

PRINCIPAL FINANCIAL GROUP INC

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 3/2/2005 For Period Ending 2/28/2005

| | |
|-------------|---|
| Address | 711 HIGH STREET DES MOINES, Iowa 50392 |
| Telephone | 515-247-5111 |
| CIK | 0001126328 |
| Industry | Insurance (Life) |
| Sector | Financial |
| Fiscal Year | 12/31 |

FORM 4

[] Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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

OMB APPROVAL
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**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(f) of the
Investment Company Act of 1940

| | | | | | | | | |
|---|---------|----------|---|--|--|--|--|--|
| 1. Name and Address of Reporting Person * | | | 2. Issuer Name and Ticker or Trading Symbol | | | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) | | |
| LAWLER JULIA M | | | PRINCIPAL FINANCIAL GROUP INC [PFG] | | | <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Sr VP & Ch Invst Officer | | |
| (Last) | (First) | (Middle) | 3. Date of Earliest Transaction (MM/DD/YYYY) | | | | | |
| | | | 2/28/2005 | | | | | |
| 711 HIGH STREET | | | 4. If Amendment, Date Original Filed (MM/DD/YYYY) | | | 6. Individual or Joint/Group Filing (Check Applicable Line) | | |
| (Street) | | | | | | <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person | | |
| DES MOINES, IA 50392 | | | | | | | | |
| (City) | (State) | (Zip) | | | | | | |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Trans. Date | 2A. Deemed Execution Date, if any | 3. Trans. 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 | 2/28/2005 | | A | | 3502 | A | \$0 (1) | 11488 (2) | D | |
| Common Stock | 2/28/2005 | | A | | 401 | A | \$0 (3) | 11889 (2) | D | |
| Common Stock | 2/28/2005 | | F | | 131 | D | \$39.02 | 11758 (2) | D | |
| Common Stock | | | | | | | | 914 | I | By 401(k) Plan |

Table II - Derivative Securities Beneficially Owned (e.g. , puts, calls, warrants, options, convertible securities)

| 1. Title of Derivate Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Trans. Date | 3A. Deemed Execution Date, if any | 4. Trans. 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 | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction (s) (Instr. 4) | 10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|----------------|-----------------------------------|---------------------------|--|---|-----------------|---|----------------------------|--|---|--|--|
| | | | | | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| Performance Units | (4) | 2/28/2005 | | A | 401 | (5) | (5) | Common Stock | 401 | (5) | 401 | D | |
| Employee Stock Option (Right to Buy) | \$39.02 | 2/28/2005 | | A | 38100 | (6) | 2/28/2015 | Common Stock | 38100 | (7) | 38100 | D | |

Explanation of Responses:

- (1) Grant of restricted stock units.
- (2) Includes 1,468 shares acquired pursuant to the Principal Financial Group, Inc. Employee Stock Purchase Plan.
- (3) Settlement of vested performance units.
- (4) Security converts to common stock on a one-for-one basis.

- (5) The reported performance units were acquired pursuant to the Principal Financial Group Long-Term Performance Plan. Units under the Plan will be settled in cash or stock within a five-year period from the date of vesting.
- (6) The option vests in three equal installments beginning February 28, 2006.
- (7) Stock option grant.

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---|-------|
| | Director | 10% Owner | Officer | Other |
| LAWLER JULIA M 711 HIGH STREET DES MOINES, IA 50392 | | | Sr VP & Ch Invst Officer | |

Signatures

**Joyce N. Hoffman,
by Power of
Attorney**

3/2/2005

Signature of Reporting Person

Date

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

* 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).

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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