SMITH HAROLD B

Form 4 March 06, 2007

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person * SMITH HAROLD B

2. Issuer Name and Ticker or Trading

GRAINGER W W INC [GWW]

5. Relationship of Reporting Person(s) to Issuer

Symbol

(Last)

(Middle)

3. Date of Earliest Transaction

(Month/Day/Year) 03/02/2007

_X__ Director 10% Owner Other (specify Officer (give title below)

(Check all applicable)

OMB APPROVAL

Estimated average

burden hours per

3235-0287

January 31,

2005

0.5

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Number:

Expires:

response...

(Street)

(First)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

LAKE FOREST, IL 60045-5201

100 GRAINGER PARKWAY

(City)	(State)	(Zip) Tab	le I - Non-	Derivative	e Secu	rities Acqui	red, Disposed of,	or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed 3. 4. Securities Acquired (A) Execution Date, if Transaction Disposed of (D) any Code (Instr. 3, 4 and 5) (Month/Day/Year) (Instr. 8)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)		
			Code V	Amount	or (D)	Price	(Instr. 3 and 4)		
Common Stock	03/02/2007		M	2,200	A	\$ 37.25	14,740	D	
Common Stock	03/02/2007		F	1,064	D	\$ 77.04	13,676	D	
Common Stock	03/02/2007		M	1,460	A	\$ 51.6875	15,136	D	
Common Stock	03/02/2007		F	980	D	\$ 77.04	14,156	D	
Common Stock	03/02/2007		M	1,860	A	\$ 48.625	16,016	D	
	03/02/2007		F	1,174	D	\$ 77.04	14,842	D	

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Common	
Stock	

Common Stock	28,000	I	See footnote (1)
Common Stock	20,000	I	See footnote (2)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

D

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. 5. Number Transaction Derivative Code Securities (Instr. 8) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		rivative Expiration Date (Month/Day/Year) ired rosed of . 3, 4,		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option	\$ 37.25	03/02/2007		M		2,200	04/30/2000	04/29/2007	Common Stock	2,200
Stock Option	\$ 51.6875	03/02/2007		M		1,460	04/29/2001	04/28/2008	Common Stock	1,460
Stock Option	\$ 48.625	03/02/2007		M		1,860	04/28/1999	04/27/2009	Common Stock	1,860
Stock Option	\$ 43.5						04/26/2000	04/25/2010	Common Stock	2,070
Stock Option	\$ 37.5						04/25/2001	04/24/2011	Common Stock	2,400
Stock Option	\$ 54.61						04/24/2002	04/23/2012	Common Stock	1,650
Stock Option	\$ 45.5						04/30/2003	04/29/2013	Common Stock	1,980
	\$ 54.14						04/28/2004	04/27/2014		1,670

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Stock Option			Common Stock					
Stock Units	(3)	<u>(4)</u> <u>(4</u>	.)	ommon Stock	8,219			

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

SMITH HAROLD B 100 GRAINGER PARKWAY X LAKE FOREST, IL 60045-5201

Signatures

L. M. Trusdell, as attorney-in-fact 03/06/2007

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Shares held by a trust of which I am a co-trustee and in which I have a contingent beneficial interest.
- (2) Shares held by a trust of which I am a co-trustee and in which I have a beneficial interest.
- (3) 1-for-1
- (4) The stock units are expected to settle in cash following termination of service as a director.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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