

INSTEEL INDUSTRIES INC  
 Form 5  
 October 25, 2007

**FORM 5**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).  
 Form 3 Holdings Reported Form 4 Transactions Reported

**ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person \*  
**WOLTZ H O III**  
 (Last) (First) (Middle)

2. Issuer Name and Ticker or Trading Symbol  
**INSTEEL INDUSTRIES INC [IIN]**

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

**1373 BOGGS DRIVE**  
 (Street)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
**09/29/2007**

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**President and CEO**

**MOUNT AIRY, NC 27030**  
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting  
 (check applicable line)

Form Filed by One Reporting Person  
 Form Filed by More than One Reporting Person

**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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock	09/13/2007	^	G	1,000 D \$ 0	434,431	D	^
Common Stock	^	^	^	^ ^ ^	77,919	I	Custodial Account
Common Stock	^	^	^	^ ^ ^	43,681.1128	I	Restricted

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

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**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 Underlying Security (Instr. 3 and 4)	
					(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Incentive Stock Option (right to buy)	\$ 6.89	Â	Â	Â	Â	07/26/2006	07/26/2015	Common Stock	11,5
Incentive Stock Option (right to buy)	\$ 9.12	Â	Â	Â	Â	Â <u>(1)</u>	03/04/2015	Common Stock	17,8
Incentive Stock Option (right to buy)	\$ 15.64	Â	Â	Â	Â	02/14/2007	02/14/2016	Common Stock	5,5
Incentive Stock Option (right to buy)	\$ 17.11	Â	Â	Â	Â	Â <u>(1)</u>	02/13/2017	Common Stock	5,3
Incentive Stock Option (right to buy)	\$ 20.26	Â	Â	Â	Â	08/14/2007	08/14/2016	Common Stock	2,1
Incentive Stock Option (right to buy)	\$ 20.27	Â	Â	Â	Â	Â <u>(1)</u>	08/13/2017	Common Stock	88
Non-Qualified Stock Option (right to buy)	\$ 15.64	Â	Â	Â	Â	02/14/2007	02/14/2016	Common Stock	3,6
Non-Qualified Stock Option (right to buy)	\$ 17.11	Â	Â	Â	Â	Â <u>(1)</u>	02/13/2017	Common Stock	9,0
Non-Qualified Stock Option (right to buy)	\$ 20.26	Â	Â	Â	Â	08/14/2007	08/14/2016	Common Stock	4,2
Non-Qualified Stock Option (right to buy)	\$ 20.27	Â	Â	Â	Â	Â <u>(1)</u>	08/13/2017	Common Stock	10,9

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WOLTZ H O III 1373 BOGGS DRIVE MOUNT AIRY, NC 27030	X	A	A	A President and CEO A

## Signatures

By: James F. Petelle For: H. O. Woltz III  
Date: 10/25/2007

Signature of Reporting Person Date

## Explanation of Responses:

- \* 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).

(1) options vest 1/3 annually beginning 1 year from grant date

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