

**Investor Relations  
May Monthly Sales  
June 12, 2015**

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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 May 2015 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 2014 Form 10-K for a discussion of factors as they relate to forward-looking statements.

May 2015 had 20 selling days, one fewer than May 2014. For the month of May, total company daily sales were flat versus May 2014, including 1 percentage point from acquisitions and a 3 percentage point decline from unfavorable foreign exchange. Excluding acquisitions and foreign exchange, organic daily sales increased 2 percent driven by 3 percentage points from volume, partially offset by a 1 percentage point decline in price.

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, daily sales increased 1 percent driven by 2 percentage points from volume and 1 percentage point from increased sales to Zoro, the single channel online business. This growth was partially offset by a 2 percentage point decline in price. Pricing in May declined sequentially by about 30 basis points, rounding up to negative 2 percent. The change in pricing primarily related to faster growth with lower margin customers.

Sales results by customer end market were as follows:

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

The decline in Natural Resources and Heavy Manufacturing was attributable to continued weakness in the oil and gas sector. The strong U.S. dollar also represented a continued headwind for customers who export.

In our Canadian segment, daily sales decreased 11 percent in U.S. currency and were down 1 percent in local currency. Canada's results continue to be affected by unfavorable foreign exchange and macroeconomic weakness. Softness in the oil and gas sector accelerated the decline in sales growth. The 1 percent daily sales decrease in local currency was driven by a 12 percentage point decline in volume, partially offset by 8 percentage points increase from the WFS acquisition and 3 percentage points increase from price. The volume decline was driven by lower sales to the Oil & Gas, Contractor, Commercial, Forestry, Retail and Heavy Manufacturing customer end markets, partially offset

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by growth in the Government, Mining, Utilities and Light Manufacturing customer end markets. Most provinces outside of Alberta posted positive sales growth in May.

Daily sales in May for our Other Businesses increased 11 percent, consisting of 26 percentage points of local currency growth from volume and price, partially offset by a 15 percentage point decline from foreign exchange. The daily sales growth in the Other Businesses was primarily driven by the single channel online businesses in the United States (Zoro) and Japan (MonotaRO).

Looking ahead, June will have 22 selling days, one more than June of last year. Daily sales performance thus far in June is consistent with the results for May.

Please mark your calendar for the following upcoming events:

1. On Tuesday, June 23, beginning at 11:30 a.m. EDT we will host a tour of our new distribution center in Caledon, Ontario. If you would like to register for the tour or have any questions about the event, please contact Linda D'Agostino at 847-535-4280.
2. On Friday, July 17th at 7:30 a.m. EDT we plan to report second quarter 2015 results.

If you have any questions about May sales results, please contact Bill Chapman, Senior Director of Investor Relations at 847-535-0881, Casey Darby, Senior Manager of Investor Relations at 847-535-0099 or me at 847-535-0409. Thank you for your interest in Grainger.