LSI INDUSTRIES INC
Form 4
July 27, 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 *
STOWELL RONALD S

(Last) (First) (Middle)

C/O LSI INDUSTRIES INC, 10000 ALLIANCE ROAD

(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)
07/25/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Shares								14,356	D	
Common Shares (1)	07/25/2006		A		26	A	$ 14.66	24,988	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)		8. De Se (In
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Option to Buy (3)	$ 8.23							07/03/2001(4)	07/03/2010	Common Shares	18,750	
Option to Buy (3)	$ 11.68							11/14/2002(5)	11/14/2011	Common Shares	18,750	
Option to Buy (3)	$ 9.96							10/27/2005(2)	10/27/2014	Common Shares	25,000	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
STOWELL RONALD S C/O LSI INDUSTRIES INC 10000 ALLIANCE ROAD CINCINNATI, OH 45242			VP, CFO and Treasurer	

Signatures

Michael J. Moeddel, Attorney-in-Fact for Ronald S. Stowell	07/27/2006
**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, 9.2% in 2005, 40% in 2006, 40% in 2007 and 10.8% in 2008.

(3) Options granted pursuant to the Company's Incentive Stock Option Plans. Option grants have been previously reported.

(4) Options are exercisable at a rate of 25% per year beginning on the 2nd grant date anniversary, cumulative to the extent not exercised in a prior year.

(5) Options are exercisable at a rate of 10% beginning on the 1st grant date anniversary, 28% on the 2nd anniversary date, 27% on the 3rd anniversary date, and 35% on the 4th anniversary date, cumulative to the extent not exercised in a prior year.

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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