

FIRST MID ILLINOIS BANCSHARES INC  
 Form 4  
 August 25, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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 \*  
 TAYLOR MICHAEL L

2. Issuer Name and Ticker or Trading Symbol  
 FIRST MID ILLINOIS BANCSHARES INC [FMBH.OB]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 19 CAMBRIDGE DRIVE  
 (Street)

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

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 Chief Financial Officer

MATTOON, IL 61938

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

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

(City) (State) (Zip)

**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 Stock	01/09/2006		J <sup>(6)</sup>	V	3.021	A	\$ 41	479.57	I	By 401K
Common Stock	08/24/2006		M		843	A	\$ 12.56	843	D	
Common Stock	08/25/2006		S		843	D	\$ 41.75	0	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)

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. 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
Stock Option	\$ 12.56	08/24/2006		M	843	01/01/2002 <sup>(1)</sup>	12/18/2010	Common Stock	1,688.25
Stock Option	\$ 16					01/01/2003 <sup>(2)</sup>	12/18/2011	Common Stock	3,375
Stock Option	\$ 18.17					01/01/2004 <sup>(3)</sup>	12/16/2012	Common Stock	3,375
Stock Option	\$ 31					01/01/2005 <sup>(4)</sup>	12/16/2013	Common Stock	3,375
Stock Option	\$ 41					01/01/2006 <sup>(5)</sup>	12/14/2014	Common Stock	3,375

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
TAYLOR MICHAEL L 19 CAMBRIDGE DRIVE MATTOON, IL 61938			Chief Financial Officer	

## Signatures

Michael L.  
Taylor

08/25/2006

\_\_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) Options become exercisable as follows .75 shares on 1/1/2003, 843.75 shares on 1/1/04, and 843.75 shares on 1/1/05.

(2) Options become exercisable in 4 equal annual installments beginning on 1/1/2003.

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- (3) Options become exercisable in 4 equal annual installments beginning on 1/1/2004.
- (4) Options become exercisable in 4 equal annual installments beginning on 1/1/2005.
- (5) Options become exercisable in 4 equal annual installments beginning on 1/1/2006.
- (6) Shares acquired through the Company's dividend reinvestment plan with dividends being paid on shares of common stock held.

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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