

WACHOVIA CORP NEW

Form FWP

March 07, 2007

Filed Pursuant to Rule 433

Registration No. 333-141071

Registration No. 333-141071

Issuer Free Writing Prospectus

Filed pursuant to Rule 433

**OFFERING SUMMARY**

Relating to the Preliminary Pricing Supplement

Dated March 7, 2007 (subject to completion)

**Wachovia Corporation Medium-Term Notes, Series G**

**Principal Protected Securities**

**Linked to a Basket of Emerging Market Currencies due •**

Issuer: Wachovia Corporation

Expected Pricing Date: •, 2007

Expected Settlement Date: •, 2007

Maturity Date: •, 2008. The term of the notes will be approximately 18 months (to be determined on the pricing date).

Principal Amount: Each note will have a principal amount of \$10. Each note will be offered at an initial public offering price of \$10.

Interest: Wachovia will not pay you interest during the term of the notes.

Market Measure: The return on the notes, in excess of the principal amount, is linked to the performance of an equally-weighted basket (the basket) of the following four currencies relative to the U.S. Dollar: the Brazilian Real, the Russian Ruble, the Indian Rupee and the Chinese Renminbi (Yuan) (each, a basket currency, and collectively, the basket currencies).

Payment at Maturity: At maturity, for each note you own, you will receive a cash payment equal to the sum of \$10 and the basket performance amount. The basket performance amount per note will equal the greater of (i) \$0, and (ii) the product of the principal amount of the note and the average currency appreciation and a participation rate of % (to be determined on the pricing date). The average currency appreciation will equal the arithmetic mean of the percentage change in the value of the exchange rate of each basket currency relative to the U.S. Dollar. If the average currency appreciation is less than or equal to zero, the basket performance amount will be \$0, and the maturity payment amount will be \$10.

Principal Protection: The notes are fully principal protected and will pay 100% of the principal amount of your notes at maturity, subject to Wachovia's ability to fulfill its obligations.

Listing: The notes will not be listed or displayed on any securities exchange, the Nasdaq Global Market or any electronic communications network.

CUSIP Number: 929903375

The issuer has filed a registration statement (including a prospectus and a preliminary pricing supplement) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, any underwriter or and dealer participating in the offering will arrange to send you the prospectus if you request it by calling toll-free 1-888-215-4145 (or by calling 1-704-715-8400 (toll call)) and asking for the Fixed Income Structured Notes Group.

**Principal Protected Notes due •**

**Linked to a Basket of Emerging Market Currencies**

This offering summary represents a summary of the terms and conditions of the Principal Protected Notes Linked to a Basket of Emerging Market Currencies due • Offering 100% Principal Protection. **We encourage you to read the preliminary pricing supplement and its accompanying prospectus to help you understand the Principal Protected Notes and this offering.**

**Key Characteristics of the Principal Protected Notes Linked to a Basket of Emerging Market Currencies due •**

The Principal Protected Notes are unsecured senior debt obligations of Wachovia Corporation, the return on which is linked to the performance of the basket.

*Upside Participation*

If the average currency appreciation is greater than zero, you will receive a cash payment equal to the principal amount of the security *plus* an amount equal to the product of \$10, the average currency appreciation and a participation rate of •% (to be determined on the pricing date). The average currency appreciation will be determined by the calculation agent and will equal the arithmetic mean of the currency appreciation of each basket currency.

*Principal Protection*

The Principal Protected Notes are fully principal protected. If the average currency appreciation is less than or equal to zero, your payment at maturity will be equal to your principal amount.

*No Periodic Interest Payments*

The Principal Protected Notes do not bear periodic interest. You are not entitled to any periodic payment in respect of the performance of the basket.

### Hypothetical Returns

The following table illustrates, for a range of hypothetical average currency appreciations representing equivalent percentage changes in the value of the basket:

- the hypothetical basket performance amount;
  - the hypothetical maturity payment amount per note;
  - the hypothetical pre-tax annualized rate of return to beneficial owners of the notes as more fully described below.
- The figures below are for purposes of illustration only. The actual maturity payment amount and the resulting total and pre-tax annualized rate of return will depend on the actual average currency appreciation determined by the calculation agent as described in the preliminary pricing supplement.

| Hypothetical average currency appreciation | Hypothetical basket performance amount | Hypothetical maturity payment amount per note <sup>(1)</sup> | Hypothetical pre-tax annualized rate of return on the notes <sup>(2)</sup> |
|--|--|--|--|
| -50.00%                                    | \$0.00                                 | \$10.00  | 0.00%  |
| -45.00                                     | 0.00                                   | 10.00  | 0.00   |
| -40.00                                     | 0.00                                   | 10.00  | 0.00   |
| -35.00                                     | 0.00                                   | 10.00  | 0.00   |
| -30.00                                     | 0.00                                   | 10.00  | 0.00   |
| -25.00                                     | 0.00                                   | 10.00  | 0.00   |
| -20.00                                     | 0.00                                   | 10.00  | 0.00   |
| -15.00                                     | 0.00                                   | 10.00  | 0.00   |
| -10.00                                     | 0.00                                   | 10.00  | 0.00   |
| -5.00                                      | 0.00                                   | 10.00  | 0.00   |
| 0.00 <sup>(3)</sup>                        | 0.00                                   | 10.00  | 0.00   |
| 5.00                                       | 0.80                                   | 10.80  | 5.20   |
| 10.00                                      | 1.60                                   | 11.60  | 10.14  |
| 15.00                                      | 2.40                                   | 12.40  | 14.87  |
| 20.00                                      | 3.20                                   | 13.20  | 19.39  |
| 25.00                                      | 4.00                                   | 14.00  | 23.74  |
| 30.00                                      | 4.80                                   | 14.80  | 27.92  |
| 35.00                                      | 5.60                                   | 15.60  | 31.96  |
| 40.00                                      | 6.40                                   | 16.40  | 35.85  |
| 45.00                                      | 7.20                                   | 17.20  | 39.63  |
| 50.00                                      | 8.00                                   | 18.00  | 43.29  |

(1) The hypothetical maturity payment per note is based on a participation rate of 160%. The actual participation rate will be determined on the pricing date.

(2) The hypothetical pre-tax annualized rate of return is based on an 18-month term, semi-annual compounding and a 30/360 day count.

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- (3) This is also the average currency appreciation corresponding to the value of the basket on the pricing date.

The following graph sets forth the hypothetical return at maturity for a range of hypothetical average currency appreciations.

\*Assumes a participation rate of 160%

#### **Considerations for Investors**

*Who should consider an investment in the notes?*

Investors who are willing to hold the notes to maturity; who seek an investment with a return linked to the basket currency exchange rates and who believe that the basket currency exchange rates, when averaged together, will decrease over the term of the notes (*i.e.*, that over the term of the notes, when averaged together, *fewer* units of the basket currencies will be needed to buy a given amount of U.S. Dollars and the basket currencies will, when averaged together, *appreciate* in value against the U.S. Dollar); and who seek to protect their investment by receiving at least 100% of the principal amount of their investment at maturity.

*Who should not consider an investment in the notes?*

The notes are not designed for, and may not be a suitable investment for, investors who are unable or unwilling to hold the notes to maturity; who require an investment that yields regular returns; who believe that the basket currency exchange rates, when averaged together, are likely to increase or remain unchanged over the term of the notes (*i.e.*, that over the term of the notes, when averaged together, *more* or the same number of units of the basket currencies will be needed to buy a given amount of U.S. Dollars and the basket currencies will, when averaged together, *depreciate* or remain unchanged in value against the U.S. Dollar); or who seek a more aggressive leveraged investment with exposure to both the full upside performance as well as the full downside performance risk of the basket currency exchange rates.

## Risk Factors

*Yield may be lower.* The yield that you will receive on your notes, which could be zero, may be less than the return you could earn on other investments. 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.

*There may not be an active trading market.* The notes will not be listed or displayed on any securities exchange, the Nasdaq Global Market or any electronic communications network. There can be no assurance that a liquid trading market will develop for the notes. The development of a trading market for the notes will depend on our financial performance and other factors such as the increase, if any, in the value of the basket. Even if a secondary market for the notes develops, it may not provide significant liquidity and we expect that transaction costs in any secondary market would be high. As a result, the difference between bid and asked prices for your notes in any secondary market could be substantial. If you sell your notes 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.

*A sale prior to maturity may generate a loss.* The market price of the notes at any given time may be affected by many factors, including, among other things, the performance of the basket, market views on Wachovia Corporation's ability to pay its debt obligations, and current interest rates. If you do not hold your securities until maturity, the market price may be less than the maturity payment on the securities, and you may experience a loss.

*Currency exchange risk.* The basket currency exchange rates are a result of the supply of and demand for each currency, and changes in foreign exchange rates may result from the interactions of many factors including economic, financial, social and political conditions in the United States, Brazil, Russia, India and China. These conditions include, for example, the overall growth and performance of the economies of the United States, Brazil, Russia, India and China; the trade and current account balances between the United States on the one hand and Brazil, Russia, India and China on the other; the financing and capital account balances between the United States on the one hand and Brazil, Russia, India and China on the other; market interventions by the Federal Reserve Board or the respective governmental and banking authorities responsible for setting foreign exchange policies in Brazil, Russia, India and China; inflation, interest rate levels, the performance of stock markets, and the stability of the governments and banking systems in the United States, Brazil, Russia, India and China; wars that any of the United States, Brazil, Russia, India and China are directly or indirectly involved in or wars that occur anywhere in the world; major natural disasters in the United States, Brazil, Russia, India and China; and other foreseeable and unforeseeable events.

*Non-U.S. and emerging markets risks.* Exchange rates of the currencies of most economically developed nations and of many other nations, including Brazil, Russia and India are floating, meaning they are permitted to fluctuate in value relative to the U.S. Dollar. However, governments of many nations, from time to time, do not allow their currencies to float freely in response to economic forces. (The Chinese Renminbi (Yuan) exchange rate is not floating and will be described further below). Governments, including the governments of Brazil, Russia and India, use a variety of techniques, such as intervention by their central banks or imposition of regulatory controls or taxes, to affect the exchange rates of their respective currencies. Governments may also issue a new currency to replace an existing currency or alter its exchange rate or relative exchange characteristics by devaluing or revaluing the currency. Thus, a special risk in purchasing the notes is that their liquidity, trading value and amounts payable could be affected by the actions of the governments of Brazil, Russia and India that could change or interfere with currency valuations that are currently determined primarily by the markets, by fluctuations in response to other market forces, and the movement of currencies across borders. There will be no adjustment or change in the terms of the notes if exchange rates become fixed, if there is any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes, if there is an issuance of a replacement currency, or if other developments affect any or all of the basket currencies, the U.S. Dollar, or any other currency.

The exchange rate of the Chinese Renminbi (Yuan) is currently managed by the Chinese government and is no longer pegged to the U.S. Dollar. It is instead pegged to a basket of currencies (the Renminbi basket) and

allowed to float within a narrow band around the value of the Renminbi basket. Despite the recent change in their exchange rate regime, the Chinese government continues to manage the valuation of the Chinese Renminbi (Yuan), and, as currently managed, its price movements are unlikely to contribute significantly to either an increase or decrease in the value of the basket. However, further changes in the Chinese government's management of the Chinese Renminbi (Yuan) could result in a significant movement in the U.S. Dollar/Chinese Renminbi (Yuan) exchange rate. Assuming the values of all other basket currencies remain constant, a decrease in the value of the Chinese Renminbi (Yuan), whether because of a change in the government's management of the currency or for other reasons, would result in a decrease in the value of the basket.

*Potential conflicts of interest.* Wachovia or its affiliates may presently or from time to time engage in trading activities related to the basket currencies and the U.S. Dollar that are not for the account of holders of the notes or on their behalf. These trading activities may represent a conflict between holders' interest in the notes and the interests Wachovia and its affiliates will have in their proprietary accounts, in facilitating transactions for their customers and in accounts under their management. In addition, Wachovia or one or more of our affiliates has published and may in the future publish research on foreign exchange markets, exchange rates and other matters that may have an influence on currency exchange rates. This research may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the notes. This research should not be viewed as a recommendation or endorsement of the notes in any way, and investors must make their own independent investigation of the merits of this investment. Furthermore, the inclusion of commissions and projected profits from hedging in the original issue price is likely to adversely affect secondary market prices.



### Certain Tax Considerations

The notes will be treated as debt instruments subject to special rules governing contingent payment debt obligations for United States federal income tax purposes. If you are a U.S. individual or taxable entity, you generally will be required to pay taxes on ordinary income from the notes over their term based on the comparable yield for the notes, even though you will not receive any payments from us until maturity. This comparable yield is determined solely to calculate the amount on which you will be taxed prior to maturity and is neither a prediction nor a guarantee of what the actual yield will be. In addition, any gain you may recognize on the sale or maturity of the notes will be taxed as ordinary interest income. If you are a secondary purchaser of the notes, the tax consequences to you may be different. All individuals who are considering an investment in the notes should read in its entirety the section entitled "Supplemental Tax Considerations" in the Preliminary Pricing Supplement.

### Historical Information About the Basket Currencies

We have obtained all information concerning historical levels of the basket currencies from publicly available sources (typically Bloomberg), without verification of its accuracy. We make no representation or warranty as to the accuracy or completeness of any of the information concerning the component indices.

The following table sets forth the published high and low levels in the interbank market of the each of the basket currency exchange rates in each calendar quarter from January 1, 2004 through December 31, 2006 and the period from January 1, 2007 to March 2, 2007. On March 2, 2007, the Brazilian Real/U.S. Dollar exchange rate was 2.1324, the Russian Ruble/U.S. Dollar exchange rate was 26.1705, the Indian Rupee/U.S. Dollar exchange rate was 44.2938 and the Chinese Renminbi (Yuan)/U.S. Dollar exchange rate was 7.7465. Historical performances of the basket currency exchange rates do not indicate future performance.

#### Quarterly High, Low and Close of the Brazilian Real/U.S. Dollar Exchange Rate

| Quarter-Start<br>Date | Quarter-End<br>Date | High   | Low    | Quarter-End<br>Close |
|-----------------------|---------------------|--------|--------|----------------------|
| 01/01/2004            | 03/31/2004          | 2.9645 | 2.7820 | 2.8953               |
| 04/01/2004            | 06/30/2004          | 3.2118 | 2.8755 | 3.0850               |
| 07/01/2004            | 09/30/2004          | 3.0782 | 2.8505 | 2.8608               |
| 10/01/2004            | 12/31/2004          | 2.8800 | 2.6530 | 2.6560               |
| 01/01/2005            | 03/31/2005          | 2.7640 | 2.5665 | 2.6790               |
| 04/01/2005            | 06/30/2005          | 2.6588 | 2.3325 | 2.3325               |
| 07/01/2005            | 09/30/2005          | 2.4870 | 2.2140 | 2.2275               |
| 10/01/2005            | 12/31/2005          | 2.3800 | 2.1615 | 2.3355               |
| 01/01/2006            | 03/31/2006          | 2.3364 | 2.1040 | 2.1640               |
| 04/01/2006            | 06/30/2006          | 2.3525 | 2.0555 | 2.1650               |
| 07/01/2006            | 09/30/2006          | 2.2244 | 2.1230 | 2.1690               |
| 10/01/2006            | 12/31/2006          | 2.2000 | 2.1310 | 2.1355               |
| 01/01/2007            | 03/02/2007          | 2.1520 | 2.0773 | 2.1324               |

Quarterly High, Low and Close of the Russian Ruble/U.S. Dollar Exchange Rate

| Quarter-Start<br>Date | Quarter-End<br>Date | High    | Low     | Quarter-End<br>Close |
|-----------------------|---------------------|---------|---------|----------------------|
| 01/01/2004            | 03/31/2004          | 29.2425 | 28.4375 | 28.5190              |
| 04/01/2004            | 06/30/2004          | 29.0825 | 28.5075 | 29.0697              |
| 07/01/2004            | 09/30/2004          | 29.2755 | 28.9900 | 29.2229              |
| 10/01/2004            | 12/31/2004          | 29.2210 | 27.7200 | 27.7200              |
| 01/01/2005            | 03/31/2005          | 28.1950 | 27.4487 | 27.8621              |
| 04/01/2005            | 06/30/2005          | 28.6800 | 27.7080 | 28.6300              |
| 07/01/2005            | 09/30/2005          | 28.8312 | 28.1600 | 28.4977              |
| 10/01/2005            | 12/31/2005          | 28.9814 | 28.4295 | 28.7414              |
| 01/01/2006            | 03/31/2006          | 28.7414 | 27.6651 | 27.7049              |
| 04/01/2006            | 06/30/2006          | 27.7165 | 26.7316 | 26.8455              |
| 07/01/2006            | 09/30/2006          | 27.0500 | 26.6660 | 26.7958              |
| 10/01/2006            | 12/28/2006          | 26.9846 | 26.1735 | 26.3636              |
| 10/01/2006            | 12/31/2006          | 26.9846 | 26.1735 | 26.3255              |
| 01/01/2007            | 03/02/2007          | 26.6019 | 26.1079 | 26.1705              |

Quarterly High, Low and Close of the Indian Rupee/U.S. Dollar Exchange Rate

| Quarter-Start<br>Date | Quarter-End<br>Date | High    | Low     | Quarter-End<br>Close |
|-----------------------|---------------------|---------|---------|----------------------|
| 01/01/2004            | 03/31/2004          | 45.6400 | 43.6000 | 43.6000              |
| 04/01/2004            | 06/30/2004          | 46.2500 | 43.5375 | 46.0600              |
| 07/01/2004            | 09/30/2004          | 46.4713 | 45.6650 | 45.9500              |
| 10/01/2004            | 12/31/2004          | 45.9000 | 43.4600 | 43.4600              |
| 01/01/2005            | 03/31/2005          | 43.9300 | 43.4200 | 43.7450              |
| 04/01/2005            | 06/30/2005          | 43.8300 | 43.2900 | 43.4850              |
| 07/01/2005            | 09/30/2005          | 44.1500 | 43.1750 | 44.0150              |
| 10/01/2005            | 12/31/2005          | 46.3100 | 44.1275 | 45.0500              |
| 01/01/2006            | 03/31/2006          | 45.0925 | 44.1175 | 44.6225              |
| 04/01/2006            | 06/30/2006          | 46.3900 | 44.6012 | 46.0400              |
| 07/01/2006            | 09/30/2006          | 46.9950 | 45.7700 | 45.9250              |
| 10/01/2006            | 12/31/2006          | 45.9715 | 44.2600 | 44.2600              |
| 01/01/2007            | 03/02/2007          | 44.5700 | 44.0600 | 44.2938              |

Quarterly High, Low and Close of the Chinese Renminbi (Yuan)/U.S. Dollar Exchange Rate

| Quarter-Start<br>Date | Quarter-End<br>Date | High   | Low    | Quarter-End<br>Close |
|-----------------------|---------------------|--------|--------|----------------------|
| 01/01/2004            | 03/31/2004          | 8.2775 | 8.2766 | 8.2770               |
| 04/01/2004            | 06/30/2004          | 8.2773 | 8.2765 | 8.2766               |
| 07/01/2004            | 09/30/2004          | 8.2771 | 8.2765 | 8.2765               |
| 10/01/2004            | 12/31/2004          | 8.2768 | 8.2763 | 8.2765               |
| 01/01/2005            | 03/31/2005          | 8.2766 | 8.2763 | 8.2764               |
| 04/01/2005            | 06/30/2005          | 8.2767 | 8.2763 | 8.2764               |
| 07/01/2005            | 09/30/2005          | 8.2765 | 8.0871 | 8.0920               |
| 10/01/2005            | 12/31/2005          | 8.0920 | 8.0702 | 8.0702               |
| 01/01/2006            | 03/31/2006          | 8.0702 | 8.0172 | 8.0172               |
| 04/01/2006            | 06/30/2006          | 8.0265 | 7.9943 | 7.9943               |
| 07/01/2006            | 09/30/2006          | 8.0048 | 7.8965 | 7.9041               |
| 10/01/2006            | 12/31/2006          | 7.9149 | 7.8051 | 7.8051               |
| 01/01/2007            | 03/02/2007          | 7.8170 | 7.7415 | 7.7465               |

**Historical Closing Values of the Basket**

The basket is not a recognized market index. The basket was created solely for purposes of the offering of the notes and will be calculated solely during the term of the securities. The basket does not reflect the performance of all major securities markets, and may not reflect actual global market performance. The historical closing values of the basket, as calculated solely for the purposes of the offering of the notes, fluctuated in the past and may, in the future, experience significant fluctuations. Any historical upward or downward trend in the closing values of the basket during any period shown below is not an indication that the annual percentage change in the value of the basket is more likely to be positive or negative during the term of the notes. The historical values do not give an indication of future values of the basket. We cannot make any assurance that the future values of the basket, or the future values of the basket currencies will result in holders of the notes receiving a maturity payment amount greater than the principal amount of their notes on the maturity date. We do not make any representation to you as to the performance of the basket or the basket currencies. We obtained the closing values of the basket currencies used to calculate the historical values of the basket from Bloomberg Financial Markets, without independent verification. The actual values of the basket currencies and the basket at or near the valuation date may bear little relation to the historical values shown below.

The following graph depicts the historical performance of the basket as it would have occurred from January 1, 2000 to March 2, 2007, as though the basket had been in existence since January 1, 2000 with a starting level of \$10 and initial basket currency exchange rates for the basket currencies determined as of that date. An increase in the level of the basket corresponds to a decrease in the basket currency exchange rates, and a decrease in the level of the basket corresponds to an increase in the basket currency exchange rates. Any historical upward or downward trend in the level of the basket during any period shown below is not an indication that the level of the basket is more or less likely to increase or decrease at any time during the term of the notes. The historical values of the basket do not give any indication of the future performance of the basket and Wachovia cannot make any assurance regarding the future performance of the basket.

THIS OFFERING SUMMARY SUMMARIZES AND CONDENSES THE PRELIMINARY PRICING SUPPLEMENT AND THE PROSPECTUS. YOU SHOULD NOT RELY ON THIS OFFERING SUMMARY TO MAKE AN INVESTMENT DECISION AND SHOULD READ THE PROSPECTUS AND THE PRELIMINARY PRICING SUPPLEMENT IN THEIR ENTIRETY BEFORE MAKING AN INVESTMENT DECISION.