

A Monthly Sales and Information Bulletin

Recent Information

November sales information will be released on Wednesday, December 15, 2004, in conjunction with the analyst meeting described in Upcoming Events.



The October issue of *Purchasing Magazine* detailed Grainger's ability to deliver technical product support to its customers through its account managers, branch employees and network of suppliers that can dramatically impact customers' bottom line. Grainger was among five distributors profiled in the article "Pumping Up Plant Profitability."



Grainger's commitment to its customers and communities affected by the recent hurricanes was covered in the October issue of *Industrial Distribution*. The article highlighted Grainger's contribution of more than \$1 million in cash and products to the American Red Cross.

Upcoming Events

December 15, 2004

Grainger management will host an analyst meeting in Atlanta, Ga., to provide an update on the market expansion program and present the company's outlook for 2005. Click [here](#) or contact Jeff Cook at 847.535.0880 to register.

October Sales

Grainger's daily sales rate for the month of October was up 10 percent versus October 2003.

Daily sales at Grainger's Branch-based Businesses were up 10 percent versus October 2003. Daily sales for Integrated Supply were flat. At Lab Safety, daily sales were up 6 percent. Late in the 2003 fourth quarter and early in the 2004 first quarter, Lab Safety was a supplier to a customer's promotional loyalty program, Harvest Partners. Lab Safety has elected not to participate in the program going forward.

Daily sales processed through grainger.com were 28 percent above October 2003.

	Selling Days	
	2004	2003
Mo.	21	23
Qtr.	63	64
Yr.	255	255

Company News

Grainger wins USPS Quality Supplier Award

For the second year in a row, Grainger has received the Quality Supplier Award from the U.S. Postal Service (USPS) for supplying its employees with the equipment, tools and services they need to deliver superior services to the American public.

Grainger had sales of \$29 million to the USPS in Fiscal Year 2003 (September 7, 2002 – September 5, 2003). This year, Grainger has helped the USPS consolidate suppliers and reduce its facilities maintenance inventory by about 30 percent across the country. USPS locations now rely on Grainger's extensive branch network for these products. As a result, Grainger has helped the USPS reduce its overall inventory costs by 12 percent.

Market expansion program update

On November 11, Grainger opened a new full service branch in Deerpark, Texas, just outside Houston. The branch is the second new facility added to the Houston area as part of Grainger's market expansion program. Last month, Grainger opened a full service branch in Conroe, Texas, stocked with products tailored to the needs of local customers.

In the St. Louis market, Grainger opened a new full service branch in O'Fallon, Mo. And this week, Grainger unveiled its expanded showroom – nearly double in size – at its branch in Maryland Heights, Mo.

New director elected

On October 26, Grainger's Board of Directors appointed Gary L. Rogers to the board. Rogers was most recently Vice Chairman of General Electric Company from 2001 until his retirement in December 2003.

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 "going forward," "update," "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.