

INSTEEL INDUSTRIES INC
Form 4
December 09, 2004

FORM 4

**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).

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
SHIELDS WILLIAM J

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
1373 BOGGS DRIVE

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
12/07/2004

Director 10% Owner
 Officer (give title below) Other (specify below)

MOUNT AIRY, NC 27030

(City) (State) (Zip)

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

6. Individual or Joint/Group Filing(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 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	12/07/2004		M	V 2,000 A \$ 5.5	5,010	D	
Common Stock	12/07/2004		F(1)	V 633 D \$ 17.381	4,377	D	
Common Stock	12/07/2004		M	V 2,000 A \$ 6.5625	6,377	D	
Common Stock	12/07/2004		F(1)	V 756 D \$ 17.381	5,621	D	
Common Stock	12/07/2004		M	V 2,000 A \$ 8.375	7,621	D	
	12/07/2004		F(1)	V 964 D	6,657	D	

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Common Stock						\$				17.381	
Common Stock	12/07/2004		M		2,000	A	\$ 2.12	8,657			D
Common Stock	12/07/2004		F ⁽¹⁾	V	244	D	\$	17.381	8,413		D
Common Stock	12/07/2004		M		2,000	A	\$ 0.35	10,413			D
Common Stock	12/07/2004		F ⁽¹⁾	V	41	D	\$	17.381	10,372		D
Common Stock	12/07/2004		M		3,600	A	\$ 0.71	13,972			D
Common Stock	12/07/2004		F ⁽¹⁾	V	148	D	\$	17.381	13,824		D
Common Stock	12/07/2004		M		3,600	A	\$ 10.85	17,424			D
Common Stock	12/07/2004		F ⁽¹⁾	V	2,248	D	\$	17.381	15,176		D

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.

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(9-02)

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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title
Non-Qualified Stock Option (right to buy)	\$ 0.35	12/07/2004		M	2,000	02/19/2002 02/19/2012	Common Stock
Non-Qualified Stock Option	\$ 0.71	12/07/2004		M	3,600	02/25/2003 02/25/2013	Common Stock

(right to buy)

Non-Qualified Stock Option (right to buy)	\$ 2.12	12/07/2004	M	2,000	02/16/2001	02/16/2011	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 5.5	12/07/2004	M	2,000	11/03/1998	11/03/2008	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 6.5625	12/07/2004	M ⁽¹⁾	2,000	02/09/1999 ⁽²⁾	02/09/2009	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 8.375	12/07/2004	M	2,000	02/01/2000	02/01/2010	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 10.85	12/07/2004	M	3,600	07/20/2004	07/20/2014	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SHIELDS WILLIAM J 1373 BOGGS DRIVE MOUNT AIRY, NC 27030		X		

Signatures

By: Gary D. Kniskern For: William J. Shields
Date: 12/08/2004

__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) Exercise of Stock Options by swapping shares

(2) Options are immediately exercisable upon grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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