

PARAMETRIC TECHNOLOGY CORP
 Form 4
 July 31, 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 *
HEPPELMANN JAMES E

2. Issuer Name and Ticker or Trading Symbol
PARAMETRIC TECHNOLOGY CORP [PMTC]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
07/27/2006

____ Director
 ____ Officer (give title below) Other (specify below)
EVP & Chief Product Officer

C/O PARAMETRIC TECHNOLOGY CORP, 140 KENDRICK ST.

(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

NEEDHAM, MA 02494

(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		
Common Stock	07/27/2006		M	10,000	A \$ 4.975	262,303	D
Common Stock	07/27/2006		S	10,000 (1)	D \$ 15	252,303 (2)	D

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

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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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee stock option (right to buy)	\$ 4.975	07/27/2006		M	10,000 (2)	(3) 02/13/2013	Common Stock	10,000	
Employee stock option (right to buy)	\$ 36.4063	07/27/2006		M	0 (5)	(6) 07/20/2008	Common Stock	6,000	
Employee stock option (right to buy)	\$ 34.0625	07/27/2006		M	0 (5)	(7) 08/03/2008	Common Stock	4,200	
Employee stock option (right to buy)	\$ 24.8438	07/27/2006		M	0 (5)	(8) 09/10/2008	Common Stock	15,000	
Employee stock option (right to buy)	\$ 23.3595	07/27/2006		M	0 (5)	(9) 05/18/2010	Common Stock	100,000	
Employee stock option (right to buy)	\$ 31.25	07/27/2006		M	0 (5)	(10) 11/17/2010	Common Stock	40,000	
Employee stock option (right to buy)	\$ 12.575	07/27/2006		M	0 (5)	(11) 09/20/2011	Common Stock	200,000	

Employee stock option (right to buy)	\$ 8.5	07/27/2006	M	0 (5)	(12)	05/30/2012	Common Stock	159,999
Employee stock option (right to buy)	\$ 4.975	07/27/2006	M	0 (5)	(13)	02/13/2013	Common Stock	119,999
Employee stock option (right to buy)	\$ 11.475	07/27/2006	M	0 (5)	(14)	03/03/2014	Common Stock	119,999

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HEPPELMANN JAMES E C/O PARAMETRIC TECHNOLOGY CORP 140 KENDRICK ST. NEEDHAM, MA 02494			EVP & Chief Product Officer	

Signatures

/s/ James E. Heppelmann
07/28/2006

**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) Shares sold pursuant to a Rule 10b5-1(c) trading plan adopted on May 31, 2006.
- (2) Adjusted to reflect the 2 for 5 reverse stock split of the company's Common Stock effective February 28, 2006.
- (3) Employee stock option granted 2/13/2003, exercisable as to 53,334 shares on 2/13/2004, 53,333 shares on 2/13/2005 and 53,332 shares on 2/13/2006 (89,999 of which remain exercisable after reported transaction).
- (4) This amount represents the total number of Derivative Securities Beneficially Owned by the class shown (i.e. the same exercise price and expiration date). The Reporting Person owns a total of 855,196 Options to purchase Common Stock of varying classes (i.e. varying exercise process and expiration dates).
- (5) This option was previously reported and is now being reported (as currently outstanding) to reflect the 2 for 5 reverse stock split of the Company's Common Stock effective February 28, 2006.
- (6) Employee stock option granted 7/20/1998, exercisable as to 2,000 shares on each of 7/20/2000, 7/20/2001 and 7/20/2002.
- (7) Employee stock option granted 8/3/1998, exercisable as to 1,400 shares on each of 8/3/2000, 8/3/2001, and 8/3/2002.
- (8) Employee stock option granted 9/10/1998, exercisable as to 5,000 shares on each of 9/10/2000, 9/10/2001 and 9/10/2002.

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- (9) Employee stock option granted 5/18/2000, exercisable in four equal annual installments of 25,000 shares each beginning on 5/18/2001, the first anniversary of the date of grant.
- (10) Employee stock option granted 11/17/2000, exercisable in four equal annual installments of 10,000 shares each beginning on 11/17/2001, the first anniversary of the date of grant.
- (11) Employee stock option granted 9/20/2001, exercisable in four equal annual installments of 50,000 shares each beginning on 9/20/2002, the first anniversary of the date of grant.
- (12) Employee stock option granted 5/30/2002, exercisable in annual installments of 40,000 shares each on 5/30/2003, 5/30/2004 and 5/30/2005, and as to 39,999 shares on 5/30/2006.
- (13) Employee stock option granted 2/13/2003, exercisable in annual installments of 30,000 shares each on 2/13/2004, 2/13/2005 and 2/13/2006, and as to 29,999 shares on 2/13/2007.
- (14) Employee stock option granted 3/3/2004, exercisable in annual installments of 30,000 shares each on 3/3/2005, 3/3/2006 and 3/3/2007, and as to 29,999 shares on 3/3/2008.

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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