



**PRESS RELEASE  
FOR IMMEDIATE RELEASE**

## **RONA ANNOUNCES RECOVERY PLAN TO ACCELERATE NETWORK OPTIMIZATION AND IMPROVE PROFITABILITY**

**Boucherville, Quebec, June 27, 2013** – RONA's President and Chief Executive Officer, Robert Sawyer, announces new restructuring and reorganization measures to ramp up the recovery and improve profitability. These new measures are expected to generate annualized cost-savings of \$70 million, in addition to the \$40 million announced when the Corporation released its year-end results in February 2013. The measures include:

- Closure, by the end of 2013, of 11 non-profitable stores: eight in Ontario and three in British Columbia.
- Reduction in administrative, marketing, merchandising and distribution expenses.
- In addition to the elimination of 200 administrative positions announced in February, a further reduction of 125 jobs in the four administrative centres in Canada was announced to employees last week.

Note that an agreement to sell the Commercial and Professional Market division for an approximate total of \$215 million was announced on June 20, 2013. In the short-term, the proceeds from the disposal of this division will be used to reduce RONA's debt, and the disposal will allow the Corporation to focus on its core retail and distribution business in the construction and renovation market.

RONA is aiming for annualized savings of \$110 million; the plan is to reinvest 30% of this amount to improve the positioning of its banners across the country and to put in place an energetic recovery plan for underperforming stores.

Lastly, organizational changes were implemented in the merchandising and store operations departments to improve efficiency and synergy among the teams.

"With the measures announced today, RONA will become more agile and efficient, with a simplified business structure and an even stronger balance sheet. By focusing on our strategic operations, we will unlock the full potential of our network and reinvest a significant share of the savings in initiatives that will allow us to offer even more to our customers and to our affiliated and franchised dealers", said Robert Sawyer, President and CEO.

The new measures will require pre-tax restructuring costs, asset impairment and other non-recurring charges of approximately \$95 million to be recorded in the second quarter of 2013. To this amount will be added the pre-tax charge of about \$125 million resulting from the disposal of the Commercial and Professional Market division announced on June 20, 2013. A total of \$220 million in adjustments, of which approximately \$195 million represent non-cash items, will thus be recorded in the second quarter.

### **Conference call with the financial community**

On Thursday, June 27, 2013, at 10:30 a.m. (EDT), RONA will hold a conference call for the financial community. To join the conference, please call 416-340-8061 or 1-866-225-0198. To listen to the call online, please go to <http://webcasts.pqm.net/client/rona/event/715/en/>.

## **About RONA**

RONA inc. (TSX: RON, RON.PR.A) is a Canadian distributor and retailer of hardware, home renovation and gardening products. The Corporation operates a network of over 800 corporate, franchise and affiliate retail stores of various sizes and formats under different banners, and a network of 14 hardware and construction materials distribution centres. With close to 28,000 employees, the RONA store network generates consolidated revenues of \$4.9 billion. Data as at March 31, 2013. For more information, visit [rona.ca](http://rona.ca).

## **Forward-looking statements**

This *Press Release* includes “forward-looking statements” that involve risks and uncertainties. All statements other than statements of historical facts included in this *Press Release*, including statements regarding the prospects of the industry and prospects, plans, financial position and business strategy of the Corporation may constitute forward-looking statements within the meaning of the Canadian securities legislation and regulations. Investors and others are cautioned that undue reliance should not be placed on any forward-looking statements.

For more information on the risks, uncertainties and assumptions that would cause the Corporation’s actual results to differ from current expectations, please also refer to the Corporation’s public filings available at [www.sedar.com](http://www.sedar.com) and [www.rona.ca](http://www.rona.ca). In particular, further details and descriptions of these and other factors are disclosed in the MD&A under the “Risks and uncertainties” section and in the “Risk factors” section of the Corporation’s current Annual Information Form.

The forward-looking statements in this *Press Release* reflect the Corporation’s expectations as at June 27, 2013, and are subject to change after this date. The Corporation expressly disclaims any obligation or intention to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by the applicable securities laws.

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## **For more information:**

### **Media**

**Valérie Lamarre**  
Senior Advisor  
Communications and Public Affairs  
RONA inc.  
514 599-5900, ext. 5271  
[valerie.lamarre@rona.ca](mailto:valerie.lamarre@rona.ca)

### **Financial Community**

**Stéphane Milot**  
Vice-President  
Finance and Investor Relations  
RONA inc.  
514 599-5951  
[stephane.milot@rona.ca](mailto:stephane.milot@rona.ca)



## **INFORMATION ON NON-PROFITABLE STORES THAT WILL BE CLOSING IN 2013**

### **British Columbia stores that will be closed to the public in 2013**

- 2945 Green Road, Duncan: closing on October 6
- 1555 Versatile Drive, Kamloops: closing on October 6
- 34 530 McConnell Road, Abbotsford: closing on October 20

### **Ontario stores that will be closed to the public in 2013**

- 800 Boyer Street, Mississauga Heartland \*: closing on October 13
- 7350 Catherine Windsor Street, Windsor \*: closing on October 13
- 67 Colossus Drive, Woodbridge \*: closing on October 13
- 1305 Commissioners Road East, London \*: closing on October 13
- 369 Old Ferguson Road, Huntsville: closing on October 13
- 104 High Street, Collingwood: closing on October 13
- 8 William Kitchen Road, Scarborough: closing on December 8
- 140 First Commerce Drive, Aurora: closing on December 8

\* Store closures previously announced in 2012.