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ACE HARDWARE ENTERS SUPPLY AGREEMENT WITH MICA SOUTH AFRICA

Oak Brook, Ill. – June 28, 2005 – Ace Hardware Corp., the largest retailer-owned hardware cooperative in the industry, has entered into an exclusive purchase collaboration with Mica South Africa-Super Group’s hardware supply chain business. As part of the agreement, Ace Hardware will supply Mica’s 200 member stores located in South Africa with hardware and home improvement products.

“The South African marketplace presents a great opportunity for Ace’s growing international business, and this agreement will further bolster our burgeoning foreign-to-foreign sales,” said President and General Manager of Ace Hardware International Murray Armstrong. “The partnership will add tangible value to both Ace Hardware and Mica South Africa-Super Group through information sharing and partnering to service customers’ home improvement needs in that country.”

Chief Executive of Super Group Larry Lipschitz agrees. “There is an enormous opportunity to share the extensive knowledge and experience within the two companies, with each bringing their own unique strengths to the table,” he said. “We’re very excited

to collaborate with Ace Hardware as we look toward expanding our boundaries, sharing best practices and ensuring world-class logistics solutions.”

Innovative product opportunities, quality supply chain infrastructure and technology expertise will be shared through the partnership, according to Armstrong.

“This agreement brings together the leading do-it-yourself and home improvement convenience chains in their respective countries,” Armstrong said. “We greatly look forward to growing our respective businesses with our new partner.”

Mica South Africa is the leading hardware and home improvement group in South Africa, serving that market with an extensive range of products, service and value for more than 20 years. Mica was recently incorporated into the Super Group that has broadened its ability to procure, warehouse and distribute products. Mica South Africa plans to add 100 more stores in the next three years.

With \$13 billion in annual retail sales, Ace Hardware Corp. is among the top 25 U. S. retailers and top 50 in the world. Ace is headquartered in Oak Brook, Ill., and currently operates 15 distribution centers and three export consolidation facilities in the United States along with a procurement office in Hong Kong known as Ace Global Distribution. Ace has 4,700 stores in all 50 states and 70 countries worldwide. More information on Ace can be found at www.acehardware.com.

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