WACHOVIA CORP NEW
Form 424B5
August 30, 2006
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PROSPECTUS SUPPLEMENT
(To prospectus dated May 13, 2005)

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-123311

$3,944,704

Wachovia Corporation

10% Callable Enhanced Yield Securities

Linked to the Common Stock of eBay Inc.

due September 5, 2007

Issuer:	Wachovia Corporation
Principal Amount:	The initial public offering price and principal amount of each security is $27.17, which is equal to the closing price of the Underlying Stock on August 29, 2006.
Maturity Date:	September 5, 2007
Interest:	10% per annum, payable quarterly
Interest Payment Dates:	March 5, June 5, September 5 and December 5, beginning on December 5, 2006
Underlying Stock:	eBay Inc. common stock. eBay Inc. has no obligations relating to, and does not sponsor or endorse, the securities.
Payment at Maturity:	On the maturity date, if not previously called by us for the call price, you will receive for each security you hold a number of shares of the Underlying Stock equal to the exchange ratio, as determined on the valuation date, plus any accrued but unpaid interest in cash. The exchange ratio equals one share of the Underlying Stock for each security, subject to certain adjustments. ***If the closing price of the Underlying Stock at maturity is less than the initial stock price, the value per share 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 any accrued but unpaid interest in cash).***
Issuer Call Right:	Beginning on March 1, 2007, we have the right to call the securities, in whole, but not in part, at any time and pay you the call price, which will be calculated by the calculation agent. The call price will be an amount of cash per security that, together with all of the interest paid on each security to and including the call date, gives you a specified yield to call of 25% on the initial public offering price of each security from and including the date of issuance to but excluding the call date. The calculation of the call price for any call date takes into account the time value of all the payments made per security from the date of issuance to and including the call date. If we decide to call the securities, we will give you notice at least 10 but not more than 30 calendar days before the call date specified in the notice of call.
Listing:	The securities will not be listed or displayed on any securities exchange, the Nasdaq National Market or any electronic communications network.
Pricing Date:	August 29, 2006
Expected Settlement Date:	September 1, 2006
CUSIP Number:	929903771

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-12.

Investing in the securities involves risks. See Risk Factors beginning on page S-7.

	Per Security	Total
Public Offering Price	100.00%	$ 3,944,704.00
Underwriting Discount and Commission[(1)]	2.25%	$ 88,572.43
Proceeds to Wachovia Corporation[(1)]	97.75%	$ 3,856,131.57

(1) If the securities are sold on an agency basis only, the underwriting discount will be 2.00%, as described under Supplemental Plan of Distribution . In that case, proceeds to be received by 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 August 29, 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 of 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 10% Callable Enhanced Yield Securities Linked to the Common Stock of eBay Inc. due September 5, 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 section Risk Factors in this prospectus supplement and the accompanying prospectus, which highlights 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 September 5, 2007. The securities may be called by us beginning on March 1, 2007. The return on the securities is linked to the price performance of the common stock of eBay Inc., which we refer to as the Underlying Stock Issuer .

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-12.

The initial public offering price and principal amount of each security is $27.17, which is equal to the closing price per share of the Underlying Stock on August 29, 2006. We refer to the closing price per share of the Underlying Stock on August 29, 2006 as the initial stock price .

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. Instead, the securities will pay at maturity a number of shares of the Underlying Stock, subject to our call right. *If the closing price of the Underlying Stock at maturity is less than the initial stock price, the value per share 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.*

Will I receive interest on the securities?

The securities will bear interest at a rate of 10% per annum payable on each of March 5, June 5, September 5 and December 5, beginning on December 5, 2006. The interest rate on the securities is higher than the dividend yield of the Underlying Stock. The interest rate is also higher than the interest we would pay on a conventional fixed-rate, principal protected debt security. *If we call the securities, we will pay in cash any accrued but unpaid interest on the securities to but excluding the call date.*

How is Wachovia able to offer a 10% interest rate on the securities?

Wachovia is able to offer a 10% interest rate on the securities because the securities are riskier than conventional principal protected debt securities. As previously described, the return on the securities is linked to the price performance of the Underlying Stock The interest rate on the securities reflects both the fact that the performance of the securities does not reflect dividends, if any, payable on the Underlying Stock and the value of our right to call the securities at the yield to call. In general, for any given yield to call, the more volatile the Underlying Stock is or is expected to be, the higher the interest rate.

What will I receive upon maturity of the securities?

On the maturity date, if we have not called the securities for the call price, you will receive a number of shares of the Underlying Stock for each security you hold equal to the exchange ratio, as determined on the valuation date, plus any accrued but unpaid interest in cash. Unlike ordinary debt securities, the return of your principal is not guaranteed. ***If the closing price of the Underlying Stock at maturity is less than the initial stock price, the value per share 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.***

The maturity date is September 5, 2007, subject to extension if the valuation date is postponed as described below or if the final call notice date is postponed as described below in Specific Terms of the Securities Issuer Call Right . If the valuation date is postponed, then the maturity date of the securities will be postponed by an equal number of trading days. If the final call notice date is postponed and we elect to call the securities, the maturity date will be postponed so that it will be the tenth calendar day following the final call notice date as postponed.

The exchange ratio is equal to one share of Underlying Stock for each security, subject to adjustment for certain corporate events relating to eBay Inc., as described in this prospectus supplement under Specific Terms of the Securities Antidilution Adjustments .

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

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 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.

What will I receive if Wachovia calls the securities?

On any trading day on or after March 1, 2007 to and including the maturity date (as it may be extended regardless of whether the maturity date is a trading day), we may call the securities, in whole, but not in part, for the call price. If we call the securities, you will receive for each security a call price in cash that, together with all other payments made on the securities from the settlement date to and including the call date, will provide the yield to call on the securities.

The yield to call is 25% per annum. The calculation of the yield to call takes into account the initial public offering price of the securities, the time remaining to maturity, and the amount and timing of interest payments made on the securities, as well as the call price.

The call notice date is the trading day on which we issue our notice of call, which must be at least 10 but not more than 30 days prior to the call date. The final call notice date is September 5, 2007, provided, however, that if such day is not a trading day or is a day on which the calculation agent has determined that a market disruption event has occurred or is continuing, the final call notice date will be the immediately succeeding trading day on which the calculation agent determines that a market disruption event does not occur or is not continuing.

The call date is the day we specify in our notice of call which may be any trading day from and after March 1, 2007 to and including the maturity date (as it may be extended regardless of whether the maturity date is a trading day).

The call price with respect to any call date is an amount of cash per security equal to the amount necessary so that the sum of the present values of all cash flows on each security to and including the call date (i.e., the call price and all of the interest payments, including any accrued but unpaid interest payable on the call date), discounted to the settlement date at the yield to call, equals the initial public offering price of the securities, as determined by the calculation agent. For a description of how the call price is determined, see Annex A beginning on page A-1.

The notice of call means our notice delivered to the paying agent announcing that we have decided to call the securities and specifying a call date and a call price.

The opportunity to participate in the possible increases in the price of the Underlying Stock through an investment in the securities is limited because the amount you receive if we call the securities will never result in a total yield to call of more than 25% compounded annually, even though you bear the full risk of a decline in the price of the Underlying Stock.

If we call the securities, we will do the following:

- on the call notice date, send a notice of call announcing that we have decided to call the securities;
- specify in the notice of call a call date when you will receive payment in exchange for delivering your securities to the paying agent; and
- specify in the notice of call the call price that we will pay to you in exchange for each security.

If we call the securities, the call price and any accrued but unpaid interest on the securities will be delivered to the DTC, as holder of the securities, on the call date fixed by us and set forth in our notice of call, upon delivery of the securities to the paying agent, on our behalf. We will, or will cause, the paying agent to, deliver such cash to DTC, as holder of the securities. We expect such amount of cash will be distributed to investors on the call date in accordance with the standard rules and procedures of DTC and its direct and indirect participants.

Hypothetical Call Prices

Set forth below are hypothetical call prices for the month-start and mid-month from March 1, 2007 (the first call date) through September 5, 2007 (the last call date). If we elect to exercise our call right, the call price will be disclosed in the notice of call we deliver to DTC in connection with our call of the securities.

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Settlement date:	September 1, 2006
Principal amount:	$27.17 per security
Yield to call:	25.00% (computed on the basis of a 360-day year of twelve 30-day months, compounded annually)

Call date	Call price per security	Interest payable on call date per security	Final amount payable per security[(1)]
March 1, 2007 (first call date)	$ 28.9796	$ 0.6491	$ 29.6287
March 16, 2007	$ 29.1385	$ 0.0832	$ 29.2217
March 31, 2007	$ 29.2983	$ 0.1962	$ 29.4945
April 16, 2007	$ 29.4606	$ 0.3094	$ 29.7700
May1, 2007	$ 29.6255	$ 0.4226	$ 30.0481
May 16, 2007	$ 29.7929	$ 0.5359	$ 30.3288
June 1, 2007	$ 29.9630	$ 0.6491	$ 30.6121
June 16, 2007	$ 30.1311	$ 0.0832	$ 30.2143
July 1, 2007	$ 30.3001	$ 0.1962	$ 30.4963
July 17, 2007	$ 30.4718	$ 0.3094	$ 30.7812
August 1, 2007	$ 30.6461	$ 0.4226	$ 31.0687
August 16, 2007	$ 30.8231	$ 0.5359	$ 31.3590
September 5, 2007 (last call date)	$ 31.0512	$ 0.6793	$ 31.7305

(1) The final amount payable per security is the amount received by the holder on the call date which equals the call price plus the accrued but unpaid interest payable on the call date per security and does not include prior interest payments made on the securities.

For more information regarding the determination of the call price and an example of how the call price is calculated, see Annex A beginning on page A-1.

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 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 expect to participate in only limited 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 the securities are not called. In exchange for participating in limited appreciation in the price of the Underlying Stock, and in lieu of dividends, if any, payable on the Underlying Stock, investors in the securities will receive quarterly interest payments at a rate of 10% per year so long as the securities have not been called by us. The securities have been designed to outperform the price performance of the Underlying Stock at maturity so long as the Underlying Stock does not appreciate over the term of the securities by an amount that exceeds the yield to call, which is 25% per year, inclusive of interest paid over the term of the securities.

The securities are not designed for, and are not a suitable investment for, investors who seek principal protection or who are unwilling to make an investment that is 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, investors who seek the full upside appreciation in the market price of the Underlying Stock, and in particular for those investors who expect the Underlying Stock to appreciate over the term of the securities by an amount that exceeds the yield to call. 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.

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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. If you sell your securities prior to maturity or, if we exercise our call right, you may have to sell them at a discount. 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 eBay Inc.?

According to publicly available information, the Underlying Stock Issuer has three primary businesses: the eBay Marketplaces, Payments and Communications. The eBay Marketplaces segments provide the infrastructure to enable online commerce in a variety of formats, including the traditional auction platform, along with our other online platforms, such as Rent.com, Shopping.com, Kijiji, mobile.de, and Marktplaats.nl. The Payments segment, which consists of its PayPal, Inc. business, enables individuals or businesses to securely, easily and quickly send and receive payments online. The Communications segment, which consists of its Skype Technologies SA (Skype) business, enables Voice over Internet Protocol calls between Skype users, as well as provides low-cost connectivity to traditional fixed-line and mobile telephones.

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 000-24821 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 of whether to call the securities or the calculation of the call price, or the determination or calculation of the amount of shares of the Underlying Stock you will receive on the securities at maturity. 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 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 an investment in the securities are complex and uncertain. Wachovia intends to treat the securities for all tax purposes as pre-paid income-bearing forward contracts. Under this characterization of the securities, if you are a United States holder: (i) you will likely be taxed on the quarterly coupon payments you receive on the securities as ordinary income in accordance with your regular method of accounting for United States federal income tax purposes, (ii) you would recognize capital gain or loss on the sale, redemption or exchange of your securities prior to maturity in an amount equal to the difference between the amount you realize on the sale or exchange (other than amounts in respect of accrued interest, which are likely to be taxed as ordinary income) and your United States federal income tax basis in the securities, and (iii) if you receive Underlying Stock at maturity, you would generally not recognize any taxable income, gain or loss at maturity, except with respect to your receipt of accrued interest and cash in lieu of fractional shares. If you are a United States alien holder, quarterly coupon payments on your securities may be subject to a 30% withholding tax and no Additional Amounts (as defined in the accompanying prospectus) will be paid.

For further discussion, see Supplemental Tax Considerations beginning on page S-24.

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-7.

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 because there is no guaranteed return of principal. 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

The terms of the securities differ from those of ordinary debt securities in that we will not pay you a fixed amount at maturity. With an investment in the securities, you bear the risk of losing some or all of the value of your principal. At maturity, if the securities have not been previously called by us, the amount that you will receive will be a number of shares of the Underlying Stock for each security you hold equal to the exchange ratio. If the closing price of the Underlying Stock on the maturity date is less than the initial stock price, we will pay you an amount of shares of the Underlying Stock equal to the exchange ratio for each security you hold, plus cash in lieu of any fractional shares, with a value that is less than the principal amount of the securities.

Your appreciation potential is limited by the call right

The appreciation potential of the securities is limited by our call right. We may call the securities at any time on or after March 1, 2007, including on the maturity date. If we exercise our call right, you will receive the call price described under Specific Terms of the Securities Issuer Call Right beginning on page S-14 and you will not receive any shares of the Underlying Stock. The payment you will receive in the event that we exercise our call right will depend upon the call date and will be an amount of cash per security that, together with all of the interest paid on the security to and including the call date, represents a specified yield to call. The yield to call is 25% per annum on the initial public offering price of the securities from the settlement date to but excluding the call date. If we call the securities, you should not expect to obtain a total yield (including interest payments) of more than 25% per annum (compounded annually) on the initial public offering price, even though you bear the full risk of a decline in the market price of the Underlying Stock.

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. 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 (provided that we have not called the securities). Even though the securities are linked to the performance of the Underlying Stock, you will not be entitled to 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 (and if the securities are called, the call price plus 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. Even 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 may 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. As a result, the difference between bid and asked prices for the securities in any secondary market

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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.

Wachovia Capital Markets, LLC and other broker-dealer affiliates of Wachovia currently intend to make a market for the securities, although they are not required to do so and may stop any such market-making activities at any time. As market makers, trading of the securities may cause Wachovia Capital Markets, LLC or any other broker-dealer affiliates of Wachovia to have long or short positions in the securities. The supply and demand for the securities, including inventory positions of market makers, may affect the secondary market for the securities.

Many factors affect the market value of the securities

The market value of the securities will be affected by factors that interrelate in complex ways. It is important for you to understand that the effect of one factor may offset the increase in the market value of the securities caused by another factor and that the effect of one factor may compound the decrease in the market value of the securities caused by another factor. We expect that the market value of the securities will depend substantially on the market price of the Underlying Stock at any time during the term of the securities relative to the initial stock price. If you choose to sell your securities when the market price of the Underlying Stock exceeds or is equal to the initial stock price, you may receive substantially less than the amount that would be payable at maturity based on this market price because of the expectation that the market price of the Underlying Stock will continue to fluctuate until the final stock price is determined. In addition, we believe that other factors that may influence the value of the securities include:

- the volatility (frequency and magnitude of changes in market price) of the Underlying Stock and in particular market expectations regarding the volatility of the Underlying Stock;
- interest rates generally as well as changes in interest rates and the yield curve;
- the dividend yield on the Underlying Stock;
- the time remaining to maturity and the fact that we can call the securities;
- our creditworthiness, as represented by our credit ratings or as otherwise perceived in the market; and
- geopolitical, economic, financial, political, regulatory or judicial events as well as other conditions that affect stock markets in general and that may affect the Underlying Stock Issuer and the market price of the Underlying Stock.

Wachovia and its affiliates have no affiliation with the Underlying Stock Issuer and are not responsible for its public disclosure of information

Wachovia and its affiliates are not affiliated with the Underlying Stock Issuer in any way and have no ability to control or predict its actions, including any corporate actions of the type that would require the calculation agent to adjust the exchange ratio, and have no ability to control the public disclosure of these corporate actions or any events or circumstances affecting them.

Each security is an unsecured debt obligation of Wachovia only and is not an obligation of the Underlying Stock Issuer. None of the money you pay for your securities will go to the Underlying Stock Issuer. Since the Underlying Stock Issuer is not involved in the offering of the securities in any way, it has no obligation to consider your interest as an owner of securities in taking any actions that might affect the value of your securities. The Underlying Stock Issuer may take actions that will adversely affect the market value of the securities.

This prospectus supplement relates only to the securities and does not relate to the Underlying Stock. We have derived the information about the Underlying Stock Issuer in this prospectus supplement from publicly

available documents, without independent verification. We have not participated in the preparation of any of the documents or made any due diligence investigation or any inquiry of the Underlying Stock Issuer in connection with the offering of the securities. Neither we nor any of our affiliates assumes any responsibility for the adequacy or accuracy of the information about the Underlying Stock Issuer contained in this prospectus supplement. Furthermore, we do not know whether the Underlying Stock Issuer has disclosed all events occurring before the date of this prospectus supplement including events that could affect the accuracy or completeness of the publicly available documents referred to above and the market price of the Underlying Stock. You, as an investor in the securities, should investigate the Underlying Stock Issuer on your own.

You have limited antidilution protection

WBNA, as calculation agent for your securities, will, in its sole discretion, adjust the exchange ratio for certain events affecting the Underlying Stock, such as stock splits and stock dividends, and certain other corporate actions involving the Underlying Stock Issuer, such as mergers. However, the calculation agent is not required to make an adjustment for every corporate event that can affect the Underlying Stock. For example, the calculation agent is not required to make any adjustments to the exchange ratio if the Underlying Stock Issuer or anyone else makes a partial tender or partial exchange offer for the Underlying Stock. If an event occurs that does not require the calculation agent to adjust the exchange ratio, and, therefore, the amount of shares of the Underlying Stock payable at maturity, the market value of the securities may be materially and adversely affected. You should refer to Specific Terms of the Securities Antidilution Adjustments beginning on page S-17 for a description of the general circumstances in which the calculation agent will make adjustments to the exchange ratio.

The securities may become exchangeable into the common stock of companies other than the Underlying Stock Issuer

Following certain corporate events relating to the Underlying Stock issuer, such as a merger event where holders of the Underlying Stock would receive all or a substantial portion of their consideration in cash or a significant cash dividend or distribution of property with respect to the Underlying Stock, you will receive at maturity the common stock of three companies in the same industry group, as the Underlying Stock issuer in lieu of, or in addition to, the Underlying Stock. Following certain other corporate events, such as a stock for stock merger where the Underlying Stock Issuer is not the surviving entity, you will receive at maturity the common stock of a successor corporation to the Underlying Stock Issuer. We describe the specific corporate events that can lead to these adjustments and the procedures for selecting those other reference stocks in the section of this prospectus supplement called Specific Terms of the Securities Antidilution Adjustments beginning on page S-17. The occurrence of such corporate events and the consequent adjustments may materially and adversely affect the market price of the securities.

Historical performance of the Underlying Stock should not be taken as an indication of its future performance during the term of the securities

It is impossible to predict whether the market price of the Underlying Stock will rise or fall. The Underlying Stock has performed differently in the past and is expected to perform differently in the future. The market price of the Underlying Stock will be influenced by complex and interrelated political, economic, financial and other factors that can affect the Underlying Stock Issuer. You should refer to The Underlying Stock beginning on page S-23 for a description of the Underlying Stock Issuer and historical data on the Underlying Stock.

Purchases and sales by us and our affiliates may affect the return on the securities

As described below under Use of Proceeds and Hedging on page S-28 we or one or more of our affiliates may hedge our obligations under the securities by purchasing the Underlying Stock, futures or options on the Underlying Stock or other derivative instruments with returns linked or related to changes in the market price of the Underlying Stock, and we may adjust these hedges by, among other things, purchasing or selling the Underlying Stock, futures, options or other derivative instruments with returns linked to the Underlying Stock at any time. Although they are not expected to, any of these hedging activities may adversely affect the market price of the Underlying Stock and, therefore, the market value of the securities. It is possible that we or one or

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more of our affiliates could receive substantial returns from these hedging activities while the market value of the securities declines.

The inclusion of commissions and projected profits from hedging in the initial public offering price is likely to adversely affect secondary market prices

Assuming no change in market conditions or any other relevant factors, the price, if any, at which Wachovia is willing to purchase the securities in secondary market transactions will likely be lower than the initial public offering price, since the initial public offering price included, and secondary market prices are likely to exclude, commissions paid with respect to the securities, as well as the projected profit included in the cost of hedging our obligations under the securities. In addition, any such prices may differ from values determined by pricing models used by Wachovia, as a result of dealer discounts, mark-ups or other transactions.

The calculation agent may postpone the valuation date and, therefore, the determination of the number of shares of the Underlying Stock that you will receive and the maturity date if a market disruption event occurs on the valuation date

The valuation date and, therefore, the determination of the number of shares of the Underlying Stock that you will receive may be postponed if the calculation agent determines that a market disruption event has occurred or is continuing on the valuation date. If a postponement occurs, the calculation agent will determine the number of shares of the Underlying Stock that you will receive on the next succeeding trading day on which the calculation agent determines that a market disruption event does not occur or is not continuing. As a result, the maturity date for the securities would also be postponed. You will not be entitled to any compensation from us or the calculation agent for any loss suffered as a result of the occurrence of a market disruption event, any resulting delay in payment or any change in the market price of the Underlying Stock resulting from the postponement of the valuation date. See Specific Terms of the Securities Market Disruption Event beginning on page S-15.

Potential conflicts of interest could arise

Our subsidiary, WBNA, is our agent for the purposes of calculating the number of shares of the Underlying Stock that you will receive, the amount of shares of the Underlying Stock you will receive on the securities at maturity and the call price. Under certain circumstances, WBNA s role as our subsidiary and its responsibilities as calculation agent for the securities could give rise to conflicts of interest. These conflicts could occur, for instance, in connection with its determination as to whether the number of shares of Underlying Stock that you will receive at maturity, if the Securities have not been previously called by us, can be calculated on the valuation date. See the section entitled Specific Terms of the Securities Market Disruption Event beginning on page S-15. WBNA is required to carry out its duties as calculation agent in good faith and using its reasonable judgment.

Wachovia or its affiliates may presently or from time to time engage in business with the Underlying Stock Issuer. This business may include extending loans to, or making equity investments in, the Underlying Stock Issuer or providing advisory services to the Underlying Stock Issuer, including merger and acquisition advisory services. In the course of business, Wachovia or its affiliates may acquire non-public information relating to the Underlying Stock Issuer and, in addition, one or more affiliates of Wachovia may publish research reports about the Underlying Stock Issuer. Wachovia does not make any representation to any purchasers of the securities regarding any matters whatsoever relating to the Underlying Stock Issuer. Any prospective purchaser of the securities should undertake an independent investigation of the Underlying Stock Issuer as in its judgment is appropriate to make an informed decision regarding an investment in the securities.

Tax consequences are uncertain

You should consider the tax consequences of investing in the securities, significant aspects of which are uncertain. If you are a United States alien holder, quarterly coupon payments on your securities may be subject to a 30% withholding tax and no Additional Amounts (as defined in the accompanying prospectus) will be paid. See Supplemental Tax Considerations beginning on page S-24.

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Certain considerations for insurance companies and employee benefit plans

A fiduciary of a pension plan or other employee benefit plan that is subject to the prohibited transaction rules of the Employee Retirement Income Security Act of 1974, as amended, which we call ERISA , or the Internal Revenue Code of 1986, as amended, and that is considering purchasing the securities with the assets of such a plan, should consult with its counsel regarding whether the purchase or holding of the securities could become a prohibited transaction under ERISA, the Internal Revenue Code or any substantially similar prohibition. These prohibitions are discussed in further detail under Employee Retirement Income Security Act beginning on page S-26.

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SPECIFIC TERMS OF THE SECURITIES

Please note that in this section entitled Specific Terms of the Securities , references to holders mean those who own securities registered in their own names, on the books that we or the trustee maintain for this purpose, and not indirect holders who own beneficial interests in securities registered in street name or in securities issued in book- entry form through The Depository Trust Company. Please review the special considerations that apply to indirect holders in the accompanying prospectus, under Legal Ownership .

The securities are part of a series of debt securities, entitled Medium-Term Notes, Series G , that we may issue under the indenture from time to time as described in the accompanying prospectus. The securities are also Indexed Notes and Senior Notes , each as described in the accompanying prospectus.

This prospectus supplement summarizes specific financial and other terms that apply to the securities. Terms that apply generally to all Medium-Term Notes, Series G, are described in Description of the Notes We May Offer in the accompanying prospectus. The terms described here supplement those described in the accompanying prospectus and, if the terms described there are inconsistent with those described here, the terms described here are controlling.

We describe the terms of the securities in more detail below.

Interest

The securities will bear interest at a rate of 10% per annum payable on each of March 5, June 5, September 5 and December 5, beginning on December 5, 2006 and ending on September 5, 2007 (the maturity date). If we call the securities, we will pay in cash any accrued but unpaid interest on the securities to but excluding the call date.

If the maturity date is postponed due to a postponement of the valuation date or otherwise, we will pay interest on the maturity date as postponed rather than on September 5, 2007 (the scheduled maturity date), but no interest will accrue on the securities or on such payment during the period from or after September 5, 2007.

The regular record dates will be the close of business on February 28, May 31, August 31 and November 30, respectively, in each case the fifth calendar day, whether or not a business day, immediately preceding the related interest payment date. For the purpose of determining the holder at the close of business on a day that is not a business day, the close of business will mean 5:00 P.M. in New York City, on that day.

In the event that we call the securities, no interest payment date will occur after the call notice date, except for any interest payment date for which the call notice date falls on or after the ex-interest date for the related interest payment, in which case the related interest payment will be made on such interest payment date. In addition, any accrued but unpaid interest payable on the call date, if any, will be payable to the person to whom the call price is payable. The ex-interest date for any interest payment is the date on which purchase transactions in the securities no longer carry the right to receive such interest payment. If the final call notice date is postponed as described below under Issuer Call Right , any accrued but unpaid interest payable on the call date will equal any accrued but unpaid interest that would otherwise have been payable on September 5, 2007.

Denominations

Wachovia will issue each security in a principal amount of $27.17 and integral multiples thereof.

Offering Price

The initial public offering price and principal amount of each security is $27.17, which is equal to the closing price per share of the Underlying Stock on August 29, 2006.

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Payment at Maturity

On the maturity date, if we have not called the securities for the call price, you will receive a number of shares of the Underlying Stock for each security you hold equal to the exchange ratio, as determined on the valuation date, plus any accrued but unpaid interest in cash. Unlike ordinary debt securities, the return of your principal is not guaranteed. ***If the closing price of the Underlying Stock at maturity is less than the initial stock price, the value per share 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***.

The Underlying Stock means the common stock of the Underlying Stock Issuer, CUSIP Number 278642103. In the event of the occurrence of certain corporate events in respect of the Underlying Stock Issuer described in the section entitled Antidilution Adjustments Adjustments for Reorganization Events on page S-21, the securities may become redeemable for shares of common stock of one or more issuers in addition to, or in lieu of, the Underlying Stock. If any such event occurs, references to Underlying Stock in this prospectus supplement will mean, for purposes of determining the number of shares of stock to be delivered to an investor on the maturity date, the shares of common stock of such additional issuers or issuers, as well as the original Underlying Stock if the original Underlying Stock remains outstanding.

The Underlying Stock Issuer means eBay Inc. In the event of the occurrence of certain corporate events in respect of the Underlying Stock Issuer described in the section entitled Antidilution Adjustments Adjustments for Reorganization Events , the securities may become redeemable for shares of common stock of one or more issuers in addition to, or in lieu of, the Underlying Stock. If any such event occurs, references to Underlying Stock Issuer in this prospectus supplement will mean, as the context requires, such additional issuer or issuers, as well as the original Underlying Stock Issuer if the original Underlying Stock remains outstanding.

The maturity date is September 5, 2007, subject to extension if the valuation date is postponed as described below or if the final call notice date is postponed as described below under Issuer Call Right . If the valuation date is postponed, then the maturity date of the securities will be postponed by an equal number of trading days. If the final call notice date is postponed and we elect to call the securities, the maturity date will be postponed so that it will be the tenth calendar day following the final call notice date as postponed.

The exchange ratio is equal to one share of Underlying Stock for each security, subject to adjustment for certain corporate events relating to eBay Inc., the Underlying Stock Issuer, as described in this prospectus supplement under Antidilution Adjustments

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

If any payment is due on the securities on a day which is not a day on which commercial banks settle payments in New York City, then that payment may be made on the next day that is a day on which commercial banks settle payments in New York City, in the same amount and with the same effect as if paid on the original due date.

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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 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.

WBNA, our subsidiary, will serve as the calculation agent. All determinations made by the calculation agent will be at the sole discretion of the calculation agent and, absent a determination of a manifest error, will be conclusive for all purposes and binding on Wachovia and the holders and beneficial owners of the securities. Wachovia may at any time change the calculation agent without notice to holders of securities.

U.S. Bank National Association will serve as the U.S. registrar and the domestic paying agent.

If Wachovia determines that it is prohibited from delivering shares of the Underlying Stock, or that it would otherwise be unduly burdensome to deliver shares of the Underlying Stock, then on the maturity date, it will pay an amount in cash for each security equal to the closing price of the Underlying Stock on the valuation date multiplied by the number of shares of the Underlying Stock that correspond to such security, plus any accrued but unpaid interest in cash. Any such determination will be made in the sole discretion of Wachovia.

Issuer Call Right

On any trading day on or after March 1, 2007 to and including the maturity date (as it may be extended regardless of whether the maturity date is a trading day), we may call the securities, in whole, but not in part, for the call price. If we call the securities, you will receive for each security a call price in cash that, together with all other payments made on the securities from the settlement date to and including the call date, will provide the yield to call on the securities.

The yield to call is 25% per annum. The calculation of the yield to call takes into account the initial public offering price of the securities, the time to the call date, and the amount and timing of interest payments on the securities, as well as the call price.

The call notice date is the trading day on which we issue our notice of call, which must be at least 10 but not more than 30 calendar days prior to the call date. The final call notice date is September 5, 2007, provided, however, that if such day is not a trading day or is a day on which the calculation agent has determined that a market disruption event has occurred or is continuing, the final call notice date will be the immediately succeeding trading day on which the calculation agent determines that a market disruption event does not occur or is not continuing.

The call date is the day we specify in our notice of call which may be any trading day from and after March 1, 2007 to and including the maturity date (as it may be extended regardless of whether the maturity date is a trading day).

The call price with respect to any call date is an amount of cash per security equal to the amount necessary so that the sum of the present values of all cash flows on each security to and including the call date (i.e., the call price and all of the interest payments, including any accrued but unpaid interest payable on the call date), discounted to the settlement date at the yield to call, equals the initial public offering price of the securities, as determined by the calculation agent. For a description of how the call price is determined, see Annex A beginning on page A-1.

The notice of call means our notice delivered to the paying agent announcing that we have decided to call the securities and specifying a call date and a call price.

The opportunity to participate in the possible increases in the price of the Underlying Stock through an investment in the securities is limited because the amount you receive if we call the securities will never result in a total yield to call of more than 25% compounded annually, even though you bear the full risk of a decline in the price of the Underlying Stock.

If we call the securities, we will do the following:

- on the call notice date, send a notice of call announcing that we have decided to call the securities;

- specify in the notice of call a call date when you will receive payment in exchange for delivering your securities to the paying agent; and

- specify in the call notice the call price that we will pay to you in exchange for each security.

If we call the securities, the call price and any accrued but unpaid interest on the securities will be delivered to DTC, as holder of the securities, on the call date fixed by us and set forth in our notice of call, upon delivery of the securities to the paying agent, on our behalf. We will, or will cause, the paying agent to, deliver such cash to DTC, as holder of the securities. We expect such amount of cash will be distributed to investors on the call date in accordance with the standard rules and procedures of DTC and its direct and indirect participants.

Closing Price

The closing price for one share of the Underlying Stock (or one unit of any other security for which a closing price must be determined) on any trading day means:

- if the Underlying Stock (or any such other security) is listed or admitted to trading on a national securities exchange, the last reported sale price, regular way, of the principal trading session on such day on the principal United States securities exchange registered under the Exchange Act, on which the Underlying Stock (or any such other security) is listed or admitted to trading,

- if the Underlying Stock (or any such other security) is a security of the Nasdaq National Market (and provided that the Nasdaq National Market is not then a national securities exchange), the Nasdaq official closing price published by The Nasdaq Stock Market, Inc. on such day, or

- if the Underlying Stock (or any such other security) is neither listed or admitted to trading on any national securities exchange nor a security of the Nasdaq National Market but is included in the OTC Bulletin Board Service (the OTC Bulletin Board) operated by the National Association of Securities Dealers, Inc. (the NASD), the last reported sale price of the principal trading session on the OTC Bulletin Board on such day.

If the Underlying Stock (or any such other security) is listed or admitted to trading on any national securities exchange or is a security of the Nasdaq National Market but the last reported sale price or Nasdaq official closing price, as applicable, is not available pursuant to the preceding sentence, then the closing price for one share of the Underlying Stock (or one unit of any such other security) on any trading day will mean the last reported sale price of the principal trading session on the over-the-counter market as reported on the Nasdaq National Market or the OTC Bulletin Board on such day.

If the last reported sale price or Nasdaq official closing price, as applicable, for the Underlying Stock (or any such other security) is not available pursuant to either of the two preceding sentences, then the closing price for any trading day will be the mean, as determined by the calculation agent, of the bid prices for the Underlying Stock (or any such other security) obtained from as many recognized dealers in such security, but not exceeding three, as will make such bid prices available to the calculation agent. Bids of Wachovia Capital Markets, LLC or any of its affiliates may be included in the calculation of such mean, but only to the extent that any such bid is the highest of the bids obtained. The term security of the Nasdaq National Market will include a security included in any successor to such system, and the term OTC Bulletin Board Service will include any successor service thereto.

Market Disruption Event

A market disruption event means the occurrence or existence of any of the following events:

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a suspension, absence or material limitation of trading in the Underlying Stock on its primary market for more than two hours of trading or during the one-half hour before the close of trading in that market, as determined by the calculation agent in its sole discretion;

a suspension, absence or material limitation of trading in option or futures contracts relating to the Underlying Stock, if available, in the primary market for those contracts for more than two hours of trading or during the one-half hour before the close of trading in that market, as determined by the calculation agent in its sole discretion;

if the Underlying Stock does not trade on the New York Stock Exchange, the American Stock Exchange, the Nasdaq National Market or what was the primary market for the Underlying Stock, as determined by the calculation agent in its sole discretion; or

any other event, if the calculation agent determines in its sole discretion that the event materially interferes with our ability or the ability of any of our affiliates to unwind all or a material portion of a hedge with respect to the securities that we or our affiliates have effected or may effect as described below under Use of Proceeds and Hedging .

The following events will not be market disruption events:

a limitation on the hours or number of days of trading in the Underlying Stock on its primary market, but only if the limitation results from an announced change in the regular trading hours of the relevant market; and

a decision to permanently discontinue trading in the option or futures contracts relating to the Underlying Stock.

For this purpose, an absence of trading in the primary securities market on which option or futures contracts relating to the Underlying Stock, if available, are traded will not include any time when that market is itself closed for trading under ordinary circumstances. In contrast, a suspension or limitation of trading in option or futures contracts relating to the Underlying Stock, if available, in the primary market for those contracts, by reason of any of:

a price change exceeding limits set by that market;

an imbalance of orders relating to those contracts; or

a disparity in bid and asked quotes relating to those contacts

will constitute a suspension or material limitation of trading in option or futures contracts, as the case may be, relating to the Underlying Stock in the primary market for those contracts.

Events of Default and Acceleration

In case an event of default with respect to any securities has occurred and is continuing, the amount payable to a beneficial owner of a security upon any acceleration permitted by the securities, with respect to each security, will be equal to the amount of shares of the Underlying Stock you will receive on the securities at maturity, calculated as though the date of early repayment were the maturity date of the securities. If a bankruptcy proceeding is commenced in respect of Wachovia, the claim of the beneficial owner of a security may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the principal amount of the security plus an additional amount of contingent interest calculated as though the date of the commencement of the proceeding were the maturity date of the securities.

In case of default in payment of the securities, whether at their maturity or upon acceleration, the securities will not bear a default interest rate.

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Antidilution Adjustments

The exchange ratio is subject to adjustment by the calculation agent as a result of the dilution and reorganization adjustments described in this section. The adjustments described below do not cover all events that could affect the market value of your securities. We describe the risks relating to dilution above under Risk Factors You have limited antidilution protection on page S-9.

How adjustments will be made

If one of the events described below occurs with respect to the Underlying Stock and the calculation agent determines that the event has a diluting or concentrative effect on the market price of the Underlying Stock, the calculation agent will calculate a corresponding adjustment to the exchange ratio as the calculation agent deems appropriate to account for that dilutive or concentrative effect. For example, if an adjustment is required because of a two-for-one stock split, then the exchange ratio will be adjusted by the calculation agent by multiplying the existing exchange ratio by a fraction whose numerator is the number of shares of the Underlying Stock outstanding immediately after the stock split and whose denominator is the number of shares of the Underlying Stock outstanding immediately prior to the stock split. Consequently, the exchange ratio will be adjusted to double the prior exchange ratio, due to the corresponding decrease in the market price of the Underlying Stock.

The calculation agent will also determine the effective date of that adjustment, and the replacement of the Underlying Stock, if applicable, in the event of consolidation or merger or certain other events in respect of the Underlying Stock Issuer. Upon making any such adjustment, the calculation agent will give notice as soon as practicable to the trustee, stating the adjustment to the exchange ratio. The calculation agent will not be required to make any adjustments to the exchange ratio after the close of business on the fifth trading day immediately prior to the maturity date. In no event, however, will an antidilution adjustment to the exchange ratio during the term of the securities be deemed to change the principal amount per security, which is fixed at one-fortieth of the initial stock price of the Underlying Stock.

If more than one event requiring adjustment occurs with respect to the Underlying Stock, the calculation agent will make an adjustment for each event in the order in which the events occur, and on a cumulative basis. Thus, having made an adjustment for the first event, the calculation agent will adjust the exchange ratio for the second event, applying the required adjustment to the exchange ratio as already adjusted for the first event, and so on for any subsequent events.

For any dilution event described below, other than a consolidation or merger, the calculation agent will not have to adjust the exchange ratio unless the adjustment would result in a change to the exchange ratio then in effect of at least 0.1%. The exchange ratio resulting from any adjustment will be rounded up or down, as appropriate, to the nearest one-hundred thousandth.

If an event requiring an antidilution adjustment occurs, the calculation agent will make the adjustment with a view to offsetting, to the extent practical, any change in your economic position relative to your securities that results solely from that event. The calculation agent may, in its sole discretion, modify the antidilution adjustments as necessary to ensure an equitable result.

The calculation agent will make all determinations with respect to antidilution adjustments, including any determination as to whether an event requiring adjustment has occurred, as to the nature of the adjustment required and how it will be made or as to the value of any property distributed in a reorganization event, and will do so in its sole discretion. In the absence of manifest error, those determinations will be conclusive for all purposes and will be binding on you and us, without any liability on the part of the calculation agent. You will not be entitled to any compensation from us for any loss suffered as a result of any of these determinations by the calculation agent. The calculation agent will provide information about the adjustments that it makes upon your written request.

No adjustments will be made for certain other events, such as offerings of common stock by the Underlying Stock Issuer for cash or in connection with the occurrence of a partial tender or exchange offer for the Underlying Stock by the Underlying Stock Issuer.

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The following events are those that may require an antidilution adjustment of the exchange ratio:

- a subdivision, consolidation or reclassification of the Underlying Stock or a distribution or dividend of Underlying Stock to existing holders of the Underlying Stock by way of bonus, capitalization or similar issue;
- a distribution or dividend to existing holders of the Underlying Stock of:
  - shares of the Underlying Stock,
  - other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Underlying Stock Issuer equally or proportionately with such payments to holders of the Underlying Stock, or
  - any other type of securities, rights or warrants in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the calculation agent;
- the declaration by the Underlying Stock Issuer of an extraordinary or special dividend or other distribution whether in cash or shares of the Underlying Stock or other assets;
- a repurchase by the Underlying Stock Issuer of its common stock whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- any other similar event that may have a diluting or concentrative effect on the market price of the Underlying Stock; and
- a consolidation of the Underlying Stock Issuer with another company or merger of the Underlying Stock Issuer with another company.

Stock Splits and Reverse Stock Splits

A stock split is an increase in the number of a corporation s outstanding shares of stock without any change in its stockholders equity. Each outstanding share will be worth less as a result of a stock split.

A reverse stock split is a decrease in the number of a corporation s outstanding shares of stock without any change in its stockholders equity. Each outstanding share will be worth more as a result of a reverse stock split.

If the Underlying Stock is subject to a stock split or a reverse stock split, then once the split has become effective the calculation agent will adjust the exchange ratio to equal the product of the prior exchange ratio and the number of shares issued in such stock split or reverse stock split with respect to one share of the Underlying Stock.

Stock Dividends

In a stock dividend, a corporation issues additional shares of its stock to all holders of its outstanding stock in proportion to the shares they own. Each outstanding share will be worth less as a result of a stock dividend.

If the Underlying Stock is subject to a stock dividend payable in shares of Underlying Stock that is given ratably to all holders of shares of the Underlying Stock, then once the dividend has become effective the calculation agent will adjust the exchange ratio on the ex-dividend date to equal the sum of the prior exchange ratio plus the product of:

- the number of shares issued with respect to one share of the Underlying Stock, and
- the prior exchange ratio.

The ex-dividend date for any dividend or other distribution is the first day on and after which the Underlying Stock trades without the right to receive that dividend or distribution.

No Adjustments for Other Dividends and Distributions

The exchange ratio will not be adjusted to reflect dividends, including cash dividends, or other distributions paid with respect to the Underlying Stock, other than:

- stock dividends described above,
- issuances of transferable rights and warrants as described in Transferable Rights and Warrants below,
- distributions that are spin-off events described in Reorganization Events beginning on page S-20, and
- extraordinary dividends described below.

An extraordinary dividend means each of (a) the full amount per share of Underlying Stock of any cash dividend or special dividend or distribution that is identified by the Underlying Stock Issuer as an extraordinary or special dividend or distribution, (b) the excess of any cash dividend or other cash distribution (that is not otherwise identified by the Underlying Stock Issuer as an extraordinary or special dividend or distribution) distributed per share of Underlying Stock over the immediately preceding cash dividend or other cash distribution, if any, per share of Underlying Stock that did not include an extraordinary dividend (as adjusted for any subsequent corporate event requiring an adjustment as described in this pricing supplement, such as a stock split or reverse stock split) if such excess portion of the dividend or distribution is more than 5% of the closing price of Underlying Stock on the trading day preceding the ex-dividend date (that is, the day on and after which transactions in Underlying Stock on an organized securities exchange or trading system no longer carry the right to receive that cash dividend or other cash distribution) for the payment of such cash dividend or other cash distribution (such closing price, the base closing price) and (c) the full cash value of any non-cash dividend or distribution per share of Underlying Stock (excluding marketable securities, as defined below).

If the Underlying Stock is subject to an extraordinary dividend, then once the extraordinary dividend has become effective the calculation agent will adjust the exchange ratio on the ex-dividend date to equal the product of:

- the prior exchange ratio, and
- a fraction, the numerator of which is the base closing price of the Underlying Stock on the trading day preceding the ex-dividend date and the denominator of which is the amount by which the base closing price of the Underlying Stock on the trading day preceding the ex-dividend date exceeds the extraordinary dividend.

Notwithstanding anything herein, the initiation by the Underlying Stock Issuer of an ordinary dividend on the Underlying Stock or any announced increase in the ordinary dividend on the Underlying Stock will not constitute an extraordinary dividend requiring an adjustment.

To the extent an extraordinary dividend is not paid in cash, the value of the non-cash component will be determined by the calculation agent, in its sole discretion. A distribution on the Underlying Stock that is a dividend payable in shares of Underlying Stock, an issuance of rights or warrants or a spin-off event and also an extraordinary dividend will result in an adjustment to the number of shares of Underlying Stock only as described in Stock Dividends above, Transferable Rights and Warrants below or Reorganization Events below, as the case may be, and not a described here.

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Transferable Rights and Warrants

If the Underlying Stock Issuer issues transferable rights or warrants to all holders of the Underlying Stock to subscribe for or purchase the Underlying Stock at an exercise price per share that is less than the closing price of the Underlying Stock on the trading day before the ex-dividend date for the issuance, then the exchange ratio will be adjusted to equal the product of:

- the prior exchange ratio, and

- a fraction, (1) the numerator of which will be the number of shares of the Underlying Stock outstanding at the close of trading on the trading day before the ex-dividend date (as adjusted for any subsequent event requiring an adjustment hereunder) plus the number of additional shares of the Underlying Stock offered for subscription or purchase pursuant to the rights or warrants and (2) the denominator of which will be the number of shares of the Underlying Stock outstanding at the close of trading on the trading day before the ex-dividend date (as adjusted for any subsequent event requiring an adjustment hereunder) plus the number of additional shares of the Underlying Stock (referred to herein as the additional shares) that the aggregate offering price of the total number of shares of the Underlying Stock so offered for subscription or purchase pursuant to the rights or warrants would purchase at the closing price on the trading day before the ex-dividend date for the issuance.

The number of additional shares will be equal to:

- the product of (1) the total number of additional shares of the Underlying Stock offered for subscription or purchase pursuant to the rights or warrants and (2) the exercise price of the rights or warrants, *divided by*

- the closing price of the Underlying Stock on the trading day before the ex-dividend date for the issuance.

If the number of shares of the Underlying Stock actually delivered in respect of the rights or warrants differs from the number of shares of the Underlying Stock offered in respect of the rights or warrants, then the exchange ratio will promptly be readjusted to the exchange ratio that would have been in effect had the adjustment been made on the basis of the number of shares of the Underlying Stock actually delivered in respect of the rights or warrants.

Reorganization Events

Each of the following is a reorganization event:

- the Underlying Stock is reclassified or changed;

- the Underlying Stock Issuer has been subject to a merger, consolidation or other combination and either is not the surviving entity or is the surviving entity but all outstanding shares of Underlying Stock are exchanged for or converted into other property;

- a statutory share exchange involving outstanding shares of Underlying Stock and the securities of another entity occurs, other than as part of an event described above;

- the Underlying Stock Issuer sells or otherwise transfers its property and assets as an entirety or substantially as an entirety to another entity;

the Underlying Stock Issuer effects a spin-off, other than as part of an event described above (in a spin-off, a corporation issues to all holders of its common stock equity securities of another issuer); or the Underlying Stock Issuer is liquidated, dissolved or wound up or is subject to a proceeding under any applicable bankruptcy, insolvency or other similar law, or another entity completes a tender or exchange offer for all the outstanding shares of Underlying Stock.

Adjustments for Reorganization Events

If a reorganization event occurs, then the calculation agent will adjust the exchange ratio to reflect the amount and type of property or properties whether cash, securities, other property or a combination thereof that a prior holder of the number of shares of the Underlying Stock represented by its investment in the securities would have been entitled to in relation to an amount of shares of the Underlying Stock equal to what a holder of shares of the Underlying Stock would hold after the reorganization event has occurred. We refer to this new property as the distribution property.

For the purpose of making an adjustment required by a reorganization event, the calculation agent, in its sole discretion, will determine the value of each type of the distribution property. For any distribution property consisting of a security, the calculation agent will use the closing price of the security on the relevant trading day. The calculation agent may value other types of property in any manner it determines, in its sole discretion, to be appropriate. If a holder of shares of the Underlying Stock may elect to receive different types or combinations of types of distribution property in the reorganization event, the distribution property will consist of the types and amounts of each type distributed to a holder of shares of the Underlying Stock that makes no election, as determined by the calculation agent in its sole discretion.

If any reorganization event occurs, in each case as a result of which the holders of the Underlying Stock receive any equity security listed on a national securities exchange or traded on the Nasdaq National Market, which we refer to as a marketable security , other securities or other property, assets or cash, which we collectively refer to as exchange property , the amount payable upon exchange at maturity with respect to the principal amount of each security following the effective date for such reorganization event (or, if applicable, in the case of spinoff stock, the ex-dividend date for the distribution of such spinoff stock) and any required adjustment to the exchange ratio will be determined in accordance with the following and, for purposes of certain calculations and determinations in respect of the securities, such as the determination of the final stock price, the term Underlying Stock in this prospectus supplement will be deemed to mean:

(a) if the Underlying Stock continues to be outstanding, the Underlying Stock (if applicable, as reclassified upon the issuance of any tracking stock) at the exchange ratio in effect on the valuation date (taking into account any adjustments for any distributions described under paragraph (c)(1) below); and

(b) for each marketable security received in such reorganization event, which we refer to as a new stock , including the issuance of any tracking stock or spinoff stock or the receipt of any stock received in exchange for the Underlying Stock, the number of shares of the new stock received with respect to one share of the Underlying Stock multiplied by the exchange ratio for the Underlying Stock on the trading day immediately prior to the effective date of the reorganization event (the new stock exchange ratio), as adjusted to the valuation date; and

(c) for any cash and any other property or securities other than marketable securities received in such reorganization event, which we refer to as non-stock exchange property ,

(1) if the Underlying Stock continues to be outstanding, a number of shares of the Underlying Stock, determined by the calculation agent on the trading day immediately prior to the effective date of such reorganization event, with an aggregate value equal to the exchange ratio in effect for the Underlying Stock on such trading day multiplied by a fraction, the numerator of which is the value of the non-stock exchange property on such trading day and the denominator of which is the amount by which the closing price of the Underlying Stock exceeds the value of the non-stock exchange property on such trading day; and the number of such shares of the Underlying Stock determined in accordance with this clause will be added at the time of such adjustment to the exchange ratio calculated under (a) above,

(2) if the Underlying Stock is surrendered for exchange property that includes new stock:

(i) if the new stock is a marketable security in existence prior to the effective date of the reorganization event, a number of shares of the new stock determined by the calculation agent on the trading day immediately prior to the effective date of such reorganization event with an aggregate value equal to (x) the new stock exchange ratio as calculated under (b) above (without taking into account the additional shares in this provision) multiplied by (y) a fraction, the numerator of which is the value on such trading day of the non-stock exchange property received per share of the Underlying Stock and the denominator of which is the amount by which the closing price of the new stock exceeds the value on such trading day of the non-stock exchange property received per share of the Underlying Stock, and

(ii) if the new stock is not a marketable security in existence prior to the effective date of the reorganization event, a number of shares of the new stock determined by the calculation agent on the effective date of such reorganization event (or the following trading day if such day is not a trading day or if a market disruption event occurs or is continuing on such day) with an aggregate value equal to the new stock exchange ratio in effect for the new stock on such trading day multiplied by a fraction, the numerator of which is the value on such trading day of the non-stock exchange property received per share of the Underlying Stock and the denominator of which is the amount by which the closing price of the new stock exceeds the value on such trading day of the non-stock exchange property received per share of the Underlying Stock,

where the number of such shares of the new stock determined in accordance with this clause will be added to the new stock exchange ratio as calculated under (b) above either at the time of such adjustment, in the case of clause (i) above, or on the date of determination of additional shares, in case of clause (ii) above, or

(3) if the Underlying Stock is surrendered exclusively for non-stock exchange property (in each case, a reference basket event), an initially equal dollar weighted basket of three reference basket stocks (as defined below) with an aggregate value on the effective date of such reorganization event equal to the value of the non-stock exchange property multiplied by the exchange ratio in effect for the Underlying Stock on the trading day immediately prior to the effective date of such reorganization event.

If a reorganization event occurs with respect to the shares of the Underlying Stock and the calculation agent adjusts the exchange ratio to reflect the distribution property in the event as described above, the calculation agent will make further antidilution adjustments for any later events that affect the distribution property, or any component of the distribution property, comprising the new exchange ratio. The calculation agent will do so to the same extent that it would make adjustments if the shares of the Underlying Stock were outstanding and were affected by the same kinds of events. If a subsequent reorganization event affects only a particular component of the number of shares of the Underlying Stock, the required adjustment will be made with respect to that component as if it alone were the number of shares of the Underlying Stock.

For example, if the Underlying Stock Issuer merges into another company and each share of the Underlying Stock is converted into the right to receive two common shares of the surviving company and a specified amount of cash, the shares of the Underlying Stock will be adjusted to reflect two common shares of the surviving company and the specified amount of cash. The calculation agent will adjust the exchange ratio to reflect any later stock split or other event, including any later reorganization event, that affects the common shares of the surviving company, to the extent described in this section entitled Antidilution Adjustments , as if the common shares were shares of the Underlying Stock. In that event, the cash component will not be adjusted but will continue to be a component of the number of shares of the Underlying Stock (with no interest adjustment). Consequently, the final stock price will include the final value of the two shares of the surviving company and the cash.

Reference Basket Events

Following the occurrence of a reference basket event described in paragraph (c)(3) above, the amount payable at maturity for each security will be determined by reference to reference basket stocks at the basket stock exchange ratio then in effect for each such a reference basket stock as determined in accordance with the following paragraph.

The reference basket stocks will be the three stocks with the largest market capitalization among the stocks that then comprise the S&P 500 Index (or, if publication of such Index is discontinued, any successor or substitute index selected by the calculation agent in its sole discretion) with the same primary Standard Industrial Classification Code (SIC code) as the Underlying Stock Issuer; provided, however, that a reference basket stock will not include any stock that is subject to a trading restriction under the trading restriction policies of Wachovia or any of its affiliates that would materially limit the ability of Wachovia or any of its affiliates to hedge the securities with respect to such stock. In the event that three reference basket stocks cannot be identified from the S&P 500 Index by primary SIC code for which there is no trading restriction, the remaining reference basket stock(s) will be selected by the calculation agent from the largest market capitalization stock(s) within the same Division and Major Group classification (as defined by the Office of Management and Budget) as the primary SIC code for the Underlying Stock Issuer. Each reference basket stock will be assigned a basket stock exchange ratio equal to the number of shares of such reference basket stock with a closing price on the effective date of such reorganization event equal to the product of (a) the value of the non-stock exchange property, (b) the exchange ratio in effect for the Underlying Stock on the trading day immediately prior to the effective date of such reorganization event and (c) 0.3333333.

THE UNDERLYING STOCK

The Underlying Stock Issuer

Provided below is a brief description of the Underlying Stock Issuer obtained from publicly available information published by the Underlying Stock Issuer.

The Underlying Stock Issuer has disclosed that it has three primary businesses: the eBay Marketplaces, Payments and Communications. The eBay Marketplaces segments provide the infrastructure to enable online commerce in a variety of formats, including the traditional auction platform, along with our other online platforms, such as Rent.com, Shopping.com, Kijiji, mobile.de, and Marktplaats.nl. The Payments segment, which consists of its PayPal, Inc. business, enables individuals or businesses to securely, easily and quickly send and receive payments online. The Communications segment, which consists of its Skype Technologies SA (Skype) business, enables Voice over Internet Protocol calls between Skype users, as well as provides low-cost connectivity to traditional fixed-line and mobile telephones.

The Underlying Stock is registered under the Exchange Act. Companies with securities registered under the Exchange Act are required to file periodically financial and other information specified by the SEC. Information filed with the SEC can be inspected and copied at the Public Reference Section of the SEC, Room 1580, 100 F Street, NE, Washington, DC 20549. Copies of this material can also be obtained from the Public Reference Section, at prescribed rates. In addition, information filed by the Underlying Stock Issuer with the SEC electronically can be reviewed through a website maintained by the SEC. The address of the SEC s website is http://www.sec.gov. Information filed with the SEC by the Underlying Stock Issuer under the Exchange Act can be located by reference to SEC file number 000-24821.

Information about the Underlying Stock may also be obtained from other sources such as press releases, newspaper articles and other publicly disseminated documents, as well as from the Underlying Stock Issuer s website. We do not make any representation or warranty as to the accuracy or completeness of any materials referred to above, including any filings made by the Underlying Stock Issuer with the SEC.

Historical Data

The Underlying Stock is quoted on the Nasdaq National Market under the symbol EBAY . The following table sets forth the high closing, low closing and quarter-end closing prices for the Underlying Stock. The

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information given below is for the last four calendar quarters in each of 2003, 2004 and 2005 and for the first two calendar quarters in 2006. Partial data is provided for the third calendar quarter in 2006. On August 29, 2006, the closing price for the Underlying Stock was $27.17 per share. The closing prices listed below were obtained from Bloomberg Financial Markets without independent verification. The historical closing prices of the Underlying Stock should not be taken as an indication of future performance, and no assurance can be given that the price of the Underlying Stock will not decrease such that you would receive less than the principal amount of your securities at maturity.

Quarterly High Closing, Low Closing and Quarter-End Closing Price of the Underlying Stock

Quarter-Start Date	Quarter-End Date	High Closing Price of the Underlying Stock	Low Closing Price of the Underlying Stock	Quarter-End Closing Price of the Underlying Stock
01/01/03	03/31/03	$ 22.53	$ 16.96	$ 21.33
04/01/03	06/30/03	26.00	21.53	26.00
07/01/03	09/30/03	28.94	25.13	26.82
10/01/03	12/31/03	32.31	25.56	32.31
01/01/04	03/31/04	35.05	31.50	34.64
04/01/03	06/30/04	46.41	36.13	45.98
07/01/04	09/30/04	47.21	36.49	45.97
10/01/04	12/31/04	58.89	45.68	58.17
01/01/05	03/31/05	57.06	35.01	37.26
04/01/05	06/30/05	39.12	31.14	33.01
07/01/05	09/30/05	44.75	32.88	41.20
10/01/05	12/31/05	46.75	37.84	43.22
01/01/06	03/31/06	46.77	37.15	39.00
04/01/06	06/30/06	40.35	28.25	29.29
07/01/06	08/29/06	29.20	22.99	27.17

SUPPLEMENTAL TAX CONSIDERATIONS

The following is a general description of certain United States federal income tax considerations relating to the securities. The following does not purport to be a complete analysis of all tax considerations relating to the securities. Prospective purchasers of the securities should consult their tax advisors as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of the United States of acquiring, holding and disposing of the securities and receiving payments of interest, principal and/or other amounts under the securities. This summary is based on the law as in effect on the date of this prospectus supplement and is subject to any change in law that may take effect after such date. This summary does not address all aspects of United States federal income taxation of the securities that may be relevant to you in light of your particular circumstances, nor does it address all of your tax consequences if you are a holder of securities who is subject to special treatment under the United States federal income tax laws.

Supplemental U.S. Tax Considerations

The discussion below supplements the discussion under United States Taxation in the accompanying prospectus and is subject to the limitations and exceptions set forth therein. Except as otherwise noted under United States Alien Holders below, this discussion is only applicable to you if you are a United States holder (as defined in the accompanying prospectus).

The treatment of the securities for United States federal income tax purposes is uncertain. In the opinion of Sullivan & Cromwell LLP, it would be reasonable to treat the securities as pre-paid income-bearing forward contracts, and Wachovia intends to treat the securities for all tax purposes in accordance with such

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characterization. Except as noted below under Alternative Characterizations , the discussion below assumes that the securities will be so treated.

No statutory, judicial, or administrative authority directly discusses how the securities should be treated for United States federal income tax purposes. As a result, the United States federal income tax consequences of your investment in the securities are highly uncertain and alternative characterizations are possible. Accordingly, we urge you to consult your tax advisor in determining the tax consequences of an investment in the securities, including the application of state, local or other tax laws and the possible effects of changes in federal or other tax laws.

Treatment as Pre-Paid Income-Bearing Forward Contracts. If the securities are properly treated as pre-paid income-bearing forward contracts, it is likely that you will be taxed on any quarterly coupon payments you receive on the securities as ordinary income in accordance with your regular method of accounting for United States federal income tax purposes.

Upon the sale, redemption or exchange of the securities prior to maturity (including upon exercise of the Issuer call right), you would recognize capital gain or loss in an amount equal to the difference, if any, between the amount you realize on the sale, redemption or exchange (other than amounts in respect of accrued interest, which are likely to be taxed as ordinary income) and your United States federal income tax basis in the securities. Your United States federal income tax basis in the securities will generally be equal to the amount you paid for your securities. Capital gain of a non-corporate United States holder that is recognized before January 1, 2011 is generally taxed at a maximum rate of 15% but only where the holder has a holding period greater than one year.

You would generally not recognize gain or loss on the receipt of Underlying Stock upon maturity. Your United States federal income tax basis in any Underlying Stock received upon maturity would generally be equal to your tax basis in the securities less the portion of this basis allocable pro rata to fractional shares for which you receive cash. Your holding period in any Underlying Stock received upon maturity would generally begin on the day following the day you beneficially receive such stock. You would likely recognize short-term capital gain or loss on any cash that you receive upon maturity in lieu of fractional shares in an amount equal to the difference between the amount of cash you receive (other than in respect of accrued interest, which is likely to be taxed as ordinary income) and your United States federal income tax basis in the fractional shares.

Alternative Characterizations. In light of the uncertainty as to the United States federal income tax treatment of the securities, it is possible that the securities could be treated differently from described above. For example, the securities could be treated as a single debt instrument subject to the special tax rules governing contingent debt instruments. If the securities are so treated, you would be required to accrue interest income over the term of your securities based upon the yield at which we would issue a non-contingent fixed-rate debt instrument with other terms and conditions similar to your securities (the comparable yield). You would recognize gain or loss upon the sale or maturity of your securities in an amount equal to the difference, if any, between the amount you receive at such time and your adjusted basis in your securities. In general, your adjusted basis in your securities would be equal to the amount you paid for your securities, increased by the amount of interest you previously accrued with respect to your securities, and decreased by the amount of any interest payments previously made with respect to your securities. Any gain you recognize upon the sale, redemption or maturity of your securities would be ordinary income and any loss recognized by you at such time would be ordinary loss to the extent of interest you included in income in the current or previous taxable years with respect to your securities, and thereafter would be capital loss.

If the securities are treated as a contingent debt instrument and you purchase your securities in the secondary market at a price that is at a discount from, or in excess of, the adjusted initial public offering price of the securities, such excess or discount would not be subject to the generally applicable market discount or amortizable bond premium rules described in the accompanying prospectus but rather would be subject to special rules set forth in United States Treasury Regulations governing contingent debt instruments. Accordingly, if you purchase your securities in the secondary market, you should consult your tax advisor as to the possible application of such rules to you.

The securities could also be treated as a unit consisting of a forward contract (the Forward Contract) and an interest-bearing cash deposit used to secure your obligation to purchase the Underlying Stock under the

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Forward Contract (the Cash Deposit). Under this characterization, if you are an initial purchaser of the securities, your securities would likely be treated for United States federal income tax purposes in the same manner as described above under Treatment as Pre-Paid Income-Bearing Forward Contracts. If, however, you are a secondary purchaser of the securities, you would likely be required to allocate your purchase price for the securities between the Forward Contract and the Cash Deposit based on the respective fair market value of each on the date of purchase. If the portion of your purchase price allocated to the Cash Deposit is at a discount from, or is in excess of, the principal amount of your security, you may be subject to the market discount or amortizable bond premium rules described in the accompanying prospectus under United States Taxation United States Holders Notes Purchased with Market Discount and United States Taxation United States Holders Notes Purchased at a Premium with respect to the Cash Deposit. Accordingly, if you purchase your securities in the secondary market, you should consult your tax advisor as to the possible application of such rules to you.

It is also possible that the quarterly coupon payments would not be treated as interest for United States federal income tax purposes but instead would be treated in some other manner. For example, the quarterly coupon payments could be treated all or in part as contract fees in respect of a forward contract. The United States federal income tax treatment of such contract fees is uncertain. You should consult your tax advisor as to the tax consequences of such characterization and any possible alternative characterizations of your securities for United States federal income tax purposes.

United States Alien Holders. Because the United States federal income tax treatment (including the applicability of withholding) of the quarterly coupon payments on the securities is uncertain, if you are a United States alien holder, quarterly coupon payments made to you will be withheld upon at a 30% rate or at a lower rate specified by an applicable income tax treaty under an other income or similar provision. We will not make payments of any Additional Amounts (as defined in the accompanying prospectus). To claim a reduced treaty rate for withholding, you generally must provide a valid Internal Revenue Service Form W-8BEN or an acceptable substitute form upon which you certify, under penalties of perjury, your status as a United States alien holder and your entitlement to the lower treaty rate. Payments will be made to you at a reduced treaty rate of withholding only if such reduced treaty rate would apply to any possible characterization of the payments (including, for example, if the payments were characterized as contract fees). Withholding also may not apply to quarterly coupon payments made to you if: (i) the quarterly coupon payments are effectively connected with your conduct of a trade or business in the United States and are includable in your gross income for United States federal income tax purposes, (ii) the quarterly coupon payments are attributable to a permanent establishment that you maintain in the United States, if required by an applicable tax treaty, and (iii) you comply with the requisite certification requirements (generally, by providing an Internal Revenue Service Form W-8ECI). If you are eligible for a reduced rate of United States withholding tax, you may obtain a refund of any amounts withheld in excess of that rate by filing a refund claim with the United States Internal Revenue Service.

Effectively connected payments includable in your United States gross income are generally taxed at rates applicable to United States citizens, resident aliens, and domestic corporations; if you are a corporate United States alien holder, effectively connected payments may be subject to an additional branch profits tax under certain circumstances.

You will also be subject to generally applicable information reporting and backup withholding requirements with respect to payments on your securities unless you comply with certain certification and identification requirements as to your foreign status. *If you are a United States alien holder, you should consult with your tax advisor regarding the United States federal income tax consequences of acquiring, holding, and disposing of the securities in your specific circumstances.*

EMPLOYEE RETIREMENT INCOME SECURITY ACT

A fiduciary of a pension, profit-sharing or other employee benefit plan (a plan) subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA), should consider the fiduciary standards of ERISA in the context of the plan s particular circumstances before authorizing an investment in the securities. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and

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instruments governing the plan, and whether the investment would involve a prohibited transaction under Section 406 of ERISA or Section 4975 of the Internal Revenue Code (the Code).

Section 406 of ERISA and Section 4975 of the Code prohibit plans, as well as individual retirement accounts and Keogh plans subject to Section 4975 of the Internal Revenue Code (also plans), from engaging in certain transactions involving plan assets with persons who are parties in interest under ERISA or disqualified persons under the Code (parties in interest) with respect to the plan or account. A violation of these prohibited transaction rules may result in civil penalties or other liabilities under ERISA and/or an excise tax under Section 4975 of the Code for those persons, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Certain employee benefit plans and arrangements including those that are governmental plans (as defined in section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and foreign plans (as described in Section 4(b)(4) of ERISA) (non-ERISA arrangements) are not subject to the requirements of ERISA or Section 4975 of the Code but may be subject to similar provisions under applicable federal, state, local, foreign or other regulations, rules or laws (similar laws).

The acquisition of the securities by a plan with respect to which Wachovia, Wachovia Securities or certain of our affiliates is or becomes a party in interest may constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code, unless those securities are acquired pursuant to and in accordance with an applicable exemption. The United States Department of Labor has issued five prohibited transaction class exemptions, or PTCEs , that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase or holding of the securities. These exemptions are:

- PTCE 84-14, an exemption for certain transactions determined or effected by independent qualified professional asset managers;
- PTCE 90-1, an exemption for certain transactions involving insurance company pooled separate accounts;
- PTCE 91-38, an exemption for certain transactions involving bank collective investment funds;
- PTCE 95-60, an exemption for transactions involving certain insurance company general accounts; and
- PTCE 96-23, an exemption for plan asset transactions managed by in-house asset managers.

The securities may not be purchased or held by (1) any plan, (2) any entity whose underlying assets include plan assets by reason of any plan s investment in the entity (a plan asset entity) or (3) any person investing plan assets of any plan, unless in each case the purchaser or holder is eligible for the exemptive relief available under one or more of the PTCEs listed above or another applicable similar exemption. Any purchaser or holder of the securities or any interest in the securities will be deemed to have represented by its purchase and holding of the securities that it either (1) is not a plan or a plan asset entity and is not purchasing those securities on behalf of or with plan assets of any plan or plan asset entity or (2) with respect to the purchase or holding, is eligible for the exemptive relief available under any of the PTCEs listed above or another applicable exemption. In addition, any purchaser or holder of the securities or any interest in the securities which is a non-ERISA arrangement will be deemed to have represented by its purchase and holding of the securities that its purchase and holding will not violate the provisions of any similar law.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing the securities on behalf of or with plan assets of any plan, plan asset entity or non-ERISA arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCEs listed above or any other applicable exemption, or the potential consequences of any purchase or holding under similar laws, as applicable.

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If you are an insurance company or the fiduciary of a pension plan or an employee benefit plan, and propose to invest in the securities, you should consult your legal counsel.

USE OF PROCEEDS AND HEDGING

The net proceeds from the sale of the securities will be used as described under Use of Proceeds in the accompanying prospectus and to hedge market risks of Wachovia associated with its obligation to pay the amounts due at the maturity of the securities.

The hedging activity discussed above may adversely affect the market value of the securities from time to time and the final stock price, which will be used to determine the amount of shares of the Underlying Stock you will receive on the securities at maturity. See Risk Factors Purchases and sales by us or our affiliates may affect the return on the securities and Risk Factors Potential conflicts of interest could arise for a discussion of these adverse effects.

SUPPLEMENTAL PLAN OF DISTRIBUTION

Wachovia Capital Markets, LLC has agreed, subject to the terms and conditions of the distribution agreement and a terms agreement, to purchase from Wachovia as principal $3,871,345 aggregate principal amount of securities and will receive an underwriting discount and commission of 2.25%. Wachovia Capital Markets, LLC has engaged the services of Wachovia Securities, LLC to resell $3,871,345 aggregate principal amount of the securities purchased by Wachovia Capital Markets, LLC and has agreed to reallow Wachovia Securities, LLC 2.00% of the principal amount of each security sold through Wachovia Securities, LLC, as broker.

The distribution agreement provides that the obligations of Wachovia Capital Markets, LLC are subject to certain conditions and that Wachovia Capital Markets, LLC is obligated to purchase the securities. Wachovia Capital Markets, LLC has advised Wachovia that it proposes initially to offer all or part of the securities directly to the public at the offering price set forth on the cover page of this prospectus supplement. Included in the compensation paid at the time of the initial public offering of the securities is an additional administrative fee of 0.25% that will be paid to dealers and agents in connection with the administration of orders for the securities. After the initial public offering, the public offering price may be changed and a concession to dealers may be offered. Wachovia Capital Markets, LLC is offering the securities subject to receipt and acceptance and subject to its right to reject any order in whole or in part.

In addition, additional agents under the distribution agreement, subject to the terms and conditions of the distribution agreement, may act as Wachovia s agents in the sale of $73,359 aggregate principal amount of the securities. The total commission payable on securities sold by the additional agents on an agency basis, pursuant to the distribution agreement, will be 2.00%. We refer to the additional agents, together with Wachovia Capital Markets, LLC, as the Agents .

Proceeds to be received by Wachovia in this offering will be net of the underwriting discount, commission and expenses payable by Wachovia.

The Agents, Wachovia Securities, LLC, Wachovia Securities Financial Network, LLC or any other broker-dealer affiliate of Wachovia may use this prospectus supplement and the accompanying prospectus for offers and sales related to market-making transactions in the securities. The Agents, Wachovia Securities, LLC, Wachovia Securities Financial Network, LLC or any other broker-dealer affiliate of Wachovia may act as principal or agent in these transactions, and the sales will be made at prices related to prevailing market prices at the time of sale.

Wachovia Capital Markets, LLC, Wachovia Securities, LLC and Wachovia Securities Financial Network, LLC are affiliates of Wachovia. Rule 2720 of the Conduct Rules of the NASD imposes certain requirements when an NASD member such as Wachovia Capital Markets, LLC, Wachovia Securities, LLC or Wachovia Securities Financial Network, LLC distributes an affiliated company s debt securities. Wachovia Capital Markets, LLC, Wachovia Securities, LLC and Wachovia Securities Financial Network, LLC have advised Wachovia that this offering will comply with the applicable requirements of Rule 2720. No NASD member participating in the offering will confirm initial sales to accounts over which it exercises discretionary authority without the prior written approval of the customer.

No action has been or will be taken by Wachovia, the Agents, Wachovia Securities, LLC, Wachovia Securities Financial Network, LLC or any broker-dealer affiliate of Wachovia that would permit a public offering of the securities or possession or distribution of this prospectus supplement or the accompanying prospectus in any jurisdiction, other than the United States, where action for that purpose is required. No offers, sales or deliveries of the securities, or distribution of this prospectus supplement or the accompanying prospectus, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on Wachovia, the Agents, Wachovia Securities, LLC, Wachovia Securities Financial Network, LLC or any broker-dealer affiliate of Wachovia. In respect of specific jurisdictions, please note the following:

The securities, and the offer to sell such securities, do not constitute a public offering in Argentina. Consequently, no public offering approval has been requested or granted by the Comisión Nacional de Valores, nor has any listing authorization of the securities been requested on any stock market in Argentina.

The securities will not be offered or sold to any persons who are residents of the Bahamas within the meaning of the Exchange Control Regulations of 1956 issued by the Central Bank of the Bahamas.

The securities may not be offered or sold to the public in Brazil. Accordingly, the securities have not been submitted to the Comissão de Valores Mobiliários for approval. Documents relating to this offering may not be supplied to the public as a public offering in Brazil or be used in connection with any offer for subscription or sale to the public in Brazil.

Neither the securities nor Wachovia Corporation are registered in the Securities Registry of the Superintendency of Securities and Insurance in Chile.

The securities have not been registered with the National Registry of Securities maintained by the Mexican National Banking and Securities Commission and may not be offered or sold publicly in Mexico. This prospectus supplement and the accompanying prospectus may not be publicly distributed in Mexico.

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RECENT DEVELOPMENTS

On May 7, 2006, Wachovia and Golden West Financial Corporation (Golden West) announced that they had entered into an Agreement and Plan of Merger, dated as of May 7, 2006 (the Merger Agreement), that provides, among other things, for Golden West to be merged with and into a wholly-owned subsidiary of Wachovia (the Merger). As a result of the Merger, the outstanding shares of Golden West common stock, with respect to each shareholder of record of Golden West common stock, will be converted into the right to receive (A) a number of shares of Wachovia common stock equal to the product of (i) 1.365 times (ii) the number of shares of Golden West common stock held by such holder of record times (iii) 77%, and (B) an amount in cash equal to the product of (i) $81.07 times (ii) the number of shares of Golden West common stock held by such holder of record times (iii) 23%. Wachovia also entered into Voting Agreements, dated as of May 7, 2006 (the Voting Agreements), with the co-chairman and chief executive officers of Golden West, Marion Sandler and Herbert Sandler, and with one other director, Bernard Osher. Under the Voting Agreements, the Sandlers and Mr. Osher gave Wachovia an irrevocable proxy to vote, and they agreed to vote, their Golden West shares in favor of the Merger and agreed that they will not vote those shares in favor of another acquisition transaction. In the Merger Agreement, Golden West agreed to pay Wachovia a termination fee of $995 million under certain circumstances generally arising if Golden West or a third party takes certain actions that could prevent or impede consummation of the Merger. Wachovia agreed to elect two current Golden West directors to its board of directors upon consummation of the Merger.

The Merger is intended to be treated as a tax-free reorganization to Wachovia and Golden West and otherwise tax free to Golden West s shareholders, except to the extent they receive cash, and is to be accounted for as a purchase. Consummation of the Merger is subject to various conditions, including: (i) receipt of the approvals of Wachovia s and Golden West s shareholders; (ii) receipt of requisite regulatory approvals from the Board of Governors of the Federal Reserve System and other regulatory authorities; (iii) receipt of legal opinions as to the tax treatment of the Merger; (iv) listing on the NYSE, subject to notice of issuance, of Wachovia s common stock to be issued in the Merger; and (v) satisfaction of certain other conditions.

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ANNEX A

The following table sets forth sample calculations of the call prices for the hypothetical call dates of March 1, 2007 (the first call date), May 25, 2007 (the interim call date), and September 5, 2007 (the maturity date) based on the following terms:

- Settlement Date: September 1, 2006
- Interest Payment Dates: December 5, 2006, March 5, 2007, June 5, 2007, and September 5, 2007 (as applicable)
- Yield to Call: 25.00% per annum (computed on the basis of a 360-day year of twelve 30-day months)
- Initial Public Offering Price: $27.17 per security
- Interest Rate: 10.00% per annum

The call price with respect to any call date is an amount of cash per security equal to the amount necessary so that the sum of the present values of all cash flows on each security to and including the call date (i.e., the call price and all of the interest payments on each security), discounted to the settlement date at the yield to call, equals the initial public offering price of the securities, as determined by the calculation agent.

The call price in each of the hypothetical examples shown below is determined as follows:

- The known cash flows on the securities (i.e., the interest payments) are discounted to their present value on the settlement date at the applicable yield to call. The sum of these present values equals the present value on the settlement date of all of the interest payments payable on the securities to and including the applicable call date.
- Since the present value of all payments on the securities to and including the call date (i.e., the call price and all of the interest payment on each securities) must equal the initial public offering price, we can determine the present value of the applicable call price by subtracting the sum of the present values of the interest payments from the initial public offering price.
- The call price is then derived by determining the amount that, when discounted to the settlement date from the applicable call date at the yield to call, equals the present value of the call price.

The call prices calculated in the following tables are based upon the terms set forth above and the hypothetical call dates of March 1, 2007, May 25, 2007, and September 5, 2007. The actual amount you will receive if we call the securities will depend upon the actual call date.

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Call Date of March 1, 2007

Payment Date	Cash Paid in	Interest Received	Accrued but Unpaid Interest Received on the Call Date	Computed Call Price(1)	Total Cash Received	Days from Settlement date(2)	Years from Settlement date(2)	Discount Factor at Yield to Call(3)	Present Value of Cash Received at Yield to Call
September 1, 2006	$ (27.17)					0	0.0000000	100.000%	
December 5, 2006		$ 0.7094			$ 0.7094	94	0.2611100	94.340%	$ 0.6692
Call Date March 1, 2007									