

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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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 Beneficial 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	

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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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.