

MCDERMOTT INTERNATIONAL INC

Form 4

September 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

OMB  
Number: 3235-0287  
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2005  
Estimated average  
burden hours per  
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**KALMAN FRANCIS S**

(Last) (First) (Middle)

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

(Street)

**HOUSTON, TX 77079**

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading  
Symbol

**MCDERMOTT INTERNATIONAL  
INC [MDR]**

3. Date of Earliest Transaction  
(Month/Day/Year)  
**09/25/2006**

4. If Amendment, Date Original  
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_\_\_\_X\_\_\_\_ Officer (give title \_\_\_\_ Other (specify  
below) below)  
**EVP & CFO**

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
\_\_\_\_X\_\_\_\_ Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting  
Person

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

| 1. Title of<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities Acquired (A)<br>or Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form:<br>Direct (D)<br>or Indirect<br>(I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------|
| Common<br>Stock                       | 09/25/2006                              |                                                             | M <sup>(1)</sup>                     | 22,500                                                                  | A \$<br>8.2343                                                                                                     | 172,647                                                                 | D                                                                 |
| Common<br>Stock                       | 09/25/2006                              |                                                             | S <sup>(1)</sup>                     | 22,500                                                                  | D <u>2</u>                                                                                                         | 150,147                                                                 | D                                                                 |
| Common<br>Stock                       |                                         |                                                             |                                      |                                                                         |                                                                                                                    | 2,107 <sup>(3)</sup>                                                    | I 401(K)<br>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)

required to respond unless the form displays a currently valid OMB control number.

**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. Date of Acquisition or Disposition (Month/Day/Year) | 9. Title and Amount of Underlying Securities (Instr. 3 and 4) | 10. Date of Acquisition or Disposition (Month/Day/Year) |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------|
| Stock Option (Right to Buy)                | \$ 8.2343                                              | 09/25/2006                           |                                                    | M <sup>(1)</sup>               | 22,500                                                                                  | <sup>(4)</sup> 02/01/2012                                | Common Stock                                                  | 22,500                                                 |                                                               |                                                         |

## 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

09/27/2006

\*\*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.

(2) The stock was sold in multiple transactions at the following prices: 900 shares at \$39.63; 700 shares at \$39.64; 800 shares at \$39.65; 200 shares at \$39.66; 500 shares at \$39.67; 1,200 shares at \$39.68; 2,500 shares at \$39.70; 1,600 shares at \$39.71; 1,500 shares at \$39.72; 100 shares at \$39.73; 1,700 shares at \$39.75; 1,000 shares at \$39.76; 1,600 shares at \$39.77; 400 shares at \$39.78; 2,300 shares at \$39.79; 800 shares at \$39.80; 4,300 shares at \$39.81; and 400 shares at \$39.82.

(3) Based upon units held in 401K Plan and the fair market value of MDR common stock as of September 25, 2006.

(4) 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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