Interim Report
Three-month period
ended February 28, 2009

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Message to Shareholders

We would like to present Richelieu's results for the first quarter ended February 28, 2009. The Company achieved net earnings of $4.3 million, or $0.20 per share on total sales of $94.2 million, and ended the period with a virtually debt-free balance sheet, a positive cash balance and $135 million in working capital.

While positive, these results are below those recorded for the first quarter of the previous fiscal year. It is important to remember that the first three months extending from the beginning of December to the end of February are historically the weakest of the year due to a smaller number of business days and a wintertime slowdown in renovation and construction work. The first quarter marked a slowdown in three of our geographic markets, namely Central and Western Canada and the United States, which were further affected by the economic crisis. Thus, the growth achieved in Eastern Canada in our two major markets – manufacturers and retailers including renovation superstores – did not offset the internal decline of our other geographic markets, and, as a result, sales were down compared with those posted for the corresponding period in 2008. In addition to this factor are the extra expenses incurred to increase our product offering and presence in the retailers and renovation superstores market, which reduced net earnings in relation to the figure recorded for the first quarter of 2008. Nevertheless, the cost of further developing the retailers market should be considered an investment that will generate benefits in the medium term.

In light of the difficult economic climate, we have adopted preventive and proactive measures within the Company, including rigorous control of our gross margins and a cost-reduction program with a freeze on officers' and managers' salaries. Our teams are maximizing their dynamism and expertise to provide customers with more added value, through new solutions, new products and excellent sales tools to optimize their business.

We have various acquisition projects on the drawing board, but will exercise extra caution in targeting expansion opportunities that best meet Richelieu's criteria. In the short term, we plan to open two distribution centres in the United States, thereby increasing our presence in this market in order to better meet the demand of manufacturer customers. Furthermore, we are entering into new agreements with retailers in the U.S. that should yield benefits in 2009. The cost structure of these centres should not significantly affect our results.

The Company has strong fundamentals, a leadership position, excellent financial health, an experienced and committed team, 60% of whose members are Richelieu shareholders, an outstanding product offering, excellent service quality and a sales force in constant touch with our customers, whose numbers increased to nearly 40,000 in 2008. We are confident that by maintaining our strict management practices and sound financial management, we can effectively meet the challenges presented by the economic upheaval that could continue in 2009.

Next dividend payment

At its meeting on March 26, 2009, the Board of Directors approved the payment of a quarterly dividend of $0.08 per share. This dividend is payable on April 23, 2009 to shareholders of record as at April 9, 2009.

Management's Discussion and Analysis
of Operating Results and Financial Position for the First Quarter Ended February 28, 2009

This management's report relates to Richelieu Hardware Inc.'s consolidated operating results and cash flows for the first quarter ended February 28, 2009, in comparison with the first quarter ended February 29, 2008, as well as the Company's financial position at those dates. This report should be read in conjunction with the unaudited consolidated financial statements and accompanying notes for the first quarter of 2009 as well as the analysis and notes to audited consolidated financial statements 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 February 28, 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 March 26, 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 consolidated financial statements for the first quarter ended February 28, 2009 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 this 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 February 28, 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** – 31 distribution centres across Canada, 16 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 some 1,300 people at its head office and throughout the network, close to half of whom work in marketing, sales and customer service. About 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)

Quarters ended February 28 and 29
(in thousands of $, except per-share amounts and number of outstanding shares)

	2009 $	2008 $	Δ %
Sales	**94,152**	96,082	- 2.0
EBITDA	**8,047**	10,569	- 23.9
EBITDA margin (%)	***8.5***	*11.0*	
Net earnings	**4,348**	6,628	- 34.4
• basic per share	**0.20**	0.29	- 31.0
• diluted per share	**0.20**	0.29	- 31.0
Cash flows*	**6,301**	8,003	- 21.3
• per share	**0.29**	0.34	- 14.7
Cash dividends paid on shares	**1,758**	1,849	
Per share ($)	**0.08**	0.08	
Weighted average number of shares outstanding (in thousands)	**22,017**	23,202	

Balance sheet data	**As at February 28, 2009 $**	As at February 29, 2008 $	Δ %
Total assets	**272,609**	259,597	+ 5.0
Working capital	**135,005**	125,837	+ 7.3
Shareholders' equity	**232,547**	212,897	+ 9.2
Return on average equity (%)	**15.0**	17.1	
Book value ($)	**10.58**	9.23	+ 14.6
Total interest-bearing debt	**665**	6,400	- 89.6
Cash and cash equivalents	**3,186**	5,670	

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

OPERATING RESULTS FOR THE FIRST QUARTER ENDED FEBRUARY 28, 2009 COMPARED WITH THE FIRST QUARTER ENDED FEBRUARY 29, 2008

Consolidated sales totalled $94.2 million, compared with $96.1 million for the same period of 2008. This 2.0% or $1.9 million decline is attributable to a 3.2% internal decrease, whereas the growth-by-acquisition was 1.2%, reflecting the contribution of Top Supplies, Inc. (North Carolina) and Acroma Sales Ltd (British Columbia), acquired on April 7 and July 28, 2008 respectively.

SALES

Quarters ended February 28 and 29 *(in thousands of $)*	**2009 $**	2008 $	Δ %
Canada	**76,048**	78,853	- 3.6
United States (CA$)	**18,104**	17,229	+ 5.1
(US$)	**14,657**	17,149	- 14.5
Average exchange rate	***1.2352***	*1.0047*	
Consolidated sales	**94,152**	96,082	- 2.0

Sales to **manufacturers** amounted to $77.1 million, down by 1.8% or $1.4 million from the same quarter of 2008. Sales to hardware retailers including renovation superstores decreased to $17.0 million, down by 3.1% or $0.5 million.

In Canada, sales totalled $76.0 million, down by 3.6% or $2.8 million, reflecting a 4.3% internal decrease, whereas the growth-by-acquisition was 0.8%, stemming from Acroma's contribution. Sales in Canada accounted for 80.8% of the quarter's consolidated sales. Richelieu posted sales growth in Eastern Canada in the manufacturers and retailers including renovation superstores markets, whereas the Central and Western Canadian markets sustained a decrease as the economic climate further affected these regions.

In the United States, sales totalled US$14.7 million, down by 14.5% or US$2.5 million, of which 16.9% came from an internal decrease, whereas the growth-by-acquisition was 2.4% due to Top Supplies' contribution. The decline in sales in the U.S. network was caused by the crisis prevailing in the United States. Taking into account the exchange rate, these sales expressed in Canadian dollars amounted to $18.1 million, compared with $17.2 million for the first quarter of 2008, thereby representing 19.2% of the period's consolidated sales.

CONSOLIDATED EBITDA AND EBITDA MARGIN

Quarters ended February 28 and 29 *(in thousands of $)*	**2009 $**	2008 $
Sales	**94,152**	96,082
EBITDA	**8,047**	10,569
EBITDA margin (%)	***8.5***	*11.0*

Earnings before income taxes, interest, amortization and non-controlling interest (EBITDA) stood at $8.0 million, down by 23.9%. The gross profit margin decreased slightly due to the market penetration expenses incurred to increase the Company's offering and presence in the retailers and renovation superstores market. Nevertheless, these expenses should be considered an investment that should lead to benefits in the medium term. **The EBITDA profit margin** decreased to 8.5% from 11.0% for the first quarter of 2008; this decline is due to the reduction in sales and the operating expenses incurred to further develop the retailers market.

Amortization of capital assets increased by $0.3 million due primarily to the expansion completed in 2008, whereas **amortization of intangible assets** was practically stable at some $0.3 million.

Income taxes amounted to $2.1 million, compared with $2.7 million for the first quarter of 2008, reflecting the decline in earnings before income taxes and non-controlling interest. Income taxes for the first quarter of 2008 also reflected the reduction in the Canadian tax rate effective January 1, 2008.

CONSOLIDATED NET EARNINGS

Quarters ended February 28 and 29 *(in thousands of $)*	**2009** **$**	2008 $
EBITDA	**8,047**	10,569
Amortization of capital and intangible assets	**1,617**	1,252
Interest	**2**	27
Income taxes	**2,066**	2,659
Non-controlling interest	**14**	3
Net earnings	**4,348**	6,628
Net profit margin (%)	***4.6***	*6.9*
Comprehensive income	**5,884**	6,089

Considering the aforementioned factors, **net earnings** decreased by 34.4% or $2.3 million to $4.3 million, representing 4.6% of the quarter's consolidated sales. **Earnings per share** amounted to $0.20 (basic and diluted), compared with $0.29 (basic and diluted) for the first quarter of 2008.

Comprehensive income totalled $5.9 million, on account of a latent foreign exchange gain of $1.5 million on translation of the financial statements of the subsidiary in the United States.

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

Quarters	**1**	**2**	**3**	**4**
2009				
Sales	**94,152**			
EBITDA	**8,047**			
Net earnings	**4,348**			
basic per share	**0.20**			
diluted per share	**0.20**			
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	0.20	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 first quarter ended February 28, 2009

CHANGE IN PRINCIPAL CASH FLOWS AND CAPITAL RESOURCES

Quarters ended February 28 and 29 *(in thousands of $)*	**2009** **$**	2008 $
Cash flows provided by (used for):		
Operating activities	**(26)**	1,102
Financing activities	**(1,818)**	(2,746)
Investing activities	**(937)**	(507)
Effect of exchange rate fluctuations	**(159)**	(58)
Net change in cash and cash equivalents	**(2,940)**	(2,209)
Cash and cash equivalents, beginning of period	**6,126**	7,879
Cash and cash equivalents, end of period	**3,186**	5,670
Working capital	**135,005**	125,837
Renewable line of credit	**26,000**	26,000

Operating activities

Cash flows from operating activities (before net change in non-cash working capital balances related to operations) totalled $6.3 million or $0.29 per share, compared with $8.0 million or $0.34 per share for the first quarter of 2008, mainly reflecting the decline in net earnings. Net change in non-cash working capital balances related to operations represented a cash outflow of $6.3 million; whereas accounts receivable provided cash flows of $7.2 million, accounts payable decreased by $4.7 million, income tax receivable increased by $4.0 million, and inventories by $4.8 million – these are always higher at the end of the first quarter in anticipation of future demand. Consequently, operating activities represented a cash outflow of $26,000, as opposed to a cash inflow of $1.1 million during the comparable period of 2008.

Financing activities

Richelieu paid a total of $1.8 million in **shareholder dividends**, an amount comparable to the dividends paid in the first quarter of 2008. The Company purchased common shares for a consideration of some $0.1 million, whereas it purchased shares for $0.8 million and repaid $0.2 million in debt during the first quarter of 2008. Financing activities thus used total cash flows of $1.8 million during the first quarter of 2009, compared with $2.7 million in the corresponding quarter of 2008.

Investing activities

Richelieu invested $0.9 million in various capital expenditures during the first quarter, compared with $0.5 million in the first quarter of 2008. This amount was primarily invested in displays targeted to renovation superstores, computer equipment and rolling stock for warehouses.

Sources of financing

As at February 28, 2009, **cash and cash equivalents** totalled $3.2 million, compared with $5.7 million for the same period of 2008. The Company posted **a working capital** of $135.0 million for a current ratio of 4.9:1, 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 the financing and investing activities planned for the year. 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 probably 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 rate 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 all 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 February 28 and 29 *(in thousands of $)*	**2009** **$**	2008 $
Current assets	**166,437**	167,561
Long-term assets	**103,172**	92,036
Total	**272,609**	259,597
Current liabilities	**34,432**	41,724
Long-term liabilities	**5,630**	4,976
Shareholders' equity	**232,547**	212,897
Total	**272,609**	259,597

Assets

Total assets amounted to $272.6 million as at February 28, 2009, up from $259.6 million a year earlier, an increase of 5.0%. Current assets increased by $1.9 million, reflecting the reduction of $2.5 million in cash and cash equivalents and of $2.7 million in accounts receivable, whereas income taxes receivable were up by $2.3 million and inventories were up by $4.8 million due to acquisitions and the inventories required to meet the needs arising from the business agreements with major Canadian renovation chains and future demand.

TOTAL INTEREST-BEARING DEBT		
As at February 28 and 29 *(in thousands of $)*	**2009** **$**	2008 $
Bank indebtedness	**–**	–
Current portion of long-term debt	**283**	5,553
Long-term debt	**382**	847
Total	**665**	6,400
less cash and cash equivalents	***3,186***	*5,670*
Total cash net of debt	**2,521**	(730)

Richelieu has reduced its **total interest-bearing debt** by $5.7 million or 89.6% over the past 12 months, to $0.7 million as at February 28, 2009. Deducting cash and cash equivalents, the Company had **a positive cash balance** of $2.5 million at the end of the first quarter. Richelieu's financial position remains healthy and solid, enabling it to pursue its business strategy in its sector.

Shareholders' equity totalled $232.5 million as at February 28, 2009, up from $212.9 million a year earlier, a growth of 9.2% mainly reflecting the increase of $7.6 million in retained earnings which amounted to $207.1 million as at February 28, 2009, and of approximately $1.1 million in contributed surplus, plus accumulated comprehensive income of $5.0 million. At the end of the first quarter, the **book value per share** was $10.58, compared with $9.23 as at February 29, 2008.

As at February 28, 2009, Richelieu's **capital stock** consisted of 21,972,409 common shares (21,976,409 common shares as at November 30, 2008). During the first three months of the year, the Company issued no common shares under its share option plan (15,500 shares had been issued in 2008 at an average exercise price of $7.06 per share). It purchased 4,000 common shares for cancellation for a consideration of $60,000 under its normal course issuer bid. As at February 28, 2009, 945,050 options were outstanding (796,050 options as at November 30, 2008) subsequent to the grant of 149,000 options during the first quarter of 2009 (166,000 options had been granted in the first quarter 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 rate will not deteriorate significantly, operating expenses will not increase considerably, deliveries will be sufficient to fulfill Richelieu's requirements 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 and upcoming are described in Note 2 and Note 9, respectively, of the notes to financial statements for the three-month period ended February 28, 2009.

INTERNAL CONTROL OVER FINANCIAL REPORTING

During the quarter ended February 28, 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.

GROWTH OUTLOOK

We are confident we will achieve positive results in upcoming periods and a satisfactory performance for the year. While applying our preventive measures to mitigate the effects of the economic crisis, we are intensifying our market development with strengthened marketing programs, an innovations-enhanced product selection and value-added service. Our excellent financial health positions us to take advantage of the best expansion opportunities matching our criteria.

The growth outlook set forth above consists of forward-looking information based on the assumption that economic conditions and exchange rate will not deteriorate significantly, operating expenses will not increase considerably, deliveries will be sufficient to fulfill Richelieu's requirements 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 Document Analysis (SEDAR) website at www.sedar.com.

(Signed) **Richard Lord**
President and Chief
Executive Officer

(Signed) **Alain Giasson**
Vice-President and
Chief Financial Officer

March 26, 2009

Consolidated Statements of Earnings and of Retained Earnings (unaudited)

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

	For the three months ended February 28 and 29,	
	2009	2008
	$	$
Sales	**94,152**	96,082
Cost of sales, warehouse, selling and administrative expenses	**86,105**	85,513
Earnings before the following	**8,047**	10,569
Amortization of capital assets	**1,343**	1,011
Amortization of intangible assets	**274**	241
Interest on debt, net	**2**	27
	1,619	1,279
Earnings before income taxes and non-controlling interest	**6,428**	9,290
Income taxes	**2,066**	2,659
Earnings before non-controlling interest	**4,362**	6,631
Non-controlling interest	**14**	3
Net earnings	**4,348**	6,628
Earnings per share *(Note 4)*		
Basic	**0.20**	0.29
Diluted	**0.20**	0.29

See accompanying notes.

Consolidated Statements of Retained Earnings (unaudited)

(in thousands of dollars)

	For the three months ended February 28 and 29,	
	2009	2008
	$	$
Retained earnings, beginning of period	**204,591**	195,511
Net earnings	**4,348**	6,628
Dividends	**(1,758)**	(1,849)
Premium on redemption of common shares for cancellation *(Note 3)*	**(57)**	(770)
Retained earnings, end of period	**207,124**	199,520

See accompanying notes.

Consolidated Statements of Comprehensive Income (unaudited)

(in thousands of dollars)

	For the three months ended February 28 and 29,	
	2009	2008
	$	$
Net earnings	**4,348**	6,628
Components of comprehensive income:		
Change in fair value of derivatives designated as cash flow hedges, net of income taxes of $27 in 2008	**–**	18
Translation adjustment of the net investment in self-sustaining foreign operations	**1,536**	(557)
	1,536	(539)
Comprehensive income	**5,884**	6,089

See accompanying notes.

Consolidated Statements of Cash Flows (unaudited)

(in thousands of dollars)

	For the three months ended February 28 and 29,	
	2009	2008
	$	$
OPERATING ACTIVITIES		
Net earnings	**4,348**	6,628
Non-cash items		
Amortization of capital assets	**1,343**	1,011
Amortization of intangible assets	**274**	241
Future income taxes	**75**	(131)
Non-controlling interest	**14**	3
Stock-based compensation expense	**247**	251
	6,301	8,003
Net change in non-cash working capital	**(6,327)**	(6,901)
	(26)	1,102
FINANCING ACTIVITIES		
Repayment of long-term debt	**–**	(206)
Dividends paid	**(1,758)**	(1,849)
Issue of common shares	**–**	109
Redemption of common shares for cancellation	**(60)**	(800)
	(1,818)	(2,746)
INVESTING ACTIVITIES		
Additions to capital assets	**(937)**	(507)
	(937)	(507)
Effect of exchange rate fluctuations on cash and cash equivalents	**(159)**	(58)
Net change in cash and cash equivalents	**(2,940)**	(2,209)
Cash and cash equivalents, beginning of period	**6,126**	7,879
Cash and cash equivalents, end of period	**3,186**	5,670
Supplemental information		
Income taxes paid	**6,103**	4,786
Interest paid (received)	**15**	(8)

See accompanying notes.

Consolidated Balance Sheets (unaudited)

(in thousands of dollars)

	As at February 28, 2009 $	As at February 29, 2008 $	As at November 30, 2008 $
ASSETS			
Current assets			
Cash and cash equivalents	**3,186**	5,670	6,126
Accounts receivable	**53,292**	56,015	60,236
Income taxes receivable	**3,357**	1,046	–
Inventories	**108,414**	103,596	102,963
Prepaid expenses	**1,188**	1,234	1,273
	169,437	167,561	170,598
Capital assets	**22,372**	19,267	22,801
Intangible assets	**14,333**	12,598	14,313
Goodwill	**66,467**	60,171	65,772
	272,609	259,597	273,484
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	**34,149**	36,171	38,774
Income taxes payable	**–**	–	681
Current portion of long term debt	**283**	5,553	278
	34,432	41,724	39,733
Long-term debt	**382**	847	371
Future income taxes	**2,397**	1,619	2,308
Non-controlling interest	**2,851**	2,510	2,838
	40,062	46,700	45,250
Shareholders' equity			
Capital stock *(Note 3)*	**17,102**	17,880	17,105
Contributed surplus *(Note 3)*	**3,284**	2,233	3,037
Retained earnings	**207,124**	199,520	204,591
Accumulated other comprehensive income *(Note 5)*	**5,037**	(6,736)	3,501
	232,547	212,897	228,234
	272,609	259,597	273,484

See accompanying notes.

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, "Inventories", which has replaced Section 3030, "Inventories". This standard is the Canadian equivalent to IAS 2, "Inventories", of the International Framework Reporting Standards ("IFRS"). 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 first quarter ended on February 28, 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 first quarter ended on February 28, 2009.

3) CAPITAL STOCK

Issued

As at February 28, 2009, capital stock outstanding amounted to 21,972,409 common shares (21,976,409 common shares as at November 30, 2008).

During the three-month period ended February 28, 2009, the Company did not issue common shares (15,500 at a weighted average price of $7.06 per share in 2008) pursuant to the exercise of options under the share option plan. In addition, during the three-month period ended February 28, 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 three-month period ended February 28, 2009, the Company granted 149,000 options (2008 – 166,000) with a weighted average exercise price of $17.42 (2008 – $20.66) and an average fair value of $4.04 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 February 28, 2009, 945,050 share options were outstanding (2008 – 778,500) with exercise prices varying from $5.15 to $24.76 (2008 – $4.26 to $24.76) for a weighted average of $19.74 (2008 – $20.09).

For the three-month period ended February 28, 2009, the stock-based compensation expense amounted to $247 (2008 – $251).

4) EARNINGS PER SHARE

3-MONTH PERIOD ENDED FEBRUARY 28 AND FEBRUARY 29

	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	**4,348**	**21,973**	**0.20**	6,628	23,110	0.29
Dilutive effect of stock options	**–**	**44**	**–**	–	92	–
Diluted net earnings	**4,348**	**22,017**	**0.20**	6,628	23,202	0.29

For the three-month period ended February 28, 2009, outstanding options to purchase 790,800 common shares with a weighted average exercise price of $21.27 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 February 28 and 29 were as follows:

	2009 $	2008 $
Opening balance	**3,501**	(6,197)
Translation adjustment of net investment in self-sustaining foreign operation	**1,536**	(557)
Change in fair value of cash flow hedges during the period, net of income taxes of $27 in 2008	**–**	18
Balance- end of period	**5,037**	(6,736)

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 $488 during the three-month period ended February 28, 2009 for a total of $4,149.

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 period ended February 28, 2009, an exchange gain of $431 [2008 – $116 loss].

As at February 28, 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 $546. 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.

As at February 28, 2009, the statements of comprehensive income include a foreign exchange gain of $1,536 (loss of $557 as at February 29, 2008) 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 period ended February 28, 2009, the amount of inventories recorded as expenses from the distribution, imports and manufacturing activities totals $68,500. An expense of $314 for obsolescence is included in this amount.

7) GEOGRAPHIC INFORMATION

During the three-month period ended February 28, 2009, near 81% of sales were made in Canada, while sales to foreign countries, almost entirely in the United States, amounted to $18,104 (2008 – $17,229) in Canadian dollars compared to $14,657 (2008 – $17,149) in US dollars.

As at February 28, 2009, of a total amount of $22,372 in capital assets ($22,801 as at November 30, 2008), $1,021 ($1,088 as at November 30, 2008) are located in the USA. In addition, intangible assets located in the USA amounts to $10,598 ($10,459 as at November 30, 2008) and goodwill at $25,032 ($24,337 as at November 30, 2008).

8) MANAGEMENT OF CAPITAL

For the three-month period ended February 28, 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: 0.3% (2008- 3.0%) (interest-bearing debt/ shareholders'equity); and
- a return on shareholders' equity of 15.0% over the last 12 months (17.1% 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, 2012, is presently being elaborated.

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