

RONA inc.
CONSOLIDATED STATEMENTS OF INCOME AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the thirteen week periods and years ended December 28, 2014 and December 29, 2013

(in thousands of Canadian dollars, except per share amounts)

CONSOLIDATED STATEMENTS OF INCOME

	Fourth Quarter (unaudited)		Year-to-date	
	2014	2013	2014	2013
CONTINUING OPERATIONS				
Revenues	\$ 971,259	\$ 941,111	\$ 4,096,355	\$ 4,192,192
Earnings before interest, taxes, depreciation, amortization, impairment of non-financial assets, restructuring costs and other charges	\$ 52,491	\$ 36,124	\$ 235,373	\$ 162,088
Restructuring costs and other charges	20,640	6,132	23,697	82,879
Depreciation, amortization and impairment of non-financial assets	22,679	23,374	91,042	113,850
Operating income (loss)	9,172	6,618	120,634	(34,641)
Finance costs	3,343	4,615	16,238	14,000
Income (loss) before income taxes	5,829	2,003	104,396	(48,641)
Income tax expense (recovery)	1,143	523	27,509	(13,044)
Net income (loss) from continuing operations	4,686	1,480	76,887	(35,597)
DISCONTINUED OPERATIONS				
Net income (loss) from discontinued operations	1,360	(2,412)	1,360	(117,417)
Net income (loss)	\$ 6,046	\$ (932)	\$ 78,247	\$ (153,014)
Net income (loss) attributable to:				
Owners of RONA inc.				
Continuing operations	\$ 4,043	\$ 1,260	\$ 74,450	\$ (36,614)
Discontinued operations	1,360	(2,412)	1,360	(117,417)
	5,403	(1,152)	75,810	(154,031)
Non-controlling interests	643	220	2,437	1,017
	\$ 6,046	\$ (932)	\$ 78,247	\$ (153,014)
Basic and diluted net income (loss) per share attributable to owners of RONA inc.				
Continuing operations	\$ 0.02	\$ (0.01)	\$ 0.55	\$ (0.38)
Discontinued operations	0.01	(0.02)	0.01	(0.96)
	\$ 0.03	\$ (0.03)	\$ 0.56	\$ (1.34)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Fourth Quarter (unaudited)		Year-to-date	
	2014	2013	2014	2013
Net income (loss)	\$ 6,046	\$ (932)	\$ 78,247	\$ (153,014)
Other comprehensive income (loss), net of income taxes :				
Items that will be reclassified subsequently to net income				
Cash flow hedges				
– Gain (loss) for the year	2,796	(1,474)	5,067	(195)
– Reclassification to net income	(1,152)	88	(1,014)	1,374
Impact of foreign currency translation related to the net investment in an associate	825	181	739	306
	2,469	(1,205)	4,792	1,485
Items that will not be reclassified subsequently to net income				
Remeasurements of net defined benefit liability	(584)	887	(8,087)	2,130
Other comprehensive (loss) income	1,885	(318)	(3,295)	3,615
Comprehensive income (loss)	\$ 7,931	\$ (1,250)	\$ 74,952	\$ (149,399)
Comprehensive income (loss) attributable to:				
Owners of RONA inc.	\$ 7,288	\$ (1,470)	\$ 72,515	\$ (150,416)
Non-controlling interests	643	220	2,437	1,017
	\$ 7,931	\$ (1,250)	\$ 74,952	\$ (149,399)

RONA inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the thirteen week periods and years ended December 28, 2014 and December 29, 2013

(in thousands of Canadian dollars)

	Fourth Quarter (unaudited)		Year-to-date	
	2014	2013	2014	2013
OPERATING ACTIVITIES				
Income (loss) before income taxes	\$ 7,675	\$ (1,273)	\$ 106,242	\$ (198,071)
Income (loss) before income taxes from discontinued operations	1,846	(3,276)	1,846	(149,430)
Income (loss) before income taxes from continuing operations	5,829	2,003	104,396	(48,641)
Adjustments:				
Depreciation, amortization and impairment of non-financial assets	22,679	23,374	91,042	113,850
Net change in provision for restructuring costs	16,523	(1,494)	(11,458)	52,130
Change in fair value of derivative financial instruments	(3,798)	55	(6,896)	3,062
Net gains on disposal of assets	(874)	(852)	(6,204)	(4,640)
Net gains on disposal of an investment in an associate	(1,840)	-	(1,840)	-
Share of income of equity-accounted investees	574	(489)	(865)	(1,599)
Share-based payment	8,444	(124)	18,087	6,688
Defined benefit plan contributions, net of expense	(50)	(749)	(759)	(851)
Reversal of straight-line lease provisions	-	-	-	(3,468)
Other	1,095	(687)	1,204	(760)
	48,582	21,037	186,707	115,771
Net change in working capital	17,486	14,362	(46,446)	(33,497)
	66,068	35,399	140,261	82,274
Interest received	417	763	2,518	3,945
Income taxes paid	(844)	(2,959)	(3,935)	(11,107)
Cash flows from continuing operating activities	65,641	33,203	138,844	75,112
INVESTING ACTIVITIES				
Business combinations	(1,889)	(22,284)	(6,036)	(28,567)
Proceeds on disposal of a business	-	213,667	5,943	213,667
Proceeds on disposal of an investment in an associate	5,493	-	5,493	-
Acquisition of property, plant and equipment	(13,689)	(12,203)	(43,503)	(35,825)
Acquisition of intangible assets	(5,367)	(5,777)	(17,654)	(25,925)
Proceeds on disposal of property, plant and equipment and non-current assets held for sale	1,038	9,101	36,973	29,106
Proceeds on disposal of intangible assets	111	41	217	784
Net change in other financial assets	(325)	1,348	1,891	542
Dividends received from equity-accounted investees	775	2,004	775	2,004
Interest received	170	214	564	868
Cash flows (used for) from continuing investing activities	(13,683)	186,111	(15,337)	156,654
FINANCING ACTIVITIES				
Bank loans	275	(6,314)	(1,478)	(7,533)
Net change in credit facility	(1,574)	(208,296)	20,271	(176,068)
Financing costs	(89)	-	(741)	-
Repayment of other long-term debt	(259)	(5,534)	(1,552)	(9,573)
Proceeds from issuance of common shares	545	624	1,720	4,713
Repurchase of common shares	(32,847)	(15,375)	(94,232)	(15,375)
Dividends on common shares	-	-	(16,644)	(17,043)
Dividends on preferred shares	(2,264)	(2,495)	(9,075)	(9,263)
Cash dividends paid by a subsidiary to non-controlling interests	-	(3,430)	(2,450)	(3,430)
Interest paid	(696)	(19)	(10,629)	(10,546)
Cash flows used for continuing financing activities	(36,909)	(240,839)	(114,810)	(244,118)
Net increase (decrease) in cash from continuing operations	15,049	(21,525)	8,697	(12,352)
Net increase (decrease) in cash from discontinued operations	-	-	-	7
Net increase (decrease) in cash during the year	15,049	(21,525)	8,697	(12,345)
Cash, beginning of period	1,893	29,770	8,245	20,590
Cash, end of year	\$ 16,942	\$ 8,245	\$ 16,942	\$ 8,245