

GERSIE MICHAEL H
 Form 4
 February 15, 2007

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 *
GERSIE MICHAEL H

2. Issuer Name and Ticker or Trading Symbol
PRINCIPAL FINANCIAL GROUP INC [PFG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 711 HIGH STREET
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 02/13/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Executive Vice President/CFO

DES MOINES, IA 50392

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	02/13/2007		M ⁽¹⁾		20,000	A	\$ 27.57
Common Stock	02/13/2007		S ⁽¹⁾		400	D	\$ 62.31
Common Stock	02/13/2007		S ⁽¹⁾		200	D	\$ 62.33
Common Stock	02/13/2007		S ⁽¹⁾		300	D	\$ 62.35
Common Stock	02/13/2007		S ⁽¹⁾		200	D	\$ 62.37

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Common Stock	02/13/2007	<u>S⁽¹⁾</u>	100	D	\$ 62.4	56,319 <u>(2)</u>	D
Common Stock	02/13/2007	<u>S⁽¹⁾</u>	500	D	\$ 62.41	55,819 <u>(2)</u>	D
Common Stock	02/13/2007	<u>S⁽¹⁾</u>	300	D	\$ 62.42	55,519 <u>(2)</u>	D
Common Stock	02/13/2007	<u>S⁽¹⁾</u>	400	D	\$ 62.43	55,119 <u>(2)</u>	D
Common Stock	02/13/2007	<u>S⁽¹⁾</u>	1,300	D	\$ 62.44	53,819 <u>(2)</u>	D
Common Stock	02/13/2007	<u>S⁽¹⁾</u>	900	D	\$ 62.45	52,919 <u>(2)</u>	D
Common Stock	02/13/2007	<u>S⁽¹⁾</u>	400	D	\$ 62.46	52,519 <u>(2)</u>	D
Common Stock	02/13/2007	<u>S⁽¹⁾</u>	2,500	D	\$ 62.47	50,019 <u>(2)</u>	D
Common Stock	02/13/2007	<u>S⁽¹⁾</u>	2,100	D	\$ 62.48	47,919 <u>(2)</u>	D
Common Stock	02/13/2007	<u>S⁽¹⁾</u>	1,200	D	\$ 62.49	46,719 <u>(2)</u>	D
Common Stock	02/13/2007	<u>S⁽¹⁾</u>	900	D	\$ 62.5	45,819 <u>(2)</u>	D
Common Stock	02/13/2007	<u>S⁽¹⁾</u>	1,200	D	\$ 62.51	44,619 <u>(2)</u>	D
Common Stock	02/13/2007	<u>S⁽¹⁾</u>	900	D	\$ 62.52	43,719 <u>(2)</u>	D
Common Stock	02/13/2007	<u>S⁽¹⁾</u>	500	D	\$ 62.53	43,219 <u>(2)</u>	D
Common Stock	02/13/2007	<u>S⁽¹⁾</u>	1,200	D	\$ 62.54	42,019 <u>(2)</u>	D
Common Stock	02/13/2007	<u>S⁽¹⁾</u>	100	D	\$ 62.55	41,919 <u>(2)</u>	D
Common Stock	02/13/2007	<u>S⁽¹⁾</u>	300	D	\$ 62.56	41,619 <u>(2)</u>	D
Common Stock	02/13/2007	<u>S⁽¹⁾</u>	1,300	D	\$ 62.57	40,319 <u>(2)</u>	D
Common Stock	02/13/2007	<u>S⁽¹⁾</u>	400	D	\$ 62.58	39,919 <u>(2)</u>	D
Common Stock	02/13/2007	<u>S⁽¹⁾</u>	400	D	\$ 62.59	39,519 <u>(2)</u>	D
	02/13/2007	<u>S⁽¹⁾</u>	100	D	\$ 62.6	39,419 <u>(2)</u>	D

Common
Stock

Common Stock 02/13/2007 S⁽¹⁾ 100 D \$ 62.63 39,319 ⁽²⁾ D

Common Stock 02/13/2007 S⁽¹⁾ 100 D \$ 62.65 39,219 ⁽²⁾ D

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.

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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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 27.57	02/13/2007		M ⁽¹⁾	20,000	⁽³⁾ 02/25/2013	Common Stock 20,000

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	

Signatures

Joyce N. Hoffman, by Power of Attorney 02/15/2007

**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 executed February 8, 2007.
 - (2) Includes 2,889 shares acquired pursuant to the Principal Financial Group, Inc. Employee Stock Purchase Plan.
 - (3) The option vested in three equal installments ending on February 25, 2006.

Remarks:

Form 4 - Part 1 of 2

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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