

PRESTON SARA JANE  
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 \*  
PRESTON SARA JANE

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)  
2230 SENECA  
(Street)

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

Director  10% Owner  
 Officer (give title below)  Other (specify below)

CHARLESTON, IL 61920

(City) (State) (Zip)

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

**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                    |                                      |  |                                |   | 4,425   | D  |   |
| Common Stock                    | 06/15/2006                           |  | J <sup>(1)</sup>               | V 19.481 A \$ 40.1  | 3,004.517   | I  | By Deferred Comp                                      |
| Common Stock                    | 08/24/2006                           |  | P                              | 103.378 A \$ 41.25  | 3,127.376   | I  | By Deferred Comp                                      |

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

SEC 1474 (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) | 8. Price or Value of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---|
| Stock Option                               | \$ 12.55   |                                      |  |                                |   | 12/18/2000 12/18/2010                                    | Common Stock  | 1,125   |
| Stock Option                               | \$ 16  |                                      |  |                                |   | 12/18/2001 12/18/2011                                    | Common Stock  | 1,500   |
| Stock Option                               | \$ 18.17   |                                      |  |                                |   | 12/16/2002 12/16/2012                                    | Common Stock  | 1,500   |
| Stock Option                               | \$ 31  |                                      |  |                                |   | 12/16/2003 12/16/2013                                    | Common Stock  | 2,250   |
| Stock Option                               | \$ 41  |                                      |  |                                |   | 12/14/2004 12/14/2014                                    | Common Stock  | 2,250   |

## Reporting Owners

| Reporting Owner Name / Address                           | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| PRESTON SARA JANE<br>2230 SENECA<br>CHARLESTON, IL 61920 |               | X         |         |       |

## Signatures

Michael L. Taylor, pursuant to a power of attorney filed 11/1/02

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) 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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