

Recent Information

On Nov. 29, Grainger announced that the greater Cincinnati – Dayton, Ohio, metropolitan area will be next to undergo expansion as part of the company's national market expansion program. The program is designed to enhance the company's overall market presence through new and expanded facilities, additional inventory, increased sales professionals, and additional services.



In November, *CFO Magazine* detailed Grainger's program geared at grooming up- and-coming finance professionals. The article, "Great Expectations," quotes Grainger Branded-Business V.P. Finance, Ron Jadin as saying, "as our business becomes more fact-based, there's more demand for finance skills across the company."



Last month Grainger opened a branch at the U.S. Army Rock Island Arsenal located just outside the Quad Cities. The new Arsenal branch is the company's third at a military installation.



Grainger's commitment to its employees in the armed forces was recognized for the second year in a row in the December issue of *G.I. Jobs*, the premier national magazine serving the needs of transitioning military and veterans. Grainger appeared 16th in the magazine's second annual ranking of the Top 25 Most Military Friendly Employers.

A Monthly Sales and Information Bulletin

November Sales

Grainger's daily sales rate for the month of November was up 8 percent versus November 2003.

Daily sales at Grainger's Branch-based Businesses were up 10 percent versus November 2003. Daily sales for Integrated Supply were down 10 percent. At Lab Safety, daily sales were up 2 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. The program has been discontinued.

Daily sales processed through grainger.com were 25 percent above November 2003.

	Selling Days	
	2004	2003
Mo.	21	19
Qtr.	63	64
Yr.	255	255

Company News

Analyst meeting held today

Grainger hosted an analyst meeting at its facility in Norcross, Ga., today to review key business initiatives and provide the company's outlook for 2005.

"When I look ahead, I see great potential for this company," said Richard L. Keyser, Chairman and Chief Executive Officer. "We have a small share of a large, fragmented market and have more going for us than any of our competitors."

Keyser highlighted the varied challenges customers face in meeting their facilities maintenance needs and how Grainger is positioning itself to better address these challenges. This includes the incorporation of Grainger Integrated Supply into Grainger Industrial Supply to make it a more scalable model for customers who want an outsourcing capability. Beginning in 2005, the segment will no longer be reported separately.

James T. Ryan, Group President, detailed the progress of the market expansion program and provided an overview of the detailed modeling system used to identify and optimize service to select markets across the country.

P. Ogden Loux, Sr. V.P., Finance and Chief Financial Officer, announced that sales for the year are expected to be 8 percent above 2003. Loux said Grainger's 2004 earnings per share should exceed the October guidance and the company now expects EPS in the range of \$2.95 to \$3.05. For 2005, Grainger expects revenue growth of 8 to 11 percent and earnings per share of \$3.20 to \$3.45.

Presentations from the meeting are available at the Investor Relations section of Grainger's Web site www.grainger.com.

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