GRAINGER®

FOR THE ONES WHO GET IT DONE

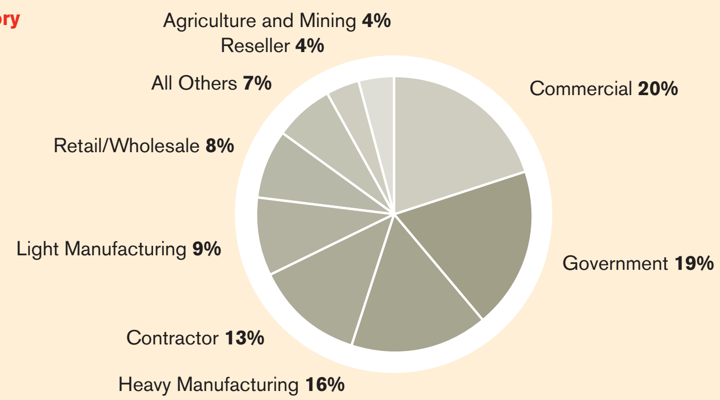
2009 Annual Report

Company Information

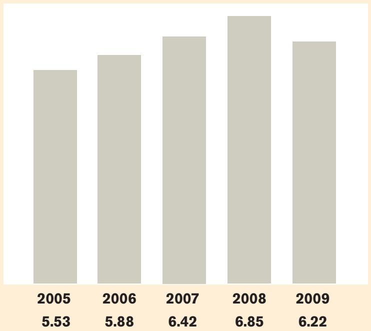
W.W. Grainger, Inc., with 2009 sales of $6.2 billion, is the leading broad-line supplier of facilities maintenance products serving businesses and institutions in the United States and Canada, with an expanding presence in Japan, Mexico, India, China and Panama. Through a highly integrated network including branches, distribution centers and Web sites, Grainger's employees help customers get the job done.

For more information on Grainger, visit www.grainger.com/investor.

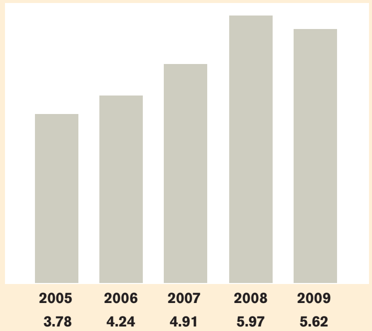
2009 Sales by Customer Category



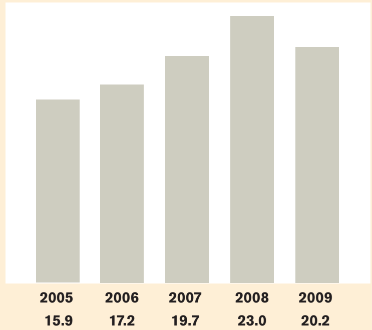
Sales
Dollars in billions



Earnings per Share – Diluted*
Dollars



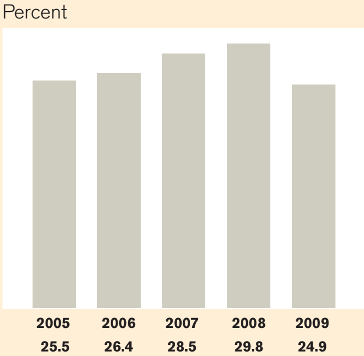
Return on Equity
Percent



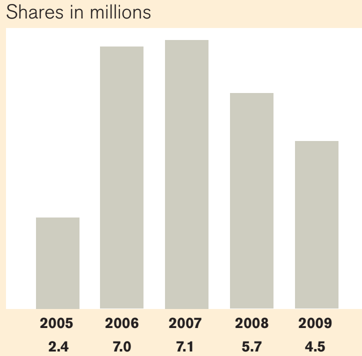
Financial Highlights

(In thousands of dollars, except per share amounts)	**2009**	**2008**	% Change
Income Statement			
Net sales	$6,221,991	$6,850,032	(9.2)%
Gross profit	2,598,526	2,808,222	(7.5)%
As a percent of net sales	41.8%	41.0%	
Operating earnings	665,224	782,672	(15.0)%
As a percent of net sales	10.7%	11.4%	
Earnings before income taxes	707,337	773,218	(8.5)%
As a percent of net sales	11.4%	11.3%	
Net earnings attributable to W.W. Grainger, Inc.	$430,466	$475,355	(9.4)%
As a percent of net sales	6.9%	6.9%	
Per Share			
Earnings – basic*	$5.70	$6.07	(6.1)%
Earnings – diluted*	$5.62	$5.97	(5.9)%
Cash dividends paid	$1.78	$1.55	14.8%
Average number of shares outstanding – diluted	74,891,852	77,887,620	(3.8)%
Balance Sheet and Cash Flow			
Working capital	$1,354,716	$1,382,375	(2.0)%
Cash flow from operations	732,396	530,066	38.2%
Additions to property, buildings and equipment and capitalized software	139,951	196,148	(28.7)%
Financial Ratios and Other Data			
Return on average shareholders' equity	20.2%	23.0%	
Return on average total capitalization	16.4%	20.3%	
Return on invested capital (ROIC)**	24.9%	29.8%	
Number of branches	612	617	
Number of employees	18,006	18,334	(1.8)%

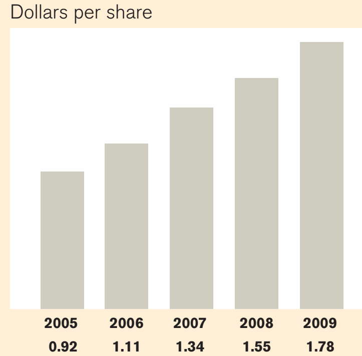
Return on Invested Capital**
Percent



Share Repurchases
Shares in millions



Dividends Paid
Dollars per share



* See Notes, page 6
** See page 7 for definition

To Our Shareholders

James T. Ryan
Chairman, President and
Chief Executive Officer

For many of the companies in our industry, basic survival was the top business priority last year. And while Grainger was not exempt from the impact of one of the worst economic downturns in the company's 83-year history, 2009 was a year in which we captured market share, extended our leadership position and provided value for shareholders by choosing to focus on the opportunities rather than the challenges. Our decisions to reduce costs, made early in the recession, kept the company financially strong and made it possible to aggressively execute on long-term growth objectives instead of retrenching into a myopic and defensive posture.

This is why Grainger's results for 2009, although down from 2008, were consistently better than both the market and the competition. While weak economic conditions were primarily responsible for a 9 percent decline in sales and a 6 percent decline in earnings per share, the business generated $732 million in cash from operations, up 38 percent and a historic company best. We returned almost 70 percent of that cash to shareholders through share repurchase and quarterly dividends, which increased for the 38th consecutive year. In total, Grainger repurchased 4.5 million shares of stock and paid out $135 million in dividends.

2009 was a tough year for many of our customers. Faced with shrinking budgets, dwindling resources and tightening credit, people responsible for keeping their workplaces safe, efficient and functioning turned to Grainger. Our customers consistently told us that we did not disappoint. In fact, our customer satisfaction scores throughout the year were at all-time highs.

Here is just one example of how we helped a customer in this challenging environment. Early in 2009, one of our large transportation customers consolidated purchasing activities for three large segments of its business in an effort to reduce costs. As a result, the total number of suppliers was slashed from more than 5,000 to about 30, with Grainger emerging as the clear winner in the maintenance, repair and operating (MRO) category. We won this business largely because we helped this customer understand how our broad product line and industry-leading product availability could help him get his job done more efficiently and cost effectively. At a time when this customer's business was down almost 30 percent, Grainger's business with this company increased.

Highlights of 2009

- **Posted revenues of $6.2 billion**
- **Earned a pretax return on invested capital of nearly 25 percent**
- **Improved gross profit margins by 80 basis points**
- **Generated record cash flow of $732 million**
- **Returned $507 million to shareholders in the form of share repurchase and quarterly dividends**

Helping customers is how we grow. Here are some of the other ways that Grainger invested across the company in 2009 to better serve our customers, capture market share and drive profitable growth.

In the U.S. business, we:

- Continued to add new products to our already broad line at an unprecedented rate. In 2009, we added 74,000 products for the 2010 catalog, the most ever in a single year. Products added to our offering over the last four years accounted for $934 million in sales in 2009. And we are not done yet. We believe that we can grow the number of products for the next several years, which we expect will continue to be a significant contributor to our sales growth.

- Launched a new and improved search engine for our Grainger.com Web site as we continue to invest in customer service and our e-commerce capability to make it easier for our customers to find and purchase MRO products. Last year, e-commerce represented almost 24 percent of our sales and topped $1 billion for the second straight year.

- Began the process of integrating our Lab Safety Supply and Grainger Industrial Supply businesses. This new platform, which is unrivaled in the industry, will allow us to integrate future acquisitions more efficiently and it allows specialty brand products to be shipped to customers faster than ever before. At the end of the first 12 months, this project has already delivered $22 million in cost savings and $44 million in incremental revenue.
- Took advantage of a depressed real estate market by purchasing property for new distribution centers in the Bay Area of northern California and outside of Chicago. The Bay Area facility is scheduled to be built and open in 2011 and will not only allow Grainger to significantly improve our service to customers on the West Coast, but will also lower our transportation costs considerably. Our new Chicago-area facility, set to open in 2012, will replace our current distribution facility in Niles and will provide substantial opportunity for productivity improvements.
- Added more than 150 sales representatives to drive sales growth by reaching out to new customers and further penetrating existing customers at a time when our competitors were cutting back on product and people.
- Acquired two businesses, Imperial Supplies and Alliance Energy Systems. Imperial is one of our specialty brands focused on the fleet maintenance customer. Alliance is a service business helping customers reach their sustainability goals by reducing energy consumption. Both are now part of Grainger's U.S. business.

Goals for 2010

- **Complete the Lab Safety and Grainger Industrial Supply integration, achieving both cost and revenue goals**
- **Invest in e-commerce capability to continue to drive growth in our fastest growing channel**
- **Expand Grainger's highly profitable globally sourced private label program**
- **Add tens of thousands of new products to our already broad offering to drive incremental sales growth**
- **Continue to optimize our distribution center and branch logistics network by addressing underperforming assets and by capturing productivity gains and transportation savings**

Internationally, we:

- Were recognized as one of the "Most Admired Corporate Cultures" in Canada by leadership search firm Waterstone Human Capital Ltd. Acklands – Grainger Inc. was one of only 10 companies to receive this distinguished award and the first industrial distributor ever recognized.
- Added 60 sales representatives and 15,000 new products to our Acklands – Grainger offering in Canada to drive profitable growth by continuing to reach out and meet the needs of this geographically diverse customer base.
- Took a majority ownership position in MonotaRO Co., Ltd., in Japan, and acquired the remaining stock of Asia Pacific Brands India Private Limited. Both are growing businesses that will help us as we continue to grow and build scale in Asia.
- Acquired the assets of K&D Pratt Industrial Division, a leading distributor in Atlantic Canada with solid customer relationships and service excellence that will further enhance our local presence in the eastern portion of Canada, which is a key growing region.
- Continued to move all of the businesses forward on the path to profitability as the international businesses lost less in 2009 than in 2008. In particular, our Mexican business moved into the black in the fourth quarter and grew sales in a tough economic environment.

Strategic Focus for 2010 and Beyond

In the years to come, Grainger plans to continue to grow the business profitably and gain market share. To do this, we will focus our efforts on becoming not just a *better* partner, but the *indispensable* partner to those who keep workplaces safe, efficient and functioning.

Our leadership team and employees will concentrate our efforts in six key areas that will help us become that indispensable partner.

Areas of Strategic Focus

First, let me assure you that we will continue to do the things we already do well today: a broad product line with industry leading availability powered by a fully integrated IT network, and a culture of customer service and integrity, our hallmark. These are foundational to a great industrial distributor.

Second, we will make it easier for customers to find, purchase and manage their maintenance products. MRO tends to be a very messy and complicated part of a business that often gets

Strategic Areas of Focus for 2010 and Beyond

- **Continue to do the things Grainger currently does well**
- **Allow customers to more easily transact business with Grainger**
- **Provide additional services, especially in Grainger's areas of expertise: safety, sustainability and business continuity**
- **Increase share among small and medium-sized customers**
- **Internationally increase global scale and progress towards profitability**
- **Build awareness of Grainger's total offering among current and prospective customers**

little attention until something breaks. Grainger is committed to making it easier for customers every step of the way.

Third, to meet growing customer demand, we will provide more MRO-related services. For example, today we offer inventory management services at more than 8,000 customer sites in the United States and Canada. On average, customers who participate in this program are some of our fastest-growing accounts.

Fourth, there is a great opportunity to increase our share among small and medium-sized businesses. Today, small and medium-sized organizations represent approximately 80 percent of the market, and we currently have less than 3 percent share with this group. We are working to develop more relevant solutions to meet their needs.

Fifth, we plan to continue to expand internationally in order to achieve three primary objectives:

1. Improve our scale advantage by increasing our purchasing power.
2. Position the company to participate in the developing growth opportunities in Asia, as well as in Central and South America, where we can leverage our U.S. supply chain.
3. Diversify the risk of a heavy U.S. focus.

Sixth, we need to build a greater level of awareness of Grainger's total offering, which includes more than 300,000 products in stock in the United States alone. What we know is that even our best customers spend only a portion of their MRO dollars at Grainger. Our intent is to make customers think of Grainger first for *all* their MRO needs.

Summary

We are emerging from a challenging economic period an even stronger company. Even though the economic landscape is still uncertain, you can be sure that Grainger is financially healthy, and is poised to grow, take market share and leverage our scale.

I want to extend a heartfelt thank you to the 18,000 Grainger employees who never stopped providing outstanding service to our two million customers even though we had to tighten our belts, forego merit increases for salaried employees and reduce positions. Our employees once again showed they are also "the ones who get it done."

I am honored to extend special thanks to Dick Keyser for his many contributions over the years and wish him well as he retires. Dick's leadership successfully guided this company for 23 years, as president, then chief executive officer and finally chairman of the board. Dick became chairman emeritus last year and is stepping down from the board this April. His friendship and mentorship, clear and unwavering vision of where the company needs to go, and unfailing good humor will be deeply missed. At the same time as Dick retires from the board, so does one of our longest serving and most insightful members, Harold B. Smith. Harold has been a member of the board for 29 years. He, too, will be missed.

In closing, I would like to thank you, our shareholders, for supporting what we have done for more than 80 years. We have been there for our customers with the right products to meet their MRO needs. Over the next several years, we must take our partnership to another level beyond just having the products. Our goal is to become an indispensable partner for businesses of all sizes by offering MRO solutions that are so relevant and compelling that Grainger is the first company they think of as they maintain their facilities. Customers around the globe know they can count on us to help them solve their MRO problems and get back to their core job, because we work "for the ones who get it done."

James T. Ryan
Chairman of the Board, President and Chief Executive Officer

February 25, 2010

Corporate Governance at a Glance

Board Accountability

Board is elected by majority vote	Yes
Majority of Directors independent	Yes
Separate Chairman and CEO	No
Independent Lead Director	Yes
Independent Board Affairs and Nominating Committee	Yes
Number of Board meetings held or scheduled	5
Annual Board elections	Yes
Corporate governance guidelines (Operating Principles) approved by the Board	Yes
Board plays active role in risk oversight	Yes
Independent Directors hold meetings without management present	Yes
Board-approved succession plan in place	Yes
The performance of the Board is reviewed regularly	Yes
The performance of each Committee is reviewed regularly	Yes
Board members conduct periodic individual self-evaluations	Yes
Board orientation/education program	Yes
Directors must tender resignation upon a substantive change in career (Criteria for Membership)	Yes
All Directors are expected to attend annual shareholders meeting	Yes
All Directors attended at least 75 percent of Board and Committee meetings	Yes

Financial Disclosure and Internal Controls

Charters for Audit, Compensation, and Board Affairs and Nominating Committees	Yes
Disclosure Committee function for financial reporting	Yes
Independent Audit Committee	Yes
Audit Committee has a financial expert	Yes
Auditors elected at most recent annual meeting	Yes

Shareholder Rights

Shareholders have cumulative voting rights	Yes
Shareholders may call special meetings	Yes
Employees may vote their shares in company-sponsored plans	Yes
All stock-based incentive plans have been approved by shareholders	Yes
An independent tabulator tabulates shareholder votes	Yes
Company has a shareholder rights plan	No
Company posts its articles of incorporation and bylaws on Web site	Yes

Executive Compensation

Independent Compensation Committee	Yes
Board Compensation Committee has independent compensation consultant	Yes
Compensation risk assessment conducted	Yes
Executive compensation is tied to performance; numeric criteria are disclosed	Yes

Corporate Behavior

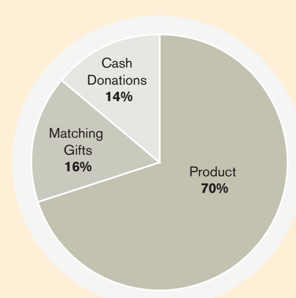
A company employee is tasked with environmental responsibilities	Yes
Company has environmental, health and safety guidelines	Yes
Environmental and workplace safety policy is disclosed	Yes
Environmental performance is audited by an independent outside firm	No
Company publishes core vision and values statement	Yes
Company compares its governance policies to an external code of best practices	Yes
Company has program in place to monitor its policies on corruption and bribery	Yes
Company has a code of ethics (Business Conduct Guidelines)	Yes
Company has an ethics officer function	Yes
Training on ethical behavior is required for all employees	Yes

For more information on Corporate Governance, visit www.grainger.com.

Corporate Social Responsibility

Across our international communities, Grainger and its employees continue to uphold the company's rich tradition of help and support. In 2009, Grainger donated more than $16 million to not-for-profit organizations through cash, product and employee matching gifts. Grainger continues to expand its commitment to emergency preparedness and relief and technical education. Through its two signature philanthropic programs – Ready When the Time Comes, a national volunteer program, and the Grainger Tools for Tomorrow® scholarship program, Grainger and its employees support the vitality and future of our communities.

2009 Charitable Contributions



Historical Financial Summary

		2009	2008	2007
Financial Summary ($000)	Net sales	$6,221,991	$6,850,032	$6,418,014
	Earnings before income taxes and cumulative effect of accounting change	707,337	773,218	681,861
	Income taxes	276,565	297,863	261,741
	Earnings before cumulative effect of accounting change	430,466	475,355	420,120
	Cumulative effect of accounting change	—	—	—
	Net earnings attributable to W.W. Grainger, Inc.	430,466	475,355	420,120
	Working capital	1,354,716	1,382,375	974,414
	Additions to property, buildings and equipment and capitalized software	139,951	196,148	196,325
	Depreciation and amortization	147,531	139,570	131,999
	Current assets	2,131,515	2,144,109	1,800,817
	Total assets	3,726,332	3,515,417	3,094,028
	Shareholders' equity	2,227,199	2,033,805	2,098,108
	Cash dividends paid	134,684	121,504	113,093
	Long-term debt (less current maturities)	437,500	488,228	4,895
Per Share ($)	Earnings – basic	5.70	6.07	5.01
	Earnings – diluted	5.62	5.97	4.91
	Cash dividends paid	1.780	1.550	1.340
	Book value	30.81	27.20	26.40
	Year-end stock price	96.83	78.84	87.52
Ratios	Percent of return on average shareholders' equity	20.2	23.0	19.7
	Percent of return on average total capitalization	16.4	20.3	19.2
	Earnings before income taxes and cumulative effect of accounting change as a percent of net sales	11.4	11.3	10.6
	Earnings before cumulative effect of accounting change as a percent of net sales	6.9	6.9	6.6
	Cash dividends paid as a percent of net earnings	31.3	25.6	26.9
	Total debt as a percent of total capitalization	19.1	20.7	5.0
	Current assets as a percent of total assets	57.2	61.0	58.2
	Current assets to current liabilities	2.7	2.8	2.2
	Average inventory turnover – FIFO	2.7	2.9	3.1
	Average inventory turnover – LIFO	3.8	4.1	4.3
Other Data	Average number of shares outstanding – basic	73,786,346	76,579,856	82,403,958
	Average number of shares outstanding – diluted	74,891,852	77,887,620	84,173,381
	Number of employees	18,006	18,334	18,036
	Number of account managers	3,144	2,858	2,823
	Number of branches	612	617	610
	Number of products in the Grainger® catalog	307,000	183,000	139,000

Notes: *In the first quarter of 2009, Grainger adopted authoritative guidance on "Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities." As a result, earnings per share were calculated under the new accounting guidance for 2009, and restated for 2008 and 2007. Earnings per share for 1999–2006 were calculated using the treasury stock method and not restated because it was not practical and is not considered material.*

2002 net earnings include a charge for the cumulative effect of accounting change of $23,921,000, or $0.26 per share, and special credits of $4,458,000, or $0.05 per share, for gains on sales of investment securities and $1,183,000, or $0.01 per diluted share, for the reduction of the reserves established in 2001.

2001 net earnings include a special charge of $36,650,000, or $0.39 per share, to establish a reserve related to the shutdown of Material Logic.

2000 net earnings include gains on the sales of investment securities of $17,860,000, or $0.19 per share.

2006	2005	2004	2003	2002	2001	2000	1999
$5,883,654	$5,526,636	$5,049,785	$4,667,014	$4,643,898	$4,754,317	$4,977,044	$4,636,275
603,023	532,674	445,139	381,090	397,837	297,280	331,595	303,750
219,624	186,350	158,216	154,119	162,349	122,750	138,692	123,019
383,399	346,324	286,923	226,971	235,488	174,530	192,903	180,731
—	—	—	—	(23,921)	—	—	—
383,399	346,324	286,923	226,971	211,567	174,530	192,903	180,731
1,155,763	1,290,188	1,108,384	926,773	898,681	838,800	735,678	600,611
138,737	157,247	160,758	80,486	144,052	107,168	94,913	138,373
118,568	108,782	98,256	90,253	93,488	103,209	106,893	98,227
1,862,086	1,985,539	1,744,416	1,633,413	1,484,947	1,392,611	1,483,002	1,471,145
3,046,088	3,107,921	2,809,573	2,624,678	2,437,448	2,331,246	2,459,601	2,564,826
2,177,615	2,288,976	2,067,970	1,845,135	1,667,698	1,603,189	1,537,386	1,480,529
97,896	82,663	71,243	67,281	66,467	65,445	62,863	58,817
4,895	4,895	—	4,895	119,693	118,219	125,258	124,928
4.36	3.87	3.18	2.50	2.30	1.87	2.07	1.95
4.24	3.78	3.13	2.46	2.24	1.84	2.05	1.92
1.110	0.920	0.785	0.735	0.715	0.695	0.670	0.630
25.90	25.51	22.83	20.27	18.21	17.17	16.37	15.85
69.94	71.10	66.62	47.39	51.55	48.00	36.50	47.81
17.2	15.9	14.7	12.9	12.9	11.1	12.8	13.1
17.2	15.9	14.2	12.3	13.6	10.2	11.2	11.0
10.2	9.6	8.8	8.2	8.6	6.3	6.7	6.6
6.5	6.3	5.7	4.9	5.1	3.7	3.9	3.9
25.5	23.9	24.8	29.6	31.4	37.5	32.6	32.5
0.4	0.4	0.5	7.5	7.2	7.8	17.3	23.3
61.1	63.9	62.1	62.2	60.9	59.7	60.3	57.4
2.6	2.9	2.7	2.3	2.5	2.5	2.0	1.7
3.1	3.2	3.3	2.9	3.2	3.3	3.2	3.2
4.4	4.5	4.6	4.4	4.5	4.7	4.6	4.1
87,838,723	89,568,746	90,206,773	90,731,013	91,982,430	93,189,132	93,003,813	92,836,696
90,523,774	91,588,295	91,673,375	92,394,085	94,303,497	94,727,868	94,223,815	94,315,479
17,074	16,732	15,523	14,701	15,236	15,385	16,192	16,730
2,699	2,507	2,154	1,741	1,650	1,641	1,708	1,879
593	589	582	575	576	579	572	562
115,000	82,400	82,300	88,400	98,700	99,900	85,200	81,100

Note on ROIC

The GAAP financial statements are the source for all amounts used in the Return on Invested Capital (ROIC) calculation. ROIC is calculated using annualized operating earnings based on year-to-date operating earnings divided by a 13-point average for net working assets. Net working assets are working assets minus working liabilities defined as follows: working assets equal total assets less cash equivalents (nonoperating cash), deferred taxes and investments in unconsolidated entities, plus the LIFO reserve. Working liabilities are the sum of trade payables, accrued compensation and benefits, accrued contributions to employees' profit sharing plans and accrued expenses.

Board of Directors

Brian P. Anderson
Former Executive Vice President and Chief Financial Officer, OfficeMax Incorporated, Itasca, Ill.
(1*, 2)

Wilbur H. Gantz
Executive Chairman, PathoCapital LLC Northbrook, Ill.
(1, 2*,†)

V. Ann Hailey
Former Chief Financial Officer, Gilt Groupe, New York City, N.Y.
(1, 2)

William K. Hall
Founding Partner, Procyon Advisors LLP, Downers Grove, Ill.
(1, 2)

Richard L. Keyser
Chairman Emeritus

Stuart L. Levenick
Group President, Caterpillar Inc., Peoria, Ill.
(2, 3)

John W. McCarter, Jr.
President and Chief Executive Officer, The Field Museum of Natural History, Chicago, Ill.
(2, 3)

Neil S. Novich
Former Chairman, President and Chief Executive Officer, Ryerson Inc., Chicago, Ill.
(2, 3*)

Michael J. Roberts
Chief Executive Officer and Founder, Westside Holdings, LLC, Chicago, Ill.
(2, 3)

Gary L. Rogers
Former Vice Chairman, General Electric Company, Fairfield, Conn.
(1, 2)

James T. Ryan
Chairman, President and Chief Executive Officer

James D. Slavik
Chairman, Mark IV Capital, Inc., Newport Beach, Calif.
(2, 3)

Harold B. Smith
Chairman of the Executive Committee, Illinois Tool Works Inc., Glenview, Ill.
(2, 3)

(1) Member of Audit Committee
(2) Member of Board Affairs and Nominating Committee
(3) Member of Compensation Committee
* Committee Chair
† Lead Director

Executive and Operating Management

Court D. Carruthers
Senior Vice President; President, Grainger International

Timothy M. Ferrarell
Senior Vice President and Chief Information Officer

Nancy A. Hobor
Senior Vice President, Communications and Investor Relations

John L. Howard
Senior Vice President and General Counsel

Ronald L. Jadin
Senior Vice President and Chief Financial Officer

D.G. Macpherson
Senior Vice President, Global Supply Chain

Lawrence J. Pilon
Senior Vice President, Human Resources

Michael A. Pulick
Senior Vice President; President, Grainger U.S.

James T. Ryan
Chairman, President and Chief Executive Officer

John A. Schweig
Senior Vice President, Chief Strategy Officer

Shareholder and Media Information

Company Headquarters
W.W. Grainger, Inc.
100 Grainger Parkway
Lake Forest, Illinois 60045-5201
847.535.1000 Phone
847.535.0878 Fax

Annual Meeting
The 2010 Annual Meeting of Shareholders will be held at the company's headquarters in Lake Forest, Ill., at 10:00 a.m. CDT on Wednesday, April 28, 2010.

Auditors
Ernst & Young LLP
Sears Tower
233 South Wacker Drive
Chicago, Illinois 60606-6301

Common Stock Listing
The company's common stock is listed on the New York and Chicago stock exchanges under the trading symbol GWW.

Transfer Agent, Registrar and Dividend Disbursing Agent
Instructions and inquiries regarding transfers, certificates, changes of title or address, lost or missing dividend checks, consolidation of accounts and elimination of multiple mailings should be directed to:
Computershare Trust Company, N.A.
P.O. Box 43078
Providence, RI 02940-3078
800.446.2617

Dividend Direct Deposit
Shareholders of record have the opportunity to have their quarterly dividends electronically deposited directly into their checking, money market or savings accounts at financial institutions that participate in the automated clearinghouse system.

Shareholders who are interested in taking advantage of this service or would like more information on the program should contact Computershare at the above address.

Investor Relations Contacts
Nancy A. Hobor
Senior Vice President, Communications and Investor Relations
847.535.0065

Ernest L. Duplessis
Vice President, Investor Relations
847.535.4356

William D. Chapman
Director, Investor Relations
847.535.0881

Upon written request to Investor Relations, we will provide, free of charge, a copy of our Form 10-K for the fiscal year ended December 31, 2009.

Grainger's Annual Report, Form 10-K, Form 10-Q, proxy statement and other filings with the Securities and Exchange Commission, as well as the Fact Book and news releases including quarterly earnings and monthly sales, can be accessed free of charge at the Investor Relations section of the company's Web site at www.grainger.com/investor. For more information, contact Investor Relations at 847.535.1000.

Requests for other company-related information should be made to Cristen L. Kogl, Corporate Secretary, at the company's headquarters.

Media Relations Contacts
Janis K. Tratnik
Director, Corporate Communications
847.535.4339

Erin G. Ptacek
Director, Corporate Brand and Reputation
847.535.1543

Trademarks
ACKLANDS – GRAINGER, ACKLANDS GRAINGER, CONDOR, FOR THE ONES WHO GET IT DONE, GRAINGER, GRAINGER FOR THE ONES WHO GET IT DONE, GRAINGER INDUSTRIAL SUPPLY, the GRAINGER logo, GRAINGER TOOLS FOR TOMORROW, GRAINGER.COM, GRAINGER.COM.MX, LUMAPRO, and WESTWARD are the trademarks or service marks of W.W. Grainger, Inc., which may be registered in the United states and/or other countries.

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LAB SAFETY and LAB SAFETY SUPPLY are the trademarks or service marks of GHC Specialty Brands, LLC, a wholly owned subsidiary of W.W. Grainger, Inc., which may be registered in the United States and/or other countries.

All other trademarks and service marks are the property of their respective owners.

Forward-Looking Statements
This Annual Report and Form 10-K contain statements that are not historical in nature but concern future results and business plans, strategies and objectives and other matters that may be deemed to be "forward-looking statements" under federal securities laws. Grainger has generally identified such forward-looking statements in this Annual Report by using words such as "believe", "continue", "expect", "gain market share", "goal", "goals", "intent", "objectives", "opportunity", "plan", "plans", "strategic areas of focus", "will" or similar expressions.

Grainger cannot guarantee that any forward-looking statement will be realized although Grainger does believe that its assumptions underlying its forward-looking statements are reasonable. Achievement of future results is subject to risks and uncertainties which could cause Grainger's results to differ materially from those which are presented.

Factors that could cause actual results to differ materially from those presented or implied in a forward-looking statement include, without limitation: 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; and the factors identified in Item 1A, Risk Factors of the Form 10-K for the fiscal year ended December 31, 2009.

Caution should be taken not to place undue reliance on Grainger's forward-looking statements, and Grainger undertakes no obligation to publicly update the forward-looking statements, whether as a result of new information, future events or otherwise.

DESIGN: Anonymous Design

GRAINGER®

FOR THE ONES WHO GET IT DONE

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