

KEITHLEY INSTRUMENTS INC  
 Form 4  
 February 28, 2007

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL  
 OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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 \*  
 ETSLER PHILIP

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)  
 KEITHLEY INSTRUMENTS,  
 INC., 28775 AURORA ROAD  
 (Street)

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 02/26/2007

\_\_\_\_ Director  
 Officer (give title below)  
 \_\_\_\_ 10% Owner  
 \_\_\_\_ Other (specify below)  
 VP Human Resources

SOLON, OH 44139

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

(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 (Instr. 4)
			Code	V	Amount or Price		
Common Shares	02/26/2007		M		7,000 A \$ 5.7188	43,449	D
Common Shares	02/26/2007		M		12,000 A \$ 2.5313	55,449	D
Common Shares	02/26/2007		M		27,000 A \$ 4.125	82,449	D
Common Shares	02/26/2007		S		200 D \$ 15.36	82,249	D
Common Shares	02/26/2007		S		2,000 D \$ 15.37	80,249	D

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Common Shares	02/26/2007	S	200	D	\$ 15.38	80,049	D
Common Shares	02/26/2007	S	4,300	D	\$ 15.4	75,749	D
Common Shares	02/26/2007	S	10,300	D	\$ 15.41	65,449	D
Common Shares	02/26/2007	S	7,700	D	\$ 15.42	57,749	D
Common Shares	02/26/2007	S	1,200	D	\$ 15.43	56,549	D
Common Shares	02/26/2007	S	2,200	D	\$ 15.44	54,349	D
Common Shares	02/26/2007	S	1,100	D	\$ 15.45	53,249	D
Common Shares	02/26/2007	S	100	D	\$ 15.46	53,149	D
Common Shares	02/26/2007	S	200	D	\$ 15.47	52,949	D
Common Shares	02/26/2007	S	100	D	\$ 15.53	52,849	D
Common Shares	02/26/2007	S	100	D	\$ 15.57	52,749	D
Common Shares	02/26/2007	S	100	D	\$ 15.63	52,649	D
Common Shares	02/26/2007	S	700	D	\$ 15.64	51,949	D
Common Shares	02/26/2007	S	100	D	\$ 15.65	51,849	D
Common Shares	02/26/2007	S	100	D	\$ 15.67	51,749	D
Common Shares	02/26/2007	S	100	D	\$ 15.68	51,649	D
Common Shares	02/26/2007	S	200	D	\$ 15.71	51,449	D
Common Shares	02/26/2007	S	9,400	D	\$ 15.74	42,049	D
Common Shares	02/26/2007	S	4,600	D	\$ 15.75	37,449	D
Common Shares	02/26/2007	S	200	D	\$ 15.76	37,249	D
	02/26/2007	S	100	D	\$ 15.77	37,149	D

Common Shares							
Common Shares	02/26/2007	S	400	D	\$ 15.78	36,749	D
Common Shares	02/26/2007	S	300	D	\$ 15.85	36,449	D
Restricted Common Shares <sup>(1)</sup>						6,016	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.**

SEC 1474  
(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
Common Share Option	\$ 5.7188	02/26/2007		M	7,000	09/20/1999	09/19/2007	Common Shares	7
Common Share Option	\$ 2.5313	02/26/2007		M	12,000	09/12/2000	09/11/2008	Common Shares	12
Common Share Option	\$ 4.125	02/26/2007		M	27,000	07/17/2001	07/16/2009	Common Shares	27
Common Share Option	\$ 45.125					08/02/2002	08/01/2010	Common Shares	24
Common Share Option	\$ 18.41					07/25/2003 <sup>(2)</sup>	07/24/2011	Common Shares	22
Common Share Option	\$ 13.76					07/24/2004 <sup>(3)</sup>	07/23/2012	Common Shares	22
Common Share Option	\$ 16.12					08/10/2005 <sup>(4)</sup>	07/18/2013	Common Shares	24
Common	\$ 18.75					02/15/2005 <sup>(2)</sup>	07/16/2014	Common	21

Share Option				Shares	
Common Share Option	\$ 15.05	10/04/2007 <sup>(3)</sup>	10/03/2015	Common Shares	6
Performance Award Unit	\$ 0	09/30/2008	02/01/2012	Common Shares	5
Performance Award Unit	\$ 0	09/30/2009	02/01/2012	Common Shares	4

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ETSLER PHILIP KEITHLEY INSTRUMENTS, INC. 28775 AURORA ROAD SOLON, OH 44139			VP Human Resources	

## Signatures

Mark J. Plush, Attorney-in Fact 02/28/2007

         \*\*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) Restricted Shares will become fully vested on January 1, 2012
- (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

(5) 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 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.