WACHOVIA CORP NEW
Form 424B5
September 29, 2006
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Filed Pursuant to Rule 424(b)(5)

Registration No. 333-123311

PROSPECTUS SUPPLEMENT

(To prospectus dated May 13, 2005)

$43,577,000

Wachovia Corporation

14.25% Enhanced Yield Securities

Linked to the Common Stock of Peabody Energy Corporation

due October 1, 2007

Issuer:	Wachovia Corporation
Principal Amount:	Each security will have a principal amount of $1,000. Each security will be offered at an initial public offering price of $1,000. The securities are not principal protected.
Maturity Date:	October 1, 2007
Interest:	14.25% per annum, payable quarterly
Interest Payment Dates:	January 1, April 1, July 1 and October 1, beginning on January 1, 2007
Underlying Stock:	Peabody Energy Corporation common stock. Peabody Energy Corporation has no obligations relating to, and does not sponsor or endorse, the securities.
Payment at Maturity:	On the maturity date, for each security you hold, you will receive a payment equal to the redemption amount, plus any accrued but unpaid interest in cash. The redemption amount will be a cash payment equal to the principal amount of your securities, unless: (a) a knock-in event has occurred; and (b) the final stock price is less than the initial stock price. If the conditions described in (a) and (b) both occur, at maturity, for each security you hold, the redemption amount you will receive will be a number of shares of the Underlying Stock equal to 27.4348 (the number of shares of the Underlying Stock equal to $1,000 on the pricing date) multiplied by the share multiplier. If the calculation of the number of shares of the Underlying Stock per security on the valuation date results in fractional shares, such fractional shares will be paid in cash equal to the fractional number of shares multiplied by the closing price per share of the Underlying Stock on the valuation date. *If a knock-in event has occurred and the final stock price is less than the initial stock price, you will lose some or all of your principal and receive shares of the Underlying Stock instead of a cash payment. Under these conditions, the market value on the valuation date of the shares of the Underlying Stock that you will receive on the maturity date will be less than the aggregate principal amount of your securities and could be $0 (but you will still receive any accrued but unpaid interest in cash).* The initial stock price will equal the closing price per share of the Underlying Stock on the pricing date. A knock-in event will occur if the market price of the Underlying Stock multiplied by the share multiplier at any time on any trading day, from the first trading day following the pricing date to and including the valuation date, is less than or equal to the knock-in price. The knock-in price will equal $25.515, the price that is 30% below the initial stock price of $36.45.
Listing:	The securities will not be listed or displayed on any securities exchange, the Nasdaq National Market or any electronic communications network.

Pricing Date:	September 28, 2006
Expected Settlement Date:	October 3, 2006
CUSIP Number:	929903BD3

For a detailed description of the terms of the securities, see Summary Information beginning on page S-1 and Specific Terms of the Securities beginning on page S-13.

Investing in the securities involves risks. See Risk Factors beginning on page S-9.

	Per Security	Total
Public Offering Price	100.00%	$ 43,577,000.00
Underwriting Discount and Commission(1)	2.25%	$ 979,505.00
Proceeds to Wachovia Corporation(1)	97.75%	$ 42,597,495.00

(1) If the securities are sold on an agency basis only, the underwriting commission will be 2.00%, as described under Supplemental Plan of Distribution . In that case, proceeds to Wachovia will be 98.00%

The securities solely represent senior, unsecured debt obligations of Wachovia and are not the obligation of, or guaranteed by, any other entity. The securities are not deposits or accounts and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

Wachovia may use this prospectus supplement in the initial sale of the securities. In addition, Wachovia Capital Markets, LLC or any other broker-dealer affiliate of Wachovia may use this prospectus supplement in a market-making or other transaction in any security after its initial sale. Unless Wachovia or its agent informs the purchaser otherwise in the confirmation of sale, this prospectus supplement is being used in a market-making transaction.

Wachovia Securities

The date of this prospectus supplement is September 28, 2006.

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Prospectus Supplement

Prospectus

Unless otherwise indicated, you may rely on the information contained in this prospectus supplement and the accompanying prospectus. Neither we nor the underwriter has authorized anyone to provide information different from that contained in this prospectus supplement and the accompanying prospectus. When you make a decision about whether to invest in the securities, you should not rely upon any information other than the information in this prospectus supplement and the accompanying prospectus. Neither the delivery of this prospectus supplement nor sale of the securities means that information contained in this prospectus supplement or the accompanying prospectus is correct after their respective dates. This prospectus supplement and the accompanying prospectus are not an offer to sell or solicitation of an offer to buy the securities in any circumstances under which the offer or solicitation is unlawful.

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SUMMARY INFORMATION

This summary includes questions and answers that highlight selected information from this prospectus supplement and the accompanying prospectus to help you understand the 14.25% Enhanced Yield Securities Linked to the Common Stock of Peabody Energy Corporation due October 1, 2007, which we refer to as the securities . You should carefully read this prospectus supplement and the accompanying prospectus to fully understand the terms of the securities as well as the tax and other considerations that are important to you in making a decision about whether to invest in the securities. You should carefully review the sections entitled Risk Factors in this prospectus supplement and the accompanying prospectus, which highlight certain risks associated with an investment in the securities, to determine whether an investment in the securities is appropriate for you.

Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus supplement to Wachovia , we , us and our or similar references mean Wachovia Corporation and its subsidiaries. Unless otherwise mentioned or unless the context requires otherwise, all references to WBNA mean Wachovia Bank, National Association. Wachovia Capital Markets, LLC is an indirect, wholly owned subsidiary of Wachovia Corporation. Wachovia Corporation conducts its investment banking, capital markets and retail brokerage activities through its various broker-dealer, bank and non-bank subsidiaries, including Wachovia Capital Markets, LLC, under the trade name Wachovia Securities . Any reference to Wachovia Securities in this prospectus supplement does not, however, refer to Wachovia Securities, LLC, a member of the New York Stock Exchange and the Securities Investor Protection Corporation, to Wachovia Securities Financial Network, LLC, a member of the National Association of Securities Dealers, Inc. and the Securities Investor Protection Corporation, or to broker-dealer affiliates of Wachovia Corporation and Wachovia Capital Markets, LLC. All references to this prospectus supplement mean the pricing supplement contemplated in the accompanying prospectus.

What are the securities?

The securities offered by this prospectus supplement will be issued by Wachovia Corporation and will mature on October 1, 2007. The return on the securities is linked to the performance of the common stock of Peabody Energy Corporation, which we refer to as the Underlying Stock Issuer , and will depend on whether a knock-in event occurs during the term of the securities and whether the final stock price is less than the initial stock price, each as described below.

As discussed in the accompanying prospectus, the securities are debt securities and are part of a series of debt securities entitled Medium-Term Notes, Series G that Wachovia Corporation may issue from time to time. The securities will rank equally with all other unsecured and unsubordinated debt of Wachovia Corporation. For more details, see Specific Terms of the Securities beginning on page S-13.

Each security will have a principal amount of $1,000. Each security will be offered at an initial public offering price of $1,000. You may transfer only whole securities. Wachovia Corporation will issue the securities in the form of a global certificate, which will be held by The Depository Trust Company, also known as DTC, or its nominee. Direct and indirect participants in DTC will record your ownership of the securities.

Are the securities principal protected?

No, the securities do not guarantee any return of principal at maturity. *If a knock-in event has occurred and the final stock price is less than the initial stock price, you will lose some or all of your principal and receive shares of the Underlying Stock instead of a cash payment. Under these conditions, the market value of the shares of the Underlying Stock you receive at maturity will be less than the initial public offering price and you will lose some or all of your principal (but you will still receive accrued but unpaid interest).*

Will I receive interest on the securities?

The securities will bear interest at a rate of 14.25% per annum payable on each of January 1, April 1, July 1 and October 1, beginning on January 1, 2007. The interest rate on the securities is higher than the current dividend yield of the Underlying Stock. The interest rate is also higher than the interest we would pay on a

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conventional fixed-rate, principal-protected debt security. *You will still receive accrued but unpaid interest on the securities even if a knock-in event has occurred and the final stock price is less than the initial stock price.*

How is Wachovia able to offer a 14.25% interest rate on the securities?

Wachovia is able to offer a 14.25% interest rate on the securities because the securities are riskier than conventional principal protected debt securities. As previously described, if a knock-in event has occurred and the final stock price is less than the initial stock price, at maturity you will receive shares of the Underlying Stock that are worth less than the principal amount of the securities. The interest rate on the securities reflects the value of our right to deliver stock to you at the maturity of the securities under these circumstances. In general, the more volatile the Underlying Stock is or is expected to be, the higher the interest rate and the more likely a knock-in event might occur.

What will I receive upon maturity of the securities?

The securities will mature on October 1, 2007. On the maturity date, for each security you hold, you will receive a payment equal to the redemption amount, plus any accrued but unpaid interest in cash. The redemption amount will be a cash payment equal to the principal amount of your securities, unless:

(a) a knock-in event has occurred; and

(b) the final stock price is less than the initial stock price.

If the conditions described in (a) and (b) both occur, at maturity, for each security you hold, the redemption amount you will receive will be a number of shares of the Underlying Stock equal to 27.4348 (the number of shares of the Underlying Stock equal to $1,000 on the pricing date) multiplied by the share multiplier. The number of shares of the Underlying Stock equal to $1,000 on the pricing date was determined as follows:

$$\frac{\$1{,}000}{\text{initial stock price}}$$

If the calculation of the number of shares of the Underlying Stock per $1,000 security on the valuation date results in fractional shares, such fractional shares will be paid in U.S. dollar amounts equal to the fractional number of shares multiplied by the closing price per share of the Underlying Stock on the valuation date.

If a knock-in event has occurred and the final stock price is less than the initial stock price, you will lose some or all of the value of your principal and receive shares of the Underlying Stock instead of a cash payment. Under these conditions, the market value on the valuation date of the shares of the Underlying Stock that you will receive on the maturity date will be less than the aggregate principal amount of your securities and could be $0 (but you will still receive any accrued but unpaid interest in cash).

The initial stock price is $36.45, the closing price per share of the Underlying Stock on September 28, 2006.

The final stock price will be determined by the calculation agent and will equal the closing price per share of the Underlying Stock multiplied by the share multiplier, each as of the valuation date.

The share multiplier is 1.0, subject to adjustment for certain corporate events relating to the Underlying Stock Issuer described in this prospectus supplement under Specific Terms of the Securities Antidilution Adjustments .

A knock-in event will occur if, as determined by the calculation agent, the market price of the Underlying Stock multiplied by the share multiplier has fallen to or below the knock-in price at any time during regular business hours of the relevant exchange on any trading day from the first trading day following the pricing date to and including the valuation date.

The knock-in price is $25.515, the price that is 30% below the initial stock price.

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The market price is, on any trading day and at any time during the regular business hours of the relevant exchange, the latest reported sale price of the Underlying Stock (or any other security for which a market price must be determined) on that relevant exchange at that time, as determined by the calculation agent.

The valuation date means the fifth trading day prior to the maturity date. However, if that date occurs on a day on which the calculation agent has determined that a market disruption event has occurred or is continuing, then the valuation date will be the next succeeding trading day on which the calculation agent has determined that a market disruption event has not occurred or is not continuing. *If the valuation date is postponed, then the maturity date of the securities will be postponed by an equal number of trading days.*

A trading day means a day, as determined by the calculation agent, on which trading is generally conducted on the New York Stock Exchange, Inc. (NYSE), the American Stock Exchange, the Nasdaq National Market, the Chicago Board Mercantile Exchange and the Chicago Board of Options Exchange and in the over-the-counter market for equity securities in the United States.

A business day means a Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in The City of New York generally are authorized or obligated by law, regulation or executive order to close.

The relevant exchange is the primary U.S. securities organized exchange or market of trading for the Underlying Stock. If a reorganization event has occurred, the relevant exchange will be the stock exchange or securities market on which the distribution property (as defined below under Specific Terms of the Securities Antidilution Adjustments Adjustments for Reorganization Events on page S-21) that is a listed equity security is principally traded, as determined by the calculation agent.

If a knock-in event has occurred and the final stock price is less than the initial stock price, you will lose some or all of your principal and you will receive shares of the Underlying Stock instead of a cash payment (but you will still receive any accrued but unpaid interest in cash).

Hypothetical Examples

Set forth below are four hypothetical examples of the calculation of the redemption amount. Interest will be paid quarterly regardless of whether a knock-in event occurs.

Initial stock price: $36.45

Knock-in price: $25.515

Share multiplier on the valuation date: 1.0

Example 1 The hypothetical final stock price is equal to 60% of the initial stock price and a knock-in event *has* occurred:

Hypothetical final stock price: $18.23

$$\text{Redemption amount (per security)} = \left(\frac{\$1{,}000}{\$36.45} \right) \times 1.0 = \begin{array}{l} \text{27 shares of Underlying Stock and} \\ \text{\$7.92 cash in lieu of fractional shares} \end{array}$$

Since the hypothetical final stock price is *less* than the initial stock price and a knock-in event *has* occurred, the redemption amount per security would be equal to 27 shares of the Underlying Stock and a cash payment of $7.92 in lieu of fractional shares with an aggregate market value on the valuation date equal to $600, representing a 40% loss of the principal amount of your security.

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Example 2 The hypothetical final stock price is equal to 85% of the initial stock price and a knock-in event *has* occurred:

Hypothetical final stock price: $30.98

$$\text{Redemption amount (per security)} = \left(\frac{\$1{,}000}{\$36.45}\right) \times 1.0 = \begin{array}{l}\text{27 shares of Underlying Stock and}\\ \text{\$13.47 cash in lieu of fractional shares}\end{array}$$

Since the hypothetical final stock price is *less* than the initial stock price and a knock-in event *has* occurred, the redemption amount per security would be equal to 27 shares of the Underlying Stock and a cash payment of $13.47 in lieu of fractional shares with an aggregate market value on the valuation date equal to $850, representing a 15% loss of the principal amount of your security.

Example 3 The hypothetical final stock price is equal to 85% of the initial stock price but a knock-in event *has not* occurred:

Hypothetical final stock price: $30.98

Redemption amount (per security) = $1,000

Since a knock-in event *has not* occurred, you will receive the full principal amount of $1,000 in cash even though the hypothetical final stock price is *less* than the initial stock price.

Example 4 The hypothetical final stock price is equal to 140% of the initial stock price (regardless whether a knock-in event has or has not occurred):

Hypothetical final stock price: $54.68

Redemption amount (per security) = $1,000

Since the hypothetical final stock price is *greater* than the initial stock price, regardless of whether a knock-in event has or has not occurred, the redemption amount per security would be paid in cash in an amount equal to the $1,000 principal amount per security. Your total return on your security will not reflect the increase in the market price of the Underlying Stock at the maturity of the securities.

Hypothetical Returns

The following table illustrates, for the initial stock price, the knock-in price and a range of hypothetical final stock prices, whether or not a knock-in event has occurred:

- the hypothetical price return of the Underlying Stock;
- the hypothetical pre-tax annualized rate of return of an investment in the Underlying Stock, as more fully described below;
- the hypothetical redemption amount per security (excluding interest payments);
- the hypothetical return at maturity of the securities (excluding interest payments); and

the hypothetical pre-tax annualized rate of total return on the securities.

The figures below are for purposes of illustration only. The actual redemption amount and the resulting total and pre-tax annualized rate of return will depend on the actual final stock price and whether or not a knock-in event occurs, each determined by the calculation agent as described in this prospectus supplement.

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			A knock-in event has occurred			A knock-in event has not occurred		
Hypothetical final stock price	**Hypothetical price return of the Underlying Stock**	**Hypothetical pre-tax annualized rate of return of the Underlying Stock(1)(2)**	**Hypothetical redemption amount per security (excluding interest payment)**	**Hypothetical return at maturity of the securities (excluding interest payment)**	**Hypothetical pre-tax annualized rate of total return on the securities(1)**	**Hypothetical redemption amount per security (excluding interest payment)**	**Hypothetical return at maturity of the securities (excluding interest payment)**	**Hypothetical pre-tax annualized rate of total return on the securities(1)**
$18.23	-49.99%	-49.47%	$ 500.14	-49.99%	-37.97%			
20.05	-44.99	-44.46	550.07	-44.99	-32.63			
21.87	-40.00	-39.45	600.00	-40.00	-27.31			
23.69	-35.01	-34.44	649.93	-35.01	-21.99			
25.515(3)	-30.00	-29.42	700.00	-30.00	-16.67			
27.34	-24.99	-24.40	750.07	-24.99	-11.37	$ 1,000.00	0.00%	15.03%
29.16	-20.00	-19.39	800.00	-20.00	-6.08	1,000.00	0.00	15.03
30.98	-15.01	-14.39	849.93	-15.01	-0.80	1,000.00	0.00	15.03
32.81	-9.99	-9.35	900.14	-9.99	4.50	1,000.00	0.00	15.03
34.63	-4.99	-4.35	950.07	-4.99	9.77	1,000.00	0.00	15.03
36.45(4)	0.00	0.66	1,000.00	0.00	15.03	1,000.00	0.00	15.03
38.27	4.99	5.67	1,000.00	0.00	15.03	1,000.00	0.00	15.03
40.10	10.01	10.70	1,000.00	0.00	15.03	1,000.00	0.00	15.03
41.92	15.01	15.70	1,000.00	0.00	15.03	1,000.00	0.00	15.03
43.74	20.00	20.71	1,000.00	0.00	15.03	1,000.00	0.00	15.03
45.56	24.99	25.71	1,000.00	0.00	15.03	1,000.00	0.00	15.03
47.39	30.01	30.74	1,000.00	0.00	15.03	1,000.00	0.00	15.03
49.21	35.01	35.75	1,000.00	0.00	15.03	1,000.00	0.00	15.03
51.03	40.00	40.75	1,000.00	0.00	15.03	1,000.00	0.00	15.03
52.85	44.99	45.76	1,000.00	0.00	15.03	1,000.00	0.00	15.03
54.68	50.01	50.79	1,000.00	0.00	15.03	1,000.00	0.00	15.03

(1) The annualized rates of return specified in the preceding table are calculated based on (a) annual compounding and (b) an actual/365 day count.

(2) This rate of return is solely based on the following assumptions:

(a) quarterly dividends equal to $0.06 per share;

(b) no transaction fees or expenses; and

(c) a 363-day investment term.

(3) This is the knock-in price.

(4) This is the initial stock price.

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The following graph sets forth the return at maturity for a range of final stock prices both if a knock-in event has occurred and if a knock-in event has not occurred.

Return Profile of 14.25% Enhanced Yield Securities vs. Peabody Energy Corporation Common Stock Price

Who should or should not consider an investment in the securities?

We have designed the securities for investors who are willing to make an investment that is contingently exposed to the full downside performance risk of the Underlying Stock and the potential loss of some or all of the value of their principal, who do not expect to participate in any appreciation in the price of the Underlying Stock and who are willing to receive shares of the Underlying Stock as the return on their investment if a knock-in event occurs during the terms of the securities and the final stock price is less than the initial stock price. In exchange for the potential downside exposure to the Underlying Stock described in the preceding sentence, investors in the securities will receive quarterly interest payments at a rate of 14.25% per year.

The securities are not designed for, and may not be a suitable investment for, investors who are unwilling to make an investment that is exposed (or contingently exposed) to the full downside performance risk of the Underlying Stock. The securities are also not designed for, and may not be a suitable investment for,

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investors who seek the full upside appreciation in the market price of the Underlying Stock. The securities may not be a suitable investment for investors who prefer the lower risk of fixed income investments with comparable maturities issued by companies with comparable credit ratings, or who are unable or unwilling to hold the securities to maturity.

What will I receive if I sell the securities prior to maturity?

The market value of the securities may fluctuate during the term of the securities. Several factors and their interrelationship will influence the market value of the securities, including the market price of the Underlying Stock, dividend yields on the Underlying Stock, the time remaining to maturity of the securities, interest and yield rates in the market and the volatility of the market price of the Underlying Stock. The securities are 100% principal protected only if held to maturity and if no knock-in event occurs during the term of the securities. If you sell your securities prior to maturity, you may have to sell them at a discount to the principal amount of the securities. Depending on the impact of these factors, you may receive less than the principal amount in any sale of your securities before the maturity date of the securities and less than what you would have received had you held the securities until maturity. For more details, see Risk Factors Many factors affect the market value of the securities .

Who is Peabody Energy Corporation?

According to publicly available information, Peabody Energy Corporation is the largest private-sector coal company in the world. You should independently investigate the Underlying Stock Issuer and decide whether an investment in the securities linked to the Underlying Stock is appropriate for you.

Because the Underlying Stock is registered under the Securities Exchange Act of 1934, as amended (the Exchange Act), the Underlying Stock Issuer is required to file periodically certain financial and other information specified by the Securities and Exchange Commission (the SEC). Information provided to or filed with the SEC by the Underlying Stock Issuer can be located by reference to SEC file number 001-16463 and inspected at the SEC s public reference facilities or accessed over the Internet through the SEC s website. The address of the SEC s website is http://www.sec.gov. In addition, information regarding the Underlying Stock may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated information. We make no representation or warranty as to the accuracy or completeness of any such information. For further information, please see the section entitled The Underlying Stock The Underlying Stock Issuer in this prospectus supplement.

What is the Underlying Stock Issuer s role in the securities?

The Underlying Stock Issuer has no obligations relating to the securities or amounts to be paid to you, including no obligation to take the needs of Wachovia or of holders of the securities into consideration for any reason. The Underlying Stock Issuer will not receive any of the proceeds of the offering of the securities, is not responsible for, and has not participated in, the offering of the securities and is not responsible for, and will not participate in, the determination or calculation of the redemption amount. Wachovia is not affiliated with the Underlying Stock Issuer.

How has the Underlying Stock performed historically?

You can find a table with the high, low and closing prices per share of the Underlying Stock during each calendar quarter from calendar year 2003 to the present in the section entitled The Underlying Stock Historical Data in this prospectus supplement. We obtained the historical information from Bloomberg Financial Markets, without independent verification. You should not take the past performance of the Underlying Stock as an indication of how the Underlying Stock will perform in the future.

What about taxes?

The United States federal income tax consequences of your investment in the securities are complex and uncertain. By purchasing a security, you and Wachovia hereby agree, in the absence of an administrative determination or a judicial ruling to the contrary, to characterize a security for all tax purposes as an investment unit consisting of a non-contingent debt instrument and payments for a put option. Under this characterization of the securities, you should be required to treat a portion of the payments on the security as an interest payment, and the remainder of the payments as amounts paid to you in respect of the put option. In the opinion of our counsel, Sullivan & Cromwell LLP, it is reasonable to treat the securities as described above, but it would also be a reasonable interpretation of current tax law for the securities to be treated as a single debt instrument subject to the special tax rules governing contingent debt instruments. **Because of this uncertainty, we urge you to consult your tax advisor as to the tax consequences of your investment in the securities.** For a further discussion, see Supplemental Tax Considerations beginning on page S-26.

Will the securities be listed on a stock exchange?

The securities will not be listed or displayed on any securities exchange, the Nasdaq National Market or any electronic communications network. There can be no assurance that a liquid trading market will develop for the securities. Accordingly, if you sell your securities prior to maturity, you may have to sell them at a substantial loss. You should review the section entitled Risk Factors There may not be an active trading market for the securities in this prospectus supplement.

Are there any risks associated with my investment?

Yes, an investment in the securities is subject to significant risks, including the risk of loss of some or all of your principal. We urge you to read the detailed explanation of risks in Risk Factors beginning on page S-9.

How to reach us

You may reach us by calling 1-888-215-4145 or 1-212-214-6282 and asking for the Investment Solutions Group.

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RISK FACTORS

An investment in the securities is subject to the risks described below, as well as the risks described under Risk Factors Risks Related to Indexed Notes in the accompanying prospectus. Your securities are a riskier investment than ordinary debt securities. Also, your securities are not equivalent to investing directly in the Underlying Stock to which your securities are linked. You should carefully consider whether the securities are suited to your particular circumstances.

Your investment may result in a loss of some or all of your principal

Unlike standard senior non-callable debt securities, the securities do not guarantee the return of the principal amount at maturity. With an investment in the securities, you bear the risk of losing some or all of the value of your principal if a knock-in event occurs during the term of the securities and the final stock price is less than the initial stock price. Under these circumstances, at maturity, for each security you hold, the redemption amount that you will receive will be shares of the Underlying Stock, which represents the number of shares of the Underlying Stock equal to $1,000 on the pricing date, multiplied by the share multiplier to take into account certain corporate events with respect to the Underlying Stock. ***Accordingly, if a knock-in event has occurred during the term of the securities (i.e., the market price of the Underlying Stock has declined to or below the knock-in price during the term of the securities) and the final stock price is less than the initial stock price you will lose some or all of the value of the principal amount of your securities and receive shares of the Underlying Stock instead of a cash payment. Your principal protection is contingent and, therefore, your principal will be protected only if a knock-in event never occurs during the term of the securities and you hold your securities until maturity.***

Your yield may be lower than the yield on a standard debt security of comparable maturity

The yield that you will receive on your securities, which could be negative if a knock-in event occurs during the term of the securities and the final stock price is less than the initial stock price, may be less than the return you could earn on other investments. Your redemption amount in cash will not be greater than the aggregate principal amount of your securities. Even if your yield is positive, your yield may be less than the yield you would earn if you bought a standard senior non-callable debt security of Wachovia with the same maturity date. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

Owning the securities is not the same as owning the Underlying Stock

Your return will not reflect the return you would realize if you actually owned and held the Underlying Stock for a similar period because the redemption amount per security will never exceed the principal amount of your securities and will be determined without taking into consideration the value of any dividends that may be paid on the Underlying Stock. The securities represent senior unsecured obligations of ours and do not represent or convey any rights of ownership in the Underlying Stock, other than the right to receive a payment at maturity in shares of the Underlying Stock if a knock-in event has occurred and the final stock price is less than the initial stock price. In addition, you will not receive any dividend payments or other distributions on the Underlying Stock, and as a holder of the securities, you will not have voting rights or any other rights that holders of the Underlying Stock may have. If the return on the Underlying Stock over the term of the securities exceeds the principal amount of the securities and the interest payments you receive, your return on the securities at maturity will be less than the return on a direct investment in the Underlying Stock without taking into account taxes and other costs related to such a direct investment. If the market price of the Underlying Stock increases above the initial stock price during the term of the securities, the market value of the securities will not increase by the same amount. It is also possible for the market price of the Underlying Stock to increase while the market value of the securities declines.

There may not be an active trading market for the securities

The securities will not be listed or displayed on any securities exchange, the Nasdaq National Market or any electronic communications network. There can be no assurance that a liquid trading market will develop for the securities. The development of a trading market for the securities will depend on our financial performance and other factors such as the increase, if any, in the market price of the Underlying Stock. Even if a secondary market for the securities develops, it may not provide significant liquidity and transaction costs in any secondary market could be high.

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As a result, the difference between bid and asked prices for the securities in any secondary market could be substantial. If you sell your securities before maturity, you may have to do so at a discount from the initial public offering price, and, as a result, you may suffer substantial losses.