

## A Monthly Sales and Information Bulletin

### Featured in the News

In its September 1, 2001, cover story, "The Changing Face of B2B E-Commerce," *E-Commerce World* magazine focuses on the steps companies are taking to drive greater acceptance of e-commerce. "Building a sustainable e-commerce channel has a little bit to do with technology and a lot to do with content management and process management," says Jim Ryan, executive vice president, marketing and sales. "Our spending is focused less on generating trial and awareness and more on adding increased functionality to the site."

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Emphasizing the importance of "Brand Power," the September 2001 issue of *Sales and Marketing Management* notes that Grainger's superior service has enabled it gain name recognition and increase customer loyalty.

### Upcoming Events

#### October 9-12, 2001

Electronic Commerce World  
Chicago, Illinois  
Speaker: Jim Ryan,  
Executive Vice President,  
Marketing and Sales  
[www.ecmediagroup.com/confer/ecwchi/](http://www.ecmediagroup.com/confer/ecwchi/)

#### October 18-19, 2001

BusinessWeek's e.biz Live  
Chicago: Rethinking the  
Internet  
Chicago, Illinois  
Speaker: Carl Turza,  
General Manager,  
Grainger.com  
<http://conferences.businessweek.com/2001/ebizChicago/>

### August Sales

The W.W. Grainger, Inc. daily sales rate for the month of August was 5 percent below August 2000. Sales performance was affected by continuing weakness in the North American economy.

Daily sales at Grainger's branch-based distribution businesses were 5 percent below August 2000. Results for this segment included an increase in sales of seasonal products, as many regions of the United States experienced warmer weather during August 2001 than in August 2000. Daily sales at Lab Safety Supply were down 4 percent. Daily sales for Grainger's other businesses, primarily represented by Grainger Integrated Supply, were up 3 percent.

In August, Grainger processed sales through its e-businesses at an average annualized run rate of \$460 million, including \$350 million for Grainger.com.

Selling Days		
	2001	2000
Mo.	23	23
Qtr.	63	63
Yr.	255	255

### Company News

#### Grainger Introduces the Repair Parts Center on Grainger.com

In August, Grainger greatly expanded its online repair parts offering with a unique, searchable repair parts database. Using the new online Repair Parts Center on Grainger.com, customers can now search for repair parts from more than 110 manufacturers. According to surveys, customers cite after-market service and repair parts availability as the key reason for choosing an industrial supplier. For more information, visit [www.grainger.com](http://www.grainger.com).

#### Grainger Opens New Distribution Center in Los Angeles

In August, Grainger opened in Los Angeles the first of nine distribution centers, part of the company's effort to streamline its distribution network. The Los Angeles facility contains state-of-the-art automation technology and employs paperless picking, helping to speed the preparation of orders for shipment. Fifty percent of Grainger's inventory is stored at the distribution center level. The distribution centers use this inventory for branch replenishment as well as direct shipment to customers, including 95 percent of the orders placed through Grainger.com. The next distribution center should begin operations in Dallas, Texas, in the fourth quarter of 2001.

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 "annualized run rate" or "should begin operations") 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.

*We would like to express our deepest sympathies to the members and families of the New York financial community who were affected by the tragedies on September 11, 2001.*

