MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FIRST QUARTER OF 2013

13-week period ended March 31, 2013

RONA is the largest 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. RONA is also a leader in the specialized plumbing and HVAC market, primarily serving commercial and professional customers with a network of close to 60 sales outlets and four distribution centres across the country. With close to 28,000 employees, the RONA store network generated consolidated sales of $4.9 billion in the last fiscal year ended December 30, 2012.

RONA's sales include:

- Retail sales generated by its retail corporate stores
- Royalties on franchise retail sales
- A share of retail sales generated by franchise stores in which RONA holds a majority interest
- Wholesale sales generated by franchise stores (net of RONA's share in these stores)
- Wholesale sales generated by affiliate dealer-owned stores

FINANCIAL STATEMENTS

This Management's Discussion and Analysis (MD&A) should be read in conjunction with the Corporation's unaudited interim consolidated financial statements and related notes for the 13-week period ended March 31, 2013. These unaudited interim consolidated financial statements are in compliance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"). The monetary amounts in these financial statements are expressed in Canadian dollars, unless otherwise indicated. The terms "RONA," "we," "us," "our" and the "Corporation" mean RONA inc. and its subsidiaries, unless otherwise indicated. RONA has filed its consolidated financial statements with the Canadian Securities Administrators and they can be viewed online at www.sedar.com or on RONA's website at www.rona.ca.

FISCAL YEAR

RONA's fiscal year ends on the last Sunday of each year and usually has 52 weeks. For interim disclosure purposes, quarters end on the last Sunday of March, June, September and December respectively, and have 13 weeks. The fiscal year ended December 30, 2012, had 53 weeks of operations, while the year ending December 29, 2013 will have 52 weeks.

NON-GAAP PERFORMANCE MEASURES

RONA uses non-GAAP performance measures which are not defined by International Financial Reporting Standards ("IFRS"). Management is of the view that these measures are useful in the analysis of the Corporation's operational performance. These measures must not be considered separately or as a substitute for other performance measures calculated according to IFRS, but rather as additional information.

EBITDA, as defined by the corporation, represents operating profit before finance costs, income taxes expense and depreciation, amortization and impairment of non-financial assets. This measure is widely used in financial circles to measure the profitability of operations.

Same-store sales is a metric used by management and is common throughout our industry. This metric identifies sales growth generated by the existing store network and removes the effect of acquisitions, store closures and openings.

Management also uses the following non-GAAP measures: adjusted EBITDA, adjusted gross margin, adjusted selling, general and administrative expenses, adjusted amortization, depreciation and impairment of non-financial assets, adjusted net income attributable to participating shares and adjusted diluted net income per share attributable to owners of RONA inc. These measures reflect the inclusion or exclusion of certain amounts that are viewed as not representative of the Corporation's sustainable financial performance.

As indicated above, EBITDA and adjusted EBITDA are measures that have no standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other issuers. In this context, the following table presents a reconciliation of net income to EBITDA and adjusted EBITDA.

	Quarters ended			
(Unaudited, in thousands of dollars)	March 31, 2013	March 25, 2012	$ change from 2012	% change from 2012
Net income (loss)	(39,999)	(12,472)	(27,527)	(220.7%)
Finance costs	5,227	4,344	883	20.3%
Depreciation, amortization and impairment of non-financial assets	25,397	23,247	2,150	9.2%
Income tax recovery	(14,607)	(4,479)	(10,128)	(226.1%)
EBITDA	(23,982)	10,640	(34,622)	(325.4%)
Restructuring costs and other charges (excluding impairment of non-financial assets)	12,786	-	12,786	-
Other costs related to the implementation of strategic priorities	10,592	-	10,592	-
Adjusted EBITDA	(604)	10,640	(11,244)	(105.7%)

The table below summarizes the impact of each adjustment on non-GAAP performance measures. For more details refer to the section "*Consolidated results for the first quarter 2013*".

(Unaudited, in thousands of dollars except net loss per share)	Quarter ended March 31, 2013	Restructuring costs, impairment of non-financial assets and other charges (2)	Other costs related to the implementation of strategic priorities	Total adjustments	Adjusted quarter ended March 31, 2013
Gross margin	251,347	-	1,248	1,248	252,595
Selling, general and administrative expenses(1)	(275,329)	12,786	9,344	22,130	(253,199)
EBITDA	(23,982)	12,786	10,592	23,378	(604)
Depreciation, amortization and impairment of non-financial assets	(25,397)	954	-	954	(24,443)
EBIT	(49,379)	13,740	10,592	24,332	(25,047)
Net loss attributable to participating shares	(40,559)	10,065	7,759	17,824	(22,735)
Net loss per diluted share attributable to owners of RONA inc.	($0.33)	$0.08	$0.06	$0.14	($0.19)

(1) Selling, general and administrative expenses includes net gains on disposal of assets, other income, finance income and share of income of joint ventures and an associate.
(2) Refer to RONA's unaudited interim consolidated financial statements Note 3.4 (Restructuring costs, impairment of non-financial assets and other charges) for more details.

UPDATE ON THE CORPORATION'S STRATEGIC ORIENTATION

Review of progress in each of the three strategic priorities

1. Leveraging the strengths of our core competencies
   - Distribution to affiliated and franchised dealers and the operation of small and medium stores were quickly identified as strategic activities, as were the big-box stores in Quebec.
   - A major review of big-box stores outside Quebec was also undertaken. After exploring a variety of options, RONA decided to keep this store network and will announce a recovery plan next quarter.
   - The Commercial and Professional Market division is still under review. In the next quarter, RONA will be able to announce the path it will take to maximize the value of this division.

2. Growing customer segments through a more compelling value proposition
   - This priority has strong mid- and long-term potential, because it will put RONA back on track for profitable sales growth. Over the past several months, RONA has called upon international retail-industry experts to accelerate its analysis.
   - An in-depth review of the pricing strategy and product categories offered in the RONA-store network is in progress.
   - The Réno-Dépôt banner in Quebec has been redefined to better meet the needs of its core customers: professional contractors and skilled DIYers. The new concept puts more emphasis on the very nature of Réno-Dépôt: a warehouse that offers products in large quantities at better prices.
   - Integration of the TOTEM banner in Alberta is continuing. This new proximity store model combines the strong points of both TOTEM and RONA.

3. **Unlocking the profit potential of a simplified business model**
   - To date, savings of $17 million (on an annualized basis) have been achieved through workforce reductions and the renegotiation of major agreements. The Corporation had identified $35 - $45 million in potential rationalizations and is confident that it can achieve this objective by the end of 2014.
   - Part of the savings will be reinvested to strengthen our competitive position in certain key operations.

Financial Priorities

Our actions are always dictated by our three financial priorities. This disciplined approach is focused on achieving a medium term return on capital greater than 10%. We have made steady progress in this area during the first two quarters of 2012. This upward trend was interrupted in the last three quarters, as a more competitive environment and a change in our sales mix in favour of lower-margin products affected our operating income. However, the continuation of our capital structure optimization initiatives allowed us to mitigate the impact of the decrease on our return on capital and protect our strong balance sheet. Our disciplined capital management was impacted in the first quarter of 2013 by an increase in inventories in preparation for an expected increase in seasonal demand.

The following table shows quarterly achievements of the Corporation's three financial priorities since the first quarter of 2012.

FINANCIAL PRIORITIES	ACHIEVEMENTS VS PRIORITIES (excluding adjustments)					
	Q1-2012	Q2-2012	Q3-2012	Q4-2012	Q1-2013	
1. IMPROVE EFFICIENCY						
Same-store sales	✓	✓	✗	✓	-0.8%	✗
Increase in gross margin	✓	✓	✗	✗	-$12.7M	✗
Decrease in comparable SG&A	✓	✓	✗	✗	$3.5M	✗
Increase in EBITDA	✓	✓	✗	✗	-$11.2M	✗
2. OPTIMIZE CAPITAL STRUCTURE						
Sale of assets	✓	✓	✗	✓	$0.6M	✓
CAPEX/Amortization and depreciation	✓	✓	✓	✓	0.6x	✓
Inventory turnover	✓	✓	✓	✓	3.54 vs 3.49	✓
Share repurchase	✓	✓	n/a*	n/a*	n/a*	n/a*
3. INCREASE RETURN ON CAPITAL						
After-tax EBIT	✓	✓	✗	✗	-$8.4M	✗
Disciplined capital management (1)	✓	✓	✓	✓	$19.3M	✗
Return on capital (2)	✓	✓	✗	✗	3.8% vs 4.2%	✗

(1) Capital equals net working capital, plus property, plant and equipment and intangible assets, plus non-current assets held for sale, plus goodwill, plus current projects, plus other financial and non-current assets, plus deferred income tax assets, minus other non-current liabilities and minus deferred tax liabilities.
(2) Average return on capital equals after-tax EBIT, excluding adjustments/average capital.
* The Corporation was prohibited from trading for the third and fourth quarters of 2012. The program was not renewed in 2013.

CONSOLIDATED RESULTS FOR THE FIRST QUARTER 2013

The results analyzed in this section are for the quarter ended March 31, 2013 and, when compared, are compared to the results for the quarter ended March 25, 2012, unless otherwise indicated.

RONA has two reportable segments: (1) distribution and (2) retail and commercial. The retail and commercial segment groups RONA's corporate and franchised stores ("Retail"), and its Commercial and Professional Market division ("Commercial"). Certain analyses have been provided by segment, as presented in the unaudited interim consolidated financial statements of the Corporation.

REVENUES	Quarters ended			
(Unaudited, in thousands of dollars)	March 31, 2013	March 25, 2012	$ change from 2012	% change from 2012
Distribution	285,363	267,134	18,229	6.8%
Retail and commercial	644,035	666,882	(22,847)	(3.4%)
Total	929,398	934,016	(4,618)	(0.5%)
Same-store sales				
Distribution	9.5%	1.9%		
Retail and commercial	(3.0%)	(0.8%)		
Total same-store sales	(0.8%)	(0.3%)		

Consolidated revenues were down $4.6 million year over year. An increase of $18.2 million in distribution revenues was not sufficient to offset continued downward pressure on sales in the retail and commercial segment. The industry was affected by a late spring and difficult market conditions, as confirmed by certain economic indicators. According to a report by the Conference Board of Canada, consumer confidence, measured on a comparable basis, is similar to that of 2012, which means that consumers are still being very cautious. The latest published data from the Canada Mortgage and Housing Corporation (CMHC) show housing starts are down 6.5%, and the sale of existing housing stock is 13.1% below that of the first quarter of 2012. These figures are directly related to renovation and building activities. Note also that first quarter 2012 had one extra business day related to the Easter holiday, which had an adverse impact of $5.8 million on 2013 sales. Moreover, the net result of store openings and closures was a negative impact of $11.7 million on revenues. Overall, same-store sales were affected by the same factors.

In the distribution segment, revenues were up $18.2 million compared to the same quarter in 2012, due to a $14.2 million increase in sales to dealer-owners. Part of this increase stems from early procurement of certain product categories before prices rose sharply. Recruitment of new affiliate dealers also helped grow sales by $7.7 million.

Revenues in the retail and commercial segment were down $22.8 million compared to the first quarter of 2012, primarily due to industry factors as noted earlier. Furthermore, the late spring translated directly into a 28% decrease in seasonal sales. There was also an adverse impact related to the disruption caused by the implementation of the Corporation's strategic priorities, that is, repositioning the Réno-Dépôt banner, integrating the TOTEM banner and redeploying sales volume from our big-box stores outside Quebec. However, as noted in the *Update on the Corporation's Strategic Orientation* section, these initiatives will generate benefits in coming quarters. The net result of store openings and closures also had a negative impact of $11.7 million on revenues in the retail and commercial segment.

EBITDA	Quarters ended			
(Unaudited, in thousands of dollars)	March 31, 2013	March 25, 2012	$ change from 2012	% change from 2012
Distribution	11,482	16,142	(4,660)	(28.9%)
Retail and commercial	(35,464)	(5,502)	(29,962)	(544.6%)
Total EBITDA	(23,982)	10,640	(34,622)	(325.4%)
Adjustments				
Distribution				
Restructuring costs and other charges	1,136	-	1,136	-
Other costs related to the implementation of strategic priorities	2,716	-	2,716	-
Total adjustments distribution	3,852	-	3,852	-
Retail and commercial				
Restructuring costs and other charges	11,650	-	11,650	-
Other costs related to the implementation of strategic priorities	7,876	-	7,876	-
Total adjustments retail and commercial	19,526	-	19,526	-
Total adjustments	23,378	-	23,378	-
Adjusted EBITDA				
Distribution	15,334	16,142	(808)	(5.0%)
Retail and commercial	(15,938)	(5,502)	(10,436)	(189.7%)
Total adjusted EBITDA	(604)	10,640	(11,244)	(105.7%)

As mentioned in the section *Non-GAAP Performance Measures*, certain non-representative adjustments were excluded in the measurement of the Corporation's financial performance in order to better compare operating results from quarter to quarter. Such adjustments amounted to $23.4 million in the first quarter of 2013, that is, $3.9 million in the distribution segment and $19.5 million in the retail and commercial segment. Restructuring costs and other charges amounted to $12.8 million, consisting of $3.6 million for severance, $8.9 million in provisions for onerous contracts and $0.3 million for other costs. Other costs of $10.6 million related to implementing the strategic priorities include transformational plan-related fees, integration of the TOTEM banner cost and costs relating to the liquidation of inventory.

In the distribution segment, the $0.8 million decrease in adjusted EBITDA compared to the same quarter in 2012 stems from the altered mix of distributed products and higher shipping costs. However, higher sales helped offset these impacts.

Adjusted EBITDA in the retail and commercial segment decreased $10.4 million compared to the first quarter of 2012. The decrease stems from stiffer competition, which exerted downward price pressure in several product categories, as well as a more rapid increase in the cost, versus the selling price, of products such as lumber and building materials. The decrease stems also from sales of lower margin items such as building materials, to the detriment of higher-margin items such as hardware products. The net result of store openings and closures also had a positive impact of $2.1 million on EBITDA.

GROSS MARGIN	Quarters ended			
(Unaudited, in thousands of dollars)	March 31, 2013	March 25, 2012	$ change from 2012	% change from 2012
Gross margin	251,347	265,309	(13,962)	(5.3 %)
Other costs related to the implementation of strategic priorities	1,248	-	1,248	-
Adjusted gross margin	252,595	265,309	(12,714)	(4.8 %)

Adjustments amounting to $1.2 million were excluded from gross margin to allow for a better comparison between quarters. The adjusted gross margin was down $12.7 million versus the first quarter of 2012, due to the altered product mix and difficult market conditions. The net result of store openings and closures had a negative impact of $3.4 million on gross margin.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	Quarters ended			
(Unaudited, in thousands of dollars)	March 31, 2013	March 25, 2012	$ change from 2012	% change from 2012
Selling, general and administrative expenses	(275,329)	(254,669)	(20,660)	(8.1%)
Restructuring costs and other charges	12,786	-	12,786	-
Other costs related to the implementation of strategic priorities	9,344	-	9,344	-
Adjusted selling, general and administrative expenses	(253,199)	(254,669)	1,470	0.6%

To allow for a better comparison between quarters, adjustments amounting to $22.1 million were excluded from selling, general and administrative expenses. In the first quarter, consolidated adjusted selling, general and administrative expenses were $1.5 million lower than in the first quarter of 2012. The decrease stems from the positive impact of store closures net of store openings. The Corporation continues to strictly control its adjusted selling, general and administrative expenses.

INTEREST, DEPRECIATION, AMORTIZATION AND IMPAIRMENT	Quarters ended			
(Unaudited, in thousands of dollars)	March 31, 2013	March 25, 2012	$ change from 2012	% change from 2012
Finance costs	(5,227)	(4,344)	(883)	(20.3%)
Depreciation, amortization and impairment of non-financial assets	(25,397)	(23,247)	(2,150)	(9.2%)
Restructuring costs, impairment of non-financial assets and other charges	954	-	954	-
Adjusted depreciation, amortization and impairment of non-financial assets	(24,443)	(23,247)	(1,196)	(5.1%)

In the first quarter, finance costs rose $0.9 million compared to the first quarter of 2012. The change is mainly due to the increase in our average debt, stemming from the financing of share purchases in the normal course of business through our credit facility.

To allow for a better comparison between quarters, certain non-representative adjustments amounting to $1 million were excluded from the amortization, depreciation and impairment of non-financial assets; these adjustments stem directly from the implementation of the strategic priorities. The adjusted amortization, depreciation and impairment of non-financial assets expense rose by $1.2 million in the first quarter, due to the investments to upgrade information systems which were completed in the first quarter of 2013. The Corporation will continue to strictly monitor its investments in property, plant and equipment, which are below the level of amortization and depreciation expense.

NET INCOME	Quarters ended			
(Unaudited, in thousands of dollars except net loss per share)	March 31, 2013	March 25, 2012	$ change from 2012	% change from 2012
Net loss attributable to owners of RONA inc.	(38,253)	(11,138)	(27,115)	(243.4%)
Dividends on preferred shares, including related income taxes	(2,306)	(2,322)	16	0.7%
Net loss attributable to participating shares	(40,559)	(13,460)	(27,099)	(201.3%)
Restructuring costs, impairment of non-financial assets and other charges, net of taxes	10,065	-	10,065	-
Other costs related to the implementation of strategic priorities, net of taxes	7,759	-	7,759	-
Adjusted net loss attributable to participating shares	(22,735)	(13,460)	(9,275)	(68.9%)
Net loss per diluted share attributable to owners of RONA inc.	($0.33)	($0.11)	($0.22)	(200.0%)
Adjusted net loss per diluted share attributable to owners of RONA inc.	($0.19)	($0.11)	($0.08)	(72.7%)

For the purpose of comparing quarters, certain non-representative adjustments in the measurement of the Corporation's financial performance were excluded. The net total after-tax amount of these adjustments, as part of the implementation of the Corporation's strategic priorities, was $17.8 million for the first quarter of 2013, or $0.14 per diluted share.

The adjusted net loss applicable to participating shares went from $13.5 million, or a loss of $ 0.11 per diluted share to $22.7 million, or a loss of $0.19 per diluted share in the first quarter of 2013, representing $9.3 million, or a loss of $0.08 per diluted share variation, primarily due to the decrease in adjusted gross margin. Note that the average number of shares outstanding used to calculate the adjusted net loss per share attributable to owners of

RONA inc. fell from 126.7 million shares in the first quarter of 2012 to 121.6 million shares in the first quarter 2013, following the program to repurchase shares in the normal course of business set up by the Corporation in November 2011.

CASH FLOWS AND FINANCIAL POSITION	Quarters ended			
(Unaudited, in thousands of dollars)	March 31, 2013	March 25, 2012	$ change from 2012	% change from 2012
Cash flow from operating activities before net change in working capital, interest received and income taxes paid	(17,594)	8,911	(26,505)	(297.4%)
Net change in working capital	(104,036)	(139,904)	35,868	25.6%
Cash flow from operating activities	(122,450)	(139,668)	17,218	12.3%
Cash flow from investing activities	(13,302)	(19,831)	6,529	32.9%
Cash flow from financing activities	146,776	128,867	17,909	13.9%
Net increase (decrease) in cash	11,024	(30,632)	41,656	136.0%

For the first quarter of 2013, cash flow used from operating activities before net change in working capital, interest received and income taxes paid was a negative $17.6 million, compared to a positive $8.9 million in 2012, a decrease of $26.5 million. The variation between the two periods stems primarily from an increase in the loss before income tax expense compared to the corresponding period in 2012. This variation was mitigated by an improvement in the net change in working capital in 2013, which amounted to a negative $104.0 million, compared to a negative variation of $139.9 million in 2012. The improvement reflects the optimization of certain working capital items.

The cash outflow relating to the restructuring and other charges for the implementation of the strategic priorities was $5.1 million for the first quarter of 2013.

Cash flow from operating activities used $122.5 million for the first quarter of 2013, compared to $139.7 million for the same period in 2012, an improvement of $17.2 million. A portion of the improvement comes from a positive variation of $9.4 million from operating activities including the net change in working capital, while the other portion stems from income taxes paid that are $7.9 million lower than the corresponding period in 2012.

The Corporation continued to exercise disciplined financial management and strictly controlled its investments in property, plant and equipment. For the first quarter of 2013, RONA invested $14.8 million in property, plant and equipment, intangible assets and other financial assets, which was $3.7 million or 20.2% less than in 2012. These amounts were invested in continuous improvement of the Corporation's information systems to increase operational efficiency, and in maintenance work. The level of investment in property, plant and equipment, intangible assets and other financial assets remains lower than adjusted amortization, depreciation and impairment of non-financial assets expense. In addition, no acquisitions were made in the first quarter of 2013, compared to a cash outlay of $3.4 million for the same period in 2012.

For the first quarter of 2013, cash flow from financing activities amounted to $146.8 million compared to $128.9 million in 2012. The positive $17.9 million variation is due to the absence of share repurchases in the first quarter of 2013, compared to an outlay of $48.9 million for the same period in 2012. This situation was, however, mitigated by a decrease in the net change in credit facilities in 2013 of $21.7 million and a cash outlay of $8.5 million in 2013 related to dividends on common shares.

Total assets amounted to $3,074.2 million at March 31, 2013, compared to $2,992.0 million at March 25, 2012, an increase of 2.7%. Current assets increased 6.9%, or $102.5 million compared to March 25, 2012. This increase stems primarily from increases of $31.6 million in cash, $26.2 million in trade and receivables and $41.8 million in inventory.

Total liabilities amounted to $1,238.8 million at March 31, 2013, compared to $1,106.9 million at March 25, 2012, an increase of 11.9%. Current liabilities grew 9.8%, or $62.5 million compared to March 25, 2012. The increase stems from increases of $72.8 million from trade and other payables, while bank loans and bank overdraft decreased by $12.8 million.

RONA believes it has the capital resources to fulfill its ongoing commitments and obligations and to assume the funding requirements needed for the financing and investing activities planned for 2013. RONA still has a strong balance sheet. As at March 31, 2013, total debt was $479.9 million, compared to $434.2 million in 2012. The Corporation's net debt amounted to $448.3 million, compared to $448.6 million at March 25, 2012. The ratio of net debt to total capital is 19.6%, compared to 19.2% in 2012, thus relatively similar for the two periods. The ratio of debt to adjusted EBITDA (past 12 months) was 2.2 at March 31, 2013, compared to 1.7 in 2012.

RONA has a credit facility of $950 million. At the end of the period, $335 million had been drawn on this facility. RONA thus has access to $615 million, subject to certain financial ratios. These conditions were met during the periods ended March 31, 2013 and March 25, 2012. The renewal of this facility and the maturing of the unsecured debentures, which form the major portion of long-term debt, will occur in 2016.

The table below presents a synopsis of the Corporation's contractual obligations as at March 31, 2013, including off-balance-sheet operating lease agreements used in the normal course of business. The Corporation has also concluded other off-balance-sheet arrangements (such as inventory buyback agreements and guaranteed bank loans), which do not appear in the table. The loan has an indefinite term and no assets have been given as security. Pursuant to the terms of inventory repurchase agreements, the Corporation is committed towards financial institutions to buy back the inventory of certain customers at an average of 65% of the cost of the inventories to a maximum of $46.7 million. In the event of recourse, this inventory would be sold in the normal course of the Corporation's operations. These agreements have undetermined periods but may be cancelled by the Corporation on 30 days' notice. In the opinion of Management, the likelihood that significant payments would be incurred as a result of these commitments is low. Finally, letters of credit for imports totalling $21.7 million were outstanding as at March 31, 2013 for the purchase of various, mainly seasonal, products.

Contractual obligations by term
(as at March 31, 2013)

Contractual obligations	Payments by term (Unaudited, in thousands of dollars)				
	Total	Less than 1 year	1-2 years	3-4 years	5 or more years
Long-term loans and credit facilities	461,288	3,840	3,111	452,713	1,624
Obligations under finance leases	805	280	403	122	-
Operating leases	938,917	134,960	242,592	195,144	366,221
Other long-term obligations	13,885	7,070	5,645	-	1,170
Total	1,414,895	146,150	251,751	647,979	369,015

Outstanding shares
(as at May 2, 2013)

Common shares	121,853,023
Unexercised options	1,726,860
Total	123,579,883

SUMMARY OF QUARTERLY RESULTS

RONA's results fluctuate significantly from one quarter to another due to the highly seasonal nature of renovation and construction activities. The strongest period of the year is from spring to fall, and over 80% of the Corporation's net annual earnings are generated in the second and third quarters. Furthermore, sales in the first quarter are always lower than in the other three, due to low activity levels in the renovation and construction sectors during the winter. Poor weather conditions can also have a major impact on sales. With the increase in the proportion of our activities related to the retail sector, the seasonal impact of the first quarter has been more pronounced in 2011, 2012 and 2013 than in previous years. The second quarter is always the strongest of the year, followed by the third quarter.

Consolidated quarterly financial results
(Unaudited and in millions of dollars, except income (loss) per share)

	2013	2012(2)				2011			
	Q1	Q4(1)	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	929.4	1,191.6	1,333.5	1,413.9	934.0	1,169.2	1,347.1	1,370.0	918.2
EBITDA	(24.0)	22.5	40.9	85.9	10.6	37.2	105.4	89.9	8.1
Adjusted EBITDA	(0.6)	43.4	79.1	93.9	10.6	65.9	105.4	89.9	8.1
Net income (loss) attributable to participating shares	(40.6)	(18.1)	4.9	33.9	(13.5)	(153.6)	47.8	37.0	(17.6)
Adjusted net income (loss) attributable to participating shares	(22.7)	6.4	32.9	43.4	(13.5)	19.7	47.8	37.0	(17.6)
Net loss per diluted share attributable to owners of RONA inc.	(0.33)	(0.15)	0.04	0.28	(0.11)	(1.19)	0.36	0.28	(0.13)
Adjusted net loss per diluted share attributable to owners of RONA inc.	(0.19)	0.05	0.27	0.35	(0.11)	0.15	0.36	0.28	(0.13)

Annual variation in same-store sales
Last nine quarters

	Q1 2013	Q4 2012(1)	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Retail and Commercial Segment	-3.0%	2.4%	-1.8%	-0.9%	-0.8%	-2.3%	-5.1%	-9.6%	-12.6%
Total RONA Network	-0.8%	2.9%	-1.0%	+1.0%	-0.3%	-1.2%	-4.2%	-9.3%	-11.5%

(1) Q4 2012 had 14 weeks versus 13 for the other quarters. Excluding the 14th week in the fourth quarter of 2012, the annual variation in same-store sales was -0.7% for the retail and commercial sector and 0.2% for the total RONA network.

(2) Results for 2012 only have been restated to reflect the application of IFRS 11, "*Joint arrangements*" and the amendments to IAS 19 "*Employee benefits*".

DIVIDENDS ON PREFERRED SHARES

At its meeting on May 14, 2013, RONA's Board of Directors declared a quarterly dividend of $0.3272 per share on cumulative 5-year rate reset Class A preferred shares, series 6. The dividend will be paid on July 2, 2013 to holders of record on June 14, 2013.

RISKS AND UNCERTAINTIES

There has been no major change since the publication of the annual Management's Discussion and Analysis for the fiscal year ended December 30, 2012.

CHANGES IN ACCOUNTING POLICIES

Effective December 31, 2012, the Corporation adopted IFRS 11, *Joint arrangements* which replaces IAS 31, *Interests in joint ventures*, and SIC-13, *Jointly controlled entities – non-monetary contributions by venturers*. The most significant result from the adoption is the change in the method of accounting for the Corporation's investments in joint ventures. Under the previous standards the joint ventures were proportionally consolidated whereas under IFRS 11, the Corporation is required to account for these investments using the equity method of accounting. As this same date, the Corporation also adopted amendments to IAS 19, *Employee benefits*. The impact of the revised standard results from the requirement to deduct the cost of managing the plans and any tax payable by the plan in determining the return on plan assets and to replace the expected rate of return on plan assets used to determine the defined benefit cost by the obligation discount rate. Refer to RONA's unaudited interim consolidated financial statements note 14 (Impact of adopting the new standards effective December 31, 2012 for more details.

SIGNIFICANT ACCOUNTING ESTIMATES

There has been no major change since the publication of the annual Management's Discussion and Analysis for the fiscal year ended December 30, 2012.

INTERNAL CONTROL OVER FINANCIAL REPORTING

RONA has evaluated the design of internal control over financial reporting as at March 31, 2013 in accordance with the MI 52-109 guidelines. This evaluation has allowed the President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer to conclude that the design of the Corporation's internal control over financial reporting is effective and provides reasonable assurance that the Corporation's financial reporting is reliable and that its consolidated financial statements are prepared in accordance with International Financial Reporting Standards.

FORWARD-LOOKING STATEMENTS

This MD&A includes "forward-looking statements" that involve risks and uncertainties. All statements other than statements of historical facts included in this MD&A, 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," "estimate," "anticipate," "plan," "foresee," "believe" 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 impact 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 impact 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 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 this 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 MD&A reflect the Corporation's expectations as at May 14, 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.

ADDITIONAL INFORMATION

This MD&A was prepared on May 14, 2013. The reader will find additional information concerning RONA, including the Corporation's Annual Information Form, on the Corporation's website at www.rona.ca or on the SEDAR website at www.sedar.com.

(s) Dominique Boies

Dominique Boies
Executive Vice President and Chief Financial Officer

(s) Robert Sawyer

Robert Sawyer
President and Chief Executive Officer