

STOWELL RONALD S

Form 4

August 28, 2006

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

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

OMB APPROVAL

OMB
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(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)

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
____X____ Officer (give title ____ Other (specify
below) 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 Ownership (Instr. 4)
Common Shares				(A) or (D)	Price		
				Code V Amount			
Common Shares ⁽¹⁾	08/24/2006		A	2,066	A \$ 17.97	27,054	D
						14,356	D

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

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information contained in this form are not
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(9-02)

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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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Option to Buy	\$ 8.23					07/03/2001 ⁽³⁾ 07/03/2010	Common Shares 18,750
Option to Buy	\$ 11.68					11/14/2002 ⁽⁴⁾ 11/14/2011	Common Shares 18,750
Option to Buy	\$ 9.96					10/27/2005 ⁽²⁾ 10/27/2014	Common Shares 25,000
Option to Buy	\$ 17.6	08/24/2006		A	20,000	⁽⁵⁾ 08/24/2016	Common Shares 20,000

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

Mark A. Weiss, Attorney-in-Fact for Ronald S. Stowell 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, 9.2% in 2005, 40% in 2006, 40% in 2007 and 10.8% in 2008.
- (3) 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.
- (4) 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.

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(5) 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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