

McDannold Timothy J
 Form 4
 February 14, 2011

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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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 *
 McDannold Timothy J

2. Issuer Name and Ticker or Trading Symbol
 DIEBOLD INC [DBD]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 02/10/2011

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 VP & Treasurer

C/O DIEBOLD, INCORPORATED, 5995 MAYFAIR ROAD

(Street)

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

NORTH CANTON, OH 44720

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Price | | |
| | | | | Code | V | Amount | |
| Common Stock | | | | (A) | 927 | I | 401(k) ⁽¹⁾ |
| Common Stock | 02/10/2011 | | A | (A) | 5,000 ⁽²⁾ | A | \$ 0 10,578 ⁽³⁾ D |

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

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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 Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount or Number of Shares |
| Non-qualified Stock Option | \$ 36.59 | | | | | 02/06/2003 02/05/2012 | Common Stock 5,000 |
| Non-qualified Stock Option | \$ 36.31 | | | | | 02/05/2004 02/04/2013 | Common Stock 5,000 |
| Non-qualified Stock Option | \$ 53.1 | | | | | 02/11/2005 02/10/2014 | Common Stock 2,500 |
| Non-qualified Stock Option | \$ 55.23 | | | | | 02/10/2006 02/09/2015 | Common Stock 2,400 |
| Non-qualified Stock Option | \$ 39.43 | | | | | 02/20/2007 02/19/2016 | Common Stock 2,500 |
| Non-qualified Stock Option | \$ 47.27 | | | | | 02/14/2008 02/13/2017 | Common Stock 2,500 |
| Non-qualified Stock Option | \$ 25.53 | | | | | 02/13/2009 02/12/2018 | Common Stock 3,500 |
| Non-qualified Stock Option | \$ 24.79 | | | | | 02/11/2010 02/10/2019 | Common Stock 5,000 |
| Non-qualified Stock Option | \$ 27.88 | | | | | 02/11/2011 02/10/2020 | Common Stock 5,000 |
| Non-qualified Stock Option (4) | \$ 32.67 | 02/10/2011 | | A | 6,000 | 02/10/2012 02/09/2021 | Common Stock 6,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|----------------|-------|
| | Director | 10% Owner | Officer | Other |
| McDannold Timothy J C/O DIEBOLD, INCORPORATED 5995 MAYFAIR ROAD | | | VP & Treasurer | |

NORTH CANTON, OH 44720

Signatures

Chad F. Hesse, Att'y.-in-fact for Timothy J.
McDannold

02/14/2011

__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) Number of 401(k) shares owned as of most current statement; fractional shares omitted.
- (2) Award of restricted stock units; each restricted stock unit represents a contingent right to receive one share of Diebold, Incorporated common stock.
- (3) Number includes restricted stock units.
- (4) Granted under the 1991 Equity and Performance Incentive Plan; option is generally exercisable in annual increments of 25% beginning one year from date of grant.

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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