

☐ 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

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>ROBERTS DAVID A</u> (Last) (First) (Middle) <u>88 11TH AVENUE NE</u> (Street) <u>MINNEAPOLIS MN</u> <u>55413</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>05/07/2003</u> 4. If Amendment, Date of Original Filed (Month/Day/Year)	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <div>Director 10% Owner</div> <div><input checked="" type="checkbox"/> Officer (give title below) Other (specify below)</div> <div><u>Chairman, President & CEO</u></div> 6. Individual or Joint/Group Filing (Check Applicable Line) <div><input checked="" type="checkbox"/> Form filed by One Reporting Person</div> <div>Form filed by More than One Reporting Person</div>
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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	05/07/2003		J ⁽¹⁾		2.474	A	\$30.844	5,427.474	D	
Common Stock	08/06/2003		J ⁽¹⁾		2.168	A	\$35.3	5,429.642	D	
Common Stock	11/05/2003		J ⁽¹⁾		1.974	A	\$38.85	5,431.616	D	
Common Stock	02/04/2004		J ⁽¹⁾		3.253	A	\$40.1	5,434.869	D	
Common Stock	03/25/2004		J ⁽¹⁾		51.797	A	\$40.61	9,590.666	D	
Common Stock	03/01/2006		J ⁽²⁾		651	A	\$32.6	11,100.666	D	
Common Stock	06/07/2006		J ⁽³⁾		31	A	\$0	11,131.666	D	

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)
				Code	V			Title	Amount or Number of Shares				
Non-Qualified Stock Option (right to buy)	\$13.87						(4) 06/25/2011	Common Stock	112,500		112,500	D	
Non-Qualified Stock Option (right to buy)	\$17.34						(4) 02/21/2013	Common Stock	108,000		108,000	D	
Non-Qualified Stock Option (right to buy)	\$18.39						(4) 02/22/2002	Common Stock	90,000		90,000	D	
Non-Qualified Stock Option (right to buy)	\$27.91						(4) 02/20/2014	Common Stock	120,000		120,000	D	
Non-Qualified Stock Option (right to buy)	\$38.13 ⁽⁴⁾						(4) 02/18/2015	Common Stock	100,000		100,000	D	

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)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Non-Qualified Stock Option (right to buy)	\$40.68 ⁽⁴⁾							(4)	02/17/2016	Common Stock	140,000		140,000	D	

Explanation of Responses:

- Shares of Graco Common Stock acquired under broker administrated dividend reinvestment plan exempt under Rule 16a-11.
- Shares acquired under Graco Employee Stock Purchase Plan, exempt under Rule 16b-3.
- Because the reporting person did not timely report two dividend reinvestments purchased by the reporting person's broker with dividends received by the broker from Graco, the share tracking software used by the Company applied the stock split protocol to a share balance less than the number of shares actually owned by the reporting person, resulting in a share balance in the share tracking software less than the total number of shares owned. This transaction corrects this discrepancy by increasing the balance in the share tracking software to match the shares actually owned.
- 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.

By: Kristen C. Nelson,
attorney-in-fact For: David A. Roberts 02/09/2007

** 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 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.

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.