

PLUSH MARK J
Form 5
October 30, 2006

FORM 5

**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).
Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
PLUSH MARK J

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. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
09/30/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
VP, CFO

KEITHLEY INSTRUMENTS, INC., 28775 AURORA ROAD

(Street)

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

6. Individual or Joint/Group Reporting

(check applicable line)

SOLON, OH 44139

Form Filed by One Reporting Person
 Form Filed by More than One Reporting 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. 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 at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|------------|--|--|---|
| | | | | Amount | (A) or (D) | Price | | | |
| Common Shares | 06/30/2006 | ^ | J ⁽¹⁾ | 1 | A | \$ 12.1726 | 32,771 ⁽²⁾ | D | ^ |
| Common Shares | 07/01/2006 | ^ | J ⁽¹⁾ | 397 | A | \$ 12.0935 | 33,168 | D | ^ |
| Common Shares | 09/29/2006 | ^ | J ⁽¹⁾ | 2 | A | \$ 13.0799 | 33,170 | D | ^ |
| | ^ | ^ | ^ | ^ | ^ | ^ | 5,720 | D | ^ |

Restricted Shares ⁽³⁾

| | | | | | | | | | |
|---------------|------------|---|------------------|---|---|------------|-------|---|----------------------|
| Common Shares | 06/30/2006 | Â | J ⁽¹⁾ | 4 | A | \$ 12.1726 | 1,261 | I | Trust ⁽⁴⁾ |
| Common Shares | 09/29/2006 | Â | J ⁽¹⁾ | 4 | A | \$ 13.0799 | 1,265 | I | Trust ⁽⁴⁾ |

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 Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Common Share Option | \$ 45.125 | Â | Â | Â | Â Â | Date Exercisable: 08/02/2002 ⁽⁵⁾ Expiration Date: 08/01/2010 | Common Shares 42,000 |
| Common Share Option | \$ 18.41 | Â | Â | Â | Â Â | Date Exercisable: 07/25/2003 ⁽⁷⁾ Expiration Date: 07/24/2011 | Common Shares 38,000 |
| Common Share Option | \$ 13.76 | Â | Â | Â | Â Â | Date Exercisable: 07/24/2004 ⁽⁵⁾ Expiration Date: 07/23/2012 | Common Shares 25,000 |
| Common Share Option | \$ 16.12 | Â | Â | Â | Â Â | Date Exercisable: 08/10/2005 ⁽⁹⁾ Expiration Date: 07/18/2013 | Common Shares 33,000 |
| Common Share Option | \$ 18.75 | Â | Â | Â | Â Â | Date Exercisable: 02/15/2005 ⁽⁷⁾ Expiration Date: 07/16/2014 | Common Shares 28,000 |
| Common Share Option | \$ 15.05 | Â | Â | Â | Â Â | Date Exercisable: 10/04/2007 ⁽⁵⁾ Expiration Date: 10/03/2015 | Common Shares 10,000 |
| Performance Award Unit | \$ 0 | Â | Â | Â | Â Â | Date Exercisable: 09/30/2008 Expiration Date: 02/01/2012 | Common Shares 8,000 |

Reporting Owners

Reporting Owner Name / Address

Relationships

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Director 10% Owner Officer Other

PLUSH MARK J
KEITHLEY INSTRUMENTS, INC.
28775 AURORA ROAD
SOLON, OH 44139
VP, CFO

Signatures

Mark J. Plush 10/30/2006

**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) Acquired through Employee Stock Purchase and Dividend Reinvestment Plan.
(2) Includes 1,192 shares for which restrictions lapsed on June 1, 2006, which were previously reported as restricted shares
(3) Restricted Shares will become fully vested on June 1, 2011
(4) Christopher M. Plush Trust, Virginia A. Plush Trustee
(5) Date reported applies to 50% of total, one-half of the balance is then exercisable in each succeeding year
(6) Pursuant to a domestic relations order, the reporting person is deemed to hold 20,231 options for his former spouse and may exercise the option solely upon the direct of his former spouse who is entitled to the shares issued upon exercise. The reporting person disclaims beneficial ownership with respect to the options held for the benefit of his former spouse.
(7) Option became fully vested on February 15, 2005
(8) Pursuant to a domestic relations order, the reporting person is deemed to hold 16,251 options for his former spouse and may exercise the option solely upon the direct of his former spouse who is entitled to the shares issued upon exercise. The reporting person disclaims beneficial ownership with respect to the options held for the benefit of his former spouse.
(9) Option became fully vested on August 10, 2005
(10) Each Performance Award Unit represents the right to receive one common share at the end of the applicable performance period. The number of units actually earned is subject to adjustment based upon the Company's revenue growth versus that of a defined Peer Group, as well as the Company maintaining an acceptable level of profitability. Minimum number of units is 0 while the maximum number of units is two times the target number shown.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.