



NEWS RELEASE  
FOR IMMEDIATE RELEASE

**RONA ANNOUNCES NEW DIVIDEND POLICY**  
**TOP PRIORITY REMAINS INDUSTRY CONSOLIDATION WHILE MAINTAINING A STRONG**  
**BALANCE SHEET AND MAXIMIZING VALUE CREATION FOR SHAREHOLDERS**

**Boucherville, Quebec, December 8, 2010** – RONA inc. (TSX: RON), the largest Canadian distributor and retailer of hardware, renovation and gardening products, today announced the commencement of a new dividend policy under which a cash dividend will be payable to holders of RONA's common shares on a semi-annual basis. On December 7, 2010, the Board declared the first payment under the new policy, a seven cent (\$0.07) per share dividend payable on March 25, 2011 to holders of record on March 10, 2011. RONA's Board of Directors established this new dividend policy and will review the policy from time to time in light of the Company's cash flow, earnings, financial position and other relevant factors.

"The commencement of a dividend policy at RONA clearly illustrates how confident we are with the execution of our strategic plan no matter the temporary slowdown in our industry", said Robert Dutton, President and Chief Executive Officer of RONA.

"The investments we have made over the past several years have greatly improved our leadership position in the Canadian housing industry. Our most recent strategic acquisitions of TruServ Canada in the distribution business and several transactions in the specialized wholesale business for the commercial and professional clientele will also reduce the cyclical nature of our business. These investments enabled us to take advantage of favorable market conditions in the specialized wholesale business for the commercial and professional clientele and will enable us to take advantage of pending demand within the renovation industry, providing a stronger, more diversified and less volatile base of earnings and cash flow. While our top priority for our free cash flow has been to re-invest in long-term value-creating growth strategies, we believe it is the right time to recognize our shareholders' ongoing commitment to the Company and institute a regular dividend consistent with our objectives to maximize value for our shareholders while maintaining an investment grade credit profile", added Mr. Dutton.

Based on RONA's closing share price of \$13.50 on December 7, 2010, the dividend declared by RONA's Board of Directors represents approximately a 1.0% yield, on an annualized basis.

## **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 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 *News Release* reflect the Company’s expectations as at December 7, 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 refer to the “Risks and uncertainties” section of the Company’s annual report available at [sedar.com](http://sedar.com) or on [rona.ca](http://rona.ca).

## **ABOUT RONA**

RONA is the largest Canadian distributor and retailer of hardware, renovation and gardening products. RONA operates a network of nearly 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](http://rona.ca).

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