WACHOVIA CORP NEW
Form 424B5
August 01, 2007
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The information in this preliminary pricing supplement is not complete and may be changed.

SUBJECT TO COMPLETION, DATED JULY 31, 2007

PRICING SUPPLEMENT
(To prospectus dated March 5, 2007)

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-141071

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Wachovia Corporation

[9.00% -10.00%] Enhanced Yield Securities

Linked to a Basket of Commodity Indices

due •

Issuer:	Wachovia Corporation
Principal Amount:	Each security will have a principal amount of $10. Each security will be offered at an initial public offering price of $10. The securities are not principal protected.
Maturity Date:	Expected to be approximately one year from the settlement date
Interest:	9.00% to 10.00% per annum (to be determined on the pricing date) payable quarterly
Interest Payment Dates:	Quarterly, beginning three months from the settlement date
Underlying Basket:	The return on the securities, in excess of the principal amount, is linked to the performance of an equally-weighted basket (the basket) of the following five commodity indices: the S&P GSCI Brent Crude Oil Excess Return Index, the S&P GSCI RBOB Gasoline Excess Return Index, the S&P GSCI Wheat Excess Return Index, the S&P GSCI Nickel Excess Return Index and the S&P GSCI Lead Excess Return Index (each a Basket Index , and collectively the Basket Indices).
Payment at Maturity:	On the maturity date, for each security you hold, you will receive a payment equal to the aggregate redemption amount, plus accrued but unpaid interest in cash. The aggregate redemption amount will be a cash payment equal to the principal amount of your securities, unless: (a) a knock-in event has occurred with respect to one or more of the Basket Indices; and (b) the final index level of any Basket Index with respect to which a knock-in event has occurred is less than the initial index level of that Basket Index. The redemption amount with respect to each Basket Index for which the conditions described in (a) and (b) did not occur will be $2.00. The redemption amount with respect to each Basket Index for which the conditions described in (a) and (b) occurred will be an amount in cash equal to (i) $2.00 multiplied by (ii) the final index level of that Basket Index divided by the initial index level of that Basket Index. *If a knock-in event has occurred with respect to one or more of the Basket Indices and the final index level of any such Basket Index is less than its initial index level, you will lose some or all of your principal.*

	The initial index level for each Basket Index will equal the official closing level of the Basket Index on the pricing date. A knock-in event will occur if the official closing level of a Basket Index on any trading day, from the first trading day following the pricing date to and including the valuation date, is less than the knock-in price of that Basket Index. The knock-in price for each of the Basket Indices will equal: S&P GSCI Brent Crude Oil Excess Return Index $•, S&P GSCI RBOB Gasoline Excess Return Index $•, S&P GSCI Wheat Excess Return Index $• , S&P GSCI Nickel Excess Return Index $•, and S&P GSCI Lead Excess Return Index $•, in each case the price that is 30% below the initial index level of that Basket Index. The valuation date generally will be the tenth trading day prior to the maturity date.
Listing:	The securities will not be listed or displayed on any securities exchange or any electronic communications network.
Pricing Date:	•, 2007
Expected Settlement Date:	•, 2007
CUSIP Number:	929903292

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-15.

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

	Per Security	Total
Public Offering Price		
Underwriting Discount and Commission		
Proceeds to Wachovia Corporation		

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 pricing supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

Wachovia may use this pricing 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 pricing 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 pricing supplement is being used in a market-making transaction***.

Wachovia Securities

The date of this pricing supplement is •, 2007.

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Pricing Supplement

Prospectus

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

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SUMMARY INFORMATION

This summary includes questions and answers that highlight selected information from this pricing supplement and the accompanying prospectus to help you understand the Enhanced Yield Securities Linked to a Basket of Commodity Indices due (the securities). You should carefully read this pricing supplement and the accompanying prospectus to fully understand the terms of the securities, the indices to which the performance of the securities is linked and 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 pricing 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 pricing supplement to Wachovia , we , us and our or similar references mean Wachovia Corporation and its subsidiaries. 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 pricing supplement does not, however, refer to Wachovia Securities, LLC, member of the New York Stock Exchange and the Securities Investor Protection Corporation or Wachovia Securities Financial Network, LLC, member of the National Association of Securities Dealers, Inc. and the Securities Investor Protection Corporation, broker-dealer affiliates of Wachovia Corporation and Wachovia Capital Markets, LLC. Unless otherwise mentioned or unless the context requires otherwise, all references in this pricing supplement to WBNA mean Wachovia Bank, National Association.

What are the securities?

The securities offered by this pricing supplement will be issued by Wachovia Corporation and will mature on . The return on the securities is linked to the performance of the following five indices: the S&P GSCI Brent Crude Oil Excess Return Index, the S&P GSCI RBOB Gasoline Excess Return Index, the S&P GSCI Wheat Excess Return Index, the S&P GSCI Nickel Excess Return Index and the S&P GSCI Lead Excess Return Index, each of which we refer to as a Basket Index and collectively as the Basket Indices , and will depend on whether a knock-in event for one or more of the Basket Indices occurs during the term of the securities and whether the final index level of any such Basket Index is less than the initial index level of that Basket Index, each as described below.

As discussed in the accompanying prospectus, the securities are debt securities and are part of a series of debt securities entitled Medium-Term Notes, Series G that Wachovia Corporation may issue from time to time. The securities will rank equally with all other unsecured and unsubordinated debt of Wachovia Corporation. For more details, see Specific Terms of the Securities beginning on page S-15.

Each security will have a principal amount of $10. Each security will be offered at an initial public offering price of $10. You may transfer only whole securities. Wachovia Corporation will issue the securities in the form of a global certificate, which will be held by The Depository Trust Company, also known as DTC, or its nominee. Direct and indirect participants in DTC will record your ownership of the securities.

Are the securities principal protected?

No, the securities do not guarantee any return of principal at maturity. ***If a knock-in event has occurred with respect to one or more of the Basket Indices and the final index level of any such Basket Index is less than its initial index level, you will lose some or all of your principal (but you will still receive any accrued but unpaid interest in cash).***

Will I receive interest on the securities?

The securities will bear interest at a rate expected to be 9.00% to 10.00% per annum (to be determined on the pricing date) payable quarterly, beginning three months from the settlement date. The interest rate is higher than the interest we would pay on a conventional fixed-rate, principal protected debt security.

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How is Wachovia able to offer a 9.00% to 10.00% interest rate on the securities?

Wachovia is able to offer a 9.00% to 10.00% interest rate on the securities (to be determined on the pricing date) because the securities are riskier than conventional principal-protected debt securities. As previously described, if a knock-in event has occurred with respect to one or more of the Basket Indices and the final index level of any Basket Index with respect to which a knock-in event has occurred is less than its initial index level, then at maturity you will receive a cash payment that is less than the principal amount of your securities. The interest rate on the securities reflects the value of our right to deliver cash to you at the maturity of the securities under these circumstances. In general, the more volatile a Basket Index is or is expected to be, the higher the interest rate and the more likely a knock-in event might occur with respect to an Basket Index.

What will I receive upon maturity of the securities?

The securities will mature on , subject to extension in the event of the postponement of the valuation date. On the maturity date, for each security you hold, you will receive a payment equal to the aggregate redemption amount, plus any accrued but unpaid interest. The aggregate redemption amount is equal to the sum of the redemption amounts with respect to each Basket Index, and will be a cash payment equal to the principal amount of your securities, unless:

(a) a knock-in event has occurred with respect to one or more of the Basket Indices; and

(b) the final index level of any Basket Index with respect to which a knock-in event has occurred is less than its initial index level.

The redemption amount with respect to each Basket Index for which the conditions described in (a) and (b) did not occur will be $2.00; and the redemption amount with respect to each Basket Index for which the conditions described in (a) and (b) occurred will be an amount in cash equal to (i) $2.00 multiplied by (ii) the final index level of the Basket Index divided by the initial index level of that Basket Index.

If a knock-in event has occurred with respect to one or more of the Basket Indices and the final index level of any such Basket Index is less than its initial index level, you will lose some or all of your principal (but you will still receive any accrued but unpaid interest in cash).

The initial index level for each Basket Index will equal the closing level of that Basket Index on the pricing date.

The final index level for each Basket Index will be determined by the calculation agent and will be the closing level of such Basket Index on the valuation date.

A knock-in event with respect to any Basket Index will occur if, as determined by the calculation agent, the official closing level of that Basket Index has fallen below the knock-in price of that Basket Index on any trading day from the first trading day following the pricing date to and including the valuation date.

The knock-in price for each Basket Index is the price that is 30% below the initial index level for that Basket Index (to be determined by the calculation agent on the pricing date) as follows: S&P GSCI Brent Crude Oil Excess Return Index, $•; S&P GSCI RBOB Gasoline Excess Return Index, $•; S&P GSCI Wheat Excess Return Index, $•; S&P GSCI Nickel Excess Return Index, $•; and S&P GSCI Lead Excess Return Index, $•.

The closing level on any trading day will equal the official closing level of the applicable Basket Index or any successor index (as defined under Specific Terms of the Securities Discontinuation of the Basket Indices; Adjustments to the Basket Indices on page S-17) published by the Index Sponsor at the regular weekday close of trading on the trading day. In certain circumstances, the closing level of a particular Basket Index will be based on the alternate calculation of the Basket Index as described under Specific Terms of the Securities Discontinuation of the Basket Indices; Adjustments to the Basket Indices on page S-17.

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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.

The valuation date means the tenth business day prior to the maturity date. However, if that day occurs on a day that is a disrupted day or is not a trading day, the valuation date will be postponed until the next succeeding trading day that is not a disrupted day; provided that in no event will the valuation date be postponed by more than ten business days. If the valuation date is postponed to the last possible day but that day is a disrupted day or is not a trading day, that date will nevertheless be the valuation date. *If the valuation date is postponed, then the maturity date of the securities will be postponed by an equal number of business days.*

An exchange means the primary organized exchange or quotation system for trading derivative instruments related to the Basket Indices and any successor to any exchange or quotation system or any substitute exchange or quotation system to which trading in the commodity and related derivative instruments underlying the Basket Indices has temporarily relocated (provided that the calculation agent has determined that there is comparable liquidity relative to the commodities underlying the Basket Indices on such substitute exchange or quotation system as on the original exchange).

A related exchange means each exchange or quotation system on which futures or options contracts relating to the Basket Indices are traded, any successor to such exchange or quotation system or any substitute exchange or quotation system to which any such trading has temporarily relocated (provided that the calculation agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Basket Indices on such temporary substitute exchange or quotation system as on the original related exchange).

A trading day means any day on which each exchange and related exchange is scheduled to be open for its respective regular trading sessions.

A disrupted day means any trading day on which a relevant exchange or related exchange fails to open for trading during its regular trading session or on which a market disruption event has occurred.

If a knock-in event has occurred with respect to one or more of the Basket Indices and the final index level of any such Basket Index is less than its initial index level, you will lose some or all of your principal (but you will still receive any accrued but unpaid interest in cash).

Hypothetical Examples

Set forth below are four hypothetical examples of the calculation of the aggregate redemption amount. Because the aggregate redemption amount is equal to the sum of the redemption amounts with respect to each of the five Basket Indices, it is not possible to describe all of the possible outcomes. To illustrate the effect of a particular outcome in the examples below, we describe the effect that each outcome would have if that same outcome occurred with respect to one, three and all five of the Basket Indices. For purposes of these examples we have assumed the following with respect to each Basket Index:

Hypothetical initial index level: \$100

Hypothetical knock-in price: \$70 (30% below the hypothetical initial index level)

Example 1 The hypothetical final index level is equal to 50% of the hypothetical initial index level and a knock-in event *has* occurred (*i.e.*, at some time during the term of the securities the index level of a Basket Index fell to or below the \$70 knock-in price for that Basket Index):

Hypothetical final index level: \$50

Redemption amount (per affected Basket Index)

$$\$2.00 \text{ x } \left(\frac{\$50}{\$100} \right) = \$1.00$$

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One index. If the hypothetical final index level of only one Basket Index is 50% less than its respective hypothetical initial index level and a knock-in event has occurred only with respect to that Basket Index, the redemption amount with respect to that Basket Index would be equal to \$1.00. Since in this example a knock-in event has not occurred with respect to any of the other four Basket Indices, the redemption amounts for each of the other four Basket Indices would equal \$2.00 (regardless of whether the hypothetical final index level for each of those Basket Indices is greater than, equal to or less than their respective hypothetical initial index levels but in no event lower than their respective knock-in prices). The aggregate redemption amount in this example would therefore be \$9.00 (\$2.00 + \$2.00 + \$2.00 + \$2.00 + \$1.00), representing a 10% loss of the principal amount of your security.

Three indices. If the hypothetical final index level of three Basket Indices is 50% less than their respective hypothetical initial index levels and a knock-in event has occurred only with respect to those Basket Indices, the redemption amount with respect to each of those three Basket Indices would be equal to \$1.00. Since in this example a knock-in event has not occurred with respect to either of the two remaining Basket Indices, the redemption amounts for each of those two Basket Indices would equal \$2.00 (regardless of whether the hypothetical final index level for each of those Basket Indices is greater than, equal to or less than their respective hypothetical initial index levels but in no event lower than their respective knock-in prices). The aggregate redemption amount in this example would therefore be \$7.00 (\$2.00 + \$2.00 + \$1.00 + \$1.00 + \$1.00), representing a 30% loss of the principal amount of your security.

Five indices. If the hypothetical final index level of all five Basket Indices is 50% less than their respective hypothetical initial index levels and a knock-in event has occurred with respect to each of the Basket Indices, the redemption amount with respect to each of the Basket Indices would be equal to \$1.00. The aggregate redemption amount in this example would therefore be \$5.00 (\$1.00 + \$1.00 + \$1.00 + \$1.00 + \$1.00), representing a 50% loss of the principal amount of your security.

Example 2 The hypothetical final index level is equal to 85% of the hypothetical initial index level and a knock-in event *has* occurred (*i.e.*, at some time during the term of the securities the index level of a Basket Index fell to or below the \$70 knock-in price for that Basket Index):

Hypothetical final index level: \$85

Redemption amount (per affected Basket Index) $\$2.00 \text{ x } \left(\frac{\$85}{\$100} \right) = \$1.70$

One index. If the hypothetical index level price of only one Basket Index is 85% less than its respective hypothetical initial index level and a knock-in event has occurred only with respect to that Basket Index, the redemption amount with respect to that Basket Index would be equal to \$1.70. Since in this example a knock-in event has not occurred with respect to any of the other four Basket Indices, the redemption amounts for each of the other four Basket Indices would equal \$2.00 (regardless of whether the hypothetical final index levels for each of those Basket Indices is greater than, equal to or less than their respective hypothetical initial index levels but in no event lower than their respective knock-in prices). The aggregate redemption amount in this example would therefore be \$9.70 (\$2.00 + \$2.00 + \$2.00 + \$2.00 + \$1.70), representing a 3% loss of the principal amount of your security.

Three indices. If the hypothetical final index level of three Basket Indices is 85% less than their respective hypothetical initial index levels and a knock-in event has occurred only with respect to those Basket Indices, the redemption amount with respect to each of those Basket Indices would be equal to \$1.70. Since in this example a knock-in event has not occurred with respect to either of the two remaining Basket Indices, the redemption amounts for each of those two Basket Indices would equal \$2.00 (regardless of whether the hypothetical final index level for each of those Basket Indices is greater than, equal to or less than their respective hypothetical initial index levels but in no event lower than their respective knock-in prices). The aggregate redemption amount in this

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example would therefore be $9.10 ($2.00 + $2.00 + $1.70 + $1.70 + $1.70), representing a 9% loss of the principal amount of your security.

Five indices. If the hypothetical final index level of all five Basket Indices is 85% less than their respective hypothetical initial index levels and a knock-in event has occurred with respect to each of the Basket Indices, the redemption amount with respect to each of the Basket Indices would be equal to $1.70. The aggregate redemption amount in this example would therefore be $8.50 ($1.70 + $1.70 + $1.70 + $1.70 + $1.70), representing a 15% loss of the principal amount of your security.

Example 3 The hypothetical final index level is equal to 85% of the hypothetical initial index level but a knock-in event has not occurred (*i.e.*, at no time during the term of the securities did the index level of any Basket Index fall to or below the $70 knock-in price for that Basket Index):

Hypothetical final index level: $85

Redemption amount (per Basket Index) = $2.00

Aggregate redemption amount (per security) = $10.00

One, three or five indices. Since a knock-in event has not occurred with respect to any Basket Index, the redemption amount with respect to each Basket Index would be $2.00. The aggregate redemption amount would therefore be $10.00, and you will receive the full principal amount of $10.00 in cash even though the hypothetical final index level is less than the hypothetical initial index level.

Example 4 The hypothetical final index level is equal to 150% of the hypothetical initial index level (regardless of whether a knock-in event has or has not occurred):

Hypothetical final index level: $150

Redemption amount (per Basket Index) = $2.00

Aggregate redemption amount (per security) = $10.00

One, three or five indices. Since the hypothetical final index level for each Basket Index is greater than the hypothetical initial index level with respect to each Basket Index, regardless of whether a knock-in event has or has not occurred with respect to any Basket Index, the redemption amount with respect to each Basket Index would be $2.00. The aggregate redemption amount would therefore be $10.00, and you will receive the full principal amount of $10.00 in cash. Your total return on your security will not reflect the increase in the index level of any of the Basket Indices at the maturity of the securities.

The hypothetical examples above are provided to illustrate the effect that different final index levels for the Basket Indices would have depending upon whether a knock-in event occurred with respect to one or more of the Basket Indices. Other combinations are possible, and the aggregate redemption amount payable on the securities will depend both upon the final index levels of each Basket Index as well as whether or not a knock-in event has occurred with respect to any such Basket Index. If the final index level for one or more Basket Indices is less than the initial index level for such Basket Indices and a knock-in event has occurred with respect to such Basket Index, the aggregate redemption amount payable to you will be less than the principal amount of each security (but you will still be entitled to accrued but unpaid interest).

The tables below provide matrices to illustrate a range of potential redemption amounts, based on a range of percentage changes for the Basket Indices (i.e., from their initial Index levels to their final Index levels), and assuming in each case that a knock-in event has occurred with respect to the applicable number of Basket Indices. The range of percentage changes are: 10%, -10%, -25%, -50%, -75%, and -100%. The tables show the redemption amount that would result if 0, 1, 2, 3, 4 or all 5 Basket Indices were to experience such a percentage decline.

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# of Indices Knocked-In	Example One		Example Two		Example Three	
	Final Change in Price	Payment at Maturity	Final Change in Price	Payment at Maturity	Final Change in Price	Payment at Maturity
0	10%	$ 10.00	-10%	$ 10.00	-25%	$ 10.00
1	10%	$ 10.00	-10%	$ 9.80	-25%	$ 9.50
2	10%	$ 10.00	-10%	$ 9.60	-25%	$ 9.00
3	10%	$ 10.00	-10%	$ 9.40	-25%	$ 8.50
4	10%	$ 10.00	-10%	$ 9.20	-25%	$ 8.00
5	10%	$ 10.00	-10%	$ 9.00	-25%	$ 7.50

# of Indices Knocked-In	Example Four		Example Five		Example Six	
	Final Change in Price	Payment at Maturity	Final Change in Price	Payment at Maturity	Final Change in Price	Payment at Maturity
0	-50%	$ 10.00	-75%	$ 10.00	-100%	$ 10.00
1	-50%	$ 9.00	-75%	$ 8.50	-100%	$ 8.00
2	-50%	$ 8.00	-75%	$ 7.00	-100%	$ 6.00
3	-50%	$ 7.00	-75%	$ 5.50	-100%	$ 4.00
4	-50%	$ 6.00	-75%	$ 4.00	-100%	$ 2.00
5	-50%	$ 5.00	-75%	$ 2.50	-100%	$ 0.00

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

We have designed the securities for investors who are willing to make an investment that is contingently exposed to the full downside performance risk of each of the Basket Indices and the potential loss of some or all of the value of their principal, who do not expect to participate in any appreciation in the index levels of the Basket Indices and who are willing to receive a cash payment linked, in part, to the index levels of the Basket Indices as the return on their investment if a knock-in event occurs with respect to one or more of the Basket Indices during the term of the securities and the final index level of any such Basket Index is less than its initial index level. In exchange for the potential downside exposure to the Basket Indices described in the preceding sentence, investors in the securities will receive interest on the securities at a rate expected to be between 9.00% to 10.00% per year (to be determined on the pricing date).

The securities are not designed for, and may not be a suitable investment for, investors who are unwilling to make an investment that is exposed (or contingently exposed) to the full downside performance risks of the Basket Indices. The securities are also not designed for, and may not be a suitable investment for, investors who seek the upside appreciation in the index levels of the Basket Indices. The securities may not be a suitable investment for investors who prefer the lower risk of fixed income investments with comparable maturities issued by companies with comparable credit ratings, or who are unable or unwilling to hold the securities to maturity.

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

The market value of the securities may fluctuate during the term of the securities. Several factors and their interrelationship will influence the market value of the securities, including the levels of the Basket Indices, the time remaining to maturity of the securities, interest rates and the volatility of the Basket Indices. Depending on the impact of these factors, you may receive less than $10 per security from 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 on page S-10.

Who publishes the Basket Indices and what do the Basket Indices measure?

The Basket Indices measure returns accrued from investing in uncollateralized nearby Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead futures. The Basket Indices are a sub-indices of the S&P GSCI Excess Return Index that relate only to Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead. The S&P GSCI Excess Return Index is one of the major indices of the S&P GSCI Commodity Index (the S&P GSCI). The Basket Indices are calculated, published and disseminated by Standard & Poor s, a division of The McGraw-Hill Companies (the Index Sponsor).

The Basket Indices are determined, calculated and maintained by the Index Sponsor without regard to the securities.

You should be aware that an investment in the securities does not entitle you to any ownership interest in any amount of Brent Crude Oil, RBOB Gasoline, Wheat, Nickel or Lead, or any of the Basket Indices. For a detailed discussion of the Basket Indices, see Basket Indices The S&P GSCI Excess Return Index beginning on page S-20.

How have the Basket Indices performed historically?

You can find a table with the high, low and closing levels of each of the Basket Indices during each calendar quarter from calendar year 2004 to the present in the section entitled The Basket Indices Historical Closing Levels of the Basket Indices beginning on page S-27. We obtained the historical information from Bloomberg Financial Markets without independent verification. You should not take the past performance of the Basket Indices as an indication of how the Basket Indices will perform in the future.

What about taxes?

The United States federal income tax consequences of your investment in the securities are complex and uncertain. By purchasing a security, you and Wachovia hereby agree, in the absence of a change in law, an administrative determination or a judicial ruling to the contrary, to characterize such security for all tax purposes as an investment unit consisting of a non-contingent short-term debt instrument and payments for a put option. Under this characterization of the securities, you should be required to treat a portion of the periodic payments on the security as an interest payment, and the remainder of the periodic payments as amounts paid to you in respect of the put option. In the opinion of our counsel, Sullivan & Cromwell LLP, it is reasonable to treat the securities as described above, but alternative characterizations are possible. **Because of this uncertainty, we urge you to consult your tax advisor as to the tax consequences of your investment in the securities.**

Because of the possibility that the payment at maturity could be temporarily deferred upon the occurrence of a market disruption event, the debt portion of the securities may be treated as either long-term or short-term debt for U.S. federal income tax purposes. Our counsel, Sullivan & Cromwell LLP, is of the opinion that the better answer is that the debt portion of the securities should be treated as non-contingent short-term debt.

For a further discussion, see Supplemental Tax Considerations beginning on page S-32.

Will the securities be listed on a stock exchange?

The securities will not be listed or displayed on any securities exchange 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 before maturity, you may have to sell them at a substantial loss. You should review the

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section entitled Risk Factors There may not be an active trading market for the securities in this pricing supplement.

Are there any risks associated with my investment?

Yes, an investment in the securities is subject to significant risks. We urge you to read the detailed explanation of risks in Risk Factors beginning on page S-9.

How to reach us

You may reach us by calling toll-free 1-888-215-4145 (or by calling 1-704-715-8400 (toll call)) and asking for the Fixed Income Structured Notes 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 Securities in the accompanying prospectus. Your securities are a riskier investment than ordinary debt securities. Also, your securities are not equivalent to investing directly in the component commodity, i.e., the commodity underlying the Basket Indices to which your securities are linked. You should carefully consider whether the securities are suited to your particular circumstances.

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

Unlike standard senior non-callable debt securities, the securities do not guarantee the return of the principal amount at maturity. With an investment in the securities, you bear the risk of losing some or all of the value of your principal if a knock-in event occurs with respect to one or more of the Basket Indices during the term of the securities and the final index level of any Basket Index with respect to which a knock-in event has occurred is less than the initial index level of that Basket Index. Under these circumstances, at maturity, for each security you hold, the redemption amount that you receive will be an amount in cash equal to (i) $2.00 multiplied by (ii) the final index level of that Basket Index divided by the initial index level of that Basket Index. ***Accordingly, if a knock-in event has occurred during the term of the securities (i.e. the official closing level of one or more of the Basket Indices has declined below the knock-in price during the term of the securities) and the final index level of any Basket Index with respect to which a knock-in event has occurred is less than the initial index level of that Basket Index, you will lose some or all of the value of the principal amount of your securities***.

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

The yield that you will receive on your securities, which could be negative, may be less than the return you could earn on other investments. Even if your yield is positive, your yield may be less than the yield you would earn if you bought a standard senior non-callable debt security of Wachovia with the same maturity date. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money. Unlike conventional senior non-callable debt securities, the securities do not guarantee the return of a principal amount at maturity.

Your return is limited and will not reflect the return of owning Brent Crude Oil, RBOB Gasoline, Wheat, Nickel or Lead, the commodities underlying the Basket Indices

The return on your securities will not reflect the return you would realize if you actually owned and held an interest in Brent Crude Oil, RBOB Gasoline, Wheat, Nickel or Lead, or any of the Basket Indices, for a similar period. Even if the levels of the Basket Indices increase above the initial index levels 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 level of the Basket Indices to increase while the market value of the securities declines.

There may not be an active trading market for the securities

You should be willing to hold your securities to maturity. The securities will not be listed or displayed on any securities exchange 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 level of the Basket Indices. 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 your securities in any secondary market could be substantial. If you sell your securities before maturity, you may have to do so at a discount from the initial public offering price, and, as a result, you may suffer substantial losses.

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.

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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. For example, a change in the volatility of the Basket Indices may offset some or all of any increase in the market value of the securities attributable to another factor, such as an increase in the level of the Basket Indices. In addition, a change in interest rates may offset other factors that would otherwise change the level of the Basket Indices, and therefore, may change the market value of the securities. We expect that the market value of the securities will depend substantially on the levels of the Basket Indices at any time during the term of the securities relative to the initial index levels. If you choose to sell your securities when the level of one or more of the Basket Indices exceeds the applicable initial Index level, you may receive substantially less than the amount that would be payable at maturity based on this level because of the expectation that the Basket Indices will continue to fluctuate until the final index levels are determined. Additionally, we believe that other factors that may also influence the value of the securities include:

- the price of Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead, as represented by Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead futures;
- the volatility (frequency and magnitude of changes in the level) of the Basket Indices and, in particular, market expectations regarding the volatility of the Basket Indices;
- interest rates in general;
- our creditworthiness, as represented by our credit ratings or as otherwise perceived in the market;
- suspension or disruptions of market trading in the commodity markets;
- the time remaining to maturity; and
- geopolitical, economic, financial, political, regulatory or judicial events as well as other conditions may affect the commodities underlying the Basket Indices.

Regulation of the commodity markets is extensive and constantly changing; future regulatory developments are impossible to predict and may significantly and adversely affect the level of the securities.

The level of the Basket Indices will depend primarily on the trading price of Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead futures in the commodities market. Futures contracts and options on futures contracts markets, including those relating to Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead, are subject to extensive statutes, regulations and margin requirements. The Commodities Futures Trading Commission and exchanges, including the New York Mercantile Exchange, the London Metal Exchange and the Chicago Board of Trade, the commodity exchanges on which Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead are traded, are authorized to take extraordinary actions in the event of a market emergency, including, for example, the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily limits and the suspension of trading. Furthermore, the New York Mercantile Exchange, where RBOB Gasoline is traded, has regulations that limit the amount of fluctuation in futures contract prices which may occur during a single five-minute trading period. These limits could adversely affect the market price of futures contracts and forward contracts. The regulation of commodity transactions in the United States is subject to ongoing modification by government and judicial action. In addition, various national governments have expressed concern regarding the disruptive effects of speculative trading in the commodity markets and the need to regulate the derivatives markets in general. The effect of any future regulatory change on the value of the securities is impossible to predict, but could be substantial and adverse to holders of the securities.

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There are specific risks associated with the commodities underlying the Basket Indices

Brent Crude. The price of IPE Brent blend crude oil futures is primarily affected by the global demand for, and supply of, crude oil, but is also influenced significantly from time to time by speculative actions and by currency exchange rates. Demand for refined petroleum products by consumers, as well as the agricultural, manufacturing and transportation industries, affects the price of crude oil. Crude oil s end-use as a refined product is often as transport fuel, industrial fuel and in-home heating fuel. Potential for substitution in most areas exists, although considerations including relative cost often limit substitution levels. Because the precursors of demand for petroleum products are linked to economic activity, demand will tend to reflect economic conditions. Demand is also influenced by government regulations, such as environmental or consumption policies. In addition to general economic activity and demand, prices for crude oil are affected by political events, labor activity and, in particular, direct government intervention (such as embargos) or supply disruptions in major oil producing regions of the world. Such events tend to affect oil prices worldwide, regardless of the location of the event. Supply for crude oil may increase or decrease depending on many factors. These include production decisions by the Organization of Oil and Petroleum Exporting Countries and other crude oil producers. In the event of sudden disruptions in the supplies of oil, such as those caused by war, natural events, accidents or acts of terrorism, prices of oil futures contracts could become extremely volatile and unpredictable. Also, sudden and dramatic changes in the futures market may occur, for example, upon a cessation of hostilities that may exist in countries producing oil, the introduction of new or previously withheld supplies into the market or the introduction of substitute products or commodities. It is not possible to predict the aggregate effect of all or any combination of these factors.

RBOB Gasoline. The price of RBOB gasoline is affected by the demand for, and supply of, gasoline. Factors that influence the demand for gasoline include the level of global industrial activity and the driving habits of individual customers. Gasoline is the single largest volume refined product sold in the United States and accounts for almost half of national oil consumption. The market for gasoline is highly diverse, with hundreds of wholesale distributors and thousands of retail outlets, making it subject to intense competition and price volatility. Prices of gasoline are volatile, reacting to political and economic developments that are perceived as being likely to affect the oil industry. Ever-tightening environmental regulations also add to market uncertainty. In addition, gasoline is derived from crude oil and, as such, any factors that influence the supply of crude oil may also influence the supply of gasoline. It is not possible to predict the aggregate effect of all or any combination of these factors.

Wheat. The price of wheat is primarily affected by the global demand for, and supply of, wheat. The demand for wheat is linked to domestic use of wheat for food, seed and feed purposes. Low returns relative to other crops have led to the substitution of competing crops for wheat in many areas in the United States. The supply for wheat is dependent on many factors including weather patterns, government regulation, the price of fuel and fertilizers and the current and previous price of wheat. The United States is a major wheat-producing country, with output exceeded only by China, the European Union and India. It is not possible to predict the aggregate effect of all or any combination of these factors.

Nickel. The price of nickel is primarily affected by the global demand for, and supply of, nickel. Demand for nickel is significantly influenced by the level of global industrial economic activity. The stainless steel industrial sector is particularly important given that the use of nickel in the manufacture of stainless steel accounts for approximately two-thirds of worldwide nickel demand. An additional and highly volatile component of demand is adjustment to inventory in response to changes in economic activity and/or pricing levels. Nickel supply is dominated by Russia, the world s largest producer by far. Australia and Canada are also large producers. The supply of nickel is also affected by current and previous price levels, which will influence investment decisions in new mines and smelters. It is not possible to predict the aggregate effect of all or any combination of these factors.

Lead. The price of lead is primarily affected by the global demand for, and supply of, lead. Demand for lead is significantly influenced by the level of global industrial economic activity. The storage battery market is particularly important given that the use of lead in the manufacture of batteries accounts for approximately two-thirds of worldwide lead demand. Lead is also used to house power generation units as it protects against electrical charges and dangerous radiation. Additional applications of lead include petrol additives, pigments, chemicals and crystal glass. The supply of lead is widely spread around the world. It is affected by current and previous price levels, which influence important decisions regarding new mines and smelters. A critical factor influencing supply is the environmental regulatory regimes of the countries in which lead is mined and processed. It is not possible to predict the aggregate effect of all or any combination of these factors.

Contract pricing in the commodities markets will affect the Basket Indices performance amount

As the contracts that underlie the S&P GSCI come to expiration, they are replaced by contracts that have a later expiration. Thus, for example, a contract purchased and held in August may specify a December expiration. As time passes, the December contract is replaced by a contract for delivery in February. This is accomplished by selling the December contract and purchasing the February contract. This process is referred to as rolling . If the market for these contracts (putting aside other considerations) is in backwardation, which describes a situation where the prices are lower in the distant delivery months than in the nearest delivery months, the sale of the December contract will take place at a price that is higher than the price at which that contract was originally purchased in August, thereby creating the roll yield . While many of the contracts included in the S&P GSCI have historically exhibited consistent periods of backwardation, backwardation will most likely not exist at all times. Moreover, certain of the commodities included in the S&P GSCI have historically been contango markets. Contango markets are markets in which the prices of contracts are higher in the distant delivery months than in the nearer delivery months. Contango in the commodity markets could result in negative roll yields, which could adversely affect the level of the Basket Indices and accordingly, because of the formula used, decrease the maturity payment amount on your security. Therefore, it could be the case that the level of the Basket Indices, relative to the actual price of underlying commodities, would be adversely affected by negative roll yields.

Wachovia and its affiliates have no affiliation with the Index Sponsor and are not responsible for its public disclosure of information

Wachovia and its affiliates are not affiliated with the Index Sponsor in any way (except for licensing arrangements discussed below under The S&P GSCI Excess Return Index) and have no ability to control or predict its actions, including any errors in or discontinuation of disclosure regarding its methods or policies relating to the calculation of the Basket Indices. If the Index Sponsor discontinues or suspends the calculation of the Basket Indices, it may become difficult to determine the market value of the securities or the maturity payment amount. The calculation agent may designate a successor index selected in its sole discretion. If the calculation agent determines in its sole discretion that no successor index comparable to a Basket Index exists, the amount you receive at maturity will be determined by the calculation agent in its sole discretion. See Specific Terms of the Securities Market Disruption Event on page S-18 and Specific Terms of the Securities Discontinuation of the Basket Indices; Adjustments to the Basket Indices on page S-17. The Index Sponsor is not involved in the offer of the securities in any way and has no obligation to consider your interest as an owner of securities in taking any actions that might affect the value of your securities.

Each security is an unsecured debt obligation of Wachovia only and is not an obligation of the Index Sponsor. None of the money you pay for your securities will go to the Index Sponsor. Since the Index Sponsor 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 Index Sponsor may take actions that will adversely affect the market value of the securities.

We have derived the information about the Index Sponsor and the Basket Indices in this prospectus supplement from publicly available information, without independent verification. Neither we nor any of our affiliates assumes any responsibility for the adequacy or accuracy of the information about the Basket Indices or the Index Sponsor contained in this prospectus supplement. You, as an investor in the securities, should make your own investigation into the Basket Indices and the Index Sponsor.

Historical levels of the Basket Indices should not be taken as an indication of the future levels of the Basket Indices during the term of the securities

The trading prices of futures and futures options contracts relating to Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead will determine the level of the Basket Indices at any given time. Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead futures have performed differently in the past and are expected to perform differently in the future. As a result, it is impossible to predict whether the level of the Basket Indices will rise or

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fall. Trading prices of Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead futures and the markets in which Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead futures are traded will be influenced by complex and interrelated political, economic, financial and other factors.

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-37, we or one or more of our affiliates may hedge our obligations under the securities by purchasing futures or options on the Basket Indices or Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead, or other derivative instruments with returns linked or related to changes in the trading price of Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead futures or the levels of the Basket Indices, and we may adjust these hedges by, among other things, purchasing or selling futures, options or other derivative instruments with returns linked to the Basket Indices or Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead at any time. Although they are not expected to, any of these hedging activities may adversely affect the trading prices of Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead futures and/or the levels of the Basket Indices and, therefore, the market value of the securities. It is possible that we or one or 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 original issue 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.

Additional potential conflicts of interest could arise

Our subsidiary, WBNA, is our agent for the purposes of calculating the final Index level and the maturity payment amount. 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 levels of the Basket Indices can be calculated on a particular trading day, or in connection with judgments that it would be required to make in the event of a discontinuation of any of the Basket Indices. See the sections entitled Specific Terms of the Securities Discontinuation of the Basket Indices; Adjustments to the Basket Indices on page S-17 and Specific Terms of the Securities Market Disruption Event on page S-18. WBNA is required to carry out its duties as calculation agent in good faith and using its reasonable judgment.

Wachovia or its affiliates may engage in trading activities related to Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead and the exchange-traded futures and forward contracts on Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead, which are not for the account of holders of the securities or on their behalf. These trading activities may present a conflict between the holders interest in the securities and the interests we and our affiliates will have in our proprietary accounts, in facilitating transactions, including options and other derivatives transactions, for our customers and in accounts under our management. These trading activities, if they influence the prices of Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead, could be adverse to the interests of the holders of the securities. We and one or more of our affiliates have published and in the future expect to publish research reports with respect to Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead. This research is modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the securities. The research should not be viewed as a recommendation or endorsement of the securities in any way and investors must make their own independent investigation of the merits of this investment. Any of these activities by us or our other affiliates may affect the market price of Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead and the related exchange-traded futures and forward contracts and, therefore, the level of the Basket Indices and the market value of the securities.

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The calculation agent may postpone the valuation date and, therefore, determination of the final index levels and the maturity date if a market disruption event occurs on the valuation date

The valuation date and, therefore, determination of the final index levels may be postponed if the calculation agent determines that a market disruption event has occurred or is continuing on the valuation date with respect to the Basket Indices. If a postponement occurs, the calculation agent will use the closing level of the Basket Indices on the next succeeding trading day on which no market disruption event occurs or is continuing as the final index level. As a result, the maturity date for the securities would be postponed. You will not be entitled to 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 level of the Basket Indices after the valuation date. See Specific Terms of the Securities Market Disruption Event beginning on page S-18.

Tax consequences are uncertain

You should consider the tax consequences of investing in the securities, significant aspects of which are uncertain. See Supplemental Tax Considerations beginning on page S-32.

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 on page S-35.

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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 Securities and Senior Notes , each as described in the accompanying prospectus.

This pricing 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 expected to be between 9.00% to 10.00% per annum (to be determined on the pricing date) payable quarterly, beginning three months from the settlement date.

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

The regular record dates will be the close of business on the fifteenth 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.

Denominations

Wachovia will issue the securities in principal amounts of $10 per security and integral multiples thereof.

Offering Price

Each security will be offered at an initial public offering price equal to $10.

Maturity Payment Amount

The securities will mature on , subject to extension in the event of the postponement of the valuation date. On the maturity date, for each security you hold, you will receive a payment equal to the aggregate redemption amount, plus any accrued but unpaid interest. The aggregate redemption amount is equal to the sum of the redemption amounts with respect to each Basket Index, and will be a cash payment equal to the principal amount of your securities, unless:

(a) a knock-in event has occurred with respect to one or more of the Basket Indices; and

(b) the final index level of any Basket Index with respect to which a knock-in event has occurred is less than its initial index level.

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The redemption amount with respect to each Basket Index for which the conditions described in (a) and (b) did not occur will be $2.00; and the redemption amount with respect to each Basket Index for which the conditions described in (a) and (b) occurred will be an amount in cash equal to (i) $2.00 multiplied by (ii) the final index level of the Basket Index divided by the initial index level of that Basket Index.

If a knock-in event has occurred with respect to one or more of the Basket Indices and the final index level of any such Basket Index is less than its initial index level, you will lose some or all of your principal (but you will still receive any accrued but unpaid interest in cash).

The initial index level for each Basket Index will equal the closing level of that Basket Index on the pricing date.

The final index level for each Basket Index will be determined by the calculation agent and will be the closing level of such Basket Index on the valuation date.

A knock-in event with respect to any Basket Index will occur if, as determined by the calculation agent, the official closing level of that Basket Index has fallen below the knock-in price of that Basket Index on any trading day from the first trading day following the pricing date to and including the valuation date.

The knock-in price for each Basket Index is the price that is 30% below the initial index level for that Basket Index (to be determined by the calculation agent on the pricing date) as follows: S&P GSCI Brent Crude Oil Excess Return Index, $•; S&P GSCI RBOB Gasoline Excess Return Index, $•; S&P GSCI Wheat Excess Return Index, $•; S&P GSCI Nickel Excess Return Index, $•; and S&P GSCI Lead Excess Return Index, $•.

The closing level on any trading day will equal the official closing level of the applicable Basket Index or any successor index (as defined under Discontinuation of the Basket Indices on page S-17) published by the Index Sponsor at the regular weekday close of trading on the trading day. In certain circumstances, the closing level of a particular Basket Index will be based on the alternate calculation of the Basket Index described under Specific Terms of the Securities Discontinuation of the Basket Indices; Adjustments to the Basket Indices on page S-17.

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.

The valuation date means the tenth business day prior to the maturity date. However, if that day occurs on a day that is a disrupted day or is not a trading day, the valuation date will be postponed until the next succeeding trading day that is not a disrupted day; provided that in no event will the valuation date be postponed by more than ten business days. If the valuation date is postponed to the last possible day but that day is a disrupted day or is not a trading day, that date will nevertheless be the valuation date. *If the valuation date is postponed, then the maturity date of the securities will be postponed by an equal number of business days.*

If a knock-in event has occurred with respect to one or more of the Basket Indices and the final index level of any such Basket Index is less than its initial index level, you will lose some or all of your principal (but you will still receive any accrued but unpaid interest in cash).

An exchange means the primary organized exchange or quotation system for trading derivative instruments related to the Basket Indices and any successor to any exchange or quotation system or any substitute exchange or quotation system to which trading in the commodity and related derivative instruments underlying the Basket Indices has temporarily relocated (provided that the calculation agent has determined that there is comparable liquidity relative to the commodities underlying the Basket Indices on such substitute exchange or quotation system as on the original exchange).

A related exchange means each exchange or quotation system on which futures or options contracts relating to the Basket Indices are traded, any successor to such exchange or quotation system or any substitute exchange or quotation system to which any such trading has temporarily relocated (provided that the calculation agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Basket Indices on such temporary substitute exchange or quotation system as on the original related exchange).

A trading day means any day on which each exchange and related exchange is scheduled to be open for its respective regular trading sessions.

A disrupted day means any trading day on which a relevant exchange or related exchange fails to open for trading during its regular trading session or on which a market disruption event has occurred.

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

Discontinuation of the Basket Indices; Adjustments to the Basket Indices

If the Index Sponsor discontinues publication of any Basket Index and the Index Sponsor or another entity publishes a successor or substitute index that the calculation agent determines, in its sole discretion, to be comparable to the discontinued Basket Index (a successor index), then, upon the calculation agent s notification of any determination to the trustee and Wachovia, the calculation agent will substitute the successor index as calculated by the Index Sponsor or any other entity for the discontinued Basket Index and calculate the final index level as described above under Payment at Maturity . Upon any selection by the calculation agent of a successor index, Wachovia will cause notice to be given to holders of the securities.

If the Index Sponsor discontinues publication of any Basket Index and:

- the calculation agent does not select a successor index, or
- the successor index is no longer published on any of the relevant trading days,

the calculation agent will compute a substitute level for such Basket Index in accordance with the procedures last used to calculate the level of the affected index before any discontinuation but using only the commodity that composed the Basket Index prior to such discontinuation. If a successor index is selected or the calculation agent calculates a level as a substitute for the Basket Index as described below, the successor index or level will be used as a substitute for the Basket Index for all purposes going forward, including for purposes of determining whether a market disruption event exists, even if the Index Sponsor elects to begin republishing the Basket Index, unless the calculation agent in its sole discretion decides to use the republished Basket Index.

If the Index Sponsor discontinues publication of any Basket Index before the valuation date and the calculation agent determines that no successor index is available at that time, then on each trading day until the earlier to occur of:

- the determination of the final index level, or
- a determination by the calculation agent that a successor index is available,

the calculation agent will determine the level that would be used in computing the maturity payment amount as described in the preceding paragraph as if that day were a trading day. The calculation agent will cause notice of each level to be published not less often than once each month in *The Wall Street Journal* or another newspaper of general circulation, and arrange for information with respect to these levels to be made available by telephone.

Notwithstanding these alternative arrangements, discontinuation of the publication of the Basket Indices would be expected to adversely affect the value of, liquidity of and trading in the securities.

If, at any time, the method of calculating the level of the Basket Indices or the level of the successor index, changes in any material respect, or if the Basket Indices or a successor index is in any other way modified so that the Basket Indices or a successor index does not, in the opinion of the calculation agent, fairly represent the level of the applicable Basket Index had those changes or modifications not been made, then, from and after that time,

the calculation agent will, at the close of business in New York City, New York, on each date that the closing level of the Basket Index is to be calculated, make any adjustments as, in the good faith judgment of the calculation agent, may be necessary in order to arrive at a calculation of a level of an index comparable to the Basket Index or a such successor index, as the case may be, as if those changes or modifications had not been made, and calculate the closing level with reference to the Basket Index or such successor index, as so adjusted. Accordingly, if the method of calculating the Basket Index or a successor index is modified and has a dilutive or concentrative effect on the level of such index, e.g., due to a split, then the calculation agent will adjust such index in order to arrive at a level of such index as if it had not been modified, e.g., as if a split had not occurred.

Neither the calculation agent nor Wachovia will have any responsibility for good faith errors or omissions in calculating or disseminating information regarding the Basket Indices or any successor index or as to modifications, adjustments or calculations by the Index Sponsor or any successor index sponsor in order to arrive at the level of a Basket Index or any successor index.

Market Disruption Event

A market disruption event, as determined by the calculation agent in its sole discretion, means a relevant exchange or any related exchange fails to open for trading during its regular trading session or the occurrence or existence of any of the following events:

- a trading disruption, if the calculation agent determines it is material, at any time during the one hour period that ends at the close of trading for a relevant exchange or related exchange; or
- an exchange disruption, if the calculation agent determines it is material, at any time during the one hour period that ends at the close of trading for a relevant exchange or related exchange; or
- an early closure.

The following events will not be market disruption events:

- a limitation on the hours or number of days of trading, but only if the limitation results from an announced change in the regular business hours of the relevant market; or
- a decision to permanently discontinue trading (without implementation of such decision) in the option or futures contracts relating to the Basket Indices.

A trading disruption means any suspension of or limitation imposed on trading by the relevant exchange or related exchange or otherwise, whether by reason of movements in price exceeding limits permitted by the relevant exchange or related exchange or otherwise, (i) relating to the Basket Indices or (ii) in options contracts or futures contracts relating to the Basket Indices on any relevant related exchange.

An exchange disruption means any event (other than a scheduled early closure) that disrupts or impairs (as determined by the calculation agent in its sole discretion) the ability of market participants in general to effect transactions in options contracts or futures contracts relating to the Basket Indices on any relevant related exchange.

An early closure means the closure on any exchange business day of any relevant exchange relating to Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead or any related exchange prior to its normally scheduled closing time unless such earlier closing time is announced by such exchange or related exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such exchange or related exchange on such exchange business day and (ii) the submission deadline for orders to be entered into the relevant exchange system for execution at the close of trading on such exchange business day.

An exchange business day means any trading day on which each exchange and related exchange is open for business during its regular trading session, notwithstanding any such exchange or related exchange closing

prior to its scheduled weekday closing time, without regard to after hours or other trading outside its regular trading session hours.

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 $10 principal amount of each security, will be equal to the maturity payment amount, 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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THE BASKET INDICES

The S&P GSCI Excess Return Index

We have obtained all information regarding the Basket Indices contained in this pricing supplement, including its make-up, method of calculation and changes in its components, from publicly available information. That information reflects the policies of, and is subject to change by, the Index Sponsor. The Index Sponsor has no obligation to continue to publish, and may discontinue publication of, the Basket Indices at any time. We make no representation or warranty as to the accuracy or completeness of such information.

The levels of the Basket Indices are published by the Index Sponsor continuously on each business day, with such level being updated every several minutes. The Basket Indices are sub-indices of the S&P GSCI Excess Return Index and are constructed in accordance with the S&P GSCI. The S&P GSCI Excess Return Index measures the daily returns accrued from investing in uncollateralized nearby commodities futures. The Basket Indices are constructed and valued in the same way as the S&P GSCI Excess Return Index except that they are specifically limited to Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead futures.

You can find more information on the S&P GSCI and the S&P GSCI Excess Return Index on the website of the Index Sponsor at http://www.spgsci.standardandpoors.com.

The S&P GSCI Excess Return Index and the S&P GSCI

The S&P GSCI Excess Return Index, originally established in May 1991 by The Goldman Sachs Group, Inc. and subsequently purchased by Standard & Poor s in early 2007, reflects the excess returns that are potentially available through an unleveraged investment in the contracts composing the S&P GSCI. The S&P GSCI is a proprietary index that the Index Sponsor calculates. The value of the S&P GSCI, on any given day, reflects

- the price levels of the contracts included in the S&P GSCI (which represents the value of the S&P GSCI) and
- the contract daily return, which is the percentage change in the total dollar weight of the S&P GSCI from the previous day to the current day.

Each of these components is described below.

The S&P GSCI is an index on a production weighted basket of principal non-financial commodities (i.e., physical commodities) that satisfy specified criteria. The S&P GSCI is designed to be a measure of the performance over time of the markets for these commodities. The only commodities represented in the S&P GSCI are those physical commodities on which active and liquid contracts are traded on trading facilities in major industrialized countries. The commodities included in the S&P GSCI are weighted, on a production basis, to reflect the relative significance (in the view of the Index Sponsor, in consultation with the Policy Committee, as described below) of such commodities to the world economy. The fluctuations in the value of the S&P GSCI are intended generally to correlate with changes in the prices of such physical commodities in global markets. The S&P GSCI was established in 1991 and has been normalized so that its hypothetical level on January 2, 1970 was 100. Futures contracts on the S&P GSCI, and options on such futures contracts, are currently listed for trading on the Chicago Mercantile Exchange.

Set forth below is a summary of the composition of and the methodology used to calculate the S&P GSCI as of the date of this Pricing Supplement. The methodology for determining the composition and weighting of the S&P GSCI and for calculating its value is subject to modification in a manner consistent with the purposes of the S&P GSCI, as described below. The Index Sponsor makes the official calculations of the S&P GSCI. At present, this calculation is performed continuously and is reported on Reuters page GSCI (or any successor or replacement page) and is updated on Reuters at least once every three minutes during business hours on each day on which the offices of the Index Sponsor in New York City are open for business, which we refer to as a S&P GSCI Business Day for the purposes of this description. The settlement price for the S&P GSCI Excess Return Index is also reported on Reuters page GSCI (or any successor or replacement page) at the end of each S&P GSCI Business Day.

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The Index Sponsor, and certain of its affiliates, will trade the contracts composing the S&P GSCI or any of its sub-indexes, as well as the underlying commodities and other derivative instruments thereon, for their proprietary accounts and other accounts under their management. There may be conflicts of interest between you and the Index Sponsor. See Risk Factors Additional potential conflicts of interest could arise on page S-13.

In light of the rapid development of electronic trading platforms and the potential for significant shifts in liquidity between traditional exchanges and such platforms, the Index Sponsor has undertaken a review of both the procedures for determining the contracts to be included in the S&P GSCI and the procedures for evaluating available liquidity on an intra-year basis in order to provide S&P GSCI market participants with efficient access to new sources of liquidity and the potential for more efficient trading. In particular, the Index Sponsor, in consultation with the Policy Committee described below, is examining the conditions under which an instrument traded on an electronic platform, rather than a traditional futures contract traded on a traditional futures exchange, should be permitted to be included in the S&P GSCI and how the composition of the S&P GSCI should respond to rapid shifts in liquidity between such instruments and contracts currently included in the S&P GSCI. Any changes made to the S&P GSCI composition or methodology as a result of this examination will be announced by the Index Sponsor and provided in a written statement to any investor upon request to the calculation agent.

Composition of the S&P GSCI

In order to be included in the S&P GSCI, a contract must satisfy the following eligibility criteria:

- The contract must be in respect of a physical commodity and not a financial commodity.
- In addition, the contract must:
  - have a specified expiration or term or provide in some other manner for delivery or settlement at a specified time, or within a specified period, in the future; and
  - at any given point in time, be available for trading at least five months prior to its expiration or such other date or time period specified for delivery or settlement.

The commodity must be the subject of a contract that:

- is denominated in U.S. dollars;
- is traded on or through an exchange, facility or other platform (referred to as a trading facility) that has its principal place of business or operations in a country which is a member of the Organization for Economic Cooperation and Development and that:
  - makes price quotations generally available to its members or participants (and, if the Index Sponsor is not such a member or participant, to the Index Sponsor) in a manner and with a frequency that is sufficient to provide reasonably reliable indications of the level of the relevant market at any given point in time;
  - makes reliable trading volume information available to the Index Sponsor with at least the frequency required by the Index Sponsor to make the monthly determinations;

accepts bids and offers from multiple participants or price providers; and

is accessible by a sufficiently broad range of participants.

The price of the relevant contract that is used as a reference or benchmark by market participants (referred to as the daily contract reference price) generally must have been available on a continuous basis for at least two years prior to the proposed date of inclusion in the S&P GSCI. In appropriate circumstances, however, the Index

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Sponsor, in consultation with the Policy Committee, may determine that a shorter time period is sufficient or that historical daily contract reference prices for such contract may be derived from daily contract reference prices for a similar or related contract. The daily contract reference price may be (but is not required to be) the settlement price or other similar price published by the relevant trading facility for purposes of margining transactions or for other purposes.

At and after the time a contract is included in the S&P GSCI, the daily contract reference price for such contract must be published between 10:00 A.M. and 4:00 P.M., New York City time, on each business day relating to such contract by the trading facility on or through which it is traded and must generally be available to all members of, or participants in, such facility (and, if the Index Sponsor is not such a member or participant, to the Index Sponsor) on the same day from the trading facility or through a recognized third-party data vendor. Such publication must include, at all times, daily contract reference prices for at least one expiration or settlement date that is five months or more from the date the determination is made, as well as for all expiration or settlement dates during such five-month period.

For a contract to be eligible for inclusion in the S&P GSCI, volume data with respect to such contract must be available for at least the three months immediately preceding the date on which the determination is made.

A contract that is:

not included in the S&P GSCI at the time of determination and that is based on a commodity that is not represented in the S&P GSCI at such time must, in order to be added to the S&P GSCI at such time, have a total dollar value traded, over the relevant period, as the case may be and annualized, of at least U.S. $15 billion. The total dollar value traded is the dollar value of the total quantity of the commodity underlying transactions in the relevant contract over the period for which the calculation is made, based on the average of the daily contract reference prices on the last day of each month during the period.

already included in the S&P GSCI at the time of determination and that is the only contract on the relevant commodity included in the S&P GSCI must, in order to continue to be included in the S&P GSCI after such time, have a total dollar value traded, over the relevant period, as the case may be and annualized, of at least U.S. $5 billion and at least U.S. $10 billion during at least one of the three most recent annual periods used in making the determination.

not included in the S&P GSCI at the time of determination and that is based on a commodity on which there are one or more contracts already included in the S&P GSCI at such time must, in order to be added to the S&P GSCI at such time, have a total dollar value traded, over the relevant period, as the case may be and annualized of at least U.S. $30 billion.

already included in the S&P GSCI at the time of determination and that is based on a commodity on which there are one or more contracts already included in the S&P GSCI at such time must, in order to continue to be included in the S&P GSCI after such time, have a total dollar value traded, over the relevant period, as the case may be and annualized, of at least U.S. $10 billion and at least U.S. $20 billion during at least one of the three most recent annual periods used in making the determination.

already included in the S&P GSCI at the time of determination must, in order to continue to be included after such time, have a reference percentage dollar weight of at least 0.10%. The reference percentage dollar weight of a contract is determined by multiplying the CPW (defined below) of a contract by the average of its daily contract reference prices on the last day of each month during the relevant period. These amounts are summed for all contracts included in the S&P GSCI and each contract s percentage of the total is then determined.

not included in the S&P GSCI at the time of determination must, in order to be added to the S&P GSCI at such time, have a reference percentage dollar weight of at least 1.00%.

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In the event that two or more contracts on the same commodity satisfy the eligibility criteria,

such contracts will be included in the S&P GSCI in the order of their respective total quantity traded during the relevant period (determined as the total quantity of the commodity underlying transactions in the relevant contract), with the contract having the highest total quantity traded being included first, provided that no further contracts will be included if such inclusion would result in the portion of the S&P GSCI attributable to such commodity exceeding a particular level.

If additional contracts could be included with respect to several commodities at the same time, that procedure is first applied with respect to the commodity that has the smallest portion of the S&P GSCI attributable to it at the time of determination. Subject to the other eligibility criteria set forth above, the contract with the highest total quantity traded on such commodity will be included. Before any additional contracts on the same commodity or on any other commodity are included, the portion of the S&P GSCI attributable to all commodities is recalculated. The selection procedure described above is then repeated with respect to the contracts on the commodity that then has the smallest portion of the S&P GSCI attributable to it.

The contracts currently included in the S&P GSCI are all futures contracts traded on the New York Mercantile Exchange, Inc. (NYM), the International Petroleum Exchange (IPE), the Chicago Mercantile Exchange (CME), the Chicago Board of Trade (CBT), the Coffee, Sugar & Cocoa Exchange, Inc. (CSC), the New York Cotton Exchange (NYC), the Kansas City Board of Trade (KBT), the Commodities Exchange Inc. (CMX) and the London Metal Exchange (LME).

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The futures contracts currently included in the S&P GSCI, their percentage dollar weights (PDW), their market symbols, the exchanges on which they are traded and their contract production weights (CPW) for 2007 are:

Commodity	Current PDW*	Market Symbol	Exchange	2007 CPW
Live Cattle	2.48%	LC	CME	77,822.17000
Lean Hogs	1.49	LH	CME	59,656.22000
Feeder Cattle	0.60	FC	CME	15,302.12000
Cocoa	0.23	CC	CSC	3.21880
Coffee C	0.65	KC	CSC	16,286.43000
Sugar #11	1.04	SB	CSC	309,109.40000
Silver	0.25	SI	CMX	584.50060
Copper Grade A	4.09	IC	LME	15.18000
Gold	1.91	GC	CMX	83.14184
Corn	2.89	C	CBT	24,061.91000
Wheat (Chicago Wheat)	3.33	W	CBT	15,780.51000
Wheat (Kansas Wheat)	1.16	KW	KBT	5,505.58100
Soybeans	1.98	S	CBT	6,365.68400
High Grade Primary Aluminum	3.17	IA	LME	33.18360
Special High Grade Zinc	1.10	IZ	LME	9.30200
Cotton #2	0.94	CT	NYC	42,063.77000
Primary Nickel	1.48	IN	LME	1.15200
Standard Lead	0.62	IL	LME	6.59400
Oil (No. 2 Heating Oil, NY)	5.98	HO	NYM	82,735.08000
Oil (Gasoil)	5.16	LGO	IPE	231.39520
Oil (RBOB Gasoline)	1.53	RB	NYM	19,369.38000
Oil (WTI Crude Oil)	35.87	CL	NYM	14,323.18000
Oil (Brent Crude Oil)	14.98	LCO	IPE	5,852.83300
Natural Gas	6.94	NG	NYM	28,986.93000

* Percentage dollar weights as of June 29, 2007.

The quantity of each of the contracts included in the S&P GSCI is determined on the basis of a five-year average (referred to as the world production average) of the production quantity of the underlying commodity as published by the United Nations Statistical Yearbook, the Industrial Commodity Statistics Yearbook and other official sources. However, if a commodity is primarily a regional commodity, based on its production, use, pricing, transportation or other factors, the Index Sponsor, in consultation with the Policy Committee, may calculate the weight of such commodity based on regional, rather than world, production data. At present, natural gas is the only commodity the weights of which are calculated on the basis of regional production data, with the relevant region defined as North America.

The five-year moving average is updated annually for each commodity included in the S&P GSCI, based on the most recent five-year period (ending approximately two years prior to the date of calculation and moving backwards) for which complete data for all commodities is available. The contract production weights, or CPWs, used in calculating the GSCI are derived from world or regional production averages, as applicable, of the relevant commodities, and are calculated based on the total quantity traded for the relevant contract and the world or regional production average, as applicable, of the underlying commodity. However, if the volume of trading in the relevant contract, as a multiple of the production levels of the commodity, is below specified thresholds, the CPW of the contract is reduced until the threshold is satisfied. This is designed to ensure that trading in each such contract is sufficiently liquid relative to the production of the commodity.

In addition, the Index Sponsor performs this calculation on a monthly basis and, if the multiple of any contract is below the prescribed threshold, the composition of the S&P GSCI is reevaluated, based on the criteria and weighting procedure described above. This procedure is undertaken to allow the S&P GSCI to shift from contracts that have lost substantial liquidity into more liquid contracts, during the course of a given year. As a result, it is possible that the composition or weighting of the S&P GSCI will change on one or more of these monthly evaluation dates. In addition, regardless of whether any changes have occurred during the year, the Index Sponsor reevaluates the composition of the S&P GSCI, in consultation with the Policy Committee, at the conclusion of each year, based on the above criteria. Other commodities that satisfy such criteria, if any, will be added to the S&P GSCI. Commodities included in the S&P GSCI which no longer satisfy such criteria, if any, will be deleted.

The Index Sponsor, in consultation with the Policy Committee, also determines whether modifications in the selection criteria or the methodology for determining the composition and weights of and for calculating the S&P GSCI are necessary or appropriate in order to assure that the S&P GSCI represents a measure of commodity market performance. The Index Sponsor has the discretion to make any such modifications, in consultation with the Policy Committee. Upon request, the Index Sponsor will disclose to any investor any such modifications that are made. Requests should be directed to the calculation agent at the following address: 55 Water Street, New York, NY 10041.

Contract Expirations

Because the S&P GSCI comprises actively traded contracts with scheduled expirations, it can only be calculated by reference to the prices of contracts for specified expiration, delivery or settlement periods, referred to as contract expirations . The contract expirations included in the S&P GSCI for each commodity during a given year are designated by the Index Sponsor, in consultation with the Policy Committee, provided that each such contract must be an active contract . An active contract for this purpose is a liquid, actively traded contract expiration, as defined or identified by the relevant trading facility or, if no such definition or identification is provided by the relevant trading facility, as defined by standard custom and practice in the industry.

If a trading facility deletes one or more contract expirations, the S&P GSCI will be calculated during the remainder of the year in which such deletion occurs on the basis of the remaining contract expirations designated by the Index Sponsor. If a trading facility ceases trading in all contract expirations relating to a particular contract, the Index Sponsor may designate a replacement contract on the commodity. The replacement contract must satisfy the eligibility criteria for inclusion in the S&P GSCI. To the extent practicable, the replacement will be effected during the next monthly review of the composition of the S&P GSCI. If that timing is not practicable, the Index Sponsor will determine the date of the replacement and will consider a number of factors, including the differences between the existing contract and the replacement contract with respect to contractual specifications and contract expirations.

Value of the S&P GSCI

The value of the S&P GSCI on any given day is equal to the total dollar weight of the S&P GSCI divided by a normalizing constant that assures the continuity of the S&P GSCI over time. The total dollar weight of the S&P GSCI is the sum of the dollar weights of each of the underlying commodities. The dollar weight of each such commodity on any given day is equal to:

- the daily contract reference price,
- multiplied by the appropriate CPWs, and
- during a roll period, the appropriate roll weights (discussed below).

The daily contract reference price used in calculating the dollar weight of each commodity on any given day is the most recent daily contract reference price made available by the relevant trading facility, except that the daily contract reference price for the most recent prior day will be used if the exchange is closed or otherwise fails to publish a daily contract reference price on that day. In addition, if the trading facility fails to make a daily contract reference price available or publishes a daily contract reference price that, in the reasonable judgment of the Index Sponsor, reflects manifest error, the relevant calculation will be delayed until the price is made available or corrected; provided that, if the price is not made available or corrected by 4:00 P.M. New York City time, the Index Sponsor may, if it deems such action to be appropriate under the circumstances, determine the appropriate daily contract reference price for the applicable futures contract in its reasonable judgment for purposes of the relevant S&P GSCI calculation.

Contract Daily Return

The contract daily return on any given day is equal to the sum, for each of the commodities included in the S&P GSCI, of the applicable daily contract reference price on the relevant contract multiplied by the appropriate CPW and the appropriate roll weight , divided by the total dollar weight of the S&P GSCI on the preceding day, minus one. The roll weight of each commodity reflects the fact that the positions in contracts must be liquidated or rolled forward into more distant contract expirations as they approach expiration. If actual positions in the relevant markets were rolled forward, the roll would likely need to take place over a period of days. Since the S&P GSCI is designed to replicate the performance of actual investments in the underlying contracts, the rolling process incorporated in the S&P GSCI also takes place over a period of days at the beginning of each month (referred to as the roll period). On each day of the roll period, the roll weights of the first nearby contract expirations on a particular commodity and the more distant contract expiration into which it is rolled are adjusted, so that the hypothetical position in the contract on the commodity that is included in the S&P GSCI is gradually shifted from the first nearby contract expiration to the more distant contract expiration.

The simplest way to think of the process is as rolling from one basket of nearby futures (the first nearby basket) to a basket of futures contracts that are further from expiration (the second nearby basket). The S&P GSCI is calculated as though these rolls occur at the end of each day during the roll period at the daily settlement prices. The portfolio is shifted from the first to the second nearby baskets at a rate of 20% per day for the five days of the roll period. Until just before the end of the first day of the roll period, the entire S&P GSCI portfolio consists of the first nearby basket of commodity futures. At the end of the first day of the roll period, the portfolio is adjusted so that 20% of the contracts held are in the second nearby basket (i.e., a basket of future contracts that are further from maturity), with 80% remaining in the first nearby basket.

The roll process continues on the second, third and fourth days of the roll period, with relative weights of first to second nearby baskets of 60%/40%, 40%/60%, and 20%/80%. At the end of the fifth day of the roll period, the last of the old first nearby basket is exchanged, completing the roll and leaving the entire portfolio in what we have been calling the second nearby basket. At this time, this former second nearby basket becomes the new first nearby basket, and a new second nearby basket is formed (with futures maturities further in the future) for use in the next month s roll.

The last key point to be made about the roll process is to specify exactly what the 80%/20% or other relative splits between nearby baskets mean. The roll percentages refer to contracts or quantities, not value. Taking the first day of the roll as an example, just before the roll takes place at the end of the day, the S&P GSCI consists of the first nearby basket. That portfolio, constructed the night before and held throughout the first day of the roll period, has a dollar value. For the roll, that dollar value is distributed across the first and second nearby baskets such that the number of contracts or the quantity of the first nearby basket is 80% of the total and the quantity held of the second nearby basket is 20% of the total.

The dollar value held of each nearby basket can then be calculated from those quantity weights by multiplying them by the prices of the futures contracts contained in each basket. As the baskets contain futures with different maturities for some of the commodities, the prices are generally close but not exactly the same. Hence, the percentage of the portfolio value (i.e., dollar weight) held in each basket is generally close to, but not exactly equal to, the 80%/20% split specified for the quantities.

The world-production weighting of the S&P GSCI is accomplished by keeping the quantity weights of the individual commodities within each basket proportional to world production weights, which are averages of historical production levels and are generally updated every year.

If on any day during a roll period any of the following conditions exists, the portion of the roll that would have taken place on that day is deferred until the next day on which such conditions do not exist:

- no daily contract reference price is available for a given contract expiration;

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any such price represents the maximum or minimum price for such contract month, based on exchange price limits (referred to as a Limit Price);

the daily contract reference price published by the relevant trading facility reflects manifest error, or such price is not published by 4:00 P.M., New York City time. In that event, the Index Sponsor may, but is not required to, determine a daily contract reference price and complete the relevant portion of the roll based on such price; provided that, if the trading facility publishes a price before the opening of trading on the next day, the Index Sponsor will revise the portion of the roll accordingly; or

trading in the relevant contract terminates prior to its scheduled closing time.

If any of these conditions exist throughout the roll period, the roll with respect to the affected contract will be effected in its entirety on the next day on which such conditions no longer exist.

Valuation of the S&P GSCI Excess Return Index

The value of the S&P GSCI Excess Return Index on any S&P GSCI business day is equal to the product of (1) the value of the S&P GSCI on the immediately preceding S&P GSCI business day, multiplied by (2) one plus the contract daily return on the S&P GSCI business day on which the calculation is made. The value of the S&P GSCI has been normalized so that its hypothetical level on January 2, 1970 was 100.

As discussed above under The S&P GSCI Excess Return Index , the Basket Indices are sub-indices of the S&P GSCI Excess Return Index and are constructed and valued in the same way as the S&P GSCI Excess Return Index, except that it is specifically limited to Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead futures. You should be aware that the return on your securities will be linked solely to the performance of the Basket Indices and, therefore, to the Brent Crude Oil, RBOB Gasoline, Wheat, Nickel and Lead futures underlying the Basket Indices. The performance of the S&P GSCI Excess Return Index as a whole will not affect the return of your securities.

Historical Closing Levels of the Basket Indices

Since their inception, the Basket Indices have experienced significant fluctuations. Any historical upward or downward trend in the closing level of the Basket Indices during any period shown below is not an indication that the closing level of the Basket Indices is more or less likely to increase or decrease at any time during the term of the securities. The historical levels of the Basket Indices do not give an indication of future performance of the Basket Indices. We cannot make any assurance that the future performance of the Basket Indices will result in holders of the securities receiving a positive total return on their investment.

We obtained the closing levels of the Basket Indices listed below from Bloomberg Financial Markets without independent verification. The actual level of the Basket Indices at or near maturity of the securities may bear little relation to the historical levels shown below.

The following table sets forth the published high, low and quarter-end closing levels of the Basket Indices. The information given below is for each of the four calendar quarters in 2004, 2005 and 2006, and the first two calendar quarters in 2007. Partial data is provided for the third calendar quarter in 2007. On July 26, 2007, the closing level of the S&P GSCI Brent Crude Oil Excess Return Index was $797.67; the S&P GSCI RBOB Gasoline Excess Return Index was $1,264.97; the S&P GSCI Wheat Excess Return Index was $39.11; the S&P GSCI Nickel Excess Return Index was $512.47 and the S&P GSCI Lead Excess Return Index was $356.98. This historical data on the Basket Indices is not indicative of the future levels of the Basket Indices or what the market value of the securities may be. Any historical upward or downward trend in the level of the Basket Indices during any period set forth below is not any indication that the level of the Basket Indices are more or less likely to increase or decrease at any time during the term of the securities.

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Quarterly High, Low and Closing Level of the S&P GSCI Brent Crude Oil Excess Return Index

Quarter Start Date	Quarter-End Date	High Closing Level of the Basket Index	Low Closing Level of the Basket Index	Quarter-End Closing Level of the Basket Index
01/01/2004	03/31/2004	462.00	393.21	437.47
04/01/2004	06/30/2004	548.23	418.51	491.85
07/01/2004	09/30/2004	661.15	511.15	659.99
10/01/2004	12/31/2004	750.19	556.22	588.72
01/01/2005	03/31/2005	806.56	585.68	792.73
04/01/2005	06/30/2005	832.05	685.69	782.66
07/01/2005	09/30/2005	921.24	773.17	861.47
10/01/2005	12/31/2005	852.21	723.04	769.52
01/01/2006	03/31/2006	861.66	747.40	830.01
04/01/2006	06/30/2006	936.51	835.40	905.09
07/01/2006	09/30/2006	947.48	729.88	759.12
10/01/2006	12/31/2006	747.48	685.44	702.14
01/01/2007	03/31/2007	739.55	583.25	739.55
04/01/2007	06/30/2007	772.15	700.62	766.00
07/01/2007	07/26/2007	822.20	779.35	797.67

Quarterly High, Low and Closing Level of the S&P GSCI RBOB Gasoline Excess Return Index

Quarter Start Date	Quarter-End Date	High Closing Level of the Basket Index	Low Closing Level of the Basket Index	Quarter-End Closing Level of the Basket Index
01/01/2004	03/31/2004	933.89	800.34	919.71
04/01/2004	06/30/2004	1,162.36	857.72	998.85
07/01/2004	09/30/2004	1,206.41	1,009.70	1,186.39
10/01/2004	12/31/2004	1,290.66	921.05	975.56
01/01/2005	03/31/2005	1,284.93	974.52	1,284.93
04/01/2005	06/30/2005	1,337.39	1,054.50	1,170.61
07/01/2005	09/30/2005	1,929.70	1,232.44	1,721.08
10/01/2005	12/31/2005	1,692.68	1,144.35	1,315.46
01/01/2006	03/31/2006	1,388.69	1,009.53	1,253.42
04/01/2006	06/30/2006	1,514.71	1,239.39	1,506.03
07/01/2006	09/30/2006	1,588.93	1,020.09	1,053.43
10/01/2006	12/31/2006	1,074.11	953.23	1,000.87
01/01/2007	03/31/2007	1,171.56	840.80	1,162.58
04/01/2007	06/30/2007	1,387.67	1,139.81	1,348.90
07/01/2007	07/26/2007	1,424.40	1,250.62	1,264.97

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Quarterly High, Low and Closing Level of the S&P GSCI Wheat Excess Return Index

Quarter Start Date	Quarter-End Date	High Closing Level of the Basket Index	Low Closing Level of the Basket Index	Quarter-End Closing Level of the Basket Index
01/01/2004	03/31/2004	47.60	40.67	45.94
04/01/2004	06/30/2004	46.90	36.95	36.95
07/01/2004	09/30/2004	37.25	31.29	31.29
10/01/2004	12/31/2004	32.87	29.02	30.12
01/01/2005	03/31/2005	35.02	28.19	31.50
04/01/2005	06/30/2005	31.24	27.91	29.57
07/01/2005	09/30/2005	31.42	27.04	29.49
10/01/2005	12/31/2005	29.70	24.89	27.46
01/01/2006	03/31/2006	30.22	26.11	27.24
04/01/2006	06/30/2006	32.19	26.79	28.69
07/01/2006	09/30/2006	30.59	26.09	30.42
10/01/2006	12/31/2006	37.25	30.18	32.97
01/01/2007	03/31/2007	32.97	27.92	27.92
04/01/2007	06/30/2007	37.61	26.71	35.87
07/01/2007	07/26/2007	39.11	35.03	39.11

Quarterly High, Low and Closing Level of the S&P GSCI Nickel Excess Return Index

Quarter Start Date	Quarter-End Date	High Closing Level of the Basket Index	Low Closing Level of the Basket Index	Quarter-End Closing Level of the Basket Index
01/01/2004	03/31/2004	227.08	168.84	186.07
04/01/2004	06/30/2004	203.11	140.46	203.11
07/01/2004	09/30/2004	222.65	161.54	222.65
10/01/2004	12/31/2004	228.60	167.38	199.80
01/01/2005	03/31/2005	222.65	188.94	217.41
04/01/2005	06/30/2005	233.43	201.82	202.30
07/01/2005	09/30/2005	215.47	182.69	189.05
10/01/2005	12/31/2005	198.73	161.34	187.16
01/01/2006	03/31/2006	217.95	192.88	210.02
04/01/2006	06/30/2006	325.65	218.29	301.07
07/01/2006	09/30/2006	445.57	307.70	437.19
10/01/2006	12/31/2006	524.25	418.04	505.31
01/01/2007	03/31/2007	765.89	462.84	724.92
04/01/2007	06/30/2007	846.96	593.77	593.77
07/01/2007	07/26/2007	595.65	512.47	512.47

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Quarterly High, Low and Closing Level of the S&P GSCI Lead Excess Return Index

Quarter Start Date	Quarter-End Date	High Closing Level of the Basket Index	Low Closing Level of the Basket Index	Quarter-End Closing Level of the Basket Index
01/01/2004	03/31/2004	86.99	66.16	77.89
04/01/2004	06/30/2004	83.34	65.30	83.05
07/01/2004	09/30/2004	94.51	81.71	94.17
10/01/2004	12/31/2004	104.52	85.72	103.81
01/01/2005	03/31/2005	106.23	92.92	106.23
04/01/2005	06/30/2005	107.55	97.05	97.05
07/01/2005	09/30/2005	108.58	89.95	104.50
10/01/2005	12/31/2005	127.08	105.49	120.00
01/01/2006	03/31/2006	162.66	123.29	135.18
04/01/2006	06/30/2006	148.95	105.13	112.64
07/01/2006	09/30/2006	157.59	111.49	156.25
10/01/2006	12/31/2006	201.72	153.68	191.10
01/01/2007	03/31/2007	226.12	177.63	223.46
04/01/2007	06/30/2007	314.16	223.89	308.15
07/01/2007	07/26/2007	406.38	320.87	356.98

License Agreement

We have entered into a non-exclusive license agreement with Standard & Poor s, a division of The McGraw-Hill Companies (Standard & Poor s), which allows us and our affiliates, in exchange for a fee, to use the Basket Indices in connection with the issuance of certain securities, including the securities. We are not affiliated with Standard & Poor s; the only relationship between Standard & Poor s and us is the licensing of the use of the Basket Indices and trademarks relating to the Basket Indices.

Standard & Poor s is under no obligation to continue the calculation and dissemination of the Basket Indices. The securities are not sponsored, endorsed, sold or promoted by Standard & Poor s. No inference should be drawn from the information contained in this prospectus supplement that Standard & Poor s makes any representation or warranty, implied or express, to us, any holder of the securities or any member of the public regarding the advisability of investing in securities generally or in the securities in particular or the ability of the Basket Indices to track general commodity market performance.

The Index Sponsor determines, composes and calculates the Basket Indices without regard to the securities. Standard & Poor s has no obligation to take into account your interest, or that of anyone else having an interest, in the securities in determining, composing or calculating the Basket Indices. Standard & Poor s is not responsible for, and has not participated in the determination of, the terms, prices or amount of the securities and will not be responsible for, or participate in, any determination or calculation regarding the principal amount of the securities payable at maturity. Standard & Poor s has no obligation or liability in connection with the administration, marketing or trading of the securities.

Standard & Poor s disclaims all responsibility for any errors or omissions in the calculation and dissemination of the Basket Indices or the manner in which the Basket Indices are applied in determining the initial index levels or the final index levels or any amount payable upon maturity of the securities.

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The securities are not sponsored, endorsed, sold or promoted by the Index Sponsor. The Index Sponsor makes no representation or warranty, express or implied, to the owners of the securities or any member of the public regarding the advisability of investing in securities generally or in the securities particularly or the ability of the S&P GSCI Excess Return Index to track general commodity market performance. The Index Sponsor s only relationship to us is the licensing of the S&P GSCI, which is determined, composed and calculated by the Index Sponsor without regard to us or the securities. The Index Sponsor has no obligation to take the needs of us or the owners of the securities into consideration in determining, composing or calculating the S&P GSCI. The Index Sponsor is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the securities to be issued or in the determination or calculation of the equation by which the securities are to be converted into cash. The Index Sponsor has no obligation or liability in connection with the administration, marketing or trading of the securities.

STANDARD & POOR S DOES NOT GUARANTEE THE QUALITY, ACCURACY AND/OR THE COMPLETENESS OF THE S&P GSCI EXCESS RETURN INDEX OR ANY DATA INCLUDED THEREIN AND STANDARD & POOR S SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. STANDARD & POOR S MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY US, OWNERS OF THE SECURITIES, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE S&P GSCI EXCESS RETURN INDEX OR ANY DATA INCLUDED THEREIN. STANDARD & POOR S MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE S&P GSCI EXCESS RETURN INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL STANDARD & POOR S HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

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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 amounts under the securities. This summary is based upon the law as in effect on the date of this pricing 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 United States 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 applicable to you only 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 an investment unit consisting of (i) a non-contingent short-term debt instrument subject to the rules governing short-term debt instruments (as described under United States Taxation United States Holders Original Issue Discount Short-Term Notes in the accompanying prospectus) issued by us to you (the Debt Portion) and (ii) a cash-settled put option on each Reference Commodity Index written by you and purchased by us (the Put Option). The terms of the securities require you and us (in the absence of a change in law, an administrative determination or a judicial ruling to the contrary) to treat the securities for all tax purposes in accordance with such characterization, and the discussion below assumes that the securities are so treated, except as otherwise specifically noted. Because of the possibility that the payment at maturity could be temporarily deferred upon the occurrence of a market disruption event, the debt portion of the securities may be treated as either long-term or short-term debt for U.S. federal income tax purposes. Our counsel, Sullivan & Cromwell LLP, is of the opinion that the better answer is that the debt portion of the securities should be treated as non-contingent short-term debt.

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 an Investment Unit. If the securities are properly treated as an investment unit consisting of a Debt Portion and Put Option, it is likely that the Debt Portion of the security would be treated as having been issued for the principal amount you paid for the security (if you are an initial purchaser) and that interest payments on the security would be treated in part as interest and in part as payments for the Put Option. Amounts treated as interest would be subject to the general rules governing interest payments on short term notes as described in the accompanying prospectus under United States Taxation United States Holders Original Issue Discount Short-Term Notes . Amounts treated as payment for the Put Option would be deferred and would be included in income (or as a reduction of loss) by you upon the maturity or sale of the security. The terms of the security require you and us to treat % of the stated interest payments on the security as interest on the Debt Portion and the remaining % of the stated interest payments on the security as payment for the Put Option.

A cash payment of the full principal amount that is, $1,000 of the security upon the maturity of the security would likely be treated as (i) payment in full of the principal amount of the Debt Portion (which would likely not result in the recognition of gain or loss if you are an initial purchaser of your security) and (ii) the lapse of the Put Option, which would likely result in your recognition of short-term capital gain in an amount equal to the amount paid to you for the Put Option and deferred as described in the preceding paragraph.

A payment at maturity for less than the full principal amount due to the occurrence of a knock-in event with respect to one or more of the Reference Commodity Indices would likely be treated as (i) payment in full of the principal amount of the Debt Portion (resulting in neither gain nor loss for an initial purchaser) and (ii) the exercise by us of the Put Option, which would likely result in your recognition of short-term capital loss or gain in an amount equal to the difference between (a) the full principal amount of the security ($1,000) and (b) the sum of (1) the amount of cash received at maturity with respect to the security (excluding cash received as interest) and (2) the amount paid to you for the Put Option and deferred as described above.

Upon the sale of the security, you would be required to apportion the value of the amount you receive between the Debt Portion and Put Option on the basis of the values thereof on the date of the sale. You would recognize gain or loss with respect to the Debt Portion in an amount equal to the difference between (i) the amount apportioned to the Debt Portion and (ii) your adjusted United States federal income tax basis in the Debt Portion. Such gain or loss would be short-term capital gain or loss (except to the extent attributable to accrued or unpaid interest that has not yet been included in income). If you are a cash-basis taxpayer and do not elect to accrue interest currently, your adjusted basis in your securities should generally be the purchase price of your securities. If you are an accrual basis holder, or a cash basis holder that elects to accrue interest on your securities currently, your adjusted basis in your securities should generally be the purchase price of your securities increased by the amount of accrued interest and decreased by any interest that is paid on your securities.

Upon the sale of the security, the amount of cash that you receive that is apportioned to the Put Option (together with any amount of premium received in respect thereof and deferred as described above) would be treated as short-term capital gain. If the value of the Debt Portion on the date of the sale of your security is in excess of the amount you receive upon such sale, you would likely be treated as having made a payment to the purchaser equal to the amount of such excess in order to extinguish your rights and obligations under the Put Option. In such a case, you would likely recognize aggregate short-term capital gain or loss with respect to the Put Option in an amount equal to the difference between the premium you previously received in respect of the Put Option and the amount of the deemed payment made by you to extinguish the Put Option.

If you are a secondary purchaser of the security, you would be required to allocate your purchase price for the security between the Debt Portion and Put Option based on the respective fair market values of each on the date of purchase. If, however, the portion of your purchase price allocated to the Debt Portion is in excess of the principal amount of the security, you may be subject to the amortizable bond premium rules described in the accompanying prospectus under United States Taxation United States Holders Notes Purchased at a Premium with respect to the Debt Portion. If the portion of your purchase price allocated to the Debt Portion is at a discount from the principal amount of the security, special market discount rules applicable to short-term debt instruments may apply. You should consult your tax advisor with respect to such rules if you purchase your security at a discount. The portion of your purchase price that is allocated to the Put Option would likely be offset for tax purposes against amounts you subsequently receive with respect to the Put Option (including amounts received upon a sale of the security that are attributable to the Put Option), thereby reducing the amount of gain or increasing the amount of loss you would recognize with respect to the Put Option. If, however, the portion of your purchase price allocated to the Debt Portion as described above is in excess of your purchase price for your security, you would likely be treated for tax purposes as having received a payment for the Put Option (which will be deferred as described above) in an amount equal to such excess.

Example of Tax Treatment as an Investment Unit. The following example is for illustrative purposes only. Assume that you purchased a security on the initial issuance with Reference Commodity Indices A, B, C, D, and E, each of which has an initial value of $100, at par for $10 and will receive an 9% annual coupon. Assume further that the $0.90 annual coupon consists of an interest payment with respect to the Debt Portion of 4%, or $0.40, and a payment with respect to the Put Option of 5%, or $0.50. Pursuant to the characterization described above, you would include the interest portion of $0.40 in ordinary income in the year it is received or accrued, depending on your accounting method for tax purposes. Initially, the portion of the coupon attributable to the Put Option ($0.50) would not be subject to tax.

For a 12-month security that is not sold prior to maturity, the coupon payments would total $0.90, $0.40 of which would be taxed as ordinary interest income in the year it is received or accrued and $0.50 of which would not be subject to tax until maturity. If the value of each Reference Commodity Index was always higher than the

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knock-in price and/or is equal to or higher than the initial value of $100 on the valuation date, you would receive $10 cash and recognize a short-term capital gain of $0.50 (that is, the amount of the payments previously received by you with respect to the Put Option). If the value of Reference Commodity Index A is $40 on the valuation date and the values of Reference Commodity Indices B, C, D, and E had never fallen to their respective knock-in prices, you would receive $8.80 cash and would likely recognize a short-term capital loss equal to $0.70 (that is, the difference between (i) the $10 that you paid for the security and (ii) the sum of the $0.50 that you previously received with respect to the Put Option and the $8.80 that you received upon maturity). If the value of Reference Commodity Index A is $90 on the valuation date and at some point had fallen to the knock-in price of $70, and the values of Reference Commodity Indices B, C, D, and E had never fallen to their respective knock-in prices, you would receive $9.80 cash and would likely recognize a short-term capital gain equal to $0.30 (that is, the difference between (i) the sum of the $0.50 that you previously received with respect to the Put Option and the $9.80 that you received upon maturity, and (ii) the $10 that you paid for the security).

Alternative Characterization. In light of the uncertainty as to the United States federal income tax treatment, it is possible that your security could be treated as a single contingent short-term debt instrument. However, there are no specific rules that govern this type of instrument and therefore if your security were characterized as a single contingent short-term debt instrument, the tax treatment of your security would not be entirely clear. It is also possible that your security could be treated as a debt single debt instrument (that is not a short-term debt instrument) subject to the special tax rules governing contingent debt instruments. Accordingly, we urge you to consult your tax advisor as to the possible alternative characterizations of your securities.

United States Alien Holders. If you are a United States alien holder (as defined in the accompanying prospectus), you generally will not be subject to United States withholding tax or to generally applicable information reporting and backup withholding requirements with respect to payments on your securities as long as you comply with certain certification and identification requirements as to your foreign status. Please see the discussion under United States Taxation United States Alien Holders and Backup Withholding And Information Reporting in the accompanying prospectus.

As discussed above, alternative characterizations of the securities for United States federal income tax purposes are possible. Should an alternative characterization of the securities, by reason of a change or clarification of the law, by regulation or otherwise, cause payments with respect to the securities to become subject to withholding tax, we will withhold at the applicable statutory rate and we will not make payments of any Additional Amounts (as defined in the accompanying prospectus). Prospective United States alien holders of the securities should consult their own tax advisors in this regard.

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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 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 Capital Markets, LLC 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. Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide an exemption for the purchase and sale of securities where neither Wachovia nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of the plan involved in the transaction and the plan receives no less and pays no more than adequate consideration in connection with the transaction (the service provider exemption). Moreover, the U.S. 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 in 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, the service provider exemption 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, the service provider exemption 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

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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, the service provider exemption or any other applicable exemption, or the potential consequences of any purchase or holding under similar laws, as applicable.

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.

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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 maturity payment amount of the securities.

The hedging activity discussed above may adversely affect the market value of the securities from time to time and the maturity payment amount you will receive on the securities at maturity. See Risk Factors Trading and other transactions by Wachovia or its affiliates in the foreign exchange and currency derivative markets may impair the value of the securities and Risk Factors Potential conflicts of interest could arise for a discussion of these adverse effects.

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SUPPLEMENTAL PLAN OF DISTRIBUTION

The underwriter named below has agreed, subject to the terms and conditions of an underwriting agreement with Wachovia, to purchase the number of securities initially offered on the date of this pricing supplement set forth below opposite its name. The underwriter is committed to purchase all of those securities if any are purchased.

Underwriter	Aggregate principal amount
Wachovia Capital Markets, LLC	•
Total	•

The underwriter proposes to offer the securities in part directly to the public at the initial maximum offering price set forth on the cover page of this pricing supplement and in part to Wachovia Securities, LLC, Wachovia Securities Financial Network, LLC and certain other securities dealers at such prices less a concession equal to $ per security.

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

After the securities are released for sale in the public, the offering prices and other selling terms may from time to time be varied by the underwriters.

The securities are new issues of securities with no established trading markets. Wachovia has been advised by the underwriter that the underwriter intends to make a market in the securities but is not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the securities.

Settlement for the securities will be made in immediately available funds. The securities will be in the Same Day Funds Settlement System at DTC and, to the extent the secondary market trading in the securities is effected through the facilities of such depositary, such trades will be settled in immediately available funds.

Wachovia has agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

This pricing supplement and the attached prospectus may be used by Wachovia Capital Markets, LLC, an affiliate of Wachovia, or any other affiliate of Wachovia, in connection with offers and sales related to market-making or other transactions in the securities. Wachovia Capital Markets, LLC or any other such affiliate of Wachovia, may act as principal or agent in such transactions. Such sales will be made at prices related to prevailing market prices at the time of sale or otherwise.

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 National Association of Securities Dealers, Inc. (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.

From time to time the underwriter engages in transactions with Wachovia in the ordinary course of business. The underwriter has performed investment banking services for Wachovia in the last two years and has received fees for these services.

Wachovia Capital Markets, LLC, as the underwriter, may engage in over-allotment, stabilizing transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Securities Exchange Act of 1934. Over-allotment involves syndicate sales in excess of the offering size, which creates a syndicate short

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position. Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Syndicate covering transactions involve purchases of the securities in the open market after the distribution has been completed in order to cover syndicate short positions. Penalty bids permit reclaiming a selling concession from a syndicate member when the securities originally sold by such syndicate member are purchased in a syndicate covering transaction to cover syndicate short positions. Such stabilizing transactions, syndicate covering transactions and penalty bids may cause the price of the securities to be higher than it would otherwise be in the absence of such transactions.

No action has been or will be taken by Wachovia, the underwriter or any broker-dealer affiliate of Wachovia that would permit a public offering of the securities or possession or distribution of this pricing 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 pricing 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, Wachovia Capital Markets, LLC, Wachovia Securities, LLC, Wachovia Securities Financial Network, LLC or any broker-dealer affiliate of Wachovia.

We expect to deliver the securities against payment therefor in The City of New York, New York on or about the expected settlement date specified on the coverage page of this pricing supplement, which will be the fifth business day following the date of this prospectus supplement and of the pricing of the securities. Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade securities on the pricing date or the next succeeding business day will be required, by virtue of the fact that the securities initially will settle in five business days (T+5), to specify alternative settlement arrangements to prevent a failed settlement.

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RECENT DEVELOPMENTS

On May 31, 2007, Wachovia and A.G. Edwards, Inc. (A.G. Edwards) announced that they had entered into an Agreement and Plan of Merger, dated May 30, 2007, that provides, among other things, for A.G. Edwards to be merged with a wholly owned subsidiary of Wachovia (the Merger). As a result of the Merger, each outstanding share of A.G. Edwards common stock will be converted into a right to receive 0.9844 shares of Wachovia common stock and $35.80 in cash.

The Merger is intended to be treated as a tax-free reorganization to Wachovia and A.G. Edwards and otherwise tax free to A.G. Edwards 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 A.G. Edwards shareholders; (ii) receipt of requisite regulatory approvals, including approval of banking and securities regulatory authorities and the expiration or termination of the waiting period under the Hart-Scott-Rodino Act; (iii) receipt of legal opinions as to the tax treatment of the Merger; and (iv) listing on the New York Stock Exchange, subject to notice of issuance, of Wachovia s common stock to be issued in the Merger.

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One Wachovia Center

301 South College Street

Charlotte, North Carolina 28288

(704) 374-6565

WACHOVIA CORPORATION

Senior Global Medium-Term Notes, Series G

Subordinated Global Medium-Term Notes, Series H

Warrants

Terms of Sale

Wachovia Corporation may from time to time offer and sell notes with various terms, including the following:

- stated maturity of 9 months or longer
- fixed or floating interest rate, zero-coupon or issued with original issue discount; a floating interest rate may be based on:
  - commercial paper rate
  - prime rate
  - LIBOR
  - EURIBOR
  - treasury rate
  - CMT rate
  - CD rate
  - CPI rate
- maturity payment or interest may be determined by reference to an index or formula
- book-entry form through The Depository Trust Company, Euroclear, Clearstream or any other clearing system or financial institution named in the applicable pricing supplement
- redemption at the option of Wachovia or repayment at the option of the holder
- interest on notes paid monthly, quarterly, semi-annually or annually
- denominations of $1,000 and multiples of $1,000
- denominated in U.S. dollars, a currency other than U.S dollars or in a composite currency
- settlement in immediately available funds

federal funds rate

ranked as senior or subordinated indebtedness of Wachovia

Wachovia Corporation may also from time to time offer and sell:

- warrants to purchase our debt securities on terms to be determined; or
- warrants to purchase or sell, or whose cash value is determined by reference to the performance, price, level or value of, one or more of the following:
  - securities of one or more issuers, including our common stock or other equity securities, or debt or equity securities of a third party;
  - one or more currencies;
  - one or more commodities;
  - any other financial, economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance; or
  - one or more indices or baskets of the items described above.

This prospectus describes some of the general terms that may apply to the notes and warrants (together, the securities) and the general manner in which they may be offered. The specific terms of any securities to be offered, and the specific manner in which they may be offered, will be described in a supplement to this prospectus.

Our common stock is listed on the New York Stock Exchange and trades under the symbol WB .

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

Neither the Securities and Exchange Commission, any state securities commission or the Commissioner of Insurance of the state of North Carolina has approved or disapproved of the securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

These securities will be our unsecured obligations and will not be savings accounts, deposits or other obligations of any bank or non-bank subsidiary of ours and are not insured by the Federal Deposit Insurance Corporation, the Bank Insurance Fund or any other governmental agency.

Wachovia may sell the securities directly or through one or more underwriters, dealers or agents, including the firm listed below, or directly to purchasers, on a delayed or continuous basis.

Wachovia may use this prospectus in the initial sale of any securities. In addition, Wachovia Capital Markets, LLC, or any other affiliate of Wachovia may use this prospectus 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 is being used in a market-making transaction.***

Wachovia Securities

This prospectus is dated March 5, 2007

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ABOUT THIS PROSPECTUS

General

This document is called a prospectus and is part of a registration statement that we filed with the SEC using a shelf registration or continuous offering process. Under this shelf registration, we may from time to time sell any combination of the securities described in this prospectus in one or more offerings.

This prospectus provides you with a general description of the securities we may offer. Each time we sell securities we will provide a pricing supplement containing specific information about the terms of the securities being offered. That pricing supplement may include a discussion of any risk factors or other special considerations that apply to those securities. We may also provide you with a product supplement relating to the securities. The pricing supplement or product supplement may also add, update or change the information in this prospectus. If there is any inconsistency between the information in this prospectus and any pricing supplement or any product supplement, you should rely on the information in that product supplement and pricing supplement. You should read both this prospectus, any product supplement and any pricing supplement together with additional information described under the heading Where You Can Find More Information .

The registration statement containing this prospectus, including exhibits to the registration statement, provides additional information about us and the securities offered under this prospectus. The registration statement can be read at the SEC web site or at the SEC offices mentioned under the heading Where You Can Find More Information .

When acquiring any securities discussed in this prospectus, you should rely only on the information provided in this prospectus and in any product supplement or any pricing supplement, including the information incorporated by reference. Neither we nor any underwriters, dealers or agents have authorized anyone to provide you with different information. We are not offering the securities in any state where the offer is prohibited. You should not assume that the information in this prospectus, any product supplement or any pricing supplement or any documen