

## Recent Information

The *Federal Times* ranked Grainger at #30 in its listing of the top 250 suppliers to the General Services Administration. The ranking is based on sales in fiscal 2004.



Last month Grainger relocated its Albany, Ga., branch to a building three-and-a-half times the size of its previous location. The new branch will offer customers more than 26,000 products in stock.



On May 31, Grainger provided transportation for a group of wounded U.S. soldiers to Chicago for a week of special events sponsored by the Wounded Soldier Program, a not-for-profit organization developed by the Veterans Foundation of Illinois. The week was covered by local media, including CBS Chicago news.

## Upcoming Events

William Blair 25<sup>th</sup> Annual  
Growth Conference  
June 22, 2005  
Chicago, Ill.  
Speaker: James T. Ryan,  
Group President

Second Quarter  
Earnings Release  
July 15, 2005

## A Monthly Sales and Information Bulletin May 2005 Sales

Grainger's daily sales for the month of May grew 6 percent versus May 2004. The slowing U.S. economy along with a decline in sales to the automotive industry and lower sales of seasonal products affected sales performance. The decline in sales of seasonal products, due in part to cool weather throughout much of the United States, had about a 1 percentage point impact on sales.

Daily sales at Grainger's Branch-based Businesses were up 5 percent versus May 2004. At Lab Safety Supply (LSS), daily sales were up 14 percent, including AW Direct, a recent acquisition.

	Selling Days	
	2005	2004
Mo.	21	20
Qtr.	64	64
Yr.	255	255

## Company News

### Grainger launches market expansion program in Baltimore

Today Grainger announced plans to augment its presence in Baltimore, Md., as part of the market expansion program.

"We've been serving businesses in the Baltimore area for more than 60 years and recently our customers told us that they wanted more products closer to them and available the same day, and we listened," said Grainger's Regional Sales Vice President, Teresa Payne-Nunn. "We're committed to helping our Baltimore-area customers get their jobs done and the changes we have planned will help them do that."

Grainger plans to expand and enhance several of the company's existing facilities and increase its local product offering, as well as increase the number of Grainger professionals available to better assist customers in finding the right solutions to their facilities maintenance needs. Additionally, the company plans to increase product availability for customers through the addition of a new full-size branch in the market.

Grainger's market expansion program is currently underway in Cincinnati, Houston, Kansas City, St. Louis, South Florida, Southern California and Tampa. Work in the Atlanta, Denver and Seattle markets is complete.

### Grainger honors suppliers

Grainger recently hosted its Partners In Performance Supplier Conference to provide an update on Grainger's strategic direction and recognize top-performing suppliers. Leadership and conference attendees focused on how we must align to provide a superior level of service to customers.

"Our suppliers are critical partners to our business," said Michael Pulick, Grainger's Vice President of Product Management. "Through ongoing dialogue and collaboration, we work with our suppliers to make improvements that benefit both our businesses." Grainger recognized a selection of suppliers with a performance award. Only 2 percent of Grainger's 1,100 suppliers receive this award each year. A complete list of winners is available at the press release section at [grainger.com](http://grainger.com).

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 "plans," "will," "planned," "projected" 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.