

## A Monthly Sales and Information Bulletin

### Featured in the News

Highlighting Grainger's position in the marketplace, in June, *Buildings* magazine named Grainger as one of its Best of the Web for procurement professionals. In August, *Catalog Age* ranked Grainger as third among the top 100 U.S. catalog distributors based on overall catalog and Internet sales.

#### Top Five U.S. Catalog Companies

1. Dell Computer Corp.
2. IBM Corp.
3. W.W. Grainger, Inc.
4. Corporate Express, N.A.
5. J.C. Penney Co.



In a June 2001 case study, the *Patricia Seybold Group* declared the new Custom Sign Design Center on Grainger.com "a real time saver," noting that the application streamlines the order and approval process of custom signs from Brady Corporation from an industry average of two weeks down to five minutes. Using this feature, in just three weeks, Grainger sold a third of the amount of Brady products it sold in all of 2000. For more information, visit [www.grainger.com/customsigns](http://www.grainger.com/customsigns).

### Upcoming Events

#### August 23-26, 2001

E-Business Summit Summer 2001  
Keystone, Colorado  
Speaker: Jim Ryan,  
Executive Vice President,  
Marketing and Sales  
[www.ebusinesssummit.com](http://www.ebusinesssummit.com)

#### September 9-12, 2001

11<sup>th</sup> Annual Information Week  
Fall Conference  
Tucson, Arizona  
Panelist: George Rimnac,  
Chief Technologist  
[www.informationweek.com/events](http://www.informationweek.com/events)

### July Sales

The W.W. Grainger, Inc. daily sales rate for the month of July was 4 percent below July 2000. Sales performance was affected by continuing weakness in the North American economy.

Daily sales at Grainger's branch-based distribution businesses were 4 percent below July 2000. Results for this segment included an increase in sales of seasonal products. Many regions of the United States experienced warmer weather during July 2001 than in July 2000. Daily sales at Lab Safety Supply were down 2 percent. Daily sales for Grainger's other businesses, primarily represented by Grainger Integrated Supply, were up 6 percent.

In July, Grainger processed sales through its e-businesses at an average annualized run rate of \$445 million, including \$340 million for Grainger.com.

	Selling Days	
	2001	2000
Mo.	21	20
Qtr.	63	63
Yr.	255	255

### Company News

#### Grainger Adds Two New Members to its Board of Directors

Grainger's Board of Directors appointed Frederick A. Krehbiel and Wesley M. Clark to the board in August, bringing the total number of members to 12. Fred Krehbiel is co-chairman of Molex Incorporated, a leading manufacturer of electrical/electronic interconnecting products. Wes Clark became president and chief operating officer of Grainger in May.

#### Grainger's Real-time Product Availability Boosts Efficiency

Driven by real-time product availability on Grainger.com, first pass yield reached almost 90 percent. First pass yield represents the percentage of online orders automatically routed to a shipment facility for fulfillment without manual intervention.

#### Grainger Launches Energy Efficiency Campaign

Grainger has launched a campaign to better familiarize customers with the environmental and bottom-line benefits associated with the installation and use of energy-efficient products. The initiative includes educational seminars with national and local suppliers, a direct marketing campaign, and a catalog of energy-management products. In the first half of this year, sales of these products are up more than 8 percent over the same period in 2000.

This document contains statements that are forward-looking, i.e. not historical facts. The forward-looking statements (generally identified by words or phrases indicating a projection or future expectation such as "annualized run rate") are based on the company's current expectations and some of them are subject to risks and uncertainties the outcome of which could result in actual future performance being materially different from the performance indicated. They 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 and Exchange Commission, containing a discussion of the company's business and of various factors that may affect it.

The electronic version of this document also contains links to various articles, often hosted on third party websites, about Grainger and the MRO industry. These links display the articles as they originally appeared and may contain errors or become outdated. The inclusion of any such link in this document does not imply Grainger's endorsement of the site, the accuracy or completeness of the information presented, the organization operating such site or the author(s) of the article, or any products or services of that organization.