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GRACO IN	IC											
Form 4	2 2005											
February 23	ЛЛ	STATES	SECUI	RITIE	S A	AND EXC	HAN	IGE CO	OMMISSION	OMB AF	PPROVAL	
		0111110				, D.C. 205		102 00		Number:	3235-0287	
Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations Filed pursuant to S			Section 1	SEC .6(a) o	UR f th	RITIES e Securitie	Act of 1934,	Expires: Estimated a burden hou response	0			
may con See Inst 1(b).	ntinue. Section 17(•		ding Comj Company			935 or Section	I		
(Print or Type	Responses)											
	Address of Reporting PATRICK J	Person [*]	2. Issue Symbol GRAC			I Ticker or T GG]	rading	>	5. Relationship of l ssuer			
					-	ransaction			(Check all applicable)			
(Mor			(Month/I	(Month/Day/Year))2/18/2005					Director 10% Owner X Officer (give title Other (specify below) below) VICE PRESIDENT			
	(Street)		4. If Amo Filed(Mo			ate Original r)		A	5. Individual or Joi Applicable Line) X_ Form filed by O	ne Reporting Pe	rson	
MINNEAF	POLIS, MN 55413							Ē	Form filed by Mo Person	ore than One Re	porting	
(City)	(State)	(Zip)	Tab	le I - No	on-I	Derivative S	ecurit	ies Acqui	red, Disposed of,	or Beneficial	ly Owned	
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)		Date, if	Code	8)	4. Securitie nor Disposed (Instr. 3, 4 a Amount	d of (È))	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)	
Common Stock	03/01/2004			J <u>(1)</u>		928	А	\$ 22.88	8,886	D		
Common Stock	03/31/2004			J <u>(2)</u>		77.6331	А	\$ 29.11	1,492.6331	I	by ESOP	
Common Stock	06/30/2004			J <u>(2)</u>		2.8419	А	\$ 31.05	1,495.475	Ι	by ESOP	
Common Stock	09/30/2004			J <u>(2)</u>		2.1868	А	\$ 33.5	1,497.6618	Ι	by ESOP	
Common Stock	12/31/2004			J <u>(2)</u>		0.9805	А	\$ 37.35	1,498.6423	Ι	by ESOP	

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

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 control number.

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. Transactio Code (Instr. 8)	5. Number of orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exerc Expiration D (Month/Day/	ate	7. Title and A Underlying S (Instr. 3 and	Securit
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amo or Num of Sh
Non-Qualified Stock Option (right to buy)	\$ 38.13 (3)	02/18/2005		А	22,500	(3)	02/18/2015	Common Stock	22,5

Reporting Owners

Reporting Owner Name / Address	Relationships							
1 8	Director	10% Owner	Officer	Other				
MCHALE PATRICK J 88 11TH AVENUE NE MINNEAPOLIS, MN 55413			VICE PRESIDENT					
Signatures								
By: Kristen C. Nelson For: Patri McHale	ick J.	()2/21/2005					

Explanation of Responses:

**Signature of Reporting Person

- * 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).

Date

- (1) Shares acquired under Graco Employee Stock Purchase Plan, exempt under Rule 16b-3.
- (2) Dividends paid pursuant to the Graco Employee Stock Ownership Plan, exempt under Rule 16b-3(c).
- (3) 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.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.