015	0.53	15,728	23,038	0.68

For the three-month and six-month periods ended May 31, 2009, outstanding options to purchase 793,800 and 792,800 common shares with a weighted average exercise price of $21.24 and $21.25 were excluded from the computation of diluted earnings because their effect would have been anti-dilutive.

5) ACCUMULATED OTHER COMPREHENSIVE INCOME

Accumulated other comprehensive income includes the following items and the changes that occurred during the periods ended May 31 were as follows:

	Three-month		Six-month	
	2009 $	2008 $	2009 $	2008 $
Opening balance	5,037	(6,736)	3,501	(6,197)
Translation adjustment of net investment in self-sustaining foreign operation	(7,823)	292	(6,287)	(265)
Change in fair value of cash flow hedges during the period, less taxes of $27 in 2008	–	12	–	30
Balance-end of period	(2,786)	(6,432)	(2,786)	(6,432)

6) OTHER INFORMATION

Credit risk
The Company sells its products to numerous customers in Canada, and in a lesser proportion in the United States of America. The credit risk refers to the possibility that customers will be unable to assume their liabilities towards the Company. The average days outstanding of accounts receivable as at November 30, 2008 is acceptable given the specific industry in which the Company evolves.

The Company performs ongoing credit evaluations of customers and generally does not require collateral. The allowance for doubtful accounts has increased by $359 and by $847 during the three-month and six-month periods ended May 31, 2009 and now stands at $4,508.

Market risk
The Company's foreign currency exposure arises from purchases and sales denominated in foreign currency (mainly in US dollars). Administrative charges included, for the three-month and six-month periods ended May 31, 2009, an exchange loss of $275 and an exchange gain of $156 respectively (2008 – gain of $139 and $23).

As at May 31, 2009 a decrease of 1% of the Canadian dollar against the US dollar and the Euro, all other variables remaining the same, would not have had a significant impact on the consolidated net earnings and would have increased the consolidated comprehensive income by $469. The exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure of the Company's financial instruments as of the balance sheet date.

For the three-month and six-month periods ended May 31, 2009, the statements of comprehensive income include a foreign exchange loss of respectively $7,823 and $6,287 (2008 – gain of $292 and loss of $265) on the net investment in self-sustaining foreign operation resulting mainly from the conversion of the long-term investment in that operation.

Current period expenses
During the three-month and six-month periods ended May 31, 2009, the amount of inventories recorded as expenses from the distribution, imports and manufacturing activities totals $78,334 and $146,835. An expense of respectively $86 and $400 for obsolescence are included in those amounts.

Notes to interim consolidated financial statements

May 31, 2009 and 2008 *(in thousands of dollars, except per-share amounts) (unaudited)*

7) GEOGRAPHIC INFORMATION

During the three-month and six-month periods ended May 31, 2009, near 83% of sales were made in Canada, while sales to foreign countries, almost entirely in the United States, amounted to $18,042 (2008 – $19,127) and $36,148 (2008 – 36,358) in Canadian dollars respectively, compared to $14,838 (2008 – $19,031) and $29,496 (2008 – 36,181) in US dollars.

As at May 31, 2009, of a total amount of $21,712 in capital assets ($22,801 as at November 30, 2008), $927 ($1,088 as at November 30, 2008) are located in the United States. In addition, intangible assets located in the USA amounts to $8,958 ($10,459 as at November 30, 2008) and goodwill at $21,478 ($24,337 as at November 30, 2008).

8) MANAGEMENT OF CAPITAL

For the six-month period ended May 31, 2009, the Company maintained the same capital management objectives as for the year ended November 30, 2008 and achieved the following results:

- a debt/equity ratio: 0.2% (2008- 3.2%) (interest-bearing debt/ shareholders'equity)
- a return on shareholders' equity of 14.1% over the last 12 months (16.9% for the 12 previous months)

9) FUTURE CHANGES IN ACCOUNTING POLICIES

In February 2008, the CICA Accounting Standard Board confirmed that publicly accountable enterprises must adopt IFRS for the fiscal years beginning on or after January 1, 2011. The Company's plan to convert to IFRS, which will apply to the fiscal year beginning on December 1, 2011, is presently being drawn up.

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