

A Monthly Sales and Information Bulletin

Featured in the News

In October 2001, *Darwin* magazine profiled five top executives from among its "Fittest 50" winners, including Grainger Chairman and CEO Dick Keyser. In the article, Keyser discusses how technology enhances Grainger's multi-channel strategy and how Grainger makes sure that technology doesn't leave customers behind.



In its October 1, 2001, issue, *Logistics Management* outlines the nine operational and financial measurements Grainger uses to monitor performance, trim supply chain costs, shave inventory and boost on-time shipping performance. "Our metrics have helped us drive the performance of our supply chain," says Rick Adams, vice president of logistics.



In an October 6, 2001, article, a *New York Times* reporter chronicles the challenges of a tight economy after spending a day alongside a Grainger territory manager in Indiana.



The October 12, 2001, issue of *Industrial Distribution* magazine highlights a new study on trends in distribution conducted by the Thomas A. Read Center for Distribution Research and Education at Texas A&M University. The study reveals that 74 percent of end-user customers say distributors who provide documented cost savings can earn a greater share of their business.



In its August 15, 2001, issue, *CIO* magazine named Grainger as one of the "Top 100 Business Innovators," an awards program recognizing companies that have "sought out ways to improve their business by pushing beyond the tried and true."

October Sales

The W.W. Grainger, Inc. daily sales rate for the month of October was 7 percent below October 2000. Sales performance was affected by continuing weakness in the North American economy.

Daily sales at Grainger's branch-based distribution businesses were 8 percent below October 2000. Daily sales at Lab Safety Supply were down 1 percent. Daily sales for Grainger's other businesses, primarily represented by Grainger Integrated Supply, were up 11 percent.

In October, Grainger processed sales through its Internet sites at an average annualized run rate of \$475 million, including \$355 million for Grainger.com.

	Selling Days	
	2001	2000
Mo.	23	22
Qtr.	64	63
Yr.	255	255

Company News

In a further effort to cut costs from the supply chain, Grainger is offering its small- and mid-sized suppliers a cost-effective solution for conducting electronic commerce. The service, offered through Grainger's supplier extranet site, enables suppliers and Grainger buyers to access all order, tracking, and payment information. This helps reduce costly inventory overhead and fulfillment lead times of all orders, regardless of size or destination.

Upcoming Events

November 28 – December 1, 2001

Lehman Brothers 19th Annual Industrial Select Conference
Coral Gables, Florida

Speaker: Dick Keyser, Chairman and Chief Executive Officer
<http://208.35.198.100/pw/industrialselect/intro.htm>

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", "effort to cut costs", or "helps reduce") 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.