

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0104
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1. Name and Address of Reporting Person* <u>Zumbolo Brian J</u>  (Last) (First) (Middle) <u>88 11TH AVENUE NE</u>  (Street) <u>MINNEAPOLIS MN</u> <u>55413</u>  (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) <u>08/01/2007</u>	3. Issuer Name and Ticker or Trading Symbol <u>GRACO INC [ GGG ]</u>  4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Vice President and General Mgr</u>	5. If Amendment, Date of Original Filed (Month/Day/Year)  6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person
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Table I - Non-Derivative Securities Beneficially Owned			
1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
<u>Common Stock</u>	<u>2,528<sup>(1)</sup></u>	<u>D</u>	

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)							
1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
<u>Non-Qualified Stock Option (right to buy)</u>	<u>(2)</u>	<u>02/19/2014</u>	<u>Common Stock</u>	<u>1,124</u>	<u>27.91<sup>(2)</sup></u>	<u>D</u>	
<u>Non-Qualified Stock Option (right to buy)</u>	<u>(3)</u>	<u>09/23/2014</u>	<u>Common Stock</u>	<u>300</u>	<u>32.95<sup>(3)</sup></u>	<u>D</u>	
<u>Non-Qualified Stock Option (right to buy)</u>	<u>(4)</u>	<u>02/17/2016</u>	<u>Common Stock</u>	<u>5,000</u>	<u>40.68<sup>(4)</sup></u>	<u>D</u>	
<u>Non-Qualified Stock Option (right to buy)</u>	<u>(5)</u>	<u>02/16/2017</u>	<u>Common Stock</u>	<u>2,500</u>	<u>41.36<sup>(5)</sup></u>	<u>D</u>	

Explanation of Responses:

1. Included in the amount reported are shares acquired under Graco Employee Stock Purchase Plan, exempt under Rule 16b-3.
2. Employee stock option granted pursuant to the Graco Inc. Stock Incentive Plan in transaction exempt under Rule 16b-3. The stock option becomes exercisable in four equal annual installments, commencing one year after the date of the grant.
3. Employee stock option granted pursuant to the Graco Inc. 1999 Employee Stock Incentive Plan prior to the Insider becoming an executive officer. The stock option becomes exercisable three years after the date of the grant.
4. Employee stock option granted pursuant to the Graco Inc. 1999 Employee Stock Incentive Plan prior to the Insider becoming an executive officer. The stock option becomes exercisable in four equal annual installments, commencing one year after the date of the grant.
5. Employee stock option granted pursuant to the Amended and Restated Graco Inc. Stock Incentive Plan (2006) in transaction exempt under Rule 16b-3. The stock option becomes exercisable in four equal annual installments, commencing one year after the date of the grant.

By: Kristen C. Nelson, by  
power of attorney For: Brian J. Zumbolo 08/03/2007  
Zumbolo

\*\* Signature of Reporting Person      Date

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

\* If the form is filed by more than one reporting person, see Instruction 5 (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.

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 Number.