

## A Monthly Sales and Information Bulletin

### Featured in the News

*Purchasing* magazine discusses the role that online procurement is playing within industrial distribution in its May 3, 2001, report "Distribution 2001." Rather than eliminating distributors' function within the supply chain, these businesses report that the e-commerce channel is adding value to their distribution operations through increased efficiencies and lower costs.



In its June 2001 issue, *Catalog Age* deems Lab Safety Supply's first quarter acquisition of Ben Meadows, a \$20 million direct marketing firm, one of the "deals of the quarter" because it provides Lab Safety with a foothold in the \$500 million forestry industry. "The integration of Ben Meadows provides us with a leading position in the environmental and forestry markets, which in turn provides new growth opportunities for us," says Lab Safety president Larry Loizzo.

### Upcoming Events

**June 13-15, 2001**

The Forbes CEO Forum  
Scottsdale, Arizona

Speaker: Dick Keyser, chairman  
and chief executive officer

### May Sales

The W.W. Grainger, Inc. daily sales rate for the month of May was 4 percent below May 2000. Sales performance was affected by continuing weakness in the North American economy, a sharp decline in sales of seasonal products, and a difficult comparison with May 2000.

Daily sales at Grainger's branch-based distribution businesses were 4 percent below May 2000. Daily sales at Lab Safety Supply were down 3 percent. Daily sales for Grainger's other businesses, primarily represented by Grainger Integrated Supply, were down 5 percent.

In May, Grainger processed sales through its e-businesses at an average annualized run rate of \$425 million, including \$325 million for Grainger.com.

	Selling Days	
	2001	2000
Mo.	22	22
Qtr.	64	64
Yr.	255	255

### Company News

#### Grainger Reorganizes to Focus on Core Growth Opportunities

Grainger announced a series of management changes in May and June as it focuses on opportunities to gain market share. Don Bielinski, group president, left the company following the closing of Material Logic. Former group president Wes Clark became president and chief operating officer. Jim Ryan, who had been president of Grainger.com, became executive vice president, marketing and sales, and will head the integration of the branch network and Grainger.com. Grainger is also consolidating its international operations under John Schweig, senior vice president, international.

#### Grainger Receives General Motors' Supplier of the Year Award

For the sixth time in eight years, Grainger was named as a recipient of General Motors' Supplier of the Year Award. Recipients of the award are chosen annually by a panel consisting of purchasing department staff and end users. This panel judges all GM suppliers in a variety of areas, including quality, service, technology and price.

#### Customized Signs Available on Grainger.com

Through a partnership with Brady Corporation, customers can now create and order customized signs online, including signs that comply with OSHA and ANSI safety standards. For more information, visit the Custom Sign Center at [www.grainger.com/customsigns](http://www.grainger.com/customsigns).

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 "will" or "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.

