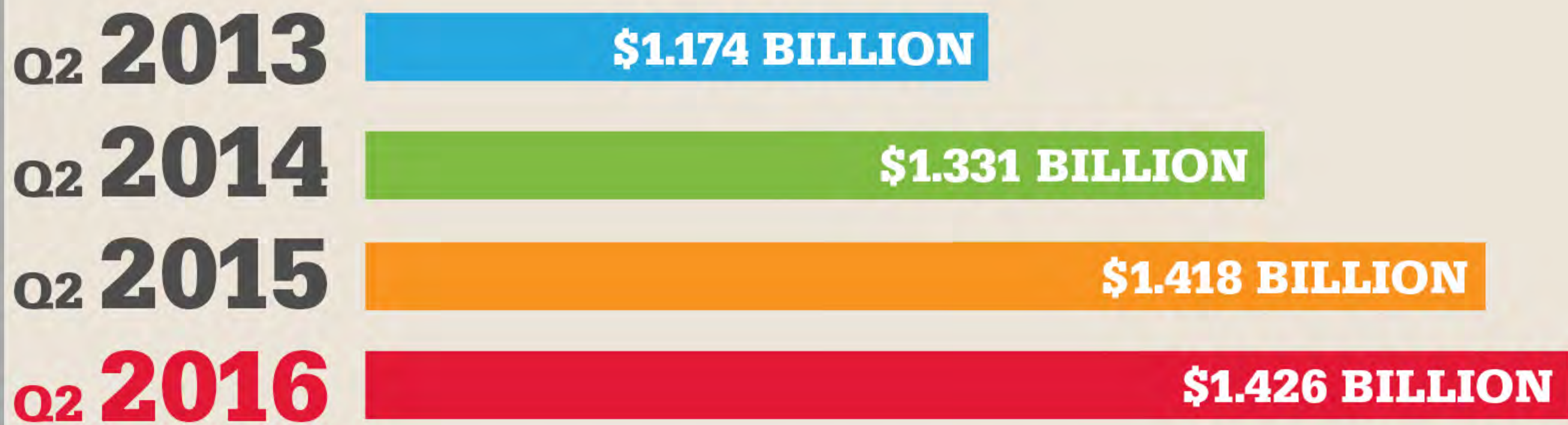


Second Quarter 2016

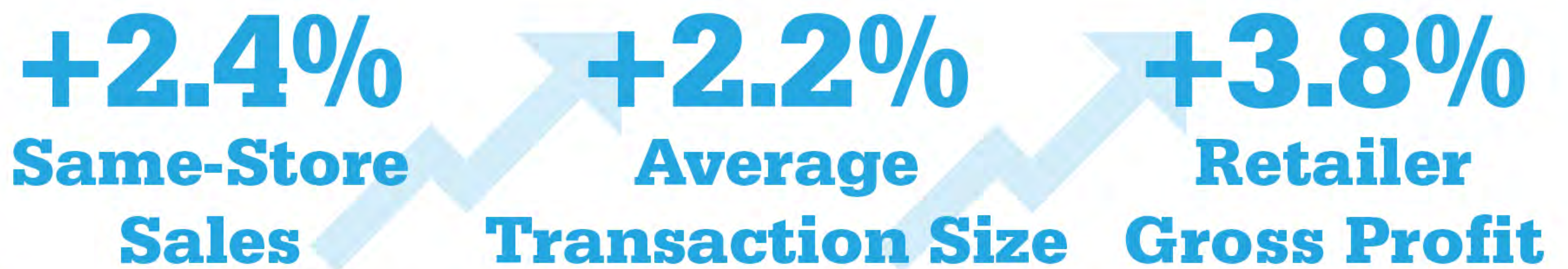
Ace reports record revenues



Net income of \$63.4 million

↑5.8%

vs. Q2 2015



20/20 VISION IS ACE'S LONG-TERM RETAIL GROWTH STRATEGY
RESULTS YEAR-TO-DATE OVER PRIOR YEAR

Ace Wholesale Holdings Revenue

↑+8.2%

Results year-to-date over prior year

Domestic Store Count

4,315

66 new stores added year-to-date

Ace Retail Holdings Revenue

↑+4.8%

Westlake **ACE** Hardware
The helpful place.
Results year-to-date over prior year

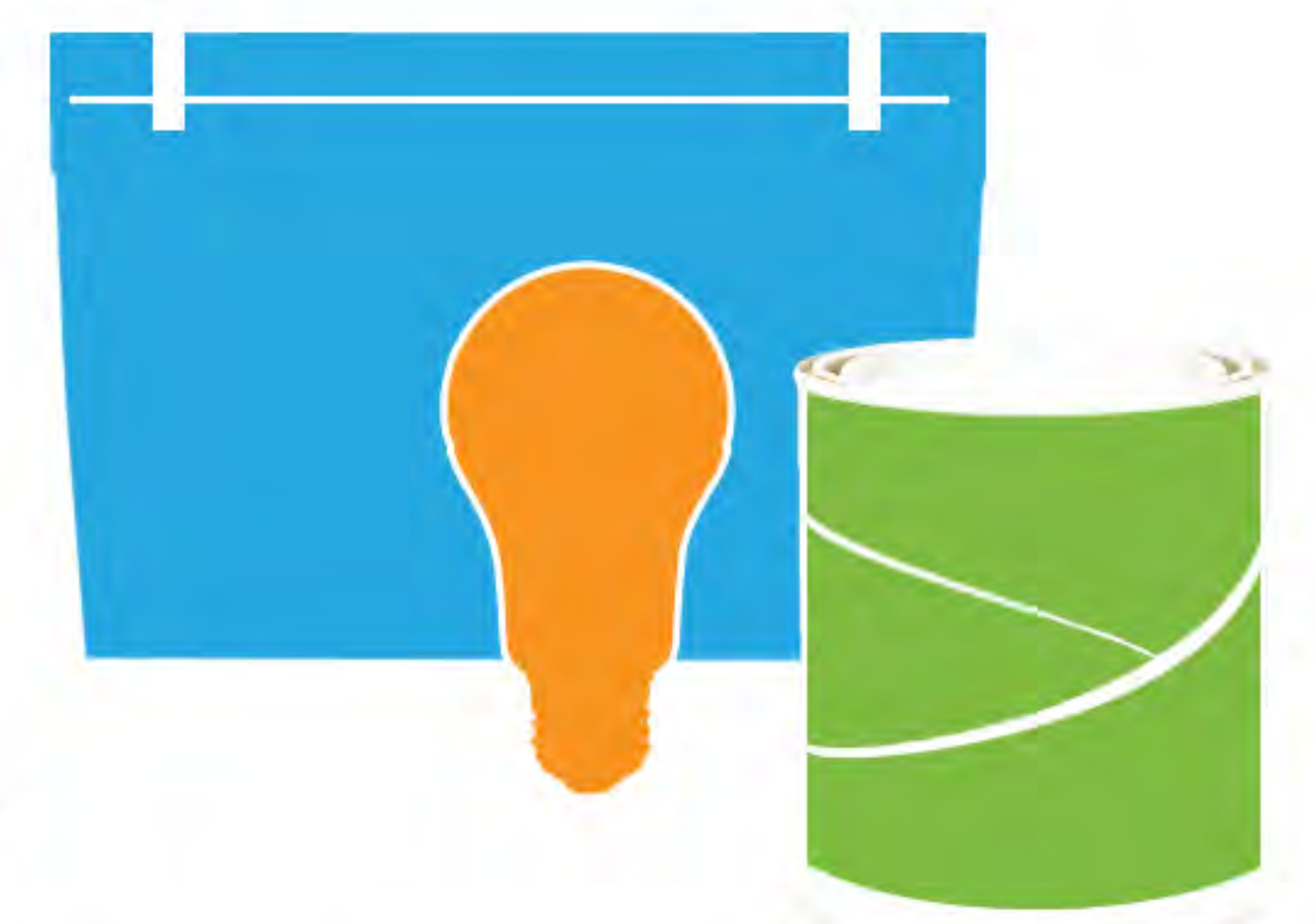
DECREASED DEBT BY
\$119.9 MILLION



VS. Q2 2015

Strongest Performing Merchandise Categories

- ↑213%** Coolers & Jugs
- ↑148%** LED Light Bulbs
- ↑24%** National Liquid Paint



(Year-over-year percentage increase)

Ten years in a row.
We're blushing, but red is our color.



2016 Open Buying Day Event



Hosted **250 meetings**
with innovative vendor prospects

Thanks to you, Ace has once again been ranked "Highest in Customer Satisfaction among Home Improvement Retail Stores," according to J.D. Power.

Ace Hardware received the highest numerical score among retail stores in the proprietary J.D. Power 2007-2016 Home Improvement Retail Store Studies. 2016 study based on responses from 2,995 consumers measuring six stores and opinions of consumers who purchased a home improvement product or service within the previous 12 months. Proprietary study results are based on experiences and perceptions of consumers surveyed January-February 2016. Your experiences may vary. Visit jdpower.com.