

NEWSOME CHARLES B
 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 *
 NEWSOME CHARLES B

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)
 02/10/2009

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)
			Code	V	Amount	(D)	Price
Common Stock (Restricted Stock Units)	02/10/2009		A		5,298	A	\$ 0
Common Stock					30,477		
Common Stock					88	I	Custodial Account
Common Stock					3,587	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
Non-Qualified Stock Option	\$ 0.18					02/19/2002	02/19/2012	Common Stock	4,000
Non-Qualified Stock Option	\$ 0.36					02/25/2003	02/25/2013	Common Stock	7,200
Non-Qualified Stock Option	\$ 1.06					02/16/2001	02/16/2011	Common Stock	4,000
Non-Qualified Stock Option	\$ 4.19					02/01/2000	02/01/2010	Common Stock	4,000
Non-Qualified Stock Option	\$ 5.43					07/20/2004	07/20/2014	Common Stock	7,200

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
NEWSOME CHARLES B 1373 BOGGS DRIVE MOUNT AIRY, NC 27030		X		

Signatures

James F. Petelle for Charles B. Newsome

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).

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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