NEWSOME CHARLES B

Form 4

February 10, 2012

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

OMB APPROVAL

3235-0287

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subject to Section 16. Form 4 or Form 5 obligations

may continue.

See Instruction

Check this box

if no longer

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

1(b).

(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 [IIIN]					C	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
(Last)		fiddle)	3. Date of Earliest Transaction (Month/Day/Year) 02/09/2012			_X_ Director Officer (gives)	109	% Owner ner (specify			
(Street) 4. If Amendment, Da Filed(Month/Day/Year					ĕ			6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting			
MOUNT AI								Person			
(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. Deen Execution any (Month/D	Date, if	Code (Instr.		4. Securi on(A) or Di (D) (Instr. 3,	ispose	d of	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)
Common Stock									88	I	Custodial Account
Common Stock	02/09/2012			M		4,000	A	\$ 0.18	58,002	D	

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)

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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. Transactic Code (Instr. 8)	Secu Acqu (A) o Dispo	rities nired or osed of r. 3, 4,	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amour Underlying Securit (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amo or Num of Share
Non-Qualified Stock Option	\$ 0.18	02/09/2012		M		4,000	02/19/2002	02/19/2012	Common Stock	4,0
Non-Qualified Stock Option	\$ 0.36						02/25/2003	02/25/2013	Common Stock	7,2
Non-Qualified Stock Option	\$ 5.43						07/20/2004	07/20/2014	Common Stock	7,2

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
02/10/2012

**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).

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.

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