

## A Monthly Sales and Information Bulletin

### Featured in the News

The April 23, 2001, issue of *InfoWorld* discusses the joint efforts of distributors and suppliers to remove inefficiencies from the supply chain. For instance, Grainger is working with SPS Commerce, a supply chain integration service, to electronically enable its suppliers for e-business transactions, first using EDI, and ultimately, XML. "Our goal is to get all of our suppliers to use the same transaction methodology," says Fred Loopp, vice president, product management.



The March 1, 2001, *Logistics Management and Distribution Report* highlights the complex MRO distribution environment. Rick Adams, vice president, logistics, describes Grainger's new platform as the first 'click and brick' distribution network with facilities designed to accommodate both branch replenishment and direct-to-customer order fulfillment.

### Upcoming Events

#### May 21 - 22, 2001

Bear Stearns Second Annual Industrial Internet Conference  
Boston, Massachusetts  
Speaker: Jim Ryan, president, Grainger.com

#### June 13-15, 2001

The Forbes CEO Forum  
Scottsdale, Arizona  
Speaker: Dick Keyser, chairman and chief executive officer

### April Sales

The W.W. Grainger, Inc. daily sales rate for the month of April was 2 percent below April 2000. Sales performance was affected by continuing weakness in the U.S. economy.

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

In April, Grainger processed sales through its e-businesses at an average annualized run rate of \$405 million. This figure excludes sales processed through TotalMRO and MROverstocks, given the discontinuation of these Material Logic businesses, as announced on April 23 (see below).

	Selling Days	
	2001	2000
Mo.	21	20
Qtr.	64	64
Yr.	255	255

### Company News

#### Grainger Discontinues Material Logic

On April 23, 2001, Grainger announced the discontinuation of Material Logic (excluding FindMRO), taking a non-recurring, after-tax charge of \$24 million, or \$0.25 per share, in the second quarter of 2001. The company also divested its 40% stake in Works.com and wrote down its investment in another digital company, taking an after-tax charge of \$14 million, or \$0.15 per share. The total effect of both non-recurring charges will be \$0.40 per share in the second quarter of 2001. The charge will be partially offset by elimination of the expected ongoing losses of Material Logic and Works.com, equivalent to \$0.29 per share for the remainder of the year.

#### Dick Keyser Outlines Grainger's Growth Strategy at EPG Conference

Grainger's chairman and chief executive officer, Dick Keyser, reiterated the importance of the Internet to Grainger's growth strategy in his presentation to analysts at the Electrical Products Group of New York annual conference on May 9, 2001. He also announced that Grainger.com is expected to be profitable for the year and reaffirmed the company's earnings per share guidance for 2001 of \$2.20 to \$2.50, excluding \$0.40 in restructuring charges. A complete copy of this presentation is available at the investor relations section of Grainger's website, [www.grainger.com](http://www.grainger.com).

#### Grainger Introduces Executive Stock Purchase Program

In March, a group of Grainger executives purchased \$24.4 million in shares of common stock from the company. The purchase makes members of the management team more substantial shareholders and further aligns their interests with those of shareholders. Proceeds from the executive stock purchase program will be used to repurchase shares on the open market.

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," "is expected," or "guidance") 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.

