



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

Reiterates 2015 guidance and issues 2016 EPS guidance of \$10.80 to \$13.00

CHICAGO, November 12, 2015 – Grainger (NYSE: GWW), the leading broad line supplier of maintenance, repair and operating (MRO) products serving businesses and institutions, today held its Annual Analyst Meeting in Lake Forest, Illinois. Jim Ryan, Grainger Chairman, President and Chief Executive Officer, hosted the event.

The meeting also included presentations from other Grainger leaders.

“We serve the needs of customers who are committed to keeping their facilities running and their people safe. The MRO market is large, highly fragmented and offers tremendous opportunity for growth,” said Chairman, President and Chief Executive Officer Jim Ryan. “In addition to the challenging macro-environment, we are seeing meaningful shifts in customer behavior that will benefit Grainger. We are being proactive in making changes that position us well for the future. This includes providing industry-leading service, making select investments to drive growth and reducing our cost structure,” said Mr. Ryan.

As part of the meeting, Grainger provided the following outlook for sales and earnings in 2015 and 2016, adjusted for charges and unusual items as reported by the company in its quarterly earnings releases:

- For the 2015 fourth quarter, the company is forecasting sales of -3.0 to 0.0 percent and expects earnings per share of \$2.20 to \$2.40.
- For the full year 2015, the company reiterated its sales forecast of -0.5 to 0.5 percent and earnings per share guidance of \$11.60 to \$11.80.
- For the full year 2016, the company is forecasting sales growth of -1 to 7 percent and expects earnings per share of \$10.80 to \$13.00. Excluding the results from Cromwell Group (Holdings) Limited, acquired September 1, 2015, the company

is forecasting sales growth of -4 to 4 percent and expects earnings per share of \$10.70 to \$12.90.

Grainger also updated its longer term financial objectives. The company now expects operating margins of 14 to 15 percent by the year 2020. This improvement is expected to come from organic sales growth in the mid-single digits and long term operating margin expansion of approximately 30 basis points per year. For reference, Grainger's operating margin in 2015 is expected to be 13.2 to 13.3 percent excluding restructuring charges and unusual items as reported by the company in its quarterly earnings releases.

Information presented at the Annual Analyst Meeting, including details supporting the company's guidance and longer term expectations, can be found in the News and Events section of the Investor Relations web site, www.grainger.com/investor.

About Grainger

W.W. Grainger, Inc., with 2014 sales of \$10 billion, is North America's leading broad line supplier of [maintenance, repair and operating products](#), with operations also in Asia, Europe and Latin America.

Forward-Looking Statements

This release contains statements that are forward-looking; i.e., not historical facts. These forward-looking statements are not guarantees of future performance and are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from such statements. These statements include, but are not limited to, statements about future strategic plans and future financial and operating results.

Important factors that could cause actual results to differ materially from our expectations include, among others: higher product costs or other expenses; a major loss of customers; loss or disruption of source of supply; increased competitive pricing pressures; failure to develop or implement new technologies or business strategies; the outcome of pending and future litigation or governmental or regulatory proceedings; investigations, inquiries, audits and changes in laws and regulations; disruption of information technology or data security systems; general industry or market conditions; general global economic conditions; currency exchange rate fluctuations; market volatility; commodity price volatility; labor shortages; facilities disruptions or shutdowns; higher fuel costs or disruptions in transportation services; natural and other catastrophes; unanticipated weather conditions; loss of key members of management; our ability to operate, integrate and leverage acquired businesses; and other factors which can be found in our filings with the Securities and Exchange Commission, including our most recent periodic reports filed on Form 10-K and Form 10-Q, which are available on our Investor Relations website.

Forward-looking statements are given only as of the date of this release and we disclaim any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

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