

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

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Good morning, this is Casey Darby, Senior Manager, Investor Relations for Grainger. Thank you for accessing this recorded message with information regarding Grainger's November 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.

November 2014 had 19 selling days, one less than November of last year. For the month of November, total company daily sales increased 8 percent versus November 2013. These results included 1 percentage point increase from acquisitions, net of dispositions, and a 2 percentage points decline from unfavorable foreign exchange primarily related to the weakening Canadian dollar. Excluding acquisitions and foreign exchange, organic daily sales increased 9 percent, driven by 7 percentage points of volume growth, a 1 percentage point contribution from sales of Ebola-related safety products and a 1 percentage point from increased sales of seasonal products primarily related to severe weather in the northeast United States.

Sales growth continues to be driven by faster volume growth from lower gross margin customers, including large businesses and institutions in the United States and customers served through the single channel online model. Ebola-related safety products contributed to sales volume growth for the second consecutive month and are primarily tied to lower margin customers in the Government and Healthcare customer end markets.

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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.

I'll begin with our largest segment, the United States. Daily sales for the U.S. segment increased 9 percent, consisting of 6 percentage points from volume, 2 percentage points from increased sales of seasonal products and a 1 percentage point contribution from sales of Ebola-related safety products.

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

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

For perspective, Natural Resources represents approximately 4 percent of sales in the U.S. segment with November sales growth driven by Oil and Gas, Refining, Mining and Agriculture customers. The strong performance in Commercial was driven by sales of Ebola-related safety products to Healthcare customers.

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In our Canadian segment, daily sales increased 5 percent in U.S. currency and 13 percent in local currency. The 13 percent daily sales increase in local currency included 7 percentage points from the WFS Enterprises acquisition. Organic daily sales increased 6 percent, driven by 5 percentage points from volume and 1 percentage point from price. The volume growth was led by sales to customers in the Oil & Gas, Transportation, Commercial, Heavy and Light Manufacturing, Retail, Government, Utilities, Forestry, Contractor and Reseller customer end markets.

Daily sales for our Other Businesses increased 15 percent in November. Volume and price increased a combined 23 percentage points, partially offset by unfavorable foreign exchange of 8 percentage points, primarily related to the weakness in the Japanese yen and Mexican peso versus the U.S. dollar. In local currency, sales for the business in Japan grew more than 30 percent while sales for the business in Mexico grew in the mid-teens. Zoro, the single channel online model in the United States, grew greater than 100 percent in the month.

Looking forward to December, there are a number of moving parts. We've included a summary of acquisitions and divestitures in Exhibit 1 of this podcast. In addition, it's important to note that December 2013 included two months of sales contribution from E&R Industrial. Adjusting for one month of E&R, the relevant acquisitions and divestitures, and unfavorable foreign exchange, organic daily sales growth to date in December is trending in the mid-to-high single digits. On a reported basis, daily sales growth to date is trending in the low single digit range in December.

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Please mark your calendars for fourth quarter results on Monday, January 26, 2015 at 7:30 a.m. EST. If you have questions about November 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.

**Exhibit 1  
Acquisition / Divestiture Schedule**

<b><u>Action</u></b>	<b><u>Segment</u></b>	<b><u>Date</u></b>	<b><u>Pre-acquisition Revenue</u></b>
Acquired Techni-Tool	U.S.	December 31, 2012	\$88 Million
Acquired E&R Industrial, Inc.	U.S.	August 23, 2013	\$180 Million
Acquired Safety Solutions, Inc.	U.S.	December 3, 2013	\$63 Million
Divested Specialty Brands	U.S.	December 31, 2013	\$96 Million
Acquired WFS Enterprises, Inc.	Canada	September 2, 2014	\$90 Million

Note: E&R results were first consolidated in the fourth quarter of 2013.