

Recent Information

Market expansion in the News: Grainger's Clearwater, Fla. branch was featured in the February 28, 2005 edition of the *St. Petersburg Times*. The branch showroom has been expanded from 1,000 to 6,000 square feet.



Grainger Chairman and Chief Executive Officer Richard L. Keyser was quoted in the February 28, 2005 edition of *Crain's Chicago Business*, in an article discussing improving economics among Midwestern companies. "We remain encouraged by the signs in the marketplace," said Keyser.



Grainger's 2005 catalog is now available. At 3,818 pages and 11 product categories, the new catalog offers more than 82,000 facilities maintenance and other products. To request a catalog or CD-Rom, please e-mail Jeff Cook at jeff.cook@grainger.com.

Upcoming Events

- Annual Report and Fact Book mailing
March 23, 2005
- First Quarter Earnings
April 15, 2005
- Annual Shareholders Meeting
April 27, 2005

A Monthly Sales and Information Bulletin

February 2005 Sales

Grainger's daily sales for the month of February grew 10 percent versus February 2004.

Daily sales at Grainger's Branch-based Businesses were up 10 percent versus February 2004. At Lab Safety Supply (LSS), daily sales were up 15 percent including AW Direct, a marketer of products to the \$3 billion service vehicle accessories market. Lab Safety recently purchased AW Direct as part of its strategy to grow via bolt-on acquisitions.

Sales at LSS were relatively flat versus 2004 excluding AW Direct. Sales growth was affected by the discontinuation Harvest Partners, a customer loyalty program that LSS participated in during the first quarter of 2004.

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

Company News

Market expansion update

On February 14, 2005, Grainger opened a new branch in Tumwater, Wash., just outside Olympia. The branch offers customers a more convenient solution for the area's facilities maintenance needs. With the opening of this branch, all projects in phase one of Grainger's market expansion program in Atlanta, Denver and Seattle are now complete.

The company also recently added a new Grainger Express in Santa Monica, Calif., and completed branch relocations in Glendale, Calif., and Tampa, Fla.

Grainger announces 2005-2006 board slate

At its regularly scheduled meeting on February 23, 2005, Grainger's board of directors announced William K. Hall as a candidate for the board. Hall is the co-founder and Chairman of Procyon Technologies, Inc., a Chicago-based holding company that focuses on the acquisition and growth of suppliers to the global aerospace and defense industry.

The other nine members to be voted on at the annual meeting are:

Brian P. Anderson, Wilbur H. Gantz, David W. Grainger, Richard L. Keyser, John W. McCarter, Jr., Neil S. Novich, Gary L. Rogers, James D. Slavik and Harold B. Smith.

Janiece S. Webb and Frederick A. Krehbiel will not stand for reelection at the annual shareholders meeting, which will take place on April 27, 2005.

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 "projects," "expects," "outlook," 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.