

FIRST MID ILLINOIS BANCSHARES INC
 Form 4
 February 22, 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 *
 DOWNS KELLY A

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)
 1 HANCE DRIVE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 02/22/2006

____ Director
 Officer (give title below) _____ 10% Owner
 _____ Other (specify below)
 VP, Director of Human Resource

CHARLESTON, IL 61920

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)
				(A) or (D) Code V Amount Price			
Common Stock	02/21/2006		M	375 A \$ 18.17	375	D	
Common Stock	02/21/2006		M	565 A \$ 31	940	D	
Common Stock	02/22/2006		S	940 D \$ 41.25	0	D	
Common Stock	01/09/2006		J ⁽⁴⁾	V 2.242 A \$ 41	355.814	I	By 401K

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(9-02)

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. Amount or Number of Shares
Stock Options	\$ 18.17	02/21/2006		M	375	01/01/2006 ⁽¹⁾ 12/16/2012	Common Stock	375
Stock Options	\$ 31	02/21/2006		M	565	01/01/2005 ⁽²⁾ 12/16/2013	Common Stock	1,125
Stock Options	\$ 41					01/01/2006 ⁽³⁾ 12/14/2014	Common Stock	2,250

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DOWNS KELLY A 1 HANCE DRIVE CHARLESTON, IL 61920			VP, Director of Human Resource	

Signatures

Kelly Downs 02/22/2006

**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 on 1/1/2007.

(2) Options are exercisable as follows: 562.5 on 1/1/07; 562.5 on 1/1/08.

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- (3) Options become exercisable in 4 equal annual installments beginning on 1/1/2006.
- (4) Shares acquired through the Company's dividend reinvestment plan with dividends 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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