

Wagner Richard
Form 4
February 21, 2013

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 *
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)
02/19/2013

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 Beneficial Ownership (Instr. 4)		
			Code	V	Amount	(D)	Price		
Common Stock	02/19/2013		M		3,430	A	\$ 6.89	35,647	D
Common Stock	02/19/2013		M		5,301	A	\$ 9.12	40,948	D
Common Stock	02/19/2013		M		4,725	A	\$ 10.72	45,673	D
Common Stock	02/19/2013		M		13,196	A	\$ 11.15	58,869	D
Common Stock	02/19/2013		M		10,982	A	\$ 11.6	69,851	D

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Common Stock	02/19/2013	M	7,821	A	\$ 12.43	77,672	D
Common Stock	02/19/2013	S	45,455	D	\$ 16.947	32,217	D
Common Stock (Restricted Stock Units)						35,612	D

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

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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 Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Stock Option (Right to Buy)	\$ 16.45					(1) 02/12/2023	Common Stock 9,589
Stock Option (Right to Buy)	\$ 10.23					(1) 08/21/2022	Common Stock 15,110
Stock Option (Right to Buy)	\$ 13.06					(1) 02/21/2022	Common Stock 11,345
Incentive Stock Option (Right to Buy)	\$ 10.72	02/19/2013		M	4,725	(1) 08/08/2021	Common Stock 4,725

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Stock Option (Right to Buy)	\$ 12.43	02/19/2013	M	7,821	<u>(1)</u>	02/08/2021	Common Stock	7,821
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	02/19/2013	M	10,982	<u>(1)</u>	08/10/2019	Common Stock	10,982
Incentive Stock Option (Right to Buy)	\$ 7.55				<u>(1)</u>	02/10/2019	Common Stock	14,946
Incentive Stock Option (Right to Buy)	\$ 11.15	02/19/2013	M	13,196	<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

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Incentive Stock Option (Right to Buy)	\$ 20.26				(1)	08/14/2016	Common Stock	2,841
Incentive Stock Option (Right to Buy)	\$ 9.12	02/19/2013	M	5,301	(1)	03/04/2015	Common Stock	5,301
Incentive Stock Option (Right to Buy)	\$ 15.64				(1)	02/14/2016	Common Stock	4,080
Incentive Stock Option (Right to Buy)	\$ 6.89	02/19/2013	M	3,430	(1)	07/26/2015	Common Stock	3,430

Reporting Owners

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

Signatures

James F. Petelle for Richard T.
Wagner

02/21/2013

**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.

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