



**Investor Relations  
August Monthly Sales  
September 12, 2014**

---

Good morning, 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 August 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.

August 2014 had 21 selling days, one less than August 2013. For the month of August, total company daily sales increased 7 percent versus August 2013. Results included 2 percentage points from acquisitions, net of dispositions, and a 1 percentage point decline from unfavorable foreign exchange primarily related to the weakness in the Canadian dollar. Excluding acquisitions and foreign exchange, organic daily sales increased 6 percent, driven by solid volume.

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.

**Investor Relations  
August Monthly Sales  
September 12, 2014**

---

In our largest segment, the United States, daily sales increased 8 percent, consisting of 6 percentage points from volume and 2 percentage points from acquisitions, net of dispositions.

For our customer end markets in the United States, daily sales performed as follows:

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

In our Canadian segment, daily sales increased 1 percent in U.S. currency and 6 percent in local currency. The 6 percent increase in local currency was driven all by volume. Growth to customers in the Government, Commercial, Heavy and Light Manufacturing, Forestry, Oil and Gas, Transportation, Construction and Utilities end markets were partially offset by declines in the Agriculture, Retail and Reseller customer end markets. Also, we recently completed the acquisition of WFS Enterprises Inc., which will allow Acklands-Grainger to create greater customer value through a broader product offering, additional solutions and technical expertise relevant to the manufacturing sector, particularly those in eastern Canada. For reference, WFS had 2013 sales of approximately CAD \$90 million or USD \$87 million and results are expected to be consolidated beginning September 2014.

**Investor Relations  
August Monthly Sales  
September 12, 2014**

---

Daily sales for our Other Businesses increased 20 percent in August. This growth consisted of 21 percentage points from volume and price, partially offset by a 1 percentage point decline from unfavorable foreign exchange. The majority of the growth came from our two online businesses, MonotaRO in Japan and Zoro in the United States, and from our business in Mexico.

Looking ahead, September will have 21 selling days, one more than September of last year. Daily sales growth so far in September is running in line with the growth in August.

Please mark your calendar for the following upcoming events:

- On September 16, 2014 at 12:45 p.m. EDT, Court Carruthers, Senior Vice President and Group President, Americas will present at the 2<sup>nd</sup> Annual Morgan Stanley Conference in Dana Point, CA.
- We plan to report 2014 third quarter results on Thursday, October 16, 2014 at 7:30 a.m. EDT.
- And finally, we will host our Annual Analyst Meeting on Wednesday, November 12<sup>th</sup>, which will be held at our headquarters in Lake Forest, Illinois.

If you have any questions, please contact Casey Darby, Senior Manager of Investor Relations at 847-535-0099 or me at 847-535-0409, as Bill Chapman is currently traveling abroad. Thank you for your interest in Grainger.