#### KEITHLEY INSTRUMENTS INC

Form 4

February 28, 2007

## FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

OMB Number:

3235-0287

Expires:

January 31, 2005

0.5

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**OMB APPROVAL** 

response...

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

Check this box

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)

See Instruction

1. Name and Address of Reporting Person * ETSLER PHILIP	2. Issuer Name <b>and</b> Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer		
	KEITHLEY INSTRUMENTS INC [KEI]	(Check all applicable)		
(Last) (First) (Middle)  KEITHLEY INSTRUMENTS, INC., 28775 AURORA ROAD	3. Date of Earliest Transaction (Month/Day/Year) 02/26/2007	Director 10% Owner X Officer (give title Other (specify below) VP Human Resources		
(Street)	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person		
SOLON, OH 44139		Form filed by More than One Reporting Person		

(City)	(State) (	(Zip) Tabl	e I - Non-D	Derivative S	Securi	ities Acquir	red, Disposed of,	or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactic Code (Instr. 8)	4. Securit or Dispos (Instr. 3, 4	ed 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 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	0,049	D
Common Shares	02/26/2007	S	4,300	D	\$ 15.4 75	5,749	D
Common Shares	02/26/2007	S	10,300	D	\$ 15.41 65	5,449	D
Common Shares	02/26/2007	S	7,700	D	\$ 15.42 57	7,749	D
Common Shares	02/26/2007	S	1,200	D	\$ 15.43 56	6,549	D
Common Shares	02/26/2007	S	2,200	D	\$ 15.44 54	4,349	D
Common Shares	02/26/2007	S	1,100	D	\$ 15.45 53	3,249	D
Common Shares	02/26/2007	S	100	D	\$ 15.46 53	3,149	D
Common Shares	02/26/2007	S	200	D	\$ 15.47 52	2,949	D
Common Shares	02/26/2007	S	100	D	\$ 15.53 52	2,849	D
Common Shares	02/26/2007	S	100	D	\$ 15.57 52	2,749	D
Common Shares	02/26/2007	S	100	D	\$ 15.63 52	2,649	D
Common Shares	02/26/2007	S	700	D	\$ 15.64 51	1,949	D
Common Shares	02/26/2007	S	100	D	\$ 15.65 51	1,849	D
Common Shares	02/26/2007	S	100	D	\$ 15.67 51	1,749	D
Common Shares	02/26/2007	S	100	D	\$ 15.68 51	1,649	D
Common Shares	02/26/2007	S	200	D	\$ 15.71 51	1,449	D
Common Shares	02/26/2007	S	9,400	D	\$ 15.74 42	2,049	D
Common Shares	02/26/2007	S	4,600	D	\$ 15.75 37	7,449	D
Common Shares	02/26/2007	S	200	D	\$ 15.76 37	7,249	D
	02/26/2007	S	100	D	\$ 15.77 37	7,149	D

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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 (1)						6,016	D

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

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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. Transactic Code (Instr. 8)			6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and A Underlying S (Instr. 3 and 4	Secu
				Code V	(A) (I	D)	Date Exercisable	Expiration Date	Title	An or Nu of
Common Share Option	\$ 5.7188	02/26/2007		M	7,0	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(2)	07/24/2011	Common Shares	22
Common Share Option	\$ 13.76						07/24/2004(3)	07/23/2012	Common Shares	22
Common Share Option	\$ 16.12						08/10/2005(4)	07/18/2013	Common Shares	24
Common	\$ 18.75						02/15/2005(2)	07/16/2014	Common	21

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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

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

\*\*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
  - 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.

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