



FACT SHEET

Lowe's Companies Inc.

- US\$50.2 billion in sales for fiscal 2011
- FORTUNE® 100 company
- Second-largest home improvement retailer in the world
- More than 1,745 stores in the United States, Canada and Mexico
- 31 stores in Canada, none located in the Province of Quebec

RONA Inc.

- C\$4.8 billion in sales in fiscal 2011
- Approximately 300 corporate and franchised locations, including 80 big box stores
- 41 of the big box stores located in the Province of Quebec
- 500 Bannered Dealers

ANTICIPATED BENEFITS OF THE TRANSACTION FOR RONA INC.

- Lowe's has made a non-binding proposal to the Board of Directors of Canadian home improvement and hardware retailer RONA Inc. (TXT:RON) ("RONA") to acquire all of the issued and outstanding common shares of RONA for C\$14.50 in cash per share. The proposal is subject to the satisfactory completion of confirmatory due diligence.
- The proposal represents an attractive premium of 36.7% to the C\$10.61 closing share price on July 6, 2012 and a premium of 42.4% to the volume-weighted average share price of C\$10.18 for the 20 trading days ended July 6, 2012, the last trading day prior to the submission of the Lowe's proposal.



- A number of institutional shareholders representing in the aggregate approximately 15% of RONA's outstanding shares have indicated that they support Lowe's proposal.
- The transaction is underpinned by a compelling strategic rationale and commitments that benefit all stakeholders and customers of both RONA and Lowe's. These commitments include:
 - Creation of a strengthened Canadian home improvement retailer with world class capabilities, headquartered in Boucherville, Quebec
 - Share best practices and leverage strengths of existing employees
 - Strengthened multi-channel retail strategy
 - RONA is a renowned Canadian brand and it is strategically and culturally desirable that RONA stores and distribution operations continue to operate under the RONA brand
 - Enhanced dealer-owner value proposition
 - Commitment to local and ethical sourcing of materials
 - Continued commitment to Canadian communities
 - Lowe's is committed to supporting RONA's charitable initiatives and its sponsorship of Canadian Olympic athletes.

ANTICIPATED BENEFITS OF THE TRANSACTION FOR LOWE'S COMPANIES INC.

- If the proposed transaction takes place, Lowe's would become the #1 home improvement retailer in Canada by revenue.
- For Lowe's, the transaction offers an opportunity to immediately and significantly expand its Canadian presence, particularly in Quebec where RONA has a strong presence and Lowe's currently has no stores.
- From a financial perspective, the transaction would immediately add approximately C\$5 billion in annual revenue.
- Longer term, Lowe's believes there are significant opportunities to increase both the revenue and EBIT margin of the combined business.
- Based on the proposal announced today, the transaction is expected to have a positive net present value.
- Lowe's is committed to maintaining its current credit ratings.
- If Lowe's moves forward with a transaction, it will provide updated guidance as to financial impacts and long-term targets. There would be some short term impact on the share



repurchase program, but longer-term it is expected to be net positive to the share repurchase program.

- Bottom line, Lowe's believes the proposed transaction would be a WIN-WIN for Lowe's and RONA and would create significant value for shareholders of both companies.