

**Investor Relations
April Monthly Sales
May 13, 2014**

Good morning, this is Casey Darby, Senior Manager of Investor Relations for Grainger. Thank you for accessing this recorded message with information regarding Grainger's April 2014 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 2013 Form 10-K for a discussion of factors as they relate to forward-looking statements.

April 2014 had 22 selling days, the same as April 2013. For the month of April, total company sales increased 5 percent versus April 2013, including 1 percentage point from acquisitions, net of dispositions, and a 1 percentage point decline from unfavorable foreign exchange primarily due to the continued weakness of the Canadian dollar. Excluding acquisitions and foreign exchange, organic sales increased 5 percent driven by 7 percentage points from volume, partially offset by a 2 percentage points headwind from the timing of the Easter holiday. To provide some context, customer activity tends to slow before and after Easter Sunday, and in 2014 Easter was in April. In 2013, Good Friday fell on the last Friday of March and Easter Monday was the first Monday of April.

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. 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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In our largest segment, the United States, sales increased 7 percent, consisting of 7 percentage points from volume and 2 percentage points from acquisitions, net of dispositions, partially offset by 2 percentage points from the timing of the Easter holiday. The volume increase was primarily driven by strong growth to large customers.

The shift in the Easter holiday from March 2013 to April 2014 also affected the performance of customer end markets in the United States. Sales results by customer end market were as follows:

- Retail, Government, Heavy Manufacturing, Commercial and Light Manufacturing were up in the mid-single digits;
- Natural Resources and Reseller were up in the low single digits; and
- Contractor was down in the mid-single digits.

In our Canadian segment, sales decreased 12 percent in U.S. currency and were down 5 percent in local currency. Excluding the effect of the timing of the Easter holiday and foreign exchange, overall sales volume was flat, a sequential improvement from March which had a 4 percent volume decline. Canada's results continue to be affected by unfavorable foreign exchange, macroeconomic weakness and softness in natural resources.

Sales for our Other Businesses, which includes operations primarily in Asia, Europe and Latin America, increased 18 percent in April. This growth consisted of 23 percentage points from volume and price, partially offset by a 4 percentage points decline from unfavorable foreign exchange and a 1 percentage point decline from the timing of the Easter holiday, primarily in Latin America. The majority of the growth came from our online businesses, MonotaRO in Japan and Zoro in the United States.

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Looking ahead, May will have 21 selling days, one fewer than May of last year. Daily sales growth thus far in May is in line with the growth in April, normalized for the 2 percentage points drag from the Easter holiday.

Please mark your calendar for the following upcoming events:

1. On May 21, 2014 at 10:00 a.m. EDT, Jim Ryan, Chairman, President and Chief Executive Officer and Ron Jadin, Senior Vice President and Chief Financial Officer will present at the Electrical Products Group Conference in Longboat Key, FL.
2. On June 4, 2014 at 11:00 a.m. EDT, Debra Oler, Vice President and General Manager, Grainger Brand will present at the Deutsche Bank Global Industrials and Basic Materials Conference in Chicago, IL.
3. On June 10, 2014 at 9:50 a.m. EDT, Jim Ryan, Chairman, President, and Chief Executive Officer, and Ron Jadin, Senior Vice President and Chief Financial Officer, will present at the William Blair Growth Stock Conference in Chicago, IL.
4. Finally, we plan to report May 2014 sales on Thursday, June 12th at 8:00 a.m. EDT.

If you have any questions, please contact Laura Brown, Senior Vice President, Communications and Investor Relations at 847-535-0409, Bill Chapman, Senior Director of Investor Relations at 847-535-0881 or me at 847-535-0099. Thank you for your interest in Grainger.