

KEITHLEY INSTRUMENTS INC  
 Form 4  
 July 30, 2008

**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 \*  
 RAE LINDA C

2. Issuer Name and Ticker or Trading Symbol  
 KEITHLEY INSTRUMENTS INC  
 [KEI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
 07/29/2008

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 Executive VP & COO

KEITHLEY INSTRUMENTS, INC., 28775 AURORA ROAD

(Street)

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

SOLON, OH 44139

(City) (State) (Zip)

**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: Indirect Beneficial Ownership (Instr. 4)
				Code	V	Amount			
Common Shares	12/31/2007		J <sup>(1)</sup>		4	A	\$ 9.72	1,000	D
Common Shares	03/31/2008		J <sup>(1)</sup>		3	A	\$ 9.8601	1,003	D
Common Shares	06/30/2008		J <sup>(1)</sup>		67	A	\$ 9.025	1,070	D
Common Shares	06/30/2008		J <sup>(1)</sup>		4	A	\$ 9.67	1,074	D
Common Shares	07/29/2008		M		1,500	A	\$ 2.5313	2,574	D

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Common Shares	07/29/2008	S	1,500	D	\$ 10.01 (2)	1,074	D
Common Shares	07/29/2008	M	5,000	A	\$ 4.125	6,074	D
Common Shares	07/29/2008	S	5,000	D	\$ 10.0591 (3)	1,074	D

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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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 Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Common Share Option	\$ 2.5313	07/29/2008		M	1,500	09/12/2000	09/11/2008	Common Shares	1,500
Common Share Option	\$ 4.125	07/29/2008		M	5,000	07/17/2001	07/16/2009	Common Shares	5,000
Common Share Option	\$ 45.125					08/02/2002	08/01/2010	Common Shares	12,000
Common Share Option	\$ 18.41					07/25/2003 <sup>(4)</sup>	07/24/2011	Common Shares	25,000
Common Share Option	\$ 13.76					07/24/2004 <sup>(5)</sup>	07/23/2012	Common Shares	30,000
Common Share Option	\$ 16.12					08/10/2005 <sup>(6)</sup>	07/18/2013	Common Shares	50,000
Common Share Option	\$ 18.75					02/15/2005 <sup>(4)</sup>	07/16/2014	Common Shares	41,000
Common Share Option	\$ 15.05					10/04/2007 <sup>(5)</sup>	10/03/2015	Common Shares	25,000
	\$ 0					09/30/2008 <sup>(7)</sup>	<sup>(7)</sup>		

