

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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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 |
| Common Stock | 07/27/2006 | | S | | 4,440 | D | \$ 62 |

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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