

Wagner Richard
Form 4
February 22, 2012

FORM 4

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Wagner Richard

(Last) (First) (Middle)

1373 BOGGS DRIVE

(Street)

MOUNT AIRY, NC 27030

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

INSTEEL INDUSTRIES INC [IIN]

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

02/21/2012

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

Vice President

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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 Ownership (Instr. 4)
Common Stock (Restricted Stock Unit)	02/21/2012		A	5,264 A	\$ 0 37,962	D	
Common Stock					26,068	D	

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

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information contained in this form are not
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SEC 1474
(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 of Underlying Securities (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (Right to Buy)	\$ 13.06	02/21/2012		A		11,345		<u>(1)</u>	02/21/2022	Common Stock	11,345
Incentive Stock Option (Right to Buy)	\$ 10.72							<u>(1)</u>	08/08/2021	Common Stock	14,175
Stock Option (Right to Buy)	\$ 12.43							<u>(1)</u>	02/08/2021	Common Stock	11,732
Incentive Stock Option (Right to Buy)	\$ 9.16							<u>(1)</u>	08/09/2020	Common Stock	15,449
Incentive Stock Option (Right to Buy) (Common Stock)	\$ 9.39							<u>(1)</u>	02/09/2020	Common Stock	14,881
Incentive Stock Option (Right to Buy)	\$ 11.6							<u>(1)</u>	08/10/2019	Common Stock	10,982
Incentive Stock Option (Right to	\$ 7.55							<u>(1)</u>	02/10/2019	Common Stock	14,946

Buy)						
Incentive Stock Option (Right to Buy)	\$ 11.15	<u>(1)</u>	02/19/2018	Common Stock	13,196	
Incentive Stock Option (Right to Buy)	\$ 16.69	<u>(1)</u>	08/19/2018	Common Stock	7,314	
Incentive Stock Option (Right to Buy)	\$ 17.11	<u>(1)</u>	02/13/2017	Common Stock	6,598	
Incentive Stock Option (Right to Buy)	\$ 20.27	<u>(1)</u>	08/13/2017	Common Stock	5,444	
Incentive Stock Option (Right to Buy)	\$ 20.26	<u>(1)</u>	08/14/2016	Common Stock	2,841	
Incentive Stock Option (Right to Buy)	\$ 9.12	<u>(1)</u>	03/04/2015	Common Stock	5,301	
Incentive Stock Option (Right to Buy)	\$ 15.64	<u>(1)</u>	02/14/2016	Common Stock	4,080	
Incentive Stock Option (Right to Buy)	\$ 6.89	<u>(1)</u>	07/26/2015	Common Stock	3,430	

Reporting Owners

Reporting Owner Name / Address	Relationships
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Director 10% Owner Officer Other

Wagner Richard
1373 BOGGS DRIVE
MOUNT AIRY, NC 27030

Vice President

Signatures

James F. Petelle for Richard T.
Wagner

02/22/2012

__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 one year from grant date.

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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