

## Recent Information

Grainger's status as one of Standard & Poor's "Dividend Aristocrats" (companies that have had at least 25 consecutive years of dividend increases) was recently highlighted in the Barron's article "S&P's Selections For Nice Gains in Total Returns." Grainger was featured with four other companies as a company that analysts expect to generate superior returns over the next 12 months. Grainger has had 34 years of increasing dividends.



On January 30, 2006, *The Motley Fool* highlighted Grainger's industry leadership in the article "Of Grainger and Value." The author wrote of Grainger's growth initiatives: "That's a lot of irons to have in the fire at one time, but it's also a good way to go about building share in a highly fragmented market... I think Grainger might just be the better value today."



For the fifth consecutive year, \$12.1 billion home improvement and building products manufacturer Masco Corp. named Grainger a winner of its MASTAR awards program. The award recognizes suppliers who demonstrate leadership, communication, commitment and cooperation.

## Upcoming Events

**First Quarter Earnings Release**  
Monday, April 17, 2006

## A Monthly Sales and Information Bulletin

### January 2006 Sales

Grainger's daily sales for the month of January grew 6 percent versus January 2005.

	Selling Days	
	2006	2005
Mo.	21	21
Qtr.	64	64
Yr.	254	255

Daily sales at Grainger's Branch-based Businesses were up 5 percent versus January 2005. In the United States, sales were negatively impacted by some 2 percentage points due to lower sales of seasonal products and by approximately 2 percentage points from the continued disengagements from integrated supply contracts.

At Lab Safety Supply (LSS), daily sales were up 19 percent, including sales from AW Direct.

### Company News

#### Grainger implements SAP system

Today, Grainger entered its third week of serving customers using the new SAP system that was launched on January 30, 2006. The company provides updates on the program at the Investor Relations section of its Web site, [www.grainger.com/investor](http://www.grainger.com/investor).

"Technology is at the very core of our business – it ties together our broad product line, multiple channels and strong logistics network so that we can efficiently serve customers," said Grainger Chairman and CEO Richard L. Keyser. "I'd like to congratulate the project team and everyone in the business who worked hard to deliver this competitive advantage for Grainger."

With this implementation, Grainger is upgrading the technology throughout its 400 U.S. branches and moving business support functions, such as finance, marketing, supply chain and human resources, onto an integrated system.

#### Grainger's Lab Safety Supply (LSS) purchases national distributor

On January 31, 2006, Grainger's LSS subsidiary announced that it had purchased the business of Rand Materials Handling Equipment Co. With 2005 sales of \$16 million, Rand is a national catalog distributor of warehouse, storage and packaging supplies that participates in the material handling market.

"One of the keys to Lab Safety's long term growth strategy is to continue extending its reach through strategic acquisitions like Rand," said Grainger Chairman and CEO Richard L. Keyser. "This transaction is similar to Lab Safety's three previous successful acquisitions, which have provided new growth and diversification of the customer base."

This document contains 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 "anticipates," "expect," "expects," "forecast," "goals," "will," "outlook," "plans," "projected," "target," "trends" 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.

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.