

**Investor Relations
October Monthly Sales
November 12, 2014**

Hi, this is Casey Darby, Senior Manager, Investor Relations for Grainger. Thank you for accessing this recorded message with information regarding Grainger's October 2014 sales results.

I'll start by reminding you that certain statements, and projections of future results made in this podcast, 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.

October 2014 had 23 selling days, the same number of days as October of last year. For the month of October, total company sales increased 6 percent versus October 2013. These results included a 1 percentage point increase from acquisitions, net of dispositions, and a 2 percentage points decline from unfavorable foreign exchange. Excluding acquisitions and foreign exchange, organic sales increased 7 percent driven by 6 percentage points of volume growth and a 1 percentage point benefit from sales of Ebola-related products. Since mid-October, Grainger has been providing Ebola-related protective safety products to customers in the Government and Healthcare end markets in the United States.

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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I'll begin with our largest segment, the United States. Sales for the U.S. segment increased 7 percent, consisting of 5 percentage points from volume, a 1 percentage point benefit from sales of Ebola-related products and 1 percentage point from acquisitions, net of dispositions.

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

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

In our Canadian segment, sales increased 2 percent in U.S. currency and 10 percent in local currency. The 10 percent sales increase was driven by 3 percentage points from volume, 1 percentage point from price and 7 percentage points from the recent WFS Enterprises acquisition, partially offset by a 1 percentage point decline from lower sales of seasonal products. The 3 percent organic volume growth was led by sales to customers in the Heavy Manufacturing, Retail, Commercial, Transportation, Government, Forestry, Reseller and Oil & Gas end markets.

Sales for the Other Businesses increased 16 percent in October. Volume and price increased a combined 23 percentage points, partially offset by unfavorable foreign exchange of 7 percentage points, primarily related to the weakness in the Japanese yen, Euro and Mexican peso. In local currency, sales for the business in Japan grew in the mid-thirties, while sales for the business in Mexico grew in the low double digits. Zoro, the single channel online model in

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the United States, continued its trend of triple digit growth for the month of October.

Looking at November, daily sales growth to date for November is currently trending in line with October.

Please mark your calendar for the following upcoming events:

- On December 4th, DG Macpherson, Senior Vice President and Group President, Global Supply Chain and International, will present at the Credit Suisse Global Industrials Conference in New York City.
- And, we will report November sales results on Friday, December 12, 2014 at 8:00 a.m. EST.

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