

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

☐ Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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:	3235-0287
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>MCHALE PATRICK J</u> (Last) (First) (Middle) <u>P.O. BOX 1441</u> (Street) <u>MINNEAPOLIS MN</u> <u>55440-1441</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>GRACO INC</u> [<u>ggg</u>] 3. Date of Earliest Transaction (Month/Day/Year) <u>07/30/2003</u> 4. If Amendment, Date of Original Filed (Month/Day/Year)	5. 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</u> 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 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	03/01/2003		J ⁽¹⁾		925	A	\$22.78	7,958	D	
Common Stock	07/30/2003		M		6,750	A	\$13.14	14,708	D	
Common Stock	07/30/2003		M		450	A	\$9.55	15,158	D	
Common Stock	07/30/2003		M		12,657	A	\$13.64	27,815	D	
Common Stock	07/30/2003		M		5,626	A	\$17.57	33,441	D	
Common Stock	07/30/2003		M		2,813	A	\$27.59	36,254	D	
Common Stock	07/30/2003		S		296	D	\$36.2	35,958	D	
Common Stock	07/30/2003		S		100	D	\$36.17	35,858	D	
Common Stock	07/30/2003		S		100	D	\$36.15	35,758	D	
Common Stock	07/30/2003		S		100	D	\$36.14	35,658	D	
Common Stock	07/30/2003		S		100	D	\$36.11	35,558	D	
Common Stock	07/30/2003		S		300	D	\$36.1	35,258	D	
Common Stock	07/30/2003		S		100	D	\$36.08	35,158	D	
Common Stock	07/30/2003		S		2,300	D	\$36	32,858	D	
Common Stock	07/30/2003		S		100	D	\$36.03	32,758	D	
Common Stock	07/30/2003		S		100	D	\$36.06	32,658	D	
Common Stock	07/30/2003		S		24,000	D	\$35.95	8,658	D	
Common Stock	07/30/2003		S		400	D	\$35.98	8,258	D	
Common Stock	07/30/2003		S		300	D	\$36.02	7,958	D	
Common Stock	03/31/2003		J ⁽²⁾		3,4226	A	\$0	941.974	I	by ESOP
Common Stock	06/30/2003		J ⁽²⁾		0.7029	A	\$0	942.6769	I	by ESOP

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 Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				

