

READY ROBERT J  
Form 4  
August 28, 2006

**FORM 4**

**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).

**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 \*  
READY ROBERT J

(Last) (First) (Middle)

10000 ALLIANCE RD, LSI INDUSTRIES INC

(Street)

CINCINNATI, OH 45242

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
LSI INDUSTRIES INC [LYTS]

3. Date of Earliest Transaction (Month/Day/Year)  
08/24/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
CEO, President and Chairman

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**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)
				(A) or (D)	Price		
Common Shares					704,285	D	
Common Shares <sup>(1)</sup>	08/24/2006		A	3,356	A \$ 17.97	48,936	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)

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 Securities (Instr. 3 and 4)	Amount or Number of Shares
Option to Buy	\$ 8.23					07/03/2001 07/03/2010	Common Shares	28,125
Option to Buy	\$ 11.68					11/14/2001 11/14/2011	Common Shares	22,500
Option to Buy	\$ 9.96					(2) 10/27/2014	Common Shares	30,000
Option to Buy	\$ 17.6	08/24/2006		A	25,000	(3) 08/24/2016	Common Shares	25,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
READY ROBERT J 10000 ALLIANCE RD LSI INDUSTRIES INC CINCINNATI, OH 45242	X		CEO, President and Chairman	

## Signatures

Mark A. Weiss, Attorney-in-Fact for Robert J. Ready  
08/28/2006

\_\_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) Common shares held in the LSI Industries Inc. Non-Qualified Deferred Compensation Plan.

(2) Options granted vest on the anniversary of the grant date, October 27, 2004, 0% in 2005, 33-1/3% in 2006, 33-1/3% in 2007 and 33-1/3% in 2008.

(3) The options vest in equal annual amounts of 25% per year beginning on August 24, 2007.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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