GRAINGER®

FOR THE ONES WHO GET IT DONE

2011 Annual Report

Beyond the Box

Beyond the Box

When Bill Grainger delivered his first motor to a customer 85 years ago, he knew there was more inside that box than just a product; it was a promise. It was his family's name, reputation and everything they stood for: service, reliability and expertise.

Today, Grainger continues to deliver on that promise, but the world looks considerably different than it did in 1927. Many forces, including technology, globalization and competition, are forcing Grainger's customers to do more with less. Businesses like Grainger are being held accountable not only for industry-leading customer service, but also for positively influencing local communities and upholding high standards of ethics and governance. To compete globally and continue to meet customers' evolving needs, Grainger has to do more than just ship products; it has to go **beyond the box.**

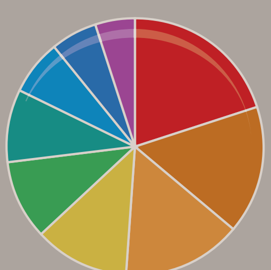
Every day, Grainger goes **beyond the box** by providing customers, team members, suppliers, communities and shareholders with service that exceeds expectations.

COMPANY INFORMATION

W.W. Grainger, Inc., with 2011 sales of $8.1 billion, is North America's leading broad-line supplier of maintenance, repair and operating products, with an expanding global presence. For more information on Grainger, visit www.grainger.com/investor.

2011 SALES BY CUSTOMER CATEGORY

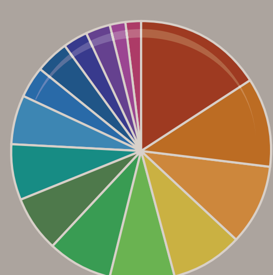
(TOTAL COMPANY)



20%	Commercial
16%	Heavy Manufacturing
15%	Government
12%	Contractor
10%	Other
9%	Light Manufacturing
7%	Retail/Wholesale
6%	Natural Resources
5%	Reseller

2011 SALES BY PRODUCT CATEGORY

(TOTAL COMPANY)

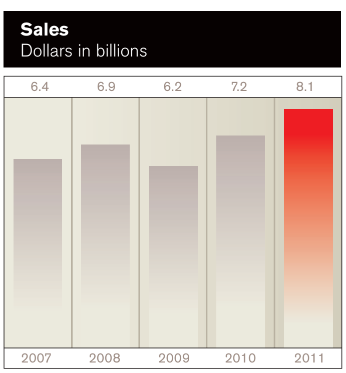


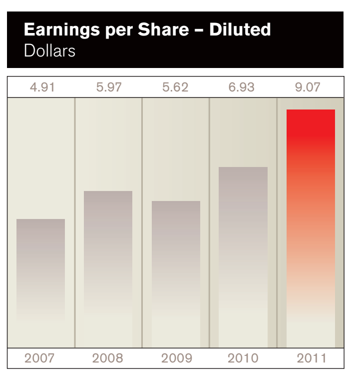
16%	Safety and Security
11%	Material Handling
10%	Metalworking
9%	Cleaning and Maintenance
8%	Pumps, Plumbing and Test Equipment
8%	Hand Tools
7%	HVAC
7%	Electrical
6%	Lighting
4%	Specialty Brands
4%	Other
3%	Power Tools
3%	Fluid Power
2%	Motors
2%	Power Transmission

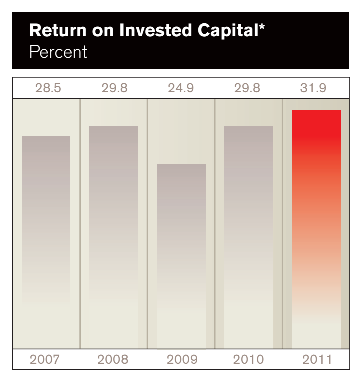
FINANCIAL HIGHLIGHTS

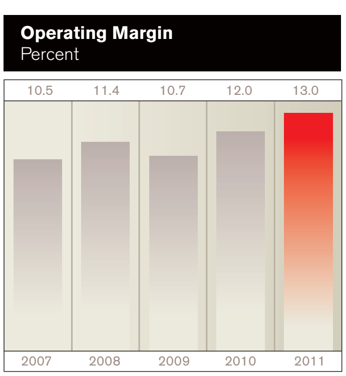
(In thousands of dollars, except per share amounts)	2011	2010	% Change
Income Statement			
Net sales	$8,078,185	$7,182,158	12.5%
Gross profit	3,510,792	3,005,684	16.8%
As a percent of net sales	43.5%	41.8%	
Operating earnings	1,052,429	860,475	22.3%
As a percent of net sales	13.0%	12.0%	
Earnings before income taxes	1,051,527	853,778	23.2%
As a percent of net sales	13.0%	11.9%	
Net earnings attributable to W.W. Grainger, Inc.	$658,423	$510,865	28.9%
As a percent of net sales	8.1%	7.1%	
Per Share			
Earnings – basic	$9.26	$7.05	31.3%
Earnings – diluted	$9.07	$6.93	30.9%
Cash dividends paid	$2.52	$2.08	21.2%
Average number of shares outstanding – diluted	71,176,158	72,138,858	(1.3)%
Balance Sheet and Cash Flow			
Working capital	$1,306,975	$1,368,768	(4.5)%
Cash flow from operations	746,108	596,445	25.1%
Additions to property, buildings and equipment – net	189,664	120,616	57.2%
Financial Ratios and Other Data			
Return on average shareholders' equity	26.3%	22.6%	
Return on average total capitalization	22.2%	18.7%	
Return on invested capital (ROIC)*	31.9%	29.8%	
Number of branches	711	607	
Number of employees	21,446	18,596	

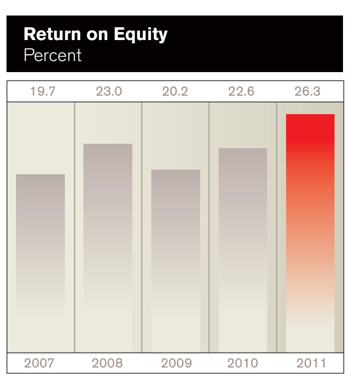
* See page 7 for definition.

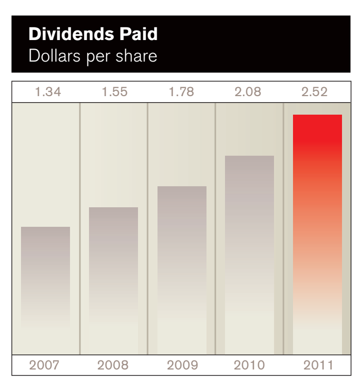












TO OUR SHAREHOLDERS

James T. Ryan
Chairman, President and
Chief Executive Officer

Driven by exceptional service, and furthered by continued investment in growth, 2011 was a record year for Grainger. The company surpassed $8 billion in sales and $650 million in net earnings. Our solid financial position allowed us to continue to invest in the business despite ongoing economic uncertainty. We accelerated our growth both organically and through strategic acquisitions; and, more than 120,000 times a day, customers turned to Grainger to help them get their jobs done.

Our customers realize that purchasing maintenance, repair and operating supplies, or MRO, can be complex and expensive, so they have chosen to partner with us to make it easier and help reduce costs. Many businesses and institutions have undergone permanent changes in the way they operate. Most are facing increased cost pressures and more competition. As a result, these organizations have an intense focus on improving productivity in order to compete. In 2011, they relied on Grainger more than ever to help streamline their operations.

Businesses today are working with fewer suppliers and accelerating electronic purchasing, a trend that is driving the consolidation of the highly fragmented MRO industry. Grainger's financial strength gives us an advantage and we intend to lead the consolidation of this $575 billion worldwide industry. We have chosen to step up our investments to help us achieve that goal. At the same time, we expect to continue to expand margins through greater economies of scale.

Growth and financial performance in 2011 distinguished Grainger. Sales for the year of $8.1 billion increased 12 percent, while earnings per share of $9.07 were up 31 percent versus 2010. The financial markets rewarded Grainger shareholders with a 36 percent increase in the stock price during a year when the S&P 500 was essentially flat. In addition, we repurchased one million shares of stock and the Board of Directors was proud to extend our track record of consecutive dividend increases to 40 years. As a result, Grainger delivered a total shareholder return of 38 percent for the year.

Leveraging Our Strength

• Increasingly, companies are being looked upon to contribute more than profits, and in 2011 we strengthened our business in ways that helped fuel local economies. Over the past year we added 1,300 new jobs to support customers and our expanded operations around the globe. In August 2011, we added 1,500 new team members through the acquisition of The Fabory Group, the market-leading fastener distributor in the Netherlands and Belgium. Our strong balance sheet and cash generation enabled us to invest in our business, which in turn created more value in our local communities.

• Our approach to new buildings is one way Grainger is investing in the business and leveraging our expertise in green facility management. The company is setting the pace for industrial distributors in LEED® (Leadership in Energy and Environmental Design) building certifications. We currently operate 3.5 million square feet of LEED certified space in fourteen facilities across the United States and Mexico, including our two newest distribution centers.

• In 2011, we opened a new 820,000 square-foot distribution center in Patterson, Calif., to improve service on the West Coast of the United States. This new facility will also help us better leverage transportation costs and improve the availability of product sourced from Asia. Located 90 miles south of San Francisco, the Patterson facility has the capacity to stock up to 350,000 products and employs nearly 200 people in this emerging distribution hub. Progress also continued on our Minooka, Ill., distribution center outside of Chicago, with plans to begin transitioning to this building in 2012. This one-million square-foot facility will significantly increase our capacity in the Midwest and allow us to gain greater efficiencies in our operations.

• Across our global distribution network we continued to make investments to improve service, increase capacity and gain efficiencies. We reconfigured our distribution centers in

Greenville, S.C., and Monterrey, Mexico, and began the relocation of our Saskatoon distribution center in Canada to a new, larger facility. These improvements have strengthened our network and are creating greater availability for our customers as they rely on fewer suppliers to provide more products.

• With 1.6 million customers in the U.S., 400,000 in-stock products, 105,000 transactions per day, and 368 branches, high-capacity, high-performing information systems are critical to our business. Over the past year, we built the road map for extending our U.S. SAP system to all of our operations in the Americas. A single Americas SAP information technology system will provide a consistent foundation for our business across markets and support future growth. It will also allow us to migrate to common platforms for our supply chain, product information and inventory management systems across the region. Our systems and supply chain give us the infrastructure needed to grow the business while at the same time providing industry-leading customer service.

Capitalizing on Growth

• Businesses and institutions are turning to us more often as they find that our eCommerce offerings help them streamline their purchasing process. In 2011, our eCommerce channel grew at twice the rate of the U.S. business. This past year, total company eCommerce sales reached $2.2 billion. To make our customers' experience on Grainger.com® even better and to anticipate future online purchasing trends, we made significant investments in our eCommerce platform. We added more product search features and a more personalized online experience with Click-to-Call and Click-to-Chat. We also began to deliver meaningful applications for mobile devices, and that is just the beginning. We understand the convenience and the benefit customers find in being able to work with us in person, over the phone or online.

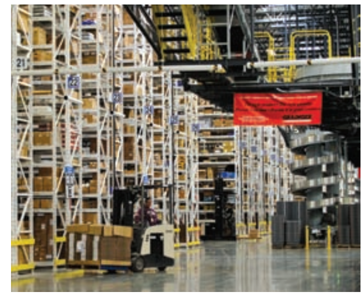
• Expanding our product line continues to help us increase penetration with customers as they consolidate suppliers. In 2011, we grew our total U.S. product offering to over 400,000 items and topped 1 million worldwide. Having more products provides our customers with a locally relevant offering and fuels growth. We have consistently seen product line expansion add 2–3 percentage points of sales growth each year.

• Making our product and service offering available to a larger number of contacts and customers also continues to be a source of growth for Grainger. In 2011, we added 400 sales representatives in the United States. We expect to continue to add more sellers in the coming years as we drive to improve service and cover more customers.

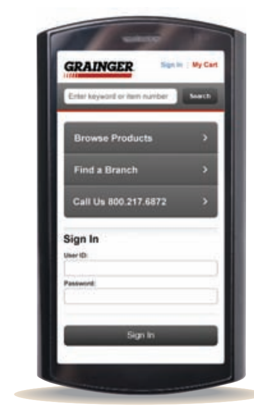
• Our global platform provides us with greater economies of scale and access to a broader MRO market. In 2011, we continued our international expansion through strategic acquisitions and extension into new markets. Grainger's acquisition of The Fabory Group provides us a growth opportunity in Central and Eastern Europe and greater purchasing scale that will benefit the entire company. The addition of a new branch in the Dominican Republic contributed to our ongoing presence in Latin America. In Canada, Acklands–Grainger continued its march eastward in Quebec through the acquisition of industrial distributor Fercomat Inc.

Building a Broader Commitment

• As we grow globally, our commitment to our communities has deepened. In 2011, Grainger contributed more than $24 million to local organizations where we operate. Our philanthropic focus includes support of disaster preparedness and technical education, and is further strengthened by the power of our people around the globe. Team members from North America to Japan came forth to volunteer in 2011, providing essential relief following several devastating natural disasters. This spirit and passion led Grainger and the American Red Cross to be recognized with the Best Partnership Award by the U.S. Chamber of Commerce Business and Civic Leadership Center.



Grainger's newest distribution center in Patterson, Calif., is certified LEED-New Construction Gold (pictured). The company is also in the process of relocating its Chicago area distribution center to a facility in Minooka, Ill., which will be the largest LEED Certified Commercial Interior Platinum facility in the world.



Grainger's new mobile website, launched in December 2011, is accessible from ANY smartphone. Customers now have access to an enhanced Grainger.com® no matter the location – job site, truck, plant floor, garage or maintenance shop.

Grainger added 1,300 new team members across the globe in 2011.

• Our support of technical education has grown steadily over the past several years as more businesses encounter a shortage of skilled labor. In the U.S. manufacturing sector alone, companies are facing major financial challenges as positions go unfilled. We believe that one of the best ways to ensure the vitality of the industries and communities we serve is through a strong local workforce. Through the Grainger Tools For Tomorrow® scholarship program, we designated one-half of our 200 scholarships for returning military veterans. We appreciate the commitment veterans have made to our country and understand the valuable contributions they make in the industrial skilled trades.

Summary

None of the achievements in 2011 would have been possible without the dedication and commitment of our 21,000 team members. Regardless of where they are around the globe, our people have a passion for service and loyalty to our customers. In 2011, we continued to invest in our team through training, education and coaching; a strong benefits program; continued focus on creating a positive and healthy work environment; and helping the communities in which we serve.

Our 2012 strategic goals are rooted in helping our customers become more productive and positioning us to best serve them in the future. By aggressively investing in our business we intend to gain share at an accelerated rate and lead the consolidation of this industry. Going forward, you can expect Grainger to be steadfast about making the right investments to drive profitable growth for the long term. You will see us continue to invest in our foundation and in key growth drivers including eCommerce and sales representatives. We intend to continue entering select international markets to spur a first-mover advantage in the global MRO market.

Our strategy is proven and our team members are committed to bringing their best every day. By helping customers reduce complexity and cost, we will remain a partner they can rely on to help their businesses succeed. By delivering on that promise through flawless execution, we will ensure strong revenue growth and solid earnings performance for our shareholders.

In closing, I want to extend a sincere thank you to our team members around the globe who serve our two million customers every day with passion and loyalty. To our customers, thank you for your trust in allowing us to bring you the products and services you need to keep your facilities up and running. To our suppliers, thank you for your partnership. And to our shareholders, you have supported us and entrusted us with your investment for many years. We thank you for your confidence and remain committed to a strong future.

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

February 27, 2012

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
All directors elected annually	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

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

Shareholder Rights

Company has a shareholder rights plan	No
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 posts its articles of incorporation and bylaws on website	Yes

Executive Compensation

Independent Compensation Committee	Yes
Board Compensation Committee has independent compensation consultant	Yes
Compensation risk assessment conducted	Yes
The Company does not have employment agreements	Yes
Executive compensation is tied to performance; numeric criteria are disclosed	Yes
The Company has the ability to claw back incentive compensation	Yes
CEO salary is no more than 2½ times salary of next highest paid named executive officer	Yes

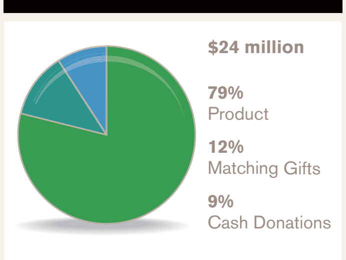
Corporate Behavior

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

CORPORATE SOCIAL RESPONSIBILITY

Grainger's commitment to service goes beyond helping businesses maintain their facilities and into the work that keeps communities viable. In 2011, Grainger donated more than $24 million to charitable organizations across the globe in cash, products and employee matching gifts. Internationally, team members helped their communities become more resilient by donating time and resources to meet local needs.

Charitable Contributions – 2011



Emergency preparedness, technical education and environmental sustainability are focus areas that highlight the company's commitment to being a good corporate citizen. The Grainger Tools for Tomorrow® scholarship program for students in community college skilled trades programs and the American Red Cross Ready When the Time Comes™ disaster volunteer program use resources and expertise to deepen and inspire relationships with communities, customers and public partners.

Grainger has more than 3.5 million square feet of Leadership in Energy and Environmental Design (LEED) certified space at fourteen facilities across the United States and Mexico.

HISTORICAL FINANCIAL SUMMARY

		2011	2010	2009
Financial Summary ($000)	Net sales	$8,078,185	$7,182,158	$6,221,991
	Earnings before income taxes and cumulative effect of accounting change	1,051,527	853,778	707,337
	Income taxes	385,115	340,196	276,565
	Earnings before cumulative effect of accounting change	658,423	510,865	430,466
	Cumulative effect of accounting change	—	—	—
	Net earnings attributable to W.W. Grainger, Inc.	658,423	510,865	430,466
	Working capital	1,306,975	1,368,768	1,354,716
	Additions to property, buildings and equipment and capitalized software	196,942	127,124	142,414
	Depreciation and amortization	137,211	137,793	140,974
	Current assets	2,694,900	2,238,071	2,131,515
	Total assets	4,716,062	3,904,377	3,726,332
	Shareholders' equity	2,724,279	2,287,670	2,227,199
	Cash dividends paid	180,527	152,338	134,684
	Long-term debt (less current maturities)	175,055	420,446	437,500
Per Share ($)	Earnings – basic	9.26	7.05	5.70
	Earnings – diluted	9.07	6.93	5.62
	Cash dividends paid	2.52	2.08	1.78
	Book value	38.94	32.97	30.81
	Year-end stock price	187.19	138.11	96.83
Ratios	Percent of return on average shareholders' equity	26.3	22.6	20.2
	Percent of return on average total capitalization	22.2	18.7	16.4
	Earnings before income taxes and cumulative effect of accounting change as a percent of net sales	13.0	11.9	11.4
	Earnings before cumulative effect of accounting change as a percent of net sales	8.1	7.1	6.9
	Cash dividends paid as a percent of net earnings	27.4	29.8	31.3
	Total debt as a percent of total capitalization	15.9	17.8	19.1
	Current assets as a percent of total assets	57.1	57.3	57.2
	Current assets to current liabilities	1.9	2.6	2.7
	Average inventory turnover – FIFO	3.0	3.1	2.7
	Average inventory turnover – LIFO	4.0	4.4	3.8
Other Data	Average number of shares outstanding – basic	69,690,854	70,836,945	73,786,346
	Average number of shares outstanding – diluted	71,176,158	72,138,858	74,891,852
	Number of employees	21,446	18,596	18,006
	Number of outside sales representatives	4,029	3,079	2,845
	Number of branches	711	607	612
	Number of products in the Grainger® catalog	410,000	307,000	233,000

Notes: 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.

2008	2007	2006	2005	2004	2003	2002	2001
$6,850,032	$6,418,014	$5,883,654	$5,526,636	$5,049,785	$4,667,014	$4,643,898	$4,754,317
773,218	681,861	603,023	532,674	445,139	381,090	397,837	297,280
297,863	261,741	219,624	186,350	158,216	154,119	162,349	122,750
475,355	420,120	383,399	346,324	286,923	226,971	235,488	174,530
—	—	—	—	—	—	(23,921)	—
475,355	420,120	383,399	346,324	286,923	226,971	211,567	174,530
1,382,375	974,414	1,155,763	1,290,188	1,108,384	926,773	898,681	838,800
194,975	197,423	136,764	157,247	160,758	80,486	144,052	107,168
135,137	127,882	114,884	105,671	96,305	88,629	92,811	97,220
2,144,109	1,800,817	1,862,086	1,985,539	1,744,416	1,633,413	1,484,947	1,392,611
3,515,417	3,094,028	3,046,088	3,107,921	2,809,573	2,624,678	2,437,448	2,331,246
2,033,805	2,098,108	2,177,615	2,288,976	2,067,970	1,845,135	1,667,698	1,603,189
121,504	113,093	97,896	82,663	71,243	67,281	66,467	65,445
488,228	4,895	4,895	4,895	—	4,895	119,693	118,219
6.07	5.01	4.36	3.87	3.18	2.50	2.30	1.87
5.97	4.91	4.24	3.78	3.13	2.46	2.24	1.84
1.55	1.34	1.11	0.92	0.79	0.74	0.72	0.70
27.20	26.40	25.90	25.51	22.83	20.27	18.21	17.17
78.84	87.52	69.94	71.10	66.62	47.39	51.55	48.00
23.0	19.7	17.2	15.9	14.7	12.9	12.9	11.1
20.3	19.2	17.2	15.9	14.2	12.3	13.6	10.2
11.3	10.6	10.2	9.6	8.8	8.2	8.6	6.3
6.9	6.6	6.5	6.3	5.7	4.9	5.1	3.7
25.6	26.9	25.5	23.9	24.8	29.6	31.4	37.5
20.7	5.0	0.4	0.4	0.5	7.5	7.2	7.8
61.0	58.2	61.1	63.9	62.1	62.2	60.9	59.7
2.8	2.2	2.6	2.9	2.7	2.3	2.5	2.5
2.9	3.1	3.1	3.2	3.3	2.9	3.2	3.3
4.1	4.3	4.4	4.5	4.6	4.4	4.5	4.7
76,579,856	82,403,958	87,838,723	89,568,746	90,206,773	90,731,013	91,982,430	93,189,132
77,887,620	84,173,381	90,523,774	91,588,295	91,673,375	92,394,085	94,303,497	94,727,868
18,334	18,036	17,074	16,732	15,523	14,701	15,236	15,385
2,433	2,386	1,805	2,507	2,154	1,741	1,650	1,641
617	610	593	589	582	575	576	579
183,000	139,000	115,000	82,400	82,300	88,400	98,700	99,900

Note on ROIC

Prior to January 2011, ROIC was calculated using annual operating earnings divided by a 13-point (monthly) average for net working assets. Moving forward, ROIC will be calculated using a 5-point (quarterly) average for net working assets to provide greater transparency. Net working assets are working assets minus working liabilities defined as follows: working assets equal total assets less cash equivalents (non-operating 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
President and Chief Executive Officer, 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)

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, W.W. Grainger, Inc.

E. Scott Santi
Vice Chairman, Illinois Tool Works Inc., Glenview, Ill.
(1, 2)

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

Laura D. Brown
Senior Vice President, Communications and Investor Relations

Court D. Carruthers
Senior Vice President; President, Grainger U.S.

Timothy M. Ferrarell
Senior Vice President and Chief Information Officer

Joseph C. High
Senior Vice President, Human Resources

John L. Howard
Senior Vice President and General Counsel

Ronald L. Jadin
Senior Vice President and Chief Financial Officer

DG Macpherson
Senior Vice President; President, Global Supply Chain and Corporate Strategy

Michael A. Pulick
Senior Vice President; President, Grainger International

James T. Ryan
Chairman, President and Chief Executive 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 2012 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 25, 2012.

Auditors
Ernst & Young LLP
155 North Wacker Drive
Chicago, Illinois 60606-1787

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
Laura D. Brown
Senior Vice President, Communications and Investor Relations
847.535.0409

William D. Chapman
Senior 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, 2011.

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 website 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 John Howard, Senior Vice President and General Counsel, at the company's headquarters.

Media Relations Contacts
Robb Kristopher
Director, Media Relations
847.535.0879

Kellie Harris
Manager, Media Relations
847.535.1542

Trademarks
ACKLANDS – GRAINGER, AIR HANDLER, CONDOR, FOR THE ONES WHO GET IT DONE, GRAINGER, GRAINGER and Design, GRAINGER FOR THE ONES WHO GET IT DONE and Design, GRAINGER PARTS, GRAINGER Shipping Box Design, GRAINGER TOOLS FOR TOMORROW, GRAINGER.COM, GRAINGER.COM.MX, KEEPSTOCK, 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.

DAYTON, DEM-KOTE, and SPEEDAIRE are the trademarks of Dayton Electric Manufacturing Co., which may be registered in the United States and/or other countries.

FABORY is the trademark of Fabory Nederland B.V., 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 "anticipate", "can", "continue", "continued", "continues", "expect", "gain greater efficiencies", "gain share", "goals", "going forward", "grow the business", "if", "intend", "plans", "setting the pace", "strategy", "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; litigation involving appropriate payment for wages; 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, 2011.

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.

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GRAINGER®

FOR THE ONES WHO GET IT DONE

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