

SMITH HAROLD B
Form 4
March 06, 2007

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 *
SMITH HAROLD B

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

3. Date of Earliest Transaction (Month/Day/Year)
03/02/2007

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

LAKE FOREST, IL 60045-5201
(City) (State) (Zip)

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

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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	03/02/2007		M		2,200	A	\$ 37.25
Common Stock	03/02/2007		F		1,064	D	\$ 77.04
Common Stock	03/02/2007		M		1,460	A	\$ 51.6875
Common Stock	03/02/2007		F		980	D	\$ 77.04
Common Stock	03/02/2007		M		1,860	A	\$ 48.625
Common Stock	03/02/2007		F		1,174	D	\$ 77.04

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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.

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SEC 1474
(9-02)

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
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
Stock Option	\$ 54.14					04/28/2004 04/27/2014		1,670

Stock Option				Common Stock	
Stock Units	(3)	(4)	(4)	Common Stock	8,219

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SMITH HAROLD B 100 GRAINGER PARKWAY LAKE FOREST, IL 60045-5201	X			

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.

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