II-VI INC Form 4 September 05, 2006

FORM 4

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

OMB APPROVAL

OMB 3235-0287 Number:

January 31, Expires: 2005

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Check this box if no longer subject to Section 16. Form 4 or

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Form 5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. See Instruction

30(h) of the Investment Company Act of 1940 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * JOHNSON CARL J

(Street)

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

(Check all applicable)

Issuer

(First) (Last)

(Middle)

3. Date of Earliest Transaction

_X__ Director

_X__ 10% Owner

503 APPLEHILL COURT

(Month/Day/Year)

08/31/2006

II-VI INC [IIVI]

X_ Officer (give title below)

__Other (specify

Chairman & CEO

4. If Amendment, Date Original

Filed(Month/Day/Year)

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

6. Individual or Joint/Group Filing(Check

Person

GIBSONIA, PA 15044

(City)	(State)	(Zip) Tab	le I - Non-	Derivative	Secur	ities Acqui	ired, Disposed of	, or Beneficial	ly 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 oner 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 Stock	08/31/2006		M	11,198	A	<u>(1)</u>	3,623,976	D	
Common Stock	08/31/2006		A	2,326	A	\$ 21.066	3,626,302	D	
Common Stock							488,520	I	By Spouse (2)

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

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number.

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. Transactio Code (Instr. 8)	5. Numb orDerivativ Securitie Acquired Disposed (Instr. 3, 5)	ve es d (A) or d of (D)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amour Underlying Securit (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amo or Num of Shar
Performance Shares	(3)	08/31/2006		M		4,200	(3)	<u>(3)</u>	Common Stock	5,0
Performance Shares	<u>(4)</u>	08/31/2006		M		4,200	<u>(4)</u>	<u>(4)</u>	Common Stock	6,1
Options (Right to buy)	\$ 21.07	08/31/2006		A	4,500		<u>(5)</u>	08/31/2016	Common Stock	4,5

Reporting Owners

Reporting Owner Name / Address	Relationships						
•	Director	10% Owner	Officer	Other			
JOHNSON CARL J							
503 APPLEHILL COURT	X	X	Chairman & CEO				
GIBSONIA, PA 15044							

Signatures

/s/ Michelle L. Freehling,
Attorney-in-Fact

09/05/2006

**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).
- Represents shares issued upon payout of Performance Share Awards granted on 2/14/2006 under the 2005 Omnibus Incentive Plan, the payout of which was contingent on the achievement of certain consolidated revenue and consolidated net cash provided by operating activities performance criteria. Pursuant to the awards, actual payouts were at 119.3% of the revnue target and 147.3% of the cash provided by operating activities target.
- (2) The reporting person disclaims beneficial ownership of shares owned by his spouse.
- Represents Performance Share Awards granted under the 2005 Omnibus Incentive Plan on 2/14/2006. Each performance share (3) represented a contingent right to receive a target of one share (subject to adjustment based on actual performance) of II-VI Incorporate in the continuous performance in the continuous perf

(3) represented a contingent right to receive a target of one share (subject to adjustment based on actual performance) of II-VI Incorporated common stock upon achieving certain consolidated revenue performance criteria for the six-month period ended 6/30/2006.

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- Represents Performance Share Awards granted under the 2005 Omnibus Incentive Plan on 2/14/2006. Each performance share represented a contingent right to receive a target of one share (subject to adjustment based on actual performance) of II-VI Incorprated common stock upon achieving certain consolidated net cash provided by operating activities performance criteria for the six-month period ended 6/30/2006.
- (5) Options were granted on August 31, 2006 and vest in five equal annual installments beginning on August 31, 2007.

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.