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## **ACE HARDWARE PAINT DIVISION ROLLS SMOOTHLY INTO ITS 25<sup>TH</sup> YEAR**

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*Royal<sup>TM</sup> Line Receives Label Makeover; Quality<sup>TM</sup> Line Rebranded with Essence<sup>TM</sup> Name*

OAK BROOK, Ill., May 21, 2009 – For the past quarter century, Ace Paint – a division of the Ace Hardware Corporation – has been making the world a brighter place – literally. Since its inception in 1984, this division has manufactured residential and commercial paint products exclusively for Ace stores. The colorful milestone coincides with the 85th anniversary of Ace, the industry’s largest retailer-owned cooperative, which instituted its own private label paint in the early 1930s.

As the 12th largest paint manufacturer in the U.S., Ace Paint Division has two manufacturing facilities totaling more than 500,000 square feet and employing more than 200 employees in the south Chicago suburbs of Matteson and Chicago Heights. Ace Paint boasts an annual production capacity of 20 million gallons and offers an extensive line-up of more than 1,000 different products.

“It’s very rare for major retailers to manufacture their own products, which is one of the primary reasons for our long-term success,” said Bill Bauman, vice president of retail support and paint manufacturing for Ace. “Consumers benefit from an incredible selection of products and colors at a better value than our competitors offer – and our retailers benefit from direct distribution and the opportunity to sell a line of exclusive merchandise.”

Ace’s premium paint lines include a wide array of ready-to-mix colors, as well as thousands of additional color choices. To assist customers in picking the perfect paint for a single room or an entire home, Ace Paint offers in-store and online programs that provide personalized service designed to ensure each customer has an easy and enjoyable shopping experience.

In addition to value and selection, Ace Paint is synonymous with innovation. Two years ago, Ace Paint introduced the Cabinet, Door and Trim enamel featuring Alkatex<sup>TM</sup>, which is a hybrid technology that combines the durable finish of an alkyd with the easy soap and water clean-up of latex. In 2004, Ace launched Ace Sensations<sup>TM</sup> with Scotchgard<sup>TM</sup> Protector – a premium acrylic latex flat paint with the washability of a semi-gloss, which resists even the toughest household stains. Similarly, in 2002, Ace Paint introduced the revolutionary Simply Magic<sup>TM</sup> ceiling paint

that uses a special additive to brush on blue and dry into a pure white matte finish – taking the guesswork out of one of the most challenging home improvement tasks.

As Ace Paint starts its next quarter century, it remains focused on providing customers with high-quality products and services. As a direct result of consumer feedback, Ace is introducing new packaging for its two core brands – Royal™ and Quality™.

The Royal brand name now will be more prominently displayed on the label in order to reinforce its premium attributes and communicate luxury and style – positioning it solidly among other high-end paint brands on the market. All re-designed labels on Royal primer also now feature a description of the product’s purpose, which makes it simpler for consumers to select the most appropriate primer for their project needs. In addition, the Quality product line has been renamed Essence™ in order to more clearly establish it as the value-oriented foundation offering within the Ace Paint brand family.

“Changing the packaging on two of our major paint brands was a strategic decision based on the suggestions we received from consumer focus groups in four major U.S. cities,” said Jack Wickham, director of the Ace Paint Division. “The new labels are cleaner and more user-friendly, with a modern design that effectively communicates all the details that customers expect to see on-shelf. The added convenience and improved appearance will benefit Ace retailers and consumers alike.”

Heading into the future, a major focus of the Ace Paint Division will be to continue the brand’s commitment to the environment – first by reducing VOCs (volatile organic compounds) to 50 grams per liter or less in all core latex paint lines. Ace Paint also is in the process of researching and pursuing eco-friendly certification for select paint lines through a third-party organization and changing the packaging for water-based products from metal to plastic cans, which means the can and contents will be recyclable.

### **About Ace Hardware**

Throughout its 85-year history, Ace Hardware has been known as the helpful hardware store by both customers and communities. With 4,600 hardware, home center and building materials stores that generate annual retail sales of more than \$12 billion, Ace is the largest retailer-owned hardware cooperative in the industry. Headquartered in Oak Brook, Ill., Ace currently operates 14 distribution centers in the U.S. and one in Shanghai, China, and its retailers' stores are located in all 50 states and more than 60 countries. For more information on Ace, visit [www.acehardware.com](http://www.acehardware.com).

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