II-VI INC Form 4 September 05, 2006

# FORM 4

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

OMB APPROVAL

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Number: 3235-0287 Expires: January 31,

2005

0.5

Section 16. Form 4 or Form 5 obligations

may continue.

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

Estimated average burden hours per response...

See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person ** KRAMER FRANCIS J			2. Issuer Name <b>and</b> Ticker or Trading Symbol II-VI INC [IIVI]	5. Relationship of Reporting Person(s) to Issuer  (Check all applicable)		
(Last) (First) (Middle) 10491 ALLANTE COURT		(Middle)	3. Date of Earliest Transaction	(Check an applicable)		
		RT	(Month/Day/Year) 08/31/2006	_X_ Director 10% Owner _X_ Officer (give title Other (specify below)  President & COO		
	(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
CIDCONIA DA 15044			Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting		

GIBSONIA, PA 15044

(City)	(State) (Z	Zip) Table	e I - Non-D	erivative S	Securi	ties Ac	quired, Disposed	of, or Beneficia	lly 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. Securi onAcquired Disposed (Instr. 3,	l (A) c l of (D	<b>)</b> )	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	9,332	A	(1)	243,304	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)

Person

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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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. Transacti Code (Instr. 8)	5. Number of orderivative Securities (Month/Day/Year) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		ate	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	(2)	08/31/2006		M		3,500	(2)	(2)	Common Stock	4,1
Performance Shares	(3)	08/31/2006		M		3,500	(3)	(3)	Common Stock	5,1
Options (Right to buy)	\$ 21.07	08/31/2006		A	4,150		<u>(4)</u>	08/31/2016	Common Stock	4,1

# **Reporting Owners**

Reporting Owner Name / Address	Relationships						
	Director	10% Owner	Officer	Other			
KRAMER FRANCIS J 10491 ALLANTE COURT GIBSONIA, PA 15044	X		President & COO				

## **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 revenue target and 147.3% of the cash provided by operating activities target.
- Represents Performance Share Awards granted under the 2005 Omnibus Incentive Plan on 2/14/2006. Each performance share

  (2) 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.
- 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 Incorporated common stock upon achieving certain consolidated net cash provided by operating activities performance criteria for the six-month period ended 6/30/2006.
- (4) 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.

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