

READY
for the New World

Annual meeting of shareholders

RONA



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Jean Gaulin

Chairman of the Board of Directors

Opening of the Meeting

- Quorum
- Scrutineer's Report
- Receipt of Financial Statements and Auditors' Report

Work Done by Board of Directors

- Eight Board meetings
- Total of 18 meetings by the four Board committees
 - Audit Committee
 - Nominating and Governance Committee
 - Human Resources and Compensation Committee
 - Development Committee

Election of Directors

12

nominations for director positions

Louise Caya



Doris Joan Daughney



Robert Dutton



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Richard Fortin



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Jean-Guy Hébert



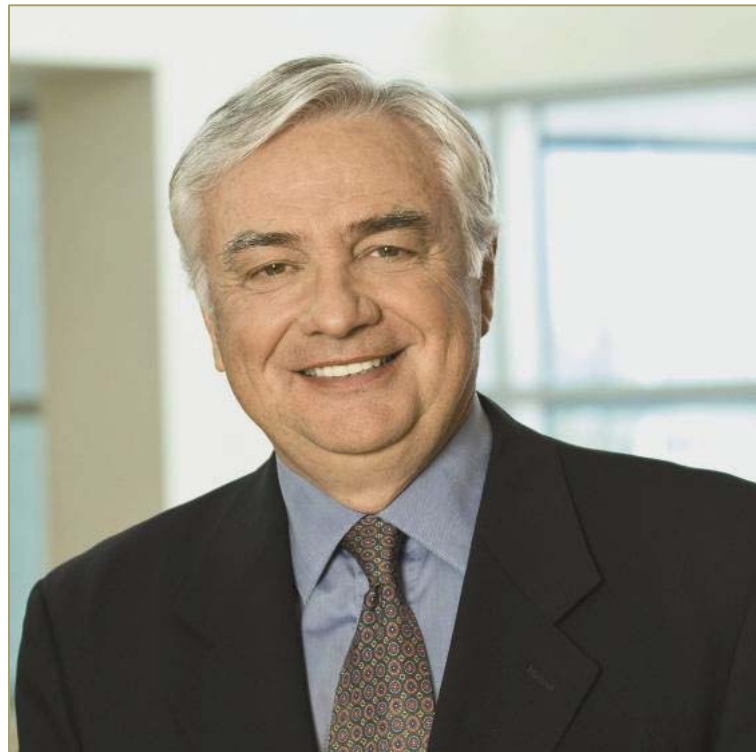
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J. Spencer Lanthier



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Alain Michel



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Jim Pantelidis



Robert Paré



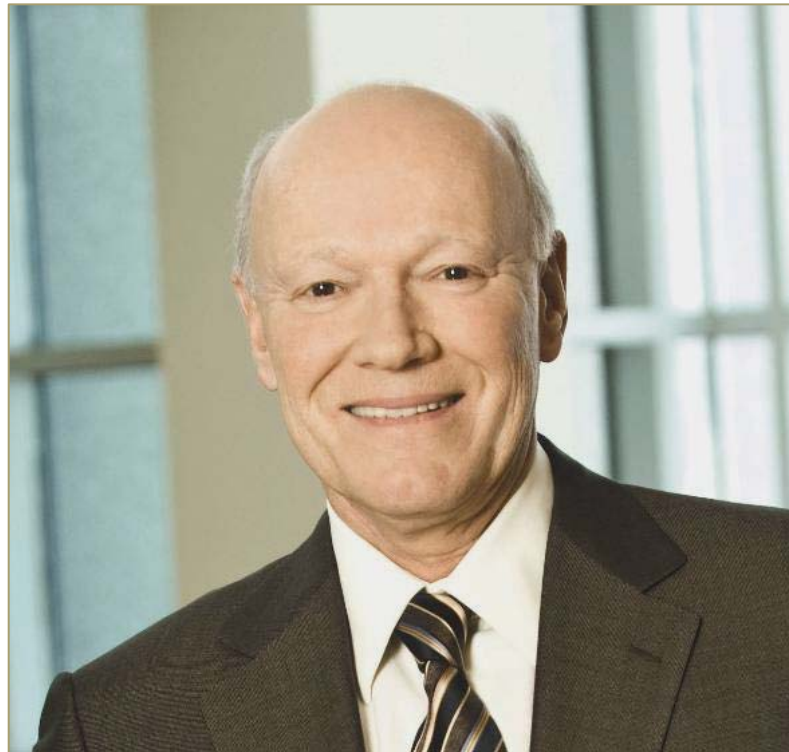
Jocelyn Tremblay



Jean-Roch Vachon



Jean Gaulin



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Election of Directors

- Louise Caya
- Robert Dutton
- Jean-Guy Hébert
- Alain Michel
- Robert Paré
- Jean-Roch Vachon
- Doris Joan Daughney
- Richard Fortin
- J. Spencer Lanthier
- Jim Pantelidis
- Jocelyn Tremblay
- Jean Gaulin

Appointment of Auditors

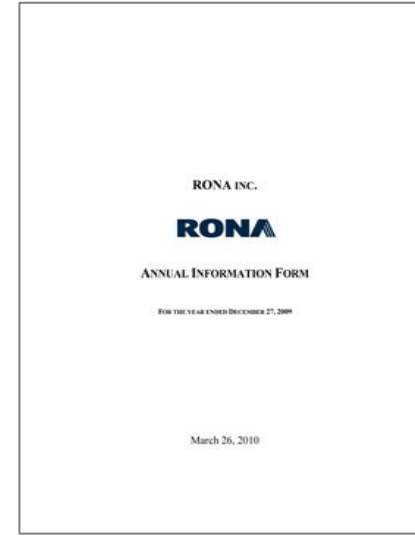
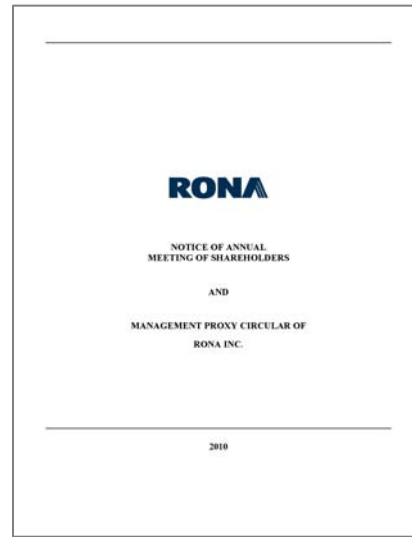
Raymond Chabot Grant Thornton



Claude Guévin
Executive Vice President and
Chief Financial Officer



2009 Financial Review



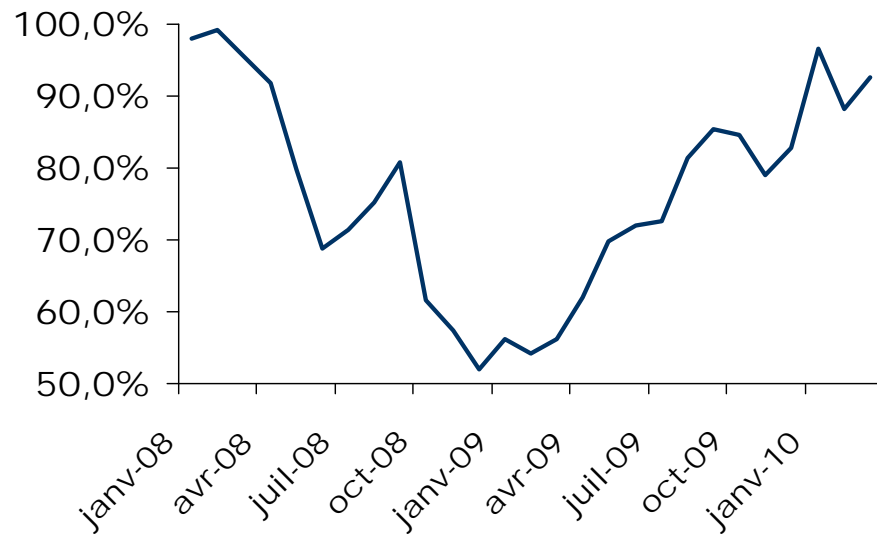
Documents available on rona.ca and sedar.com





Mitigate the Impact of a Difficult Context

Canadian Consumer Confidence Index
January 2008 to March 2010



Sales
(in millions of \$)



↓ 4.4%



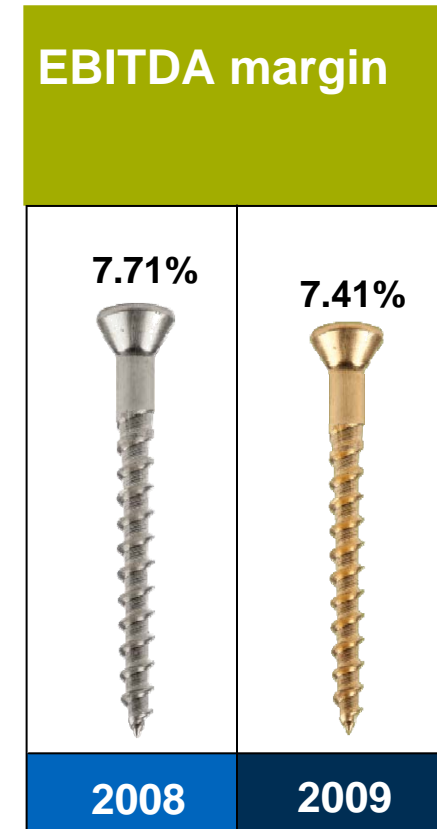
Optimize... Productivity, Efficiency, Profitability



↑ 34 basis points



↓ 30 millions of dollars



↓ 30 basis points



Rigorous Financial Management

Net earnings (in millions of \$)



Earnings per share



Cash flow (before changes in working capital) (in millions of \$)





2009 Financial Review

The **PEP** program alleviated the recession's impact on our results

2009: Cyclical Low

- Unprecedented scope of budgetary and monetary recovery measures
- Significant contraction in 1st half of year and moderate recovery in 2nd half

Year End Recovery

- Fourth quarter results
 - Sales up 1.5%
 - 0.7% increase in same-store sales
 - 0.7% increase in net earnings excluding unusual items
- Main indicators still up in early 2010



Two-Phase Plan Well-Suited to the Context

2008-2011 Plan

Phase 1

Economic Slowdown

PEP program

Phase 2

Moderate Economic Growth

New World program



Four Financial Objectives

1. Increase Canadian market share to 20% by 2011
2. EPS growth
 - Single-digit in first half
 - Double-digit in second half
3. Optimize return on capital
4. Maintain investment grade credit rating



Solid Balance Sheet

- Ratio of net debt to capital of 10%
- Debenture of \$400M matures in 2016
- Unused revolving credit of \$650M
- Close to \$250M in cash



Ready for the Recovery

**Optimal financial structure for a
phase of renewed growth**

RONA



Robert Dutton

President and Chief Executive Officer

PEP Program Achievements 2008-2009

- Gross margin: ↑ 123 basis points
- In-store losses (shrink): ↓ \$8M
- Comparable inventories: ↓ \$168M
- Low turnover products inventories: ↓ \$40M
- Transportation and logistics costs: ↓ \$14M
- Improved the profitability of our underperforming stores

PEP Program Achievements 2008-2009

- Rolled out new financial and demand-planning softwares
- Private-label brands penetration: ↑ 16% to 19%
- Added 900,000 square feet of retail space to our network
- Recruited 45 dealer-owners
- Opened 12 corporate stores
- Launched STUDIO by RONA

New World

- **Four growth vectors**

Customer Growth

**New Store
Construction**

**Development of the
Affiliated Dealer
Network**

Acquisitions



Robert Dutton

President and Chief Executive Officer



Thank you!



Olympic and Paralympic Winter Games in Vancouver

- Support for 100 athletes
- Construction of a dozen Olympic sites
- Carpentry training program for 64 young people
- About a hundred of employees volunteers at the Games





RONA

NATIONAL PARTNER



GROWING WITH OUR ATHLETES
PROGRAM

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Krystina Alogbo, Water-Polo Player



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Tara Campbell, Water-Polo Player



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Christine Robinson, Water-Polo Player



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Martine Dugrenier, Wrestler



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Marc-André Monette, Speed Skater



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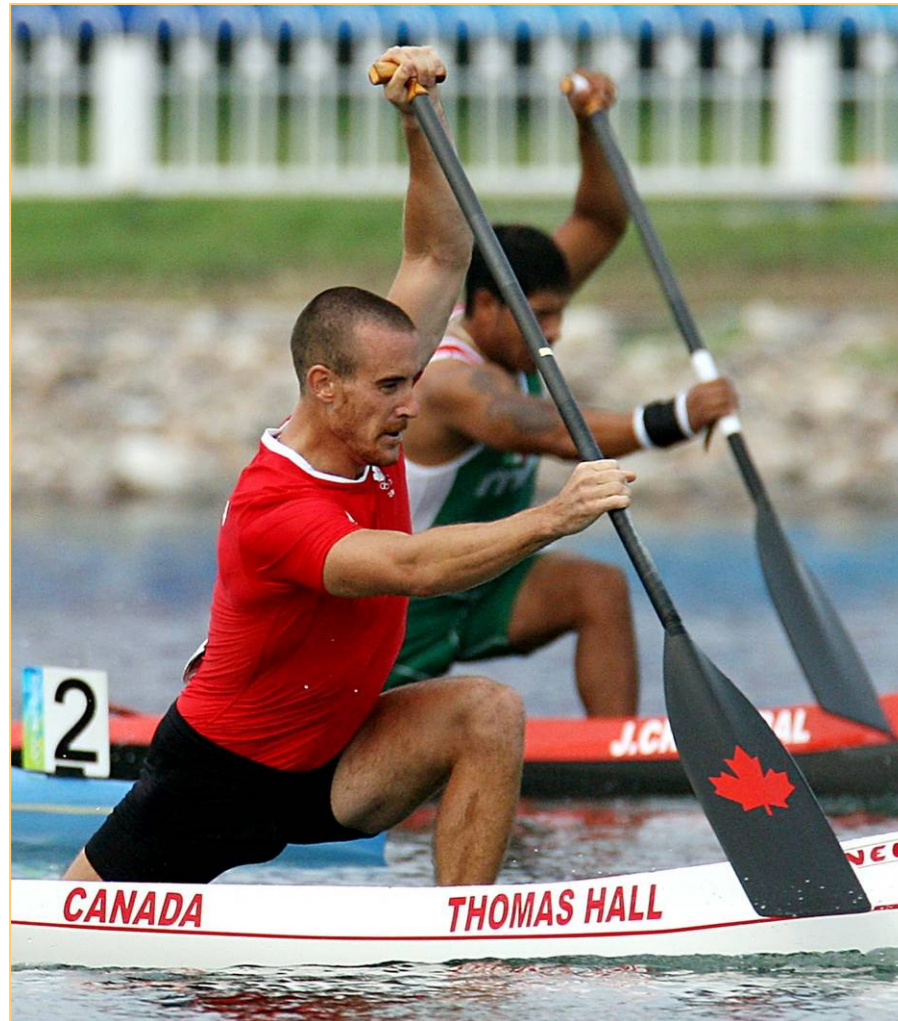
PARTENAIRE NATIONAL



Thomas Hall, Canoeist



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Kalyna Roberge, Speed Skater



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Caroline Ouellette, Hockey Player



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François-Louis Tremblay, Speed Skater



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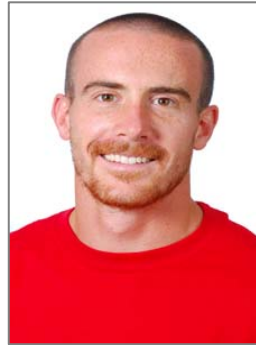
Brian McKeever, Paralympic Cross-Country Skier



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Congratulations!



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Questions?