



W.W. Grainger, Inc.
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GRAINGER PROVIDES OUTLOOK AT ANALYST MEETING

**Narrows 2011 EPS guidance to a new range of \$8.85 to \$9.00,
excluding unusual items**

Issues 2012 EPS guidance of \$9.90 to \$10.65

CHICAGO, November 16, 2011 – Grainger (NYSE: GWW), the leading broad line supplier of maintenance, repair and operating products serving businesses and institutions, held its Annual Analyst Meeting in Lake Forest, Illinois, today. Chairman, President and Chief Executive Officer Jim Ryan, hosted the event. The meeting also included presentations from several other Grainger leaders.

As part of the meeting, Grainger provided the following outlook for sales and earnings in 2011 and 2012:

- For the 2011 fourth quarter, the company is forecasting sales to increase 12% to 13%, and expects earnings per share for the quarter to be between \$1.94 and \$2.09, excluding unusual items. The company also announced today that it intends to close 25 branches in the United States before year end, and expects to incur a charge of approximately \$14 to \$18 million, or \$0.12 to \$0.15 per share, which is excluded from fourth quarter and 2011 guidance.
- For the full year 2011, the company reiterated its sales growth forecast of 11% to 12%, and narrowed its earnings per share forecast to be between \$8.85 and \$9.00, excluding unusual items. The company's prior 2011 full year EPS forecast of \$8.80 to \$9.00 was issued on October 18th in conjunction with its third quarter 2011 earnings release.

- For the full year 2012, the company is forecasting sales to increase 10% to 14%, and expects earnings per share to be between \$9.90 and \$10.65. Organic sales growth for 2012 is forecasted at 6% to 10%.

The company also reviewed its longer term operating margin objectives. Grainger reiterated its operating margin expansion target of approximately 50 basis points per year when organic sales grow in the mid to high single digits, and raised its long term operating margin target to a range of 15% to 17%, up from the previous objective of 14% to 16%.

Information presented at the Annual Analyst Meeting, including details supporting the company's guidance and longer term expectations, can be found in the archived web cast from the meeting available on Grainger's Investor Relations Web site at www.grainger.com/investor.

W.W. Grainger, Inc., with 2010 sales of \$7.2 billion, is North America's leading broad line supplier of maintenance, repair and operating products, with expanding operations in Europe, Asia and Latin America. For more information about the company, visit www.grainger.com/investor.

Forward-Looking Statements

This document contains forward-looking statements under the federal securities law. Forward-looking statements relate to the company's expected future financial results and business plans, strategies and objectives and are not historical facts. They are generally identified by qualifiers such as "outlook", "EPS guidance", "range", "forecasting", "forecast", "expects", "intends", "objectives", "target", "goal" or similar expressions. There are risks and uncertainties, the outcome of which could cause the company's results to differ materially from what is projected. The forward-looking statements should be read in conjunction with the company's most recent annual report, as well as the company's Form 10-K, Form 10-Q and other reports filed with the Securities & Exchange Commission, containing a discussion of the company's business and various factors that may affect it.

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