

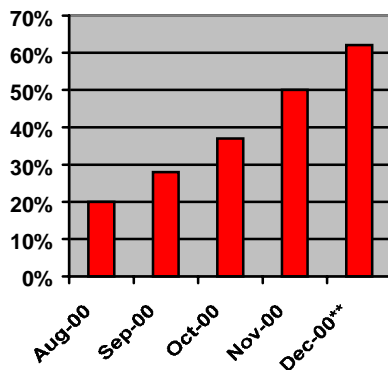
A Monthly Sales and Information Bulletin

Company News

Grainger.com 2.1 Update

Leading up to its year-end conversion to the new Web site, Grainger.com has significantly upgraded its order transmission process from three to 60 orders per minute, a 1900% increase. Additionally, search results on the new site are now displayed in a two-tiered format. Products available for next-day delivery are displayed first, followed by products with longer lead times.

Percentage of Grainger.com Revenue from Customers Who Have Migrated to the New Platform*



* Percentages represent monthly averages

** Month to date

Grainger Awarded Wyndham Lamp Conversion Contract

Wyndham International, Inc. has awarded Grainger a \$2 million contract to complete an energy-saving lamp conversion project in December involving more than 27,000 guestrooms in 115 of its hotels and resorts nationwide.

November Sales

The W.W. Grainger, Inc. daily sales rate for the month of November was 7% above November 1999. November had the same number of selling days (21) in each year.

During the month of November, the Branch-based distribution businesses experienced mid single-digit daily sales growth. The Company anticipates December daily sales growth will be low single digit due to tough comparisons with December 1999. Branch-based sales were up 13% last year, due in part to sales of Y2K products.

The daily selling rate for the Company's digital businesses grew during November.

The Company processed sales through all of its e-businesses at an average annualized run rate of \$390 million. This rate of growth was tempered by the transition of customers to the new Grainger.com site. To date, approximately 60% of all Grainger.com sales are occurring on the new site. The Company plans to discontinue the old Grainger.com site at the end of the year.

Featured in the News

Grainger led the market in 1999 according to Gartner Group in the November 2000 *EC World* article "E-Markets: Old Economy Players Step Up." Gartner Group cited the strength of offering a value-added business services model as a key driver of e-commerce success.

The *Chicago Tribune* noted Grainger's massive commitment to Internet sales and the Company's Internet sales growth in the December 3, 2000, article "Old-Line Firms Learning New Web Tricks as Dot-Coms Fold."

Upcoming Events

December 14 – 15, 2000

Forbes Magazine and Andrews Conferences' E-Business in the Construction Industry Conference

Washington, D.C.

Panelist: Ron Paulson, President, FindMRO.com

www.bpinews.com/ebizconstr.htm

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 "is planning to" or "estimates") 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.

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