

Wagner Richard
Form 4
February 11, 2009

FORM 4

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

OMB APPROVAL

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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 *
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)
02/10/2009

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Vice President

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 Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock ⁽¹⁾	02/10/2009		A	9,106 A \$ 0	14,254	D	
Common Stock					21,846.4882	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 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)	\$ 7.55	02/10/2009		A	V 6,342	(2) 02/10/2019	Common Stock	6,342
Non-Qualified Stock Option (right to buy)	\$ 7.55	02/10/2009		A	V 8,604	(2) 02/10/2019	Common Stock	8,604
Incentive Stock Option (right to buy)	\$ 6.89					(2) 07/26/2015	Common Stock	3,430
Incentive Stock Option (right to buy)	\$ 9.12					(2) 03/04/2015	Common Stock	5,300
Incentive Stock Option (right to buy)	\$ 11.15					(2) 02/19/2018	Common Stock	13,100
Incentive Stock Option (right to buy)	\$ 15.64					(2) 02/14/2016	Common Stock	4,080
Incentive Stock Option (right to buy)	\$ 16.69					(2) 08/19/2018	Common Stock	2,430
Incentive Stock Option (right to buy)	\$ 17.11					(2) 02/13/2017	Common Stock	5,770
Incentive Stock Option (right to buy)	\$ 20.26					(2) 08/14/2016	Common Stock	2,840
Incentive Stock Option (right to buy)	\$ 20.27					(2) 08/13/2017	Common Stock	2,890
Non-Qualified	\$ 16.69					(2) 08/19/2018	Common	4,870

Stock Option (right to buy)				Stock	
Non-Qualified Stock Option (right to buy)	\$ 17.11	<u>(2)</u>	02/13/2017	Common Stock	824
Non-Qualified Stock Option (right to buy)	\$ 20.27	<u>(2)</u>	08/13/2017	Common Stock	2,54

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Wagner Richard 1373 BOGGS DRIVE MOUNT AIRY, NC 27030			Vice President	

Signatures

By: James F. Petelle For: Richard Wagner
Date: 02/11/2009

 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) Restricted Stock Units
- (2) options vest 1/3 annually beginning 1 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. 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.