

KALMAN FRANCIS S
Form 4
June 27, 2006

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 *
KALMAN FRANCIS S

2. Issuer Name and Ticker or Trading Symbol
MCDERMOTT INTERNATIONAL INC [MDR]

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
06/23/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP & CFO

C/O MCDERMOTT INTERNATIONAL, INC., 777 N. ELDRIDGE PKWY.

(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

HOUSTON, TX 77079

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | | (A) or (D) | Price | | |
| | | | Code | V | Amount | | |
| Common Stock | 06/23/2006 | | M ⁽¹⁾ | | 22,500 | A | \$ 8.2343 |
| Common Stock | 06/23/2006 | | S ⁽¹⁾ | | 22,500 | D | 152,881 ⁽³⁾ |
| Common Stock | | | | | 2,100 ⁽⁴⁾ | I | 401(K) Plan |

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. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option (Right to Buy) | \$ 8.2343 | 06/23/2006 | | M ⁽¹⁾ | 22,500 (5) | ⁽⁶⁾ 02/01/2012 | Common Stock | 22,500 (5) |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------|-------|
| | Director | 10% Owner | Officer | Other |
| KALMAN FRANCIS S C/O MCDERMOTT INTERNATIONAL, INC. 777 N. ELDRIDGE PKWY. HOUSTON, TX 77079 | | | EVP & CFO | |

Signatures

Robert E. Stumpf, Attorney-in-Fact 06/27/2006

**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) The sales and underlying exercise reported in this Form 4 were effected pursuant to a Rule 10b5--1 trading plan adopted by the reporting person on November 23, 2005.
The stock was sold in multiple transactions at the following prices: 100 shares at \$44.35; 700 shares at \$44.36; 700 shares at \$44.37; 400 shares at \$44.38; 500 shares at \$44.39; 12,700 shares at \$44.40; 900 shares at \$44.42; 1,800 shares at \$44.43; 1,100 shares at \$44.44; and 3,600 shares at \$44.75.
- (3) The reporting person's ownership of common stock has been adjusted to reflect the 3-for-2 stock split that occurred on May 31, 2006.
- (4) Based upon units held in 401K Plan and the fair market value of MDR common stock as of 6/21/06.
- (5)

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This option was previously reported as covering 160,000 shares at an exercise price of \$12.3516 per share, but was adjusted to reflect the 3-for-2 stock split that occurred on May 31, 2006.

(6) The option vested in three equal installments on February 1, 2003, 2004, and 2005.

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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