PRINCIPAL FINANCIAL GROUP INC

Form 4

August 15, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

OMB APPROVAL

3235-0287

Expires:

5. Relationship of Reporting Person(s) to

Issuer

January 31, 2005

0.5

Estimated average burden hours per

response...

if no longer subject to Section 16. Form 4 or Form 5 obligations may continue.

Check this box

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

2. Issuer Name and Ticker or Trading

Symbol

1(b).

(Print or Type Responses)

GERSIE MICHAEL H

1. Name and Address of Reporting Person *

See Instruction

			PRINCIPAL FINANCIAL GROUP INC [PFG]				(Check all applicable)				
				e of Earliest Transaction h/Day/Year) /2006					Director 10% Owner Softicer (give title Other (specify below) below) Executive Vice President/CFO		
DES MOIN	(Street) IES, IA 50392		4. If Amendment, Date Original Filed(Month/Day/Year)				6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person				
(City)	(State)	(Zip)	Tabl	le I - Non	-D	erivative S	Securi	ities Acqu	uired, Disposed of	f, or Beneficial	ly Owned
1.Title of Security (Instr. 3)	2. Transaction Dat (Month/Day/Year)) Execution any	med on Date, if Day/Year)	3. Transact Code (Instr. 8))	4. Securitin(A) or Dis (Instr. 3, 4)	sposed	of (D)	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	08/11/2006			M		28,000	A	\$ 27.57	65,305 (2)	D	
Common Stock	08/11/2006			S		800	D	\$ 53.37	64,505	D	
Common Stock	08/11/2006			S		100	D	\$ 53.45	64,405	D	
Common Stock	08/11/2006			S		200	D	\$ 53.46	64,205	D	
Common Stock	08/11/2006			S		100	D	\$ 53.47	64,105	D	

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Common Stock	08/11/2006	S	500	D	\$ 53.48	63,605	D
Common Stock	08/11/2006	S	300	D	\$ 53.49	63,305	D
Common Stock	08/11/2006	S	500	D	\$ 53.5	62,805	D
Common Stock	08/11/2006	S	800	D	\$ 53.51	62,005	D
Common Stock	08/11/2006	S	4,000	D	\$ 53.52	58,005	D
Common Stock	08/11/2006	S	1,400	D	\$ 53.53	56,605	D
Common Stock	08/11/2006	S	800	D	\$ 53.54	55,805	D
Common Stock	08/11/2006	S	2,500	D	\$ 53.55	53,305	D
Common Stock	08/11/2006	S	1,500	D	\$ 53.56	51,805	D
Common Stock	08/11/2006	S	1,200	D	\$ 53.57	50,605	D
Common Stock	08/11/2006	S	2,600	D	\$ 53.58	48,005	D
Common Stock	08/11/2006	S	1,600	D	\$ 53.59	46,405	D
Common Stock	08/11/2006	S	1,600	D	\$ 53.6	44,805	D
Common Stock	08/11/2006	S	400	D	\$ 53.61	44,405	D
Common Stock	08/11/2006	S	1,000	D	\$ 53.62	43,405	D
Common Stock	08/11/2006	S	500	D	\$ 53.64	42,905	D
Common Stock	08/11/2006	S	1,000	D	\$ 53.65	41,905	D
Common Stock	08/11/2006	S	700	D	\$ 53.66	41,205	D
Common Stock	08/11/2006	S	200	D	\$ 53.69	41,005	D
Common Stock	08/11/2006	S	100	D	\$ 53.71	40,905	D
	08/11/2006	S	600	D		40,305	D

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Common Stock					\$ 53.74			
Common Stock	08/11/2006	S	400	D	\$ 53.75	39,905	D	
Common Stock	08/11/2006	S	1,000	D	\$ 53.77	38,905	D	
Common Stock	08/11/2006	S		D	\$ 53.78	37,305	D	
Common Stock						3,453 <u>(3)</u>	I	By Spouse

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

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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. Transactic Code (Instr. 8)	5. Number of orDerivative 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
Employee Stock Option (Right to Buy)	\$ 27.57	08/11/2006(1)		M	28,000	<u>(4)</u>	02/25/2013	Common Stock	28,000

Reporting Owners

Reporting Owner Name / Address	Relationships					
	Director	10% Owner	Officer	Other		

GERSIE MICHAEL H 711 HIGH STREET DES MOINES, IA 50392

Executive Vice President/CFO

Reporting Owners 3

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Signatures

Joyce N. Hoffman, by Power of Attorney 08/15/2006

**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) Pursuant to 10b5-1 plan adopted August 9, 2006.
- (2) Includes 2,850 shares acquired pursuant to the Principal Financial Group, Inc. Employee Stock Purchase Plan.
- (3) Includes 1,701 shares acquired pursuant to the Principal Financial Group, Inc. Employee Stock Purchase Plan.
- (4) The option vested in three equal annual installments ending on February 25, 2006.

Remarks:

This is the first of two Form 4s filed by the reporting person on the same date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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