

GRAINGER W W INC  
Form 4  
November 22, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
**KEYSER RICHARD L**

(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)  
**11/21/2006**

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)  
**Chairman and CEO**

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	11/21/2006		M		46,000	A	\$ 51.6875
Common Stock	11/21/2006		S		200	D	\$ 73.01
Common Stock	11/21/2006		S		100	D	\$ 73.02
Common Stock	11/21/2006		S		900	D	\$ 73.03
Common Stock	11/21/2006		S		3,500	D	\$ 73.04

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Common Stock	11/21/2006	S	1,800	D	\$ 73.05	260,457	D
Common Stock	11/21/2006	S	1,200	D	\$ 73.06	259,257	D
Common Stock	11/21/2006	S	800	D	\$ 73.07	258,457	D
Common Stock	11/21/2006	S	1,700	D	\$ 73.08	256,757	D
Common Stock	11/21/2006	S	2,700	D	\$ 73.09	254,057	D
Common Stock	11/21/2006	S	12,800	D	\$ 73.1	241,257	D
Common Stock	11/21/2006	S	4,000	D	\$ 73.11	237,257	D
Common Stock	11/21/2006	S	5,400	D	\$ 73.12	231,857	D
Common Stock	11/21/2006	S	1,900	D	\$ 73.13	229,957	D
Common Stock	11/21/2006	S	1,300	D	\$ 73.14	228,657	D
Common Stock	11/21/2006	S	5,000	D	\$ 73.15	223,657	D
Common Stock	11/21/2006	S	200	D	\$ 73.16	223,457	D
Common Stock	11/21/2006	S	200	D	\$ 73.17	223,257	D
Common Stock	11/21/2006	S	1,400	D	\$ 73.18	221,857	D
Common Stock	11/21/2006	S	400	D	\$ 73.19	221,457	D
Common Stock	11/21/2006	S	500	D	\$ 73.2	220,957	D

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

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(9-02)

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

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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)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option	\$ 51.6875	11/21/2006		M		46,000		04/29/2001	04/28/2008	Common Stock	46,000
Option	\$ 48.625							04/28/2002	04/27/2009	Common Stock	65,160
Option	\$ 42.8125							03/01/2003	02/28/2010	Common Stock	20,100
Option	\$ 43.5							04/26/2003	04/25/2010	Common Stock	80,930
Option	\$ 43.5							<u>(1)</u>	04/25/2010	Common Stock	12,140
Option	\$ 37.5							04/25/2004	04/24/2011	Common Stock	175,000
Option	\$ 37.5							04/25/2007	04/24/2011	Common Stock	8,100
Option	\$ 54.61							04/24/2005	04/23/2012	Common Stock	175,000
Option	\$ 45.5							04/30/2006	04/29/2013	Common Stock	174,000
Option	\$ 54.14							04/28/2007	04/27/2014	Common Stock	81,000
Option	\$ 52.29							04/27/2008	04/26/2015	Common Stock	90,000
Option	\$ 76.61							04/26/2009	04/25/2016	Common Stock	80,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KEYSER RICHARD L 100 GRAINGER PARKWAY LAKE FOREST, IL 60045-5201			Chairman and CEO	

## Signatures

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

11/22/2006

\_\_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).

(1) Exercisable in four equal annual installments beginning 4/26/2001.

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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