

Recent Information

Lab Safety Supply acquires business-to-business direct marketers

On November 17, 2006, Grainger's Lab Safety Supply (LSS) subsidiary acquired in one transaction the assets of Professional Inspection Equipment and Construction Book Express, both of Hauppauge, New York. Professional Inspection Equipment and Construction Book Express combined serve 85,000 customers and had expected 2006 annual sales of more than \$20 million.

The transaction complements LSS's four previous acquisitions and enables LSS to further diversify its customer base into the services sector. Grainger expects the acquisition to be accretive within a year. [View the news release](#)



2007 vs. 2006 Selling Days

	2007	2006
Jan	22	21
Feb	20	20
Mar	22	23
Apr	21	20
May	22	22
Jun	21	22
Jul	21	20
Aug	23	23
Sep	19	20
Oct	23	22
Nov	21	21
Dec	20	20
Total	255	254

Upcoming Events

Fourth Qtr. 2006 Earnings Release
Friday, January 26, 2007

A Monthly Sales and Information Bulletin

November 2006 Sales

Grainger's daily sales for the month of November grew 6 percent versus November 2005. The 2005 and 2006 fourth quarters contain the same number of sales days; however, December has one less sales day than last year.

	Selling Days	
	2006	2005
Mo.	21	21
Qtr.	63	63
Yr.	254	255

Daily sales at Grainger's Branch-based segment grew by 5 percent versus November 2005. Results were negatively affected by approximately 2 percentage points from continued disengagements from automotive and integrated supply contracts.

At the Acklands – Grainger Branch-based segment, daily sales were up 8 percent (4 percent in Canadian dollars). At Lab Safety Supply (LSS), daily sales were up 10 percent, including incremental sales from the businesses of Professional Inspection Equipment, Inc. and Construction Book Express, Inc., acquired on November 17, 2006 (see article, left) and Rand Materials Handling Equipment Co.

Company Update

Grainger provides 2007 outlook

Grainger held its annual analyst meeting in Lake Forest, IL, on Wednesday, November 15, 2006. Presenters included Richard L. Keyser, Chairman and Chief Executive Officer, James T. Ryan, President, Kevin Peters, Senior Vice President, Supply Chain Management, and P. Ogden Loux, Senior Vice President, Finance and Chief Financial Officer.

Grainger reiterated its 2006 earnings per share guidance of \$4.10 to \$4.25 and announced its 2007 earnings per share forecast of \$4.60 to \$4.85.

2007 Sales & Operating Margin Guidance:

Business Unit	Sales Growth %	Operating Margin %
Grainger Branch-based	7.0 to 10.0	12.0 to 12.5
Acklands – Grainger	8.0 to 10.0	4.5 to 5.5
Lab Safety Supply	9.0 to 11.0	13.5 to 14.0
Total Company	7.0 to 10.0	10.0 to 10.5

2007 Cash Flow Projection:

Description	\$ in Millions
Operating Cash Flow	\$450 to \$500
Share Repurchase	250 to 350
Capital Expenditures	150 to 175

The presentations and news release are available on the [Speeches and Presentations](#) page of Grainger's Investor Relations Web site.

This document may contain forward-looking statements under the federal securities laws. The forward-looking statements relate to the company's expected future financial results and business plans, strategies, and objectives and are not historical facts. They are generally identified by qualifiers such as "expects," "expected," "forecasts," "guidance," "projection," or similar expressions. There are risks and uncertainties the outcome of which could cause the company's results to differ materially from what is projected. The forward-looking statements should be read in conjunction with the company's most recent annual report, as well as the company's Form 10-K and other reports filed with the Securities Exchange Commission, containing a discussion of the company's business and of various factors that may affect it.

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