

Lillis Terrance J.  
Form 4  
September 17, 2012

**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 \*  
Lillis Terrance J.

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)  
09/14/2012

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Senior 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                    | 09/14/2012                           |  | M <sup>(1)</sup>               | 37,690 A \$ 11.07   | 59,096 <sup>(2)</sup>   | D  |   |
| Common Stock                    | 09/14/2012                           |  | M <sup>(1)</sup>               | 7,205 A \$ 27.57  | 66,301 <sup>(2)</sup>   | D  |   |
| Common Stock                    | 09/14/2012                           |  | S                              | 30,211 D \$ 29  | 36,090 <sup>(2)</sup>   | D  |   |
| Common Stock                    |                                      |  |                                |   | 38  | I  | By 401(k) Plan  |
| Common Stock                    |                                      |  |                                |   | 303   | I  | By Spouse   |

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

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(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. 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 Share                               |
| Employee Stock Options (Right to Buy)      | \$ 11.07   | 09/14/2012                           |  | M <sup>(1)</sup>               | 37,690  | 02/24/2012 02/24/2019                                    | Common Stock 37,690   |
| Employee Stock Options (Right to Buy)      | \$ 27.57   | 09/14/2012                           |  | M <sup>(1)</sup>               | 7,205   | 02/25/2006 02/25/2013                                    | Common Stock 7,205  |

**Reporting Owners**

| Reporting Owner Name / Address                                | Relationships                    |
|---|----------------------------------|
|   | Director 10% Owner Officer Other |
| Lillis Terrance J.<br>711 HIGH STREET<br>DES MOINES, IA 50392 | Senior Vice President & CFO      |

**Signatures**

Joyce N. Hoffman, by Power of Attorney  
Date: 09/18/2012  
\*\*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).

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- (1) Pursuant to a Rule 10b5-1 plan adopted August 8, 2012.
- (2) Includes 7,039 shares acquired pursuant to the Principal Financial Group, Inc. Employee Stock Purchase Plan.

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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