KEITHLEY INSTRUMENTS INC

Form 5

October 30, 2006

FORM 5

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

Number: 3235-0362 Expires: January 31, 2005

no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction

Check this box if

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Estimated average burden hours per response... 1.0

1(b). Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Form 3 Holdings Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
Reported
Form 4 30(h) of the Investment Company Act of 1940

Transactions Reported

1. Name and Address of Reporting Person * 2. Issuer Name and Ticker or Trading 5. Relationship of Reporting Person(s) to Issuer HOERSTEN MARK A Symbol KEITHLEY INSTRUMENTS INC (Check all applicable) [KEI] (Middle) 3. Statement for Issuer's Fiscal Year Ended (Last) (First) Director 10% Owner _X__ Officer (give title Other (specify (Month/Day/Year) below) below) 09/30/2006 VP Business Management KEITHLEY INSTRUMENTS. INC., 28775 AURORA ROAD (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Reporting Filed(Month/Day/Year) (check applicable line)

SOLON, OHÂ 44139

X Form Filed by One Reporting Person __ Form Filed by More than One Reporting

(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) (A) or Amount (D) Price			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)		
Common Shares	12/30/2005	Â	<u>J(1)</u>	5	A	\$ 13.97	1,603	D	Â		
Common Shares	03/31/2006	Â	<u>J(1)</u>	4	A	\$ 15.34	1,607	D	Â		
Common Shares	06/30/2006	Â	<u>J(1)</u>	5	A	\$ 12.1726	1,612	D	Â		
	09/29/2006	Â	J <u>(1)</u>	5	A		1,617	D	Â		

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Common \$
Shares 13.0799

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

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SEC 2270 (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)	Number 1		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amour Underlying Securit (Instr. 3 and 4)	
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amo or Num of Sl
Common Share Option	\$ 5.7188	Â	Â	Â	Â	Â	09/20/1999	09/19/2007	Common Shares	1,2
Common Share Option	\$ 4.125	Â	Â	Â	Â	Â	07/17/2001	07/16/2009	Common Shares	1,0
Common Share Option	\$ 45.125	Â	Â	Â	Â	Â	08/02/2002	08/01/2010	Common Shares	12,
Common Share Option	\$ 18.41	Â	Â	Â	Â	Â	07/25/2003(2)	07/24/2011	Common Shares	25,
Common Share Option	\$ 13.76	Â	Â	Â	Â	Â	07/24/2004(3)	07/23/2012	Common Shares	30,
Common Share Option	\$ 16.12	Â	Â	Â	Â	Â	08/10/2005(4)	07/18/2013	Common Shares	30,
Common Share Option	\$ 18.75	Â	Â	Â	Â	Â	02/15/2005(2)	07/16/2014	Common Shares	25,
Common Share Option	\$ 15.05	Â	Â	Â	Â	Â	10/04/2007(3)	10/03/2015	Common Shares	8,8
Performance Award Unit	\$ 0	Â	Â	Â	Â	Â	09/30/2008	02/01/2012	Common Shares	6,7 (:

Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners 2

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Director 10% Owner Officer Other

HOERSTEN MARK A KEITHLEY INSTRUMENTS, INC. 28775 AURORA ROAD SOLON, OHÂ 44139

Â VP Business Management Â

Signatures

Mark J. Plush, Attorney-in Fact

**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) Option became fully vested on February 15, 2005
- (3) Date reported applies to 50% of total, one-half of the balance is then exercisable in each succeeding year
- (4) Option became fully vested on August 10, 2005
- 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.

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