

Operating Management



Court D. Carruthers
President, Acklands – Grainger Inc.

Court D. Carruthers was named President of Acklands – Grainger in October 2006. In this role he is responsible for the Canadian company in its entirety. Mr. Carruthers has been with Acklands – Grainger since 2002, assuming a number of increasingly responsible leadership roles prior to being appointed President. He is a member of the United Way of York Region Campaign Cabinet, YMCA Open Doors Fund, and the University of Alberta Business Advisory Council.



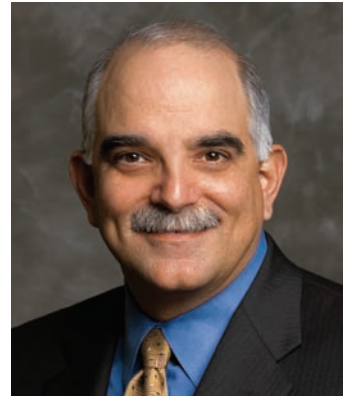
Patrick H. Davidson
Senior Vice President,
Sales and Marketing

Patrick H. Davidson was named Senior Vice President, Sales and Marketing, in September 2006. He is responsible for sales and marketing in Grainger's U.S. branch-based operations. Mr. Davidson has held increasingly responsible roles in the company's Sales, Branch Operations, Quality and Employee Development areas and was most recently Senior Vice President, Customer Service. He serves on the Board of Directors for the David Adler Music and Arts Center in Libertyville, Ill.



Cesar A. Lanuza
Vice President and Country Manager,
Grainger, S.A. de C.V.

Cesar A. Lanuza joined Grainger and was named Country Manager for Grainger S.A. de C.V. in November 2005. In this role, he has overall profit and loss responsibility for Grainger's business in Mexico. Prior to joining Grainger, Mr. Lanuza served in two management roles for GE's Healthcare business. In addition, Mr. Lanuza held different roles in sales, customer service and operations for United Technologies: Carrier division based in Mexico.



Larry J. Loizzo
Senior Vice President,
President, Lab Safety Supply, Inc.

Larry J. Loizzo was named President, Lab Safety Supply, Inc., a subsidiary of Grainger, in June 1996. He is responsible for the overall management and operations of Lab Safety Supply. Mr. Loizzo has been with Lab Safety Supply since 1987. Mr. Loizzo serves on the board of directors of GenTel BioSciences, Inc., the Safety Equipment Distributors Association and the Blackhawk Technical College Foundation. He is also a member of the University of Wisconsin at Whitewater Marketing Advisory Council.



Bonnie J. McIntyre
Vice President and General Manager,
China

Bonnie J. McIntyre was named Vice President and General Manager for the company's operations in China in September 2004. In this position, she is responsible for defining and building Grainger's presence in that country. Prior to this, Ms. McIntyre was Vice President, Integrated Services, Vice President of Grainger Special Product Services, and Product Category Manager. Prior to joining Grainger in 1999, she held a variety of after-market support and general management positions with Cummins, Inc. over an 18-year period.



Kevin A. Peters
Senior Vice President,
Supply Chain

Kevin A. Peters was named Senior Vice President, Supply Chain, in April 2006. He is responsible for the overall direction and management of Grainger's U.S. branch-based logistics network as well as Merchandising, Purchasing and Inventory Management. Mr. Peters joined Grainger in 2002 as Vice President, Inventory Management. Prior to joining Grainger, Mr. Peters held increasingly responsible roles as Vice President of Logistics for Home Depot Supply, a division of Home Depot, and Vice President and General Manager for Home Depot Commercial Direct in Canada.



Michael A. Pulick
Senior Vice President,
Customer Service

Michael A. Pulick was named Senior Vice President, Customer Service, in September 2006. He is responsible for Grainger's U.S. branch network, the development of customer on-site services and e-Business. Since 1999, Mr. Pulick has held a number of increasingly responsible positions in the company's supplier and product management areas. Most recently, he served as Vice President, Product Management. Mr. Pulick serves as an adjunct professor at the Lake Forest Graduate School of Management and is a certified purchasing manager. He also serves on the board of directors for Junior Achievement of Chicago.

Company Information

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CIBC World Markets Corp. – Christopher Glynn
Cleveland Research Co. – Adam Uhlman
FTN Midwest Research – John Baliotti
Goldman Sachs – Sun Kang
J.P. Morgan – C. Stephen Tusa
Lehman Brothers – Daniel Whang
Merrill Lynch – John Inch
Morgan, Keegan & Co. – Brent Rakers
Morgan Stanley – Scott Davis
Robert W. Baird & Co. – David Manthey
Wachovia Capital Markets – Allison Poliniak
William Blair & Co. – Jeffrey Germanotta

Annual Meeting

The 2007 Annual Meeting of Shareholders will be held at the company's headquarters in Lake Forest, Ill., at 10:00 a.m. CDT on Wednesday, April 25, 2007.

Expected Earnings Release Dates

First Quarter	April 16, 2007
Second Quarter	July 16, 2007
Third Quarter	October 15, 2007
Fourth Quarter	January 2008

Issuance of Preferred Share Purchase Rights

Grainger has adopted a shareholder rights plan, under which there is outstanding one preferred share purchase right for each outstanding share of Grainger common stock. Under certain circumstances – after a person or a group (unless exempt under the plan) acquires or announces a tender offer for 15 percent or more of Grainger's common stock – each right would entitle the holder to purchase, at the then-current exercise price, stock and/or other securities or assets of the company. The rights expire on May 15, 2009, unless earlier redeemed. The rights do not have voting or dividend rights and, until they become exercisable, have no dilutive effect on the earnings of Grainger.

Auditors

Ernst & Young LLP
Sears Tower
233 South Wacker Drive
Chicago, IL 60606-6301

Common Stock Listing

The company's common stock is listed on the New York and Chicago stock exchanges under the trading symbol GWW.

Transfer Agent, Registrar and Dividend Disbursing Agent

Instructions and inquiries regarding transfers, certificates, changes of title or address, lost or missing dividend checks, consolidation of accounts and elimination of multiple mailings should be directed to:

Computershare Investor Services
P.O. Box 43078
Providence, RI 02940-3078
Telephone 781.575.2879
www.computershare.com

Dividend Direct Deposit

Shareholders of record have the opportunity to have their quarterly dividends electronically deposited directly into their checking, money market or savings accounts at financial institutions that participate in the automated clearinghouse system.

Shareholders who are interested in taking advantage of this service or would like more information on the program should contact Computershare Investor Services.

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Forward-Looking Statements

Throughout this Fact Book are 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 often identified by qualifiers such as "aims," "anticipated," "believes," "estimated," "expects," "forecasting," "goals," "intends," "is positioned," "looks to," "opportunity," "plans," "potential," "projected," "projects," "should," "targeting," "will" or similar expressions. There are risks and uncertainties whose outcome could cause the company's results to differ materially from what is projected.

Factors that may affect forward-looking statements include the following: higher product costs or other expenses; a major loss of customers; increased competitive pricing pressure on the company's businesses; failure to develop or implement new technologies or other business strategies; the outcome of pending and future litigation and governmental proceedings; changes in laws and regulations; facilities disruptions or shutdowns; disruption in transportation services; natural and other catastrophes; unanticipated weather conditions and other difficulties in achieving or improving margins or financial performance.

Trends and projections could also be affected by general industry and market conditions, gross domestic product growth rates, general economic conditions including interest rate and currency rate fluctuations, employment levels, global and other conflicts, and other factors.