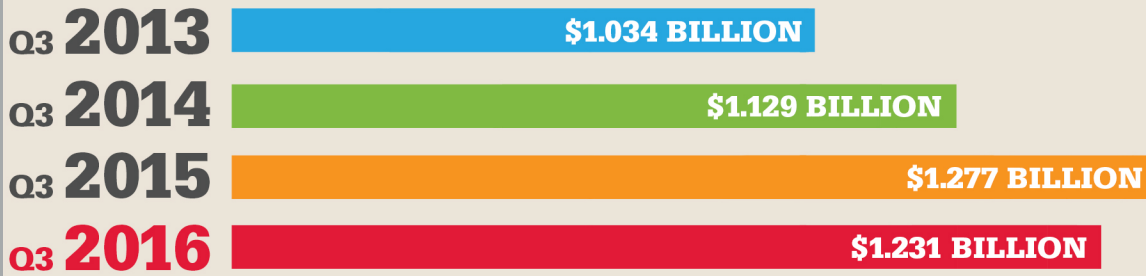


Third Quarter 2016

Ace reports financial results

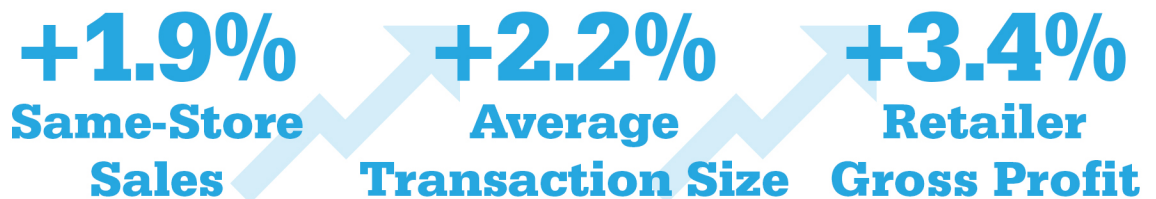


Net income of
\$50.2 million
 ↓7.6% vs. Q3 2015

"We missed our financial projections for the third quarter. Two contributing factors, however, provide some context. The first is the strong comp we faced from our *best-ever* quarter in 2015, in which we enjoyed a *45% increase in profit*. The second was the large number of cost-of-goods decreases we passed along to our local retailers, *increasing their retail profit but hampering our wholesale sales.*"

– John Venhuizen, President & CEO, Ace Hardware Corporation

\$136.6 MILLION 2016 TO BE ANOTHER RECORD YEAR OF PATRONAGE PAYOUTS TO RETAILERS; \$136.6 MILLION OF PATRONAGE HAS BEEN EARNED THROUGH THE FIRST NINE MONTHS OF 2016.



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

Ace Wholesale Holdings Revenue

↑ +6.1%

Results year-to-date over prior year

Domestic Store Count

4,335
102 new stores added year-to-date

Ace Retail Holdings Revenue

↑ +3.1%

Results year-to-date over prior year



DECREASED DEBT BY **\$91.4 MILLION** VS. Q3 2015



Chicago Tribune names Ace Hardware one of the **Top Workplaces of 2016**

Franchise Times
TOP200+

Ace Hardware ranked **No. 6** in the 2016 Franchise Times Top 200 list

- | | |
|---------------------------|----------------|
| 1. McDonald's | \$82.7 BILLION |
| 2. 7-Eleven | \$81.5 BILLION |
| 3. Kentucky Fried Chicken | \$22.6 BILLION |
| 4. Burger King | \$17.3 BILLION |
| 5. Subway | \$17.1 BILLION |
| 6. Ace Hardware | \$14.9 BILLION |
- Based on 2015 system sales according to Franchise Times