

KALMAN FRANCIS S

Form 4

December 27, 2006

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

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

OMB APPROVAL

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(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)
12/22/2006

____ Director ____ 10% Owner
____X____ 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)
____X____ 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 Beneficial Ownership (Instr. 4)
Common Stock	12/22/2006		M ⁽¹⁾	8,695 A	\$ 13.4533	158,842	D
Common Stock	12/22/2006		S ⁽¹⁾	8,695 D	\$ 49.12	150,147	D
Common Stock					2,107 ⁽²⁾	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. Title and Amount of Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Option (Right to Buy)	\$ 13.4533 (4)	12/22/2006		M(1)	8,695 (4)	(3)	05/12/2015	Common Stock	8,695	

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

Liane K. Hinrichs,
Attorney-in-Fact 12/26/2006

__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 August 25, 2006.
- (2) Based upon units held in 401K Plan and the fair market value of MDR common stock as of December 19, 2006.
- (3) This option vests in three equal installments on May 12, 2006, 2007, and 2008.
- (4) This option has been adjusted to reflect the 3 - for - 2 Stock Split that occurred on May 31, 2006.

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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