



Investing For  ur Future



Corporate Mission

Graco's mission is to generate sustained profitable growth to benefit its customers, employees, shareholders and communities. We will be the world's leading supplier of fluid management products and packages in the markets we target.

Corporate Vision

We will grow revenues by 10 percent and net earnings by 12 percent per year. We will significantly grow sales outside North America by opening new markets, offering new products and improving business processes. Graco's goal is to have at least 30 percent of each year's revenues from products introduced in the last three years and to have at least 5 percent of each year's revenues from sales in markets entered in the last three years. We will actively pursue strategic acquisitions where we can add significant value.

Corporate Profile

Founded in 1926, Graco is a world leader in fluid handling systems and components. Graco products move, measure, control, dispense and spray a wide range of fluids in Industrial, Contractor and Lubrication applications. The Company's success is based on its unwavering commitment to technical excellence, world-class manufacturing and superior customer service. Working closely with specialized distributors, Graco offers products that set the quality standard for spray finishing, paint circulation, lubrication, dispensing sealants and adhesives, and contractor power equipment. Graco's ongoing investment in fluid management and control will continue to provide innovative solutions to a diverse global market. The Company has its corporate headquarters in Minneapolis, Minnesota, and employs approximately 2,400 people worldwide. Graco common stock (ticker symbol: GGG) is listed on the New York Stock Exchange.



**President
and CEO**

PAT MCHALE



With our Corporate Headquarters located on the banks of the beautiful Mississippi River, Graco is committed to environmentally sound facilities management. We strive to reduce energy consumption, use recycled materials and recycle by-products when possible. In addition, Graco engineers equipment to meet the requirements of the green movement, including wind and solar energy applications,

green building construction, and reduction of VOCs in factories around the globe. Responsible stewardship in our own plants and creative solutions for others – It's the Graco way.

LETTER TO SHAREHOLDERS

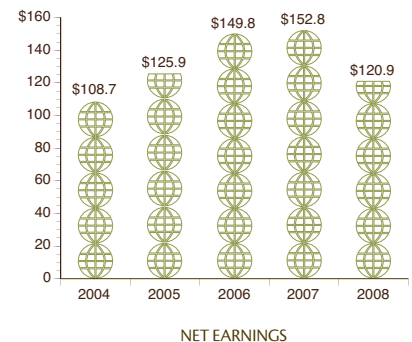
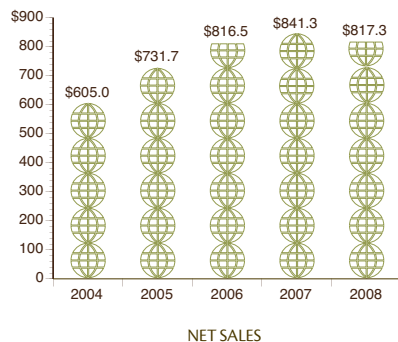
In 2008 we continued to execute our long-term vision by broadening our geographic reach, product lines and end markets. Our business was adversely influenced by the global economic crisis, which affected performance industry-wide, particularly in the latter half of the year. While we are not satisfied with our 2008 performance, we continue to take actions and make prudent investments that will strengthen our business and competitive position for the long-term. Despite the current operating environment, we had a number of significant achievements in the last twelve months:

- Our product expansion strategy remained on track, as we launched 34 new products or platforms and invested \$37 million in new product development, a 21 percent increase over 2007;
- We expanded our geographic presence and distribution coverage, adding 43 new sales and marketing people internationally and 1,300 new outlets around the world;
- We took advantage of opportunities to increase our presence in new and promising markets, including alternative energy, industrial lubrication, composites and sanitary pumping;
- Our strategic acquisition program produced positive results as we completed three acquisitions: GlasCraft®, LubeSci™ and Airlessco®, and the purchase of the Hero™ line of airless sprayers, all of which bolstered our market share; and
- Operational excellence remained a key priority as we implemented cost reduction programs in every factory and invested in new equipment, skill development, and lean initiatives.

Importantly, we also continued to build our leadership position in the key markets we serve by:

- Launching division-level business development initiatives in our Industrial segment;
- Securing significant new business in home center and professional paint stores; and
- Expanding our product offering in industrial lubrication.

While our successes were many in 2008, our business and the industry are clearly strained by the global economic recession. We believe this will persist throughout 2009 and continue to make conditions challenging. Our management team, with an average of 15 years of industry and company experience, has a solid track record of successfully managing through previous cycles. This expertise has driven us to both reduce operational expenses and take advantage of market share opportunities that often accompany difficult business conditions.



In times such as these, we believe strong companies are afforded an excellent opportunity to enhance their market share. As a leader in the majority of our served markets, Graco's financial strength and flexibility will enable us to invest in new and existing growth initiatives at a time when others may not.

Our financial performance for 2008 reflects a solid first half of the year combined with challenging global market conditions in the second half. For 2008, we reported sales of \$817 million, net earnings of \$121 million, and diluted earnings per share of \$1.99, and generated healthy cash flow from operations of \$162 million for the year. We repurchased \$115 million of Graco's common stock in 2008, and on December 5, 2008, our Board declared a 3 percent increase in our regular quarterly dividend, representing the 10th consecutive year of dividend increases. We believe this commitment to returning cash to our shareholders indicates our conviction regarding Graco's financial health and long-term prospects.

While we made great strides in 2008, we are realistic about what lies ahead for Graco in 2009. To that end, we have taken steps to reduce operating expenses through:

- Workforce reductions of approximately 6 percent, which will yield savings in 2009;
- Discretionary expense management; and
- Improvements in businesses acquired in 2008, including integration into our facilities of GlasCraft and LubeSci operations, and implementing cost reduction activities in the Airlessco business.

Longer term, we are confident in our ability to further extend our leadership position through the diversification of our business both geographically and through new markets. We believe the long-term business model and strategic plan we have in place, combined with our financial strength and flexibility, will enable us to execute against this plan. Our business model is proven and continues to be the foundation for driving long-term shareholder value. Graco's brand, which we have built and maintained by delivering innovative technologies and products to our end users, is strong and recognized globally. Additionally, the diversity across our end markets, business segments and geographies lessens Graco's risk profile by reducing dependence on any one customer or region. Our vast distributor network, representing approximately 30,000 outlets worldwide, will continue to be a key component to profitability. Lastly, our focus on operational excellence enables us to react quickly and precisely in difficult environments and will continue to position the Company for profitable long-term growth.

Our future growth is built on three main pillars: geographic expansion, the development of new products and end markets, and strategic

acquisitions. We are continuing to strategically fund these initiatives despite the current economic situation, and we are confident that these investments will generate strong long-term returns. As a result, our shareholders will be rewarded for our steady-handed commitment to these investments when business conditions normalize.

We continue to see significant opportunities in growth markets including China, India, Southeast Asia, Eastern Europe, Africa and the Middle East, and expect that these developing markets will outperform developed markets in the future. Our efforts to expand into these markets have centered on aggressive investment in our sales and marketing infrastructure, as well as expanding our distributor network.

One of Graco's sustainable competitive advantages is our broad product offering. We are building upon this strength by increasing our investment in new product development. In 2009, we plan to launch 40 significant products or platforms and will begin to see the positive impact of our incremental spending in the latter half of this year. Our product development efforts include the launch of products into adjacent markets in spray foam, texture, pavement marking and sanitary pumping. We also expect to use our solid financial position to make strategic acquisitions that will leverage our core strengths in engineering, manufacturing and sales channel to target new areas of growth.

In summary, we will continue to monitor our costs, and course-correct as necessary to preserve our profitability and financial flexibility in these uncertain times. With our solid balance sheet and sufficient liquidity, we will continue to execute our long-term vision. Our strategic growth initiatives remain on track and we are investing in targeted areas that will position Graco to benefit as we emerge from this downturn. Our diversification across markets, products and geographies enhances our potential for profitable growth as the recovery begins.

I want to thank our employees, partners and shareholders for their continued support. We are well equipped to navigate effectively through the current environment and will take advantage of opportunities for Graco in 2009 and beyond. We remain steadfast in our mission to drive growth through prudent investment in new products, markets and geographies and will manage the business during this cycle with an appropriate balance between short- and long-term objectives.

Sincerely,



Patrick J. McHale
President and Chief Executive Officer

AT A GLANCE



Industrial Segment

The Industrial segment designs and markets equipment for the liquid finishing, process, sealants, adhesives, composites, protective coatings and foam markets. In 2008, this business segment generated 57 percent of Graco's total sales, or \$463 million, up 4 percent over 2007 sales. The customers for our liquid finishing and process equipment are primarily manufacturers that transfer fluids such as paints and chemicals. Our pumps move fluids from drums and tanks through our proportioning equipment to our spray guns and dispensers. Customers using our protective coatings equipment apply materials used for protecting surfaces like bridges, water towers, tanks, pipes, rail cars and ships from the elements. Our foam equipment is used for wall insulation, roof insulation, band joist applications, in-plant OEM applications and reaction injection molding. The segment's sealant and adhesive equipment is used by manufacturers to bond, encapsulate and seal assembled parts.



Contractor Segment

The Contractor segment designs and markets sprayers used to apply paint, architectural coatings and texture materials, as well as sprayers for pressure cleaning. Distributors of our products sell to painting, roofing, texture, corrosion control and line striping contractors and trades people. Our equipment is highly regarded for its durability and ease of use, as well as its ability to deliver high-quality finishes at rapid production rates. In addition, the Contractor segment designs and markets a line of sprayers for the non-professional through the home center market. In 2008, the segment generated \$267 million in sales, 32 percent of the Company's total sales, down 13 percent compared to the previous year.



Lubrication Segment

The Lubrication segment designs and markets products to lubricate and maintain vehicles and in-plant equipment. It supplies products and systems to oil change facilities, service garages, fleet service centers, automobile dealerships, mines and manufacturing companies. As a leader in the lubrication equipment industry for more than eight decades, Graco continues to expand its presence. This segment began to expand its served market with the acquisition of Lubriquip, Inc. in 2006, a company that supplies products to the industrial and mobile lubrication markets. Sales from the segment have grown steadily and, in 2008, the segment generated \$88 million in sales, constituting 11 percent of the Company's total sales, down 3 percent compared to the previous year.





Left to right: David Ahlers, Chuck Rescorla, Jim Graner, Brian Zumbolo, Simon Paulis, Jeff Johnson, David Lowe, Karen Gallivan, Mark Sheahan, Dale Johnson

Products

Pumps and Sprayers

Air, electric, gas and hydraulic
 – Transfer fluids to dispense and spray

Controls

Electronic and mechanical fluid control
 – Manage flow, pressure and mix

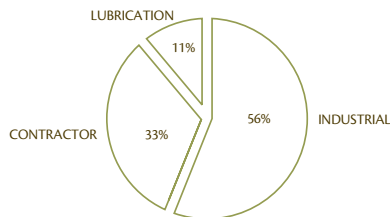
Applicators

Automatic and manual dispense valves and spray guns
 – Spray or dispense fluids

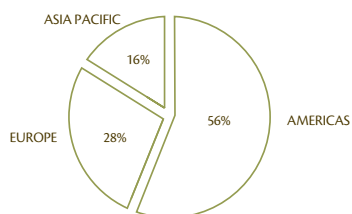
Accessories

Fittings, regulators, hoses
 – Auxiliary components for complete product solutions

Segment Sales



Global Sales



Key Markets Served

Industrial Equipment

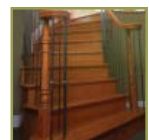
- Aerospace
- Automotive/truck/bus assembly
- Automobile repair shops
- Process industries
- Farm and construction equipment
- General industrial assembly
- Medical and electrical
- Fabrication and molding
- Foam insulation contractors
- Industrial coating contractors
- Marine and rail
- Furniture
- Food

Contractor Equipment

- Painting and specialty contractors
- Ceiling and wall texture
- Remodeling
- Line striping

Lubrication Equipment

- Automotive dealerships
- Automotive/truck/bus assembly
- Fleet facilities
- Garages and service centers
- Machine tool
- Municipalities
- Natural gas transmission
- Mining
- Steel mills
- Industrial manufacturing
- Rubber
- Food and beverage
- Pulp and paper
- On-road and off-road mobile



Expanding in New Markets

INDUSTRIAL



Graco enables customers across industry lines to deploy products and practices that reduce material usage and make their operations more environmentally sound.

Fact: The number of solar-to-electrical installations grew 62 percent from 2006 to 2007, with annual growth of 30-45 percent expected in coming years.

Graco's international presence enables it to reach more customers and expand its leadership position. The increasing global demand for "green" technology has opened new avenues for Graco's environment-friendly products.

Embedded Inside Growth Markets

Graco's investments in technological research, design and world-class manufacturing keep the Company at the forefront in developing innovative new products. The Company's Industrial segment expects to benefit from growth markets within countries that are rapidly modernizing their economies and companies that manufacture the equipment and goods the 21st century world needs and demands.

Poised for the Economic Upturn

The Industrial segment made significant strides in 2008, strategically positioning Graco for brighter economic times ahead:

- Acquired GlasCraft, strengthening Graco's market position
- Added 15 new products

In February 2008, Graco purchased GlasCraft, securing a foothold in the composites market, and fully integrated the acquired business into our operations. The Company maintained its competitive positions in finishing and refinishing operations and improved revenues in the sanitary sector (food and medical) by serving some of the largest makers of chocolate, cereal, condiments and contact lenses.

The expanding wind and solar energy markets present significant opportunities for the Company to leverage its deep industrial equipment expertise. Graco technology is also used to seal automotive airbags, another example of a niche market that has generated growth for the Company. With the U.S. government preparing to invest in rebuilding the nation's infrastructure, Graco stands to benefit by applying its technological know-how and offering products that will contribute to the effort.

Helping Global Manufacturers Achieve Better Productivity

Today's economy places a premium on maximizing return on investment, and as a result, companies around the world are adopting world-class manufacturing standards. Their consumer customers expect higher quality products, made more efficiently and responsibly. More than ever before, Graco is building on its strong capacity and capabilities to develop and market products that help companies address those expectations while saving materials and labor.

New Products

- Merkur® Pumps – high performance fine finish packages designed to improve productivity, reduce costs, lower emissions and provide consistent, high quality finishes for demanding applications.
- ProMix® Finishing Proportioners – two-component electronic proportioning system offers precise and reliable electronic proportioning for a broad range of solventborne, waterborne and acid catalyzed material.
- Fusion® CS Coating Gun – plural-component spray gun with ClearShot™ technology, which automatically cleans material build-up in the mix chamber.

Investing for Our Future

- 32 percent increase in product development expenditures in 2008
- Expanding our served market, examples include:
 - Wind Power
 - Solar Energy
 - Auto Airbags



**Growing
Globally**

CONTRACTOR



Graco sprayers are now capable of applying eco-friendly “green” paints sold by home centers, and meet stringent international Restriction of Hazardous Substances (RoHS) standards. Improvements in Graco sprayer performance allow them to spray heavier materials that emit fewer volatile organic compounds (VOCs) into the air.

Fact: RoHS standards reduce the amount of lead, mercury and other materials being used and released into the environment and atmosphere globally.

The Contractor segment is expanding its global presence, delivering growth in developing economies within Asia, Eastern Europe, Russia, the Middle East and Africa.

Focus on Execution in a Difficult Environment

In spite of the extraordinary economic challenges during 2008, Graco’s Contractor segment continued to gain market share from competitors in North America through a focus on growing its distributor network, new product development and broadening its customer base in key markets such as paint, texture and striping.

Covering New Territory with Expanded Distribution

The Contractor segment increased its number of distribution outlets through the addition of more than 200 new distributors in Europe and Asia, primarily in developing regions including Russia, the Czech Republic, Slovakia, Poland and the Middle East. During 2008, Graco expanded its presence in leading home centers, paint stores, hardware and rental centers, increasing the number of home center outlets to 2,200 stores.

A Solid Suite of New Products

Graco’s strategic planning process has identified various niches in paint, texture and striping markets. Plans have been developed to provide innovative breakthrough products to these markets. In 2008, Graco:

- Designed a private label line of sprayers for 2,000 stores at a major paint retailer
- Added texture capabilities to a key European sprayer line
- Developed a gas-powered mobile spray unit for the Chinese market

Graco’s Contractor segment also released several other private label product expansions to meet the needs of European and Asian companies. In addition, the 7900 HD gas mobile sprayer was developed and marketed specifically for the Chinese market, where demand from contractors doing large tract, commercial and new residential construction jobs is increasing.

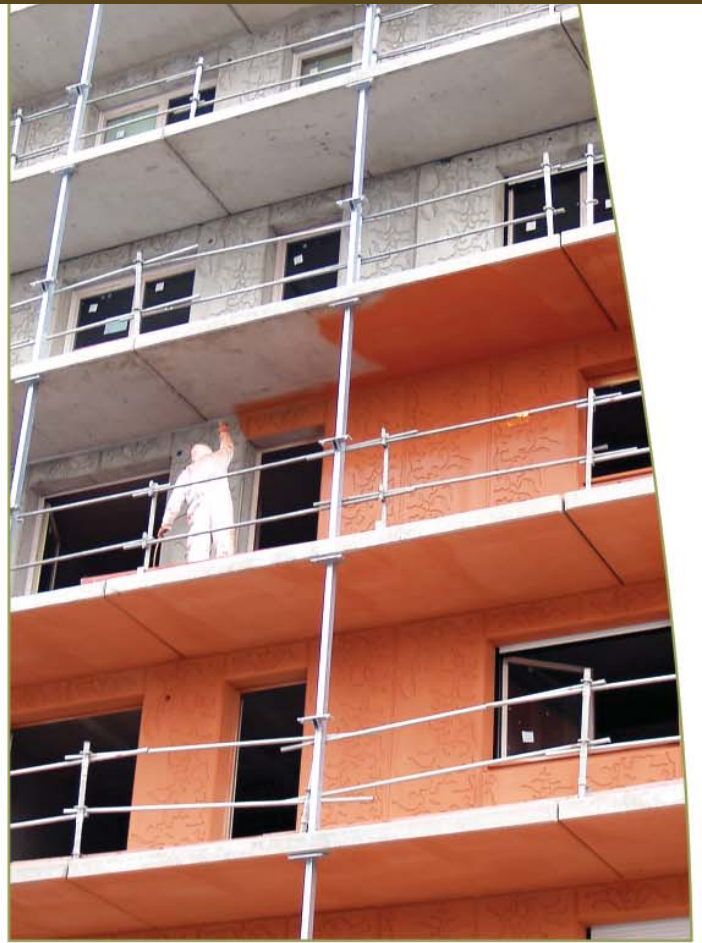
In 2008, new product introductions accounted for \$36 million in sales for the Contractor segment, which represented a modest yet notable achievement given the current economic environment. In addition to their contribution to sales, these new products drove gains in market share, increasing the potential for earnings leverage as economic conditions improve.

Leadership in an Evolving Segment

In North America, more than 90 percent of painters use power paint sprayer technology rather than manual brush and roller. In contrast, approximately 30 percent of painters use sprayers in Europe and only 1 percent use sprayers in Asia. Converting end-users to sprayer technology presents a growth opportunity for Graco. Education is fundamental to this evolution, and Graco is leading the charge with extensive demonstrations to distributors and end-users through in-store and other events worldwide. This conversion strategy has produced on average 200 percent annual growth rates for the past three years in India alone.

Investing for Our Future

Through continued investment in people, programs, products and end-user conversion, the Contractor segment is well positioned for future growth in the U.S. and worldwide.



Innovating in a Mature Market

LUBRICATION



Graco's expertise and performance promotes safer, more efficient transport of natural gas, the "cleaner fuel"; smooth operation of giant wind mills; greater equipment failure prevention; and most notably, a reduction in the amount of grease and oil its customers use, lessening dependence on fossil fuels at home and abroad and saving dollars.

Fact: Industry consumes 11 billion gallons of fossil fuel lubricants every year.

As an innovator in a mature market, Graco demonstrated in 2008 how its Lubrication segment is poised to benefit from the growth opportunities that exist within the markets it serves.

Leadership Now and in the Future

Graco has long established itself as a leader in delivering innovative vehicle services lubrication technology and products to auto service centers, car dealerships and lube-change chains. The Company plans to drive new business and gain market share in industrial sectors, such as food and beverage processing and those that extract or harness natural resources.

Key Performance Highlights in 2008 include:

- Expansion of the industrial lubrication footprint with the acquisition of the LubeSci product line
- Launch of six new products with innovative, advanced technology
- Completed the integration of Lubriquip, a 2006 acquisition that launched the Company's expansion into the global industrial lubrication equipment market

Significant Growth Opportunity

The Company is set to become a major industrial lubrication player across the globe and plans double-digit annual growth in international sales. To increase our market share in the nearly billion-dollar industrial lubrication equipment market, we have faced two critical objectives. First, we have nearly completed the consolidation of our manufacturing operations into a primary dedicated factory. We expect our integration activities to be finalized in 2009. Second, we are building an advanced technology road map to distinguish Graco from the rest of the playing field. Superior engineering and production capabilities across our segments create opportunities for the development of new technologies to drive future revenues and global market share.

New Markets, New Business

A key aspect of the Company's long-term vision is expansion into new markets. Despite the difficult economic environment, the Company sees significant opportunities in the mining, wind-energy, mobile on-road, and food and beverage industries. Most notably, we intend to build our worldwide presence in areas such as mining of coal and precious metals, on-vehicle lubrication, farm and construction equipment, food processing, and beverage bottling.

Investing for Our Future

Graco has built upon its existing infrastructure by adding more than 20 engineers in the Lubrication segment over the past three years, including those at our Suzhou, China, facility for in-region product design and development. The Company has also added sales and marketing staff across the globe dedicated solely to Graco's Lubrication equipment business.



Board of Directors

Lee R. Mitau
Chairman of the Board,
Graco Inc.
Executive Vice President
and General Counsel,
U. S. Bancorp

William J. Carroll
Chief Executive Officer,
Hybra-Drive Systems, LLC

Jack W. Eugster
Retired Chairman and
Chief Executive Officer,
Musicland Stores Inc.

J. Kevin Gilligan
Chief Executive Officer,
Capella Education Company

Patrick J. McHale
President and
Chief Executive Officer,
Graco Inc.

Marti Morfitt
President and
Chief Executive Officer,
River Rock Partners, Inc.

Mark H. Rauenhorst
Chairman and
Chief Executive Officer,
Opus Corporation

William G. Van Dyke
Retired Chairman,
Donaldson Company, Inc.

R. William Van Sant
Operating Partner,
Stone Arch Capital

Management

Patrick J. McHale
President and
Chief Executive Officer

David M. Ahlers
Vice President,
Human Resources

Karen Park Gallivan
Vice President, General
Counsel and Secretary

James A. Graner
Chief Financial Officer
and Treasurer

Dale D. Johnson
Vice President and
General Manager,
Contractor Equipment Division

Jeffrey P. Johnson
Vice President and
General Manager,
Asia Pacific

David M. Lowe
Vice President and
General Manager,
Industrial Products Division

Simon J. W. Paulis
Vice President and
General Manager,
Europe

Charles L. Rescorla
Vice President,
Manufacturing and
Distribution Operations

Mark W. Sheahan
Vice President and
General Manager,
Applied Fluid Technologies Division

Brian J. Zumbolo
Vice President and
General Manager,
Lubrication Equipment Division

Corporate Inquiries

Investors may obtain the Graco Inc. annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports by visiting the Graco website at www.graco.com. Requests for financial publications can also be addressed to:

Graco Inc.
Attention: Investor Relations
P.O. Box 1441
Minneapolis, Minnesota 55440-1441
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Or call: (612) 623-6609

Graco is an equal opportunity employer.
Graco's EEO policy is on the Company's
website at www.graco.com.

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Annual Meeting

Shareholders are cordially invited to attend the Annual Meeting, which will be held at 1:00 p.m., April 24, 2009, at Graco:

George Aristides Riverside Center
1150 Sibley Street Northeast
Minneapolis, Minnesota 55413
USA



Graco Inc. & Subsidiaries

10 Year Financial Summary

(In thousands, except per share amounts and other statistics)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Operations:										
Net Sales	\$817,270	\$841,339	\$816,468	\$731,702	\$605,032	\$535,098	\$487,048	\$472,819	\$494,373	\$450,474
Gross Profit	432,177	447,426	433,957	379,350	328,410	282,802	250,158	234,762	250,852	231,135
<i>Percent of Sales</i>	<i>52.9%</i>	<i>53.2%</i>	<i>53.2%</i>	<i>51.8%</i>	<i>54.3%</i>	<i>52.9%</i>	<i>51.4%</i>	<i>49.7%</i>	<i>50.7%</i>	<i>51.3%</i>
Operating Earnings	187,365	232,480	225,999	191,070	161,531	128,833	112,846	100,182	111,242	93,191
<i>Percent of Sales</i>	<i>22.9%</i>	<i>27.6%</i>	<i>27.7%</i>	<i>26.1%</i>	<i>26.7%</i>	<i>24.1%</i>	<i>23.2%</i>	<i>21.2%</i>	<i>22.5%</i>	<i>20.7%</i>
Net Earnings	120,879	152,836	149,766	125,854	108,681	86,713	75,625	65,266	70,108	59,341
<i>Percent of Sales</i>	<i>14.8%</i>	<i>18.2%</i>	<i>18.3%</i>	<i>17.2%</i>	<i>18.0%</i>	<i>16.2%</i>	<i>15.5%</i>	<i>13.8%</i>	<i>14.2%</i>	<i>13.2%</i>
Financial Position:										
Current Assets	\$260,595	\$248,832	\$238,983	\$213,898	\$227,226	\$256,106	\$240,524	\$155,497	\$143,742	\$137,989
Current Liabilities	121,160	125,877	128,929	111,581	96,773	187,947	80,214	73,253	81,841	78,263
Working Capital	139,435	122,955	110,054	102,317	130,453	68,159	160,310	82,244	61,901	59,726
Property, Plant & Equipment, Net	149,754	140,594	124,524	106,498	94,510	94,317	94,953	98,944	83,989	86,493
Total Assets	579,850	536,724	511,603	445,630	371,714	397,390	355,850	276,113	238,544	236,033
Long-term Debt (including current portion)	180,000	107,060	-	-	-	-	-	550	19,360	66,910
Shareholders' Equity	167,634	244,674	331,004	287,684	230,837	169,810	245,406	173,740	110,855	62,940
Capital (long-term debt plus shareholders' equity)	347,634	351,734	331,004	287,684	230,837	169,810	245,406	174,290	130,215	129,850
Cash Provided (Used) By:										
Operations	\$162,478	\$177,097	\$155,629	\$153,224	\$122,908	\$109,807	\$95,673	\$89,181	\$82,209	\$76,148
Investing, excluding marketable securities	(85,346)	(38,157)	(64,402)	(131,472)	(19,164)	(28,772)	(11,958)	(45,885)	(9,678)	(17,833)
Financing	(71,353)	(138,293)	(102,541)	(65,123)	(153,833)	(69,843)	(5,660)	(28,641)	(68,558)	(56,255)
Other Data:										
Depreciation and Amortization	\$35,495	\$28,665	\$26,046	\$23,496	\$17,808	\$18,747	\$18,080	\$18,494	\$15,452	\$14,701
Property, Plant and Equipment Additions	29,102	36,869	33,652	19,904	16,893	15,515	12,253	30,203	14,523	9,140
Per Common Share: (1)										
Basic Net Earnings	\$2.01	\$2.35	\$2.21	\$1.83	\$1.57	\$1.25	\$1.06	\$0.94	\$1.03	\$0.87
Diluted Net Earnings	1.99	2.32	2.17	1.80	1.55	1.23	1.05	0.92	1.01	0.84
Dividends Paid	0.74	0.66	0.58	0.52	1.87 ⁽²⁾	0.22	0.19	0.18	0.17	0.13
Shareholders' Equity	2.82	3.95	4.95	4.21	3.35	2.46	3.44	2.48	1.62	0.91
Other Statistics:										
Sales Growth	-2.9%	3.0%	11.6%	20.9%	13.1%	9.9%	3.0%	-4.4%	9.7%	2.2%
Return on Average Shareholders' Equity	58.6%	53.1%	48.4%	48.5%	54.3%	41.8%	36.1%	45.9%	80.7%	164.3%
Return on Average Capital	34.6%	44.8%	48.4%	48.5%	54.3%	41.8%	36.0%	42.9%	53.9%	46.6%
Long-term Debt/Capital	51.8%	30.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	14.9%	51.5%
Current Ratio	2.2	2.0	1.9	1.9	2.3	1.4	3.0	2.1	1.8	1.8

(1) All per share data has been restated for the three-for-two stock splits.

(2) Includes the special one-time dividend of \$1.50 per share declared December 12, 2003.



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