



NEWS RELEASE
FOR IMMEDIATE RELEASE

RONA CONTINUES TO INCREASE LEADERSHIP POSITION AND SHARE OF MARKET SET TO ENTER A PERIOD OF SUSTAINED GROWTH

Boucherville, Quebec, May 10, 2011 – RONA (TSX: RON, RON.PR.A), Canada's largest retailer and distributor of hardware, home renovation and gardening products, continues to strengthen its leadership position in a market that will sooner or later enter a phase of sustained growth. That's the opinion expressed by Robert Dutton, President and CEO of Canada's renovation-construction leader, speaking at the Corporation's annual general meeting today. Recalling that RONA grew its share of the Canadian renovation-construction market from 17.5% to 19% in 2010, Dutton pointed out that RONA has been more successful than other companies at weathering a challenging year.

The RONA President and CEO explained that Canadian consumers are demonstrating a cautious frugality around hardware and home renovation. He attributes this caution to persistent economic uncertainty, unprecedented household indebtedness and the expectation of increased interest rates, along with rising energy and food costs.

Dutton said he was confident, however, that the market would soon enter a phase of sustained growth. Citing the fact that 75% of the homes in Canada are over 15 years old, Dutton said that "Consumers do not ask whether they should renovate or maintain their homes. They have no choice. Right now, they're asking whether this is the right time to do it. And how quickly...Sooner or later, they will come to RONA. Because RONA meets a real, basic need: housing."

Three growth opportunities

Dutton pointed out that in 2010 RONA revised its business model in line with current realities. It formalized its three complementary market sectors: retail, distribution and commercial. It also reorganized its retail operations on a regional basis, in order to genuinely decentralize its operations and marketing.

Despite difficult economic conditions, Dutton indicated that the new business model will not only generate more dynamic growth for the Corporation but will also mitigate the cyclical nature of its activities, as distribution and commercial sectors are less affected than retail by the economic cycle.

Based on the new business model, three opportunities for development have been identified that will allow RONA to grow faster than the market:

- Capitalize on the significantly changing expectations of consumers, who are looking for products and services that reflect their personal preferences, especially in terms of responsible consumption. In this regard, RONA has two major competitive advantages: a network of banners and varied store types that meet the specific needs of different customer segments, from weekend do-it-yourselfers to professional contractors, and a unique and progressive stance on social responsibility, through the Corporation's eco-responsible product lines as well as its responsible procurement policies, where RONA is well known for its leadership.

- Continue to consolidate the Canadian renovation-construction market through acquisitions or by recruiting independent dealer-owners. One recent example, Dutton said, was the acquisition of TruServ Canada in late 2010, which added 250 bannered and 400 non-bannered dealer-owners to the RONA network. He also noted that current tough market conditions represent an opportunity for RONA. He predicted that the trend toward consolidation will accelerate because "Independent store owners will sell their businesses or seek support within a strong group like RONA." RONA is especially attractive because the Corporation offers its affiliates support that is unequalled in the industry – from training for dealer-owners to financing acquisition of their stores by their eventual successors, including a highly detailed succession planning program.
- Develop and consolidate the commercial and professional sector, where RONA has been investing steadily since its 2007 acquisition of Noble Trade, a plumbing, heating and air-conditioning specialist for the commercial market. Consolidation of this still-fragmented market is inevitable Dutton says. "What we started doing 10 years ago in retail we're now doing in the commercial market." RONA sales in this sector increased from \$140 million in 2007 to \$400 million on an annualized basis at the end of 2010.

"I'm convinced that for the last two years we've been doing all the right things to bounce back vigorously as soon as our market recovers its rhythm of sustained growth," Dutton said.

Forward-looking statements

This *News Release* includes "forward-looking statements" that involve risks and uncertainties. All statements other than statements of historical facts included in this *News 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. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "believe," "anticipate," "plan," "foresee," "desire" or "continue" or the negatives of these terms or variations of them or similar terminology. Although the Corporation believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Forward-looking statements do not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made have on the Corporation's business. For example, they do not include the effect of dispositions, acquisitions, other business transactions, asset write-downs or other charges announced or occurring after forward-looking statements are made.

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 and 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 *News Release* reflect the Corporation's expectations as at May 10, 2011, 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.

About RONA

RONA is the largest Canadian distributor and retailer of hardware, renovation and gardening products. RONA operates a network of some 950 corporate, franchise and affiliate stores of various sizes and formats. With close to 30,000 employees working under its family of banners in every region of Canada and more than 17 million square feet of retail space, the RONA store network generates over \$6 billion in annual retail sales. For more information, please visit rona.ca.

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