

**Investor Relations
July Monthly Sales
August 10, 2012**

Hi, this is Laura Brown, Senior Vice President, Communications and Investor Relations for Grainger. Thank you for accessing this recorded message with information regarding Grainger's July 2012 sales results.

I'll begin by reminding you that certain statements and projections of future results made in this webcast constitute forward-looking information. This information is based on current expectations of market conditions and competitive and regulatory environments and involves risk and uncertainty. Please see our 2011 Form 10-K for a discussion of factors as they relate to forward-looking statements.

Let's now take a look at our sales results for July 2012, which had 21 selling days, one more than July 2011. Total company daily sales increased 11 percent versus July 2011. These results include a 5 percentage point contribution from acquisitions and a 2 percentage point drag from foreign exchange. Organic daily sales increased 8 percent, including 4 percentage points from volume and 4 percentage points from price. Despite the hot weather experienced in many regions during July, the sales of seasonal products did not contribute to sales growth for the month.

Now let's turn our attention to sales results by segment. As a reminder, monthly sales history by reporting segment for the prior 2 years is available on the Investor Relations web site along with a summary of selling days by month and by business. Please note that although some of our businesses have a different number of selling days due to local holidays, we use the number of selling days in the United States as the basis for our calculation of daily sales.

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I'll begin with our largest segment, the United States. Daily sales for the U.S. segment increased 6 percent, consisting of 2 percentage points from volume and 4 percentage points from price.

Let's review our customer end markets in the United States. Daily sales performed as follows:

- Heavy and Light Manufacturing were up in the high single digits,
- Commercial and Retail were up in the mid-single digits,
- Government and Natural Resources were up in the low single digits, and
- Reseller and Contractor were essentially flat.

In our Canadian segment, daily sales increased 10 percent in U.S. currency, including a 14 percentage point contribution from volume and 2 percentage points from price, offset by a 6 percentage point decline from foreign exchange. In local currency, sales for the Canadian segment increased 16 percent. Strong growth to customers in the Commercial, Construction, Oil and Gas, Retail/Wholesale, Forestry and Utilities end markets contributed to this performance.

Daily sales for our Other Businesses increased 71 percent, primarily due to the incremental sales from the businesses in Europe and Brazil, which were acquired within the last 12 months. Excluding the acquisitions, sales for our Other Businesses increased 17 percent driven primarily by strong growth in Japan.

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Looking forward, August will have 23 selling days, the same as August of last year. Daily sales growth thus far in August is comparable to the daily sales growth in July. It is important to note that we lose a selling day in the third quarter. One less selling day typically results in reported sales being about 1 percentage point lower than the daily rate for a quarter. The 2012 third quarter will have 63 days versus 64 days in the 2011 third quarter.

Please mark your calendar for our August sales release on Thursday, September 13th. If you have questions about July sales, contact me at 847-535-0409 or Bill Chapman, Senior Director, Investor Relations, at 847-535-0881. Thank you.