

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 \*  
**NEWSOME CHARLES B**  
 (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 DR**  
 (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)

**MT 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)
				(A) Amount	or (D)	Price			
Common Stock	07/05/2007	^	G	1,310	A	\$ 0	20,132	D	^
Common Stock	^	^	^	^	^	^	88	I	Custodial Account
Common Stock	^	^	^	^	^	^	2,345	I	Restricted

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

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SEC 2270 (9-02)

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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 Underlying Securities (Instr. 3 and 4)
					(A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 0.18	Â	Â	Â	Â Â	Â (1) 02/19/2012	Common Stock 4,000
Non-Qualified Stock Option (right to buy)	\$ 0.36	Â	Â	Â	Â Â	Â (1) 02/25/2013	Common Stock 7,200
Non-Qualified Stock Option (right to buy)	\$ 1.06	Â	Â	Â	Â Â	Â (1) 02/16/2011	Common Stock 4,000
Non-Qualified Stock Option (right to buy)	\$ 3.19	Â	Â	Â	Â Â	Â (1) 02/03/2008	Common Stock 4,000
Non-Qualified Stock Option (right to buy)	\$ 3.28	Â	Â	Â	Â Â	Â (1) 02/09/2009	Common Stock 4,000
Non-Qualified Stock Option (right to buy)	\$ 4.19	Â	Â	Â	Â Â	Â (1) 02/01/2010	Common Stock 4,000
Non-Qualified Stock Option (right to buy)	\$ 5.43	Â	Â	Â	Â Â	Â (1) 07/20/2014	Common Stock 7,200

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
NEWSOME CHARLES B 1373 BOGGS DR MT AIRY, NC 27030	Â X	Â	Â	Â

## Signatures

James F. Petelle for Charles B.  
Newsome

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) All options are exercisable

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