

GRAINGER W W INC  
Form 4  
July 28, 2006

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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

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 \*  
**LOIZZO LARRY J**

(Last) (First) (Middle)  
**100 GRAINGER PARKWAY**  
  
(Street)

**LAKE FOREST, IL 60045-5201**

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
**GRAINGER W W INC [GWW]**

3. Date of Earliest Transaction (Month/Day/Year)  
**07/27/2006**

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**Senior Vice President**

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	07/27/2006		M	4,440 A \$ 35.4375	38,940	D	
Common Stock	07/27/2006		S	4,440 D \$ 62	34,500	D	

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

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SEC 1474 (9-02)

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**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. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Option	\$ 35.4375	07/27/2006		M	4,440	08/07/1999 08/06/2006	Common Stock	4,440
Option	\$ 37.25					04/30/2000 04/29/2007	Common Stock	8,060
Option	\$ 51.6875					04/29/2001 04/28/2008	Common Stock	7,180
Option	\$ 48.625					04/28/2002 04/27/2009	Common Stock	8,790
Option	\$ 42.8125					03/01/2003 02/28/2010	Common Stock	760
Option	\$ 43.5					04/26/2003 04/25/2010	Common Stock	10,120
Option	\$ 37.5					04/25/2004 04/24/2011	Common Stock	15,600
Option	\$ 54.61					04/24/2005 04/23/2012	Common Stock	15,000
Option	\$ 45.5					04/30/2006 04/29/2013	Common Stock	15,000
Option	\$ 54.14					04/28/2007 04/27/2014	Common Stock	15,000
Option	\$ 52.29					04/27/2008 04/26/2015	Common Stock	9,000
Option	\$ 76.61					04/26/2009 04/25/2016	Common Stock	10,000

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

LOIZZO LARRY J  
100 GRAINGER PARKWAY  
LAKE FOREST, IL 60045-5201

Senior Vice President

## Signatures

L. M. Trusdell, as  
attorney-in-fact

07/28/2006

\_\_\*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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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