INSTEEL INDUSTRIES INC

Form 4

February 15, 2006

FORM 4

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

OMB Number:

5. Relationship of Reporting Person(s) to

3235-0287

0.5

if no longer subject to

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

January 31, Expires: 2005

OMB APPROVAL

Section 16. Form 4 or

Check this box

Estimated average **SECURITIES**

information contained in this form are not

required to respond unless the form displays a currently valid OMB control

burden hours per response...

Form 5 obligations may continue. See Instruction

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

2. Issuer Name and Ticker or Trading

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *

| KNISKERN GARY D | | | Symbol INSTEEL INDUSTRIES INC [IIIN] | | | | | Issuer | | | |
|---|--|--------------------------------|--------------------------------------|--|------------------|---|--------------------------|----------------------------|---------------------------|------------|--|
| (14) | | | | | | | (Check all applicable) | | | | |
| (Last) | (Last) (First) (Middle) 3. Date of Earliest Tran | | | | ansaction | | | | | | |
| 1373 BOG0 | | (Month/Day/Year) 02/14/2006 | | | | Director _X_ Officer (g | % Owner ther (specify | | | | |
| 1373 BOOK | JJ DKI V L | | 02/14/2 | 000 | | | | below) | below) | | |
| | | | | | | | | Vice Pr | esident-Admini | stration | |
| | 4. If Ame | 4. If Amendment, Date Original | | | | 6. Individual or Joint/Group Filing(Check | | | | | |
| | Filed(Mor | Filed(Month/Day/Year) | | | | Applicable Line) | | | | | |
| | | | | | | | | | y One Reporting | | |
| MOUNT A | | | | | | Form filed by More than One Reporting Person | | | | | |
| (City) | (State) | (Zip) | Tobl | o I. Non D | onivotivo (| Saarr | itios Ac | equired, Disposed | of an Danafiai | ally Owned | |
| . • | | . • | | | | | iues Ac | 5. Amount of | | - | |
| 1.Title of | 2. Transaction 1 | | 2A. Deemed Execution Date, if | | 3. 4. Securities | | | | 6. Ownership Form: Direct | | |
| Security (Instr. 3) | (Month/Day/Yo | any | on Date, ii | 1 | | | | Securities Beneficially | (D) or | Beneficial | |
| (====================================== | · · · · · · · · · · · · · · · · · · · | | | Day/Year) (Instr. 8) (Instr. 3, 4 and 5) | | | Owned | Ownership | | | |
| | | | | | | | Following | (Instr. 4) | | | |
| | | | | | | (A) | | Reported Transaction(s) | | | |
| | | | | | | or | | (Instr. 3 and 4) | | | |
| C | | | | Code V | Amount | (D) | Price | , | | D (1 1 | |
| Common | 02/14/2006 | | | A | 719 | A | \$0 | 3,218 | I | Restricted | |
| Stock | | | | | | | | | | <u>(1)</u> | |
| Common | | | | | | | | 62,169 | D | | |
| Stock | | | | | | | | 02,109 | D | | |
| Common | | | | | | | | | | | |
| Stock | | | | | | | | 1,247 | I | by Trust | |
| Stoon | | | | | | | | | | | |
| Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. | | | | | | | | | | | |
| Persons who respond to the collection of SEC 1474 | | | | | | | | | | | |
| Persons wno respond to the collection of SEC 14/4 | | | | | | | | | | | |

(9-02)

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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. Transact Code (Instr. 8) | 5. Number ionof 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 Securities (Instr. 3 and 4) | |
|---|---|---|---|--------------------------------------|--|--|--------------------|---|--|
| | | | | Code V | / (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Incentive Stock Option (right to buy) | \$ 31.28 | 02/14/2006 | | A V | / 1,266 | 02/14/2007 | 02/14/2016 | Common Stock | 1,266 |

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

KNISKERN GARY D 1373 BOGGS DRIVE MOUNT AIRY, NC 27030

Vice President-Administration

Signatures

Gary D. D. 02/15/2006 Kniskern

**Signature of Date Reporting Person

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) stock grant vests 100% 3 years from grant date
- (2) grant of incentive stock options

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.

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