



## RONA TO ACQUIRE TRUSERY CANADA

Transaction would add two distribution centers serving more than 650 dealers across canada

Boucherville, Quebec and Winnipeg, Manitoba, October 1, 2010 – RONA inc. (TSX: RON), the largest Canadian distributor and retailer of hardware, renovation and gardening products, and TruServ Canada Inc., a dealer-owned distributor headquartered in Winnipeg, announced today that they have signed an agreement whereby RONA would acquire all of the issued and outstanding shares of TruServ Canada. TruServ Canada operates two warehousing and distribution centers, one of 400,000 square feet in Winnipeg, Manitoba and one of 250,000 square feet in Kitchener, Ontario where it supplies over 40,000 products (SKUs) with another 80,000 available on direct programs. It generates distribution sales of over \$100 million and serves more than 650 independent dealers across Canada, including 250 stores under the True Value, V&S, Country Depot and other specialized banners as well as 400 non-bannered stores.

"This proposed acquisition represents an important step in our strategy to accelerate the consolidation of the Canadian Renovation – Construction industry and is exactly in line with our objective to continually strengthen our leadership position in the distribution business, which is the roots of our Company", said Robert Dutton, President and Chief Executive Officer of RONA. "By serving 650 new dealers, the acquisition of TruServ Canada would provide instant geographical penetration in many Canadian communities, particularly in Ontario and Western Canada, thus creating important growth opportunities. The proposed acquisition would also diversify the network of dealer stores served by RONA by adding hardware, general merchandising and agriculture specialized stores and would therefore increase our ability to serve small and mid-size specialized dealers across Canada."

"Following the transaction, RONA would offer three different solutions to the benefit of independent dealers in Canada: the RONA bannered dealer store, the TruServ specialized banners and distribution services for dealers without banners. This would enable the Company to leverage each of TruServ Canada's and RONA's highly complementary distribution infrastructure and provide independent dealers with all the tools they need to better compete against the emergence of large international retailers in Canada", added Mr. Dutton.

Commenting on the proposed transaction, Pierre Levesque, TruServ Canada Chairman of the Board said: "This is an excellent opportunity for TruServ Canada and its shareholders. Joining forces with RONA would further strengthen our ability to offer independent retailers access to products and services needed to compete in today's market. Our customers would still be able to count on our employees' know-how to get the same top-quality service they're used to".

"We're very enthusiastic about the opportunity to become part of RONA, Canada's leader in our industry that has such a strong financial position and an impressive development plan for the years to come", added Pierre Levesque.

The proposed transaction is expected to close before the end of the year. Pursuant to the agreement, it is subject to regulatory approvals and to specific approval levels by each class of TruServ Canada's Common and Preferred Shareholders, as fully described in a proxy circular calling a special meeting of TruServ Canada's shareholders which will be mailed to shareholders of the Company in the next few days. The transaction has the support of all of TruServ Canada's current members of the Board of Directors. In addition, GROWMARK, Inc., which holds approximately 29% of TruServ Canada's issued and outstanding Common and Preferred Shares, has agreed to vote all of its shares in favour of the transaction.

TruServ Canada meets all of RONA's strict acquisition criteria:

- Good management team
- Profitable company
- Accretive to RONA's earnings per share
- Related to RONA's main activities, generating recurring annual synergies
- Strong growth potential

#### FORWARD-LOOKING INFORMATION

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 Company 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. The forward-looking statements in this *Press Release* reflect the Company's expectations as of October 1, 2010, and are subject to change after this date. The Company 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. For more information on the risks, uncertainties and assumptions that would cause the Company's actual results to differ from current expectations, please also refer to the Company's Annual Report, under the "Risks and Uncertainties" section, available at www.sedar.com and at www.rona.ca.

### **ABOUT RONA**

RONA is the largest Canadian distributor and retailer of hardware, renovation and gardening products. RONA operates a network of close to 700 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 16 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.

# **ABOUT TRUSERV CANADA**

TruServ Canada is a 100% dealer-owned company, committed to over 650 independent dealers across Canada. With some of Canada's most efficient warehousing, product buying and distribution systems TruServ Canada promotes the growth of each of its banners: True Value, V&S and Country Depot stores. Visit TruServ Canada at <a href="https://www.truserv.ca">www.truserv.ca</a>.

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