

WACHOVIA CORP NEW
Form 424B5
June 11, 2007
Table of Contents

The information in this preliminary pricing supplement is not complete and may be changed.

SUBJECT TO COMPLETION, DATED JUNE 8, 2007

PRICING SUPPLEMENT

Filed Pursuant to Rule 424(b)(5)

(To prospectus dated March 5, 2007)

Registration No. 333-141071

\$•

Wachovia Corporation

Principal Protected Notes

Linked to a Basket

of Emerging Market Currencies

due •

Offering 100% Principal Protection

Issuer:	Wachovia Corporation
Principal Amount:	Each note will have a principal amount of \$10. Each note will be offered at an initial public offering price of \$10.
Maturity Date:	•, 2009. The term of the notes will be approximately 18 months (to be determined on the pricing date).
Interest:	Wachovia will not pay you interest during the term of your notes.
Underlying Basket:	The return on the notes, in excess of the principal amount, is linked to the performance of an equally-weighted basket (the basket) of the following six currencies relative to the U.S. Dollar: the Brazilian Real, the Mexican Peso, the Turkish Lira, the Hungarian Forint, the Indonesian Rupiah and the Indian Rupee (each, a basket currency, and collectively, the basket currencies).
Maturity Payment Amount:	At maturity, for each note you own, you will receive a cash payment equal to the sum of the principal amount of the note and the basket performance amount. If the average currency appreciation is less than or equal to zero, the basket performance amount will equal \$0. If the average currency appreciation is greater than zero and less than or equal to the minimum average currency appreciation, expected to be between 8% and 10% (to be determined on the pricing date), the

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basket performance amount will equal the product of the principal amount of the note and minimum average currency appreciation (the minimum supplemental payment amount).

If the average currency appreciation is greater than the minimum average currency appreciation, the basket performance amount will equal the sum of (a) the minimum supplemental payment amount and (b) an amount equal to the product of the principal amount of the note and 4 times the excess of the average currency appreciation over the minimum average currency appreciation.

The average currency appreciation will be determined on the valuation date and represents an average of the basket. It does not represent average performance over the term of the notes.

Listing: The notes will not be listed or displayed on any securities exchange or any electronic communications network.
Pricing Date: •, 2007
Expected Settlement Date: •, 2007
CUSIP Number: 929903334

For a detailed description of the terms of the notes, see [Summary Information](#) beginning on page S-1 and [Specific Terms of the Notes](#) beginning on page S-14.

Investing in the notes involves risks. See [Risk Factors](#) beginning on page S-9.

	<u>Per Note</u>	<u>Total</u>
Public Offering Price		
Underwriting Discount and Commission		
Proceeds to Wachovia Corporation		

The notes solely represent senior, unsecured debt obligations of Wachovia and are not the obligation of, or guaranteed by, any other entity. The notes 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 notes. 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 note 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.

Table of Contents**TABLE OF CONTENTS****Pricing Supplement**

<u>Summary Information</u>	Page S-1
<u>Risk Factors</u>	S-9
<u>Specific Terms of the Notes</u>	S-14
<u>The Basket</u>	S-18
<u>Supplemental Tax Considerations</u>	S-23
<u>Employee Retirement Income Security Act</u>	S-25
<u>Use of Proceeds and Hedging</u>	S-27
<u>Supplemental Plan of Distribution</u>	S-28
<u>Recent Developments</u>	S-30

Prospectus

	Page
About This Prospectus	1
Where You Can Find More Information	3
Forward-Looking Statements	4
Wachovia Corporation	4
Risk Factors	5
Use of Proceeds	9
Consolidated Earnings Ratios	9
Selected Consolidated Condensed Financial Data	10
Capitalization	11
Regulatory Considerations	11
Description of the Notes We May Offer	12
Global Notes	45
United States Taxation	49
Proposed European Union Directive on Taxation of Savings	62
Employee Retirement Income Security Act	62
Plan of Distribution	64
Validity of the Notes	69
Experts	70
Listing and General Information	70

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 notes, 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 notes 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 notes in any circumstances under which the offer or solicitation is unlawful.

Table of Contents**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 Principal Protected Notes Linked to a Basket of Emerging Market Currencies due , 2009 Offering 100% Principal Protection (the notes). You should carefully read this pricing supplement and the accompanying prospectus to fully understand the terms of the notes, the exchange rate of each basket currency relative to the U.S. Dollar and the tax and other considerations that are important to you in making a decision about whether to invest in the notes. 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 notes, to determine whether an investment in the notes 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 notes?

The notes offered by this pricing supplement will be issued by Wachovia Corporation and will mature on , 2009, a date that is approximately 18 months following the settlement date (to be determined on the pricing date). The maturity payment amount, if any, which is in addition to the principal amount of the notes, will be linked to the performance of the basket, which is in turn based on the performance of the basket currencies. The basket will have a positive performance if the basket currencies appreciate against the U.S. Dollar. The notes will not bear interest and no other payments will be made until maturity.

Each basket currency will represent 1/6 of the basket. The basket currencies, with their respective symbols as used by Bloomberg Financial Markets and recognized by the Foreign Exchange Committee of the Federal Reserve Bank of New York and certain currency traders associations (the currency symbols), are set forth below:

Brazilian Real (symbol BRL), the lawful currency of the Federative Republic of Brazil;

Mexican Peso (symbol MXN), the lawful currency of the United Mexican States;

Turkish Lira (symbol TRY), the lawful currency of the Republic of Turkey;

Hungarian Forint (symbol HUF), the lawful currency of the Republic of Hungary;

Indonesian Rupiah (symbol IDR), the lawful currency of the Republic of Indonesia; and

Indian Rupee (symbol INR), the lawful currency of the Republic of India.

The weighting of each basket currency is fixed and will not change during the term of the notes. Similarly, the basket currencies that compose the basket will not change, except as described under Specific Terms of the Notes Adjustments to the Basket on page S-17.

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As discussed in the accompanying prospectus, the notes 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

S-1

Table of Contents

notes will rank equally with all other unsecured and unsubordinated debt of Wachovia Corporation. For more details, see Specific Terms of the Notes beginning on page S-14.

Each note will have a principal amount of \$10. Each note will be offered at an initial public offering price of \$10. You may transfer only whole notes. Wachovia Corporation will issue the notes 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 notes.

Are the notes principal protected?

The notes are fully principal protected and will pay 100% of the principal amount of your notes at maturity, subject to our ability to pay our obligations.

What will I receive upon maturity of the notes?

On the maturity date, for each note you own, you will receive a cash payment equal to the sum of \$10 (the principal amount) and the basket performance amount.

Determination of the basket performance amount

The basket performance amount per note will be determined by the calculation agent and will equal to:

- (i) if the average currency appreciation is less than or equal to zero, \$0,
- (ii) if the average currency appreciation is greater than zero and less than or equal to the minimum average currency appreciation, the minimum supplemental payment amount, and
- (iii) if the average currency appreciation is greater than the minimum average currency appreciation, the sum of (a) the minimum supplemental payment and (b) an amount equal to the product of the principal amount of the note and 4 times the excess of the average currency appreciation over the minimum average currency appreciation.

The average currency appreciation will be determined by the calculation agent and will equal the arithmetic mean of the currency appreciation of each basket currency. If the average currency appreciation is greater than zero, then the average currency appreciation used to calculate the basket performance amount will in no event be less than the minimum average currency appreciation. The average currency appreciation will be determined on the valuation date and represents an average of the basket. It does not represent average performance over the term of the notes.

The currency appreciation of each basket currency will be determined by the calculation agent as follows:

$$\text{currency appreciation} = \left(\frac{\text{initial basket currency exchange rate} - \text{final basket currency exchange rate}}{\text{initial basket currency exchange rate}} \right) .$$

The initial basket currency exchange rate for each basket currency is the basket currency exchange rate for that basket currency on the business day immediately following the pricing date.

The final basket currency exchange rate for each basket currency will be the basket currency exchange rate for that basket currency on the valuation date.

The basket currency exchange rate for each basket currency on any given date will be determined by the calculation agent and will equal the basket currency/U.S. Dollar exchange rate as reported by Reuters Group PLC (Reuters), as follows:

Table of Contents

For the Brazilian Real, the Brazilian Real/U.S. Dollar exchange rate as determined by reference to Reuters page BRL PTAX (BRL09) , or any successor page, published at approximately 6:00 p.m., São Paulo time, on the relevant date;

For the Mexican Peso, a Mexican Peso/U.S. Dollar exchange rate as determined by reference to Reuters page 1 FEE , or any successor page, published at approximately 12:00 p.m., New York time, on the relevant date;

For the Turkish Lira, a Turkish Lira/U.S. Dollar exchange rate as determined by multiplying the Turkish Lira/Euro exchange rate and the Euro/U.S. Dollar exchange rate, which are determined by reference to Reuters page ECB37 , or any successor page, published at approximately 2:15 p.m., Frankfurt time, on the relevant date;

For the Hungarian Forint, a Hungarian Forint/U.S. Dollar exchange rate as determined by multiplying the Hungarian Forint/Euro exchange rate and the Euro/U.S. Dollar exchange rate, which are determined by reference to Reuters page ECB37 , or any successor page, published at approximately 2:15 p.m., Frankfurt time, on the relevant date;

For the Indonesian Rupiah, the Indonesian Rupiah/U.S. Dollar exchange rate, as determined by reference to Reuters page IDR ABS (IDR01) , or any successor page, published at approximately 11:00 a.m., Singapore time, on the relevant date; and

For the Indian Rupee, the Indian Rupee/U.S. Dollar exchange rate, as determined by reference to Reuters page INR RBIB (INR01) , or any successor page, published at approximately 2:30 p.m., Mumbai time, on the relevant date.

If the calculation agent is unable to determine a basket currency exchange rate by reference to the applicable Reuters page listed above or the corresponding successor page, then the calculation agent will select a similar source in a commercially reasonable manner in accordance with general market practice.

The minimum supplemental payment amount will equal the product of the principal amount of the note and the minimum average currency appreciation.

The minimum average currency appreciation will equal a rate between 8% and 10% (to be determined on the pricing date).

The following table shows the basket currencies, their respective currency symbols, their initial basket currency exchange rates and their applicable currency business days:

Basket Currency	Currency Symbol	Initial Basket Currency		Applicable Currency Business Day
		Exchange Rate		
Brazilian Real	BRL	•		São Paulo
Mexican Peso	MXN	•		New York
Turkish Lira	TRY	•		Frankfurt
Hungarian Forint	HUF	•		Frankfurt
Indonesian Rupiah	IDR	•		Singapore
Indian Rupee	INR	•		Mumbai

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 currency business day for each basket currency is any day, other than a Saturday or a Sunday, that is neither a legal holiday nor a day on which commercial banks are authorized or required by law, regulation or executive order to close (including for dealings in foreign exchange in accordance with the practice of the foreign

Table of Contents

exchange market) in the city listed in the table above under "Applicable Currency Business Day" for that basket currency.

The "valuation date", with respect to each basket currency, means the tenth business day before the maturity date. However, if that day occurs on a day that is not a currency business day or on which the calculation agent has determined that a market disruption event has occurred or is continuing with respect to one or more basket currencies, then the valuation date for the affected basket currency or basket currencies will be postponed until the next succeeding currency business day for such basket currency or basket currencies on which the calculation agent determines that a market disruption event does not occur or is not continuing with respect to such basket currency or basket currencies; provided that in no event will the valuation date with respect to any basket currency be postponed by more than ten business days. The determination of the final basket currency exchange rate for any basket currency with respect to which a market disruption event does not occur or is not continuing on the valuation date will not be postponed for the purpose of calculating the maturity payment amount. *If the valuation date with respect to any basket currency is postponed, then the maturity date of the notes will be postponed by an equal number of business days.*

If the average currency appreciation is less than or equal to zero, the basket performance amount will be \$0, and the maturity payment amount will be \$10.

Hypothetical Examples

Set forth below are three hypothetical examples of the calculation of the maturity payment amount. For purposes of these examples, we have assumed a minimum average currency appreciation of 9%. The actual minimum average currency appreciation will be determined on the pricing date.

Example 1

The hypothetical average currency appreciation is -50%, reflecting a 50% decrease in the value of the basket:

Basket performance amount (per note) is \$0.

Maturity payment amount = \$10 + \$0 = \$10.

Since the hypothetical currency appreciation is less than zero, the basket performance amount would equal \$0 and the maturity payment amount would equal the principal amount of your note.

Example 2

The hypothetical average currency appreciation is 5%, reflecting a 5% increase in the value of the basket:

Basket performance amount (per note) = $\$10 \times 9\% = \0.90 .

Maturity payment amount = $\$10 + \$0.90 = \$10.90$.

Since the hypothetical average currency appreciation is greater than zero, but less than the minimum average currency appreciation, the basket performance amount would equal \$0.90, the minimum supplemental payment amount, and the maturity payment amount would be greater than the principal amount of your note.

Example 3

The hypothetical average currency appreciation is 50%, reflecting a 50% increase in the value of the basket:

Basket performance amount (per note) is:

Table of Contents

$$\left(0.90 + (10 \times 4 \times (50\% - 9\%)) \right) = \$17.30.$$

Maturity payment amount = \$10 + \$17.30 = \$27.30

Since the hypothetical average currency appreciation is *greater* than minimum average currency appreciation, the basket performance amount would equal \$17.30 and the maturity payment amount would be greater than the principal amount of your note.

Hypothetical Returns

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

the hypothetical basket performance amount;

the hypothetical maturity payment amount per note;

the hypothetical pre-tax annualized rate of return to beneficial owners of the notes as more fully described below.

The figures below are for purposes of illustration only. The actual maturity payment amount and the resulting total and pre-tax annualized rate of return will depend on the actual average currency appreciation determined by the calculation agent as described in this pricing supplement.

Table of Contents

Hypothetical average currency appreciation	Hypothetical basket performance amount	Hypothetical maturity payment amount per note(1)	Hypothetical pre-tax annualized rate of return on the notes(2)
-50.00%	\$0.00	\$10.00	0.00%
-45.00	0.00	10.00	0.00
-40.00	0.00	10.00	0.00
-35.00	0.00	10.00	0.00
-30.00	0.00	10.00	0.00
-25.00	0.00	10.00	0.00
-20.00	0.00	10.00	0.00
-15.00	0.00	10.00	0.00
-10.00	0.00	10.00	0.00
-7.50	0.00	10.00	0.00
-5.00	0.00	10.00	0.00
-2.50	0.00	10.00	0.00
0.00	0.00	10.00	0.00
2.50	0.90	10.90	5.83
5.00	0.90	10.90	5.83
7.50	0.90	10.90	5.83
10.00	1.30	11.30	8.32
15.00	3.30	13.30	19.94
20.00	5.30	15.30	30.46
25.00	7.30	17.30	40.09
30.00	9.30	19.30	49.01
35.00	11.30	21.30	57.33
40.00	13.30	23.30	65.14
45.00	15.30	25.30	72.52
50.00	17.30	27.30	79.52

(1) The hypothetical maturity payment per note is based on a minimum average currency appreciation of 9%.

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

Table of Contents

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

Return Profile of Principal Protected Notes vs. the Basket*

* Assumes a minimum average currency appreciation of 9%

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

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

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

Table of Contents

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

The market value of the notes may fluctuate during the term of the notes. Several factors and their interrelationship will influence the market value of the notes, including the level of the basket currency exchange rates; the time remaining to the maturity date; the Brazilian Real, Mexican Peso, Turkish Lira, Hungarian Forint, Indonesian Rupiah, Indian Rupee and U.S. Dollar interest rates; and the volatility of the basket currency exchange rates. The notes are 100% principal protected only if held to maturity. If you sell your notes before maturity, you may have to sell them at a discount and you will not have principal protection. Depending on the impact of these factors, you may receive less than the principal amount in any sale of your notes before the maturity date and less than what you would have received had you held the notes until maturity. For more details, see [Risk Factors](#) Many factors affect the market value of the notes .

How have the basket currency exchange rates performed historically?

You can find a table with the published high and low levels in the interbank market of each of the basket currency exchange rates as well as the basket currency exchange rates at the end of each calendar quarter from calendar year 2004 to present in the section entitled [The Basket Historical Basket Currency Exchange Rates](#) in this pricing supplement. We have provided this historical information to help you evaluate the behavior of the basket currency exchange rates in the recent past; however, past performance of the basket currency exchange rates does not indicate how they will perform in the future.

What about taxes?

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

For further discussion, see [Supplemental Tax Considerations](#) beginning on page S-22.

Will the notes be listed on a stock exchange?

The notes 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 notes. Accordingly, if you sell your notes before maturity, you may have to sell them at a substantial loss. You should review the section entitled [Risk Factors](#) There may not be an active trading market for the notes in this pricing supplement.

Are there any risks associated with my investment?

Yes, an investment in the notes 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.

Table of Contents

RISK FACTORS

An investment in the notes is subject to the risks described below, as well as the risks described under Risk Factors Risks Relating to Indexed Securities in the accompanying prospectus. Your notes are a riskier investment than ordinary debt securities. Also, your notes are not equivalent to investing directly in the currencies, i.e., the basket currencies and the U.S. Dollar underlying the basket currency exchange rates to which your notes are linked. You should carefully consider whether the notes are suited to your particular circumstances.

The notes are intended to be held to maturity. Your principal is protected only if you hold your notes to maturity

You will receive at least 100% of the principal amount of your notes if you hold your notes to maturity, subject to our ability to pay our obligations. If you sell your notes in the secondary market before maturity, you will not receive principal protection on the notes you sell. You should be willing to hold your notes to maturity.

You will not receive interest payments on the notes

You will not receive any periodic interest payments on the notes or any interest payment at maturity. At maturity, you may not receive any return in excess of the principal amount of your notes.

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

The yield that you will receive on your notes, which could be zero, may be less than the return you could earn on other investments. Even if your yield is positive, your yield may be less than the yield you would earn if you bought a standard senior non-callable debt security of Wachovia with the same maturity date. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money. In addition, no interest will be paid during the term of your notes.

If the average currency appreciation is less than or equal to zero, the maturity payment amount for each note will be limited to the principal amount of the note. This will be true even if the value of the basket, as measured by the average currency appreciation, on some date or dates before the valuation date is greater than the value of the basket on the pricing date, because the maturity payment amount will be calculated only on the basis of the basket currency exchange rates on the valuation date (or as otherwise determined by the calculation agent, in the case of a market disruption event). You should, therefore, be prepared to realize no return at maturity over the principal amount of your notes.

Owning the notes is not the same as owning the basket currencies

The return on your notes will not reflect the return you would realize if you actually purchased any or all of the basket currencies and converted them into U.S. Dollars on the valuation date. Even if the average currency appreciation increases above zero during the term of the notes, the market value of the notes may not increase by the same amount. It is also possible for the average currency appreciation to increase while the market value of the notes declines.

There may not be an active trading market for the notes

The notes 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 notes. The development of a trading market for the notes will depend on our financial performance and other factors such as the increase, if any, in the value of the basket. Even if a secondary market for the notes develops, it may not provide significant liquidity and we expect that transaction costs in any secondary market would be high. As a result, the difference between bid and asked prices for your notes in any secondary market could be substantial. If you sell your notes before maturity, you may have to do so at a discount from the initial public offering price, and, as a result, you may suffer substantial losses.

Table of Contents

Wachovia Capital Markets, LLC and other broker-dealer affiliates of Wachovia currently intend to make a market for the notes, 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 notes may cause Wachovia Capital Markets, LLC or any other broker-dealer affiliates of Wachovia to have long or short positions of the notes in their inventory. The supply and demand for the notes, including inventory positions of market makers, may affect the secondary market for the notes.

Even though the basket currencies and U.S. Dollar are traded around-the-clock, if a secondary market develops, the notes may trade only during regular trading hours in the United States

The interbank market for the basket currencies and the U.S. Dollar is a global, around-the-clock market. Therefore, the hours of trading for the notes may not conform to the hours during which the basket currencies and the U.S. Dollar are traded. To the extent that U.S. markets are closed while the markets for any of the basket currencies remain open, significant price and rate movements may take place in the underlying foreign exchange markets that will not be reflected immediately in the price of the notes.

There is no systematic reporting of last-sale information for foreign currencies. Reasonable current bid and offer information is available in certain brokers' offices, in bank foreign currency trading offices, and to others who wish to subscribe for this information, but this information will not necessarily reflect the basket currency exchange rates relevant for determining the value of the notes. The absence of last-sale information and the limited availability of quotations to individual investors make it difficult for many investors to obtain timely, accurate data about the state of the underlying foreign exchange markets.

Many factors affect the market value of the notes

The market value of the notes 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 notes caused by another factor and that the effect of one factor may exacerbate the decrease in the market value of the notes caused by another factor. For example, a change in the volatility of any or all of the basket currency exchange rates may offset some or all of any increase in the market value of the notes attributable to another factor, such as an increase in the trading value of the basket currencies relative to the U.S. Dollar. In addition, a change in interest rates may offset other factors that would otherwise change the trading value of any or all of the basket currencies relative to the U.S. Dollar and, therefore, may change the market value of the notes.

We expect that the market value of the notes will depend substantially on the amount, if any, by which the value of the basket, as measured by the change in the average currency appreciation, increases during the term of the notes. If you choose to sell your notes when the average currency appreciation has increased above zero, you may receive substantially less than the amount that would be payable at maturity based on this increase because of the expectation that the average currency appreciation will continue to fluctuate until the valuation date. We believe that other factors that may influence the value of the notes include:

the volatility (the frequency and magnitude of changes in level) of the basket currency exchange rates and in particular market expectations regarding the volatility of the basket currency exchange rates;

interest rates in the U.S. market and in the markets of each of the basket currencies;

our creditworthiness, as represented by our credit ratings and as otherwise perceived in the market;

changes in the correlation (the extent to which the basket currency exchange rates increase or decrease to the same degree at the same time) between the basket currency exchange rates;

suspension or disruption of market trading in any or all of the basket currencies

the time remaining to maturity; and

S-10

Table of Contents

geopolitical, economic, financial, political, regulatory or judicial events as well as other conditions may affect the basket currency exchange rates.

The basket currency exchange rates will be influenced by unpredictable factors that interrelate in complex ways

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

Certain relevant information relating to Brazil, Mexico, Turkey, Hungary, Indonesia and India may not be as well known or as rapidly or thoroughly reported in the United States as comparable United States developments. Prospective purchasers of the notes should be aware of the possible lack of availability of important information that can affect the value of the basket currencies relative to the U.S. Dollar and must be prepared to make special efforts to obtain that information on a timely basis.

The liquidity, market value and maturity payment amount of the notes could be affected by the actions of the governments of Brazil, Mexico, Turkey, Hungary, Indonesia and India

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

There are specific risks related to the Hungarian Forint

The exchange rate of the Hungarian Forint is currently managed by the Hungarian government. In 2001, the Hungarian government and the National Bank of Hungary jointly determined to peg the Forint to the Euro so as to permit the exchange rate to fluctuate against the Euro in either direction by up to 15% from a central parity, which was set to HUF 276.1/Euro. In June 2003, the National Bank of Hungary shifted the central parity by 2.26%, which caused a depreciation in the Forint of approximately 10%.

In addition, the government and the National Bank of Hungary have from time to time intervened in the foreign exchange market by selling Forints and raising or lowering interest rates. The government may impose

Table of Contents

other restrictions on the foreign exchange market, such as by restricting the ability to convert Forints into foreign currencies. Any such actions are unlikely to contribute significantly to either an increase or decrease in the value of the basket. However, further changes in the Hungarian government's management of the Forint could result in a significant movement in the U.S. Dollar/Hungarian Forint exchange rate. Assuming the values of all other basket currencies remain constant, a decrease in the value of the Forint, whether because of a change in the government's management of the currency or for other reasons, would result in a decrease in the value of the basket.

Historical levels of the basket currency exchange rates should not be taken as indications of the future levels of the basket currency exchange rates during the term of the notes

The basket currency exchange rates will be influenced by complex and interrelated political, economic, financial and other factors. As a result, it is impossible to predict whether the basket currency exchange rates will appreciate or depreciate over the term of the notes.

The basket is not a recognized market index and may not accurately reflect global market performance

The basket is not a recognized market index. The basket was created solely for purposes of the offering of the notes and will be calculated solely during the term of the notes. The value of the basket and, therefore, the basket performance amount, however, will not be published during the term of the notes. The basket does not reflect the performance of all major securities or currency markets, and may not reflect actual global market performance.

U.S. taxpayers will be required to pay taxes on the notes each year

The notes will be treated as debt instruments subject to special rules governing contingent payment debt obligations for United States federal income tax purposes. If you are a U.S. individual or taxable entity, you generally will be required to pay taxes on ordinary income over the term of the notes based on the comparable yield for the notes, even though you will not receive any payments from us until maturity. This comparable yield is determined solely to calculate the amounts you will be taxed on prior to maturity and is neither a prediction nor a guarantee of what the actual yield will be. Any gain you may recognize on the sale or maturity of the notes will be ordinary interest income. Any loss you may recognize upon the sale of the notes will be ordinary loss to the extent of the interest you included as income in the current or previous taxable years in respect of the notes, and thereafter will be capital loss. If you hold your notes until maturity and the maturity payment is less than the projected payment at maturity, the difference will first reduce interest that would otherwise accrue in respect of the notes in such taxable year, and any remainder will be ordinary loss to the extent of the interest you previously accrued as income in respect of the notes, and thereafter will be capital loss. If you are a secondary purchaser of the notes, the tax consequences to you may be different. You should consult your tax advisor about your own tax situation.

For further discussion, see Supplemental Tax Considerations beginning on page S-22.

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

As described below under Use of Proceeds and Hedging on page S-28, we or one or more affiliates may hedge our obligations under the notes by purchasing basket currencies, futures or options on basket currencies or other derivative instruments with returns linked or related to changes in the performance of the basket currencies, and we may adjust these hedges by, among other things, purchasing or selling basket currencies, futures, options or other derivative instruments at any time.

Although they are not expected to, any of these hedging activities may adversely affect the levels of the basket currency exchange rates and the basket performance amount. 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 notes declines.

Table of Contents

Potential conflicts of interest could arise

Our subsidiary, WBNA, is our agent for the purposes of calculating the average currency appreciation and the maturity payment amount. Under certain circumstances, WBNA's role as our subsidiary and its responsibilities as calculation agent for the notes could give rise to conflicts of interest. These conflicts could occur, for instance, in connection with its determination of whether any or all of the basket currency exchange rates can be calculated on a particular business day. See Specific Terms of the Notes Market Disruption Event on page S-16. WBNA is required to carry out its duties as calculation agent in good faith and using its reasonable judgment.

Wachovia and its affiliates may engage in trading activities related to the basket currencies and the U.S. Dollar that are not for the account of holders of the notes or on their behalf. These trading activities may present a conflict between the holders' interest in the notes and the interests we and our affiliates will have in their proprietary accounts, in facilitating transactions, including options and other derivatives transactions, for their customers and in accounts under their management. These trading activities, if they influence the basket currency exchange rates, could be adverse to the interests of the holders of the notes.

We or one or more of our affiliates have published and may in the future publish research on foreign exchange markets, exchange rates and other matters that may have an influence on currency exchange rates. This research may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the notes. This research should not be viewed as a recommendation or endorsement of the notes in any way, and investors must make their own independent investigation of the merits of this investment. Any of these activities by us or our other affiliates may affect the levels of the basket currency exchange rates and, therefore, the market value of the notes.

The calculation agent may postpone the determination of the average currency appreciation and the maturity date if a market disruption event occurs on the valuation date

The determination of one or more final basket currency exchange rates 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 one or more basket currencies. If a postponement occurs, then for each basket currency with respect to which a market disruption event has occurred or is continuing, the calculation agent will use the final basket currency exchange rate on the next succeeding business day on which no market disruption event occurs or is continuing with respect to that basket currency for the calculation of the average currency appreciation. As a result, the maturity date for the notes would be postponed. You will not be entitled to compensation from us or the calculation agent for any loss suffered because of a market disruption event or any resulting delay in payment. See Specific Terms of the Notes Market Disruption Event beginning on page S-16.

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

Assuming no change in market conditions or any other relevant factors, the price, if any, at which Wachovia is willing to purchase the notes 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 notes, as well as the projected profit included in the cost of hedging our obligations under the notes. 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.

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 notes with the assets of a plan, should consult with its counsel regarding whether the purchase or holding of the notes 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-26.

Table of Contents

SPECIFIC TERMS OF THE NOTES

*Please note that in this section entitled **Specific Terms of the Notes**, references to **holders** mean those who own notes 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 notes registered in street name or in notes 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 notes are part of a series of debt notes, entitled **Medium-Term Notes, Series G**, that we may issue under the indenture from time to time as described in the accompanying prospectus. The notes 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 notes. 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 notes in more detail below.

No Interest

There will be no interest payments, periodic or otherwise, on the notes.

Denominations

Wachovia will issue the notes in principal amounts of \$10 per note and integral multiples thereof.

Offering Price

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

Maturity Payment Amount

On the maturity date, for each note you own, you will receive a cash payment equal to the sum of \$10 (the principal amount) and the basket performance amount.

Determination of the basket performance amount

The basket performance amount per note will be determined by the calculation agent and will equal to:

- (i) if the average currency appreciation is less than or equal to zero, \$0,
- (ii) if the average currency appreciation is greater than zero and less than or equal to the minimum average currency appreciation, the minimum supplemental payment amount, and
- (iii) if the average currency appreciation is greater than the minimum average currency appreciation, the sum of (a) the minimum supplemental payment and (b) an amount equal to the product of the principal amount of the note and 4 times the excess of the average currency appreciation over the minimum average currency appreciation.

The average currency appreciation will be determined by the calculation agent and will equal the arithmetic mean of the currency appreciation of each basket currency. If the average currency appreciation is greater than zero, then the average currency appreciation used to calculate the basket performance amount will in no event be less than the minimum average currency appreciation. The average currency appreciation will be

Table of Contents

determined on the valuation date and represents an average of the basket. It does not represent average performance over the term of the notes.

The currency appreciation of each basket currency will be determined by the calculation agent as follows:

$$\text{currency appreciation} = \left(\frac{\text{initial basket currency exchange rate} - \text{final basket currency exchange rate}}{\text{initial basket currency exchange rate}} \right) .$$

The initial basket currency exchange rate for each basket currency is the basket currency exchange rate for that basket currency on the business day immediately following the pricing date.

The final basket currency exchange rate for each basket currency will be the basket currency exchange rate for that basket currency on the valuation date.

The basket currency exchange rate for each basket currency on any given date will be determined by the calculation agent and will equal the basket currency/U.S. Dollar exchange rate as reported by Reuters, as follows:

For the Brazilian Real, the Brazilian Real/U.S. Dollar exchange rate as determined by reference to Reuters page BRL PTAX (BRL09) , or any successor page, published at approximately 6:00 p.m., São Paulo time, on the relevant date;

For the Mexican Peso, a Mexican Peso/U.S. Dollar exchange rate as determined by reference to Reuters page 1 FEE , or any successor page, published at approximately 12:00 p.m., New York time, on the relevant date;

For the Turkish Lira, a Turkish Lira/U.S. Dollar exchange rate as determined by multiplying the Turkish Lira/Euro exchange rate and the Euro/U.S. Dollar exchange rate, which are determined by reference to Reuters page ECB37 , or any successor page, published at approximately 2:15 p.m., Frankfurt time, on the relevant date;

For the Hungarian Forint, a Hungarian Forint/U.S. Dollar exchange rate as determined by multiplying the Hungarian Forint/Euro exchange rate and the Euro/U.S. Dollar exchange rate, which are determined by reference to Reuters page ECB37 , or any successor page, published at approximately 2:15 p.m., Frankfurt time, on the relevant date;

For the Indonesian Rupiah, the Indonesian Rupiah/U.S. Dollar exchange rate, as determined by reference to Reuters page IDR ABS (IDR01) , or any successor page, published at approximately 11:00 a.m., Singapore time, on the relevant date; and

For the Indian Rupee, the Indian Rupee/U.S. Dollar exchange rate, as determined by reference to Reuters page INR RBIB (INR01) , or any successor page, published at approximately 2:30 p.m., Mumbai time, on the relevant date.

If the calculation agent is unable to determine a basket currency exchange rate by reference to the applicable Reuters page listed above or the corresponding successor page, then the calculation agent will select a similar source in a commercially reasonable manner in accordance with general market practice.

The minimum supplemental payment amount will equal the product of the principal amount of the note and the minimum average currency appreciation.

The minimum average currency appreciation will equal a rate between 8% and 10% (to be determined on the pricing date).

Table of Contents

The following table shows the basket currencies, their respective currency symbols, their initial basket currency exchange rates and their applicable currency business days:

Basket Currency	Currency Symbol	Initial Basket Currency Exchange Rate	Applicable Currency Business Day
Brazilian Real	BRL	•	São Paulo
Mexican Peso	MXN	•	New York
Turkish Lira	TRY	•	Frankfurt
Hungarian Forint	HUF	•	Frankfurt
Indonesian Rupiah	IDR	•	Singapore
Indian Rupee	INR	•	Mumbai

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 currency business day for each basket currency is any day, other than a Saturday or a Sunday, that is neither a legal holiday nor a day on which commercial banks are authorized or required by law, regulation or executive order to close (including for dealings in foreign exchange in accordance with the practice of the foreign exchange market) in the city listed in the table above under Applicable Currency Business Day for that basket currency.

The valuation date, with respect to each basket currency, means the tenth business day before the maturity date. However, if that day occurs on a day that is not a currency business day or on which the calculation agent has determined that a market disruption event has occurred or is continuing with respect to one or more basket currencies, then the valuation date for the affected basket currency or basket currencies will be postponed until the next succeeding currency business day for such basket currency or basket currencies on which the calculation agent determines that a market disruption event does not occur or is not continuing with respect to such basket currency or basket currencies; provided that in no event will the valuation date with respect to any basket currency be postponed by more than ten business days. The determination of the final basket currency exchange rate for any basket currency with respect to which a market disruption event does not occur or is not continuing on the valuation date will not be postponed for the purpose of calculating the maturity payment amount. *If the valuation date with respect to any basket currency is postponed, then the maturity date of the notes will be postponed by an equal number of business days.*

If the average currency appreciation is less than or equal to zero, the basket performance amount will be \$0, and the maturity payment amount will be \$10.

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

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

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

Market Disruption Event

A market disruption event with respect to a basket currency, as determined by the calculation agent in its sole discretion, means (i) a currency business day on which it becomes impossible to obtain the relevant basket currency exchange rate on the applicable Reuters page, the corresponding successor page, or a similar source, as

Table of Contents

described above; or (ii) a day that is declared not to be a currency business day for that basket currency, without prior public announcement or other public notice that that day will not be a currency business day.

If a market disruption event occurs with respect to a basket currency, the valuation date for the affected basket currency exchange rate will be postponed to the next succeeding currency business day for that basket currency on which the calculation agent determines that a market disruption event does not occur or is not continuing; provided that in no event will the valuation date with respect to any basket currency be postponed by more than ten calendar days. If the final basket currency exchange rate for that basket currency cannot be calculated as of the tenth calendar day following the originally scheduled valuation date, then the calculation agent will determine the final basket currency exchange rate for that basket currency in a commercially reasonable manner in accordance with general market practice, taking into consideration all available information that in good faith it deems relevant.

Adjustments to the Basket

Each basket currency of the respective country (the issuing country) listed under What are the notes? on page S-1 will also include any lawful successor currency (a successor currency) of that issuing country. If, after the pricing date and on or before the valuation date, any of the issuing countries has lawfully eliminated, converted, redenominated or exchanged for a successor currency its lawful currency that was in effect on the pricing date (an original currency), then for the purpose of calculating the corresponding final basket currency exchange rate, any original currency amounts will be converted into successor currency amounts by multiplying the amount of original currency by a ratio of successor currency to original currency. This ratio will be the exchange ratio set by the issuing country for converting the original currency into the successor currency on the date that the elimination, conversion, redenomination or exchange occurred. If there is more than one such date, the date closest to the valuation date will be selected.

Events of Default and Acceleration

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

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

Table of Contents

THE BASKET

The basket is an equally-weighted basket of the following six currencies: the Brazilian Real, the Mexican Peso, the Turkish Lira, the Hungarian Forint, the Indonesian Rupiah and the Indian Rupee. The basket currency exchange rate for each of the basket currencies is a foreign exchange spot price that measures the relative value of that basket currency against the U.S. Dollar. The Brazilian Real is the official currency of the Federative Republic of Brazil. The Mexican Peso is the official currency of the United Mexican States. The Turkish Lira is the official currency of the Republic of Turkey. The Hungarian Forint is the official currency of the Republic of Hungary. The Indonesian Rupiah is the official currency of the Republic of Indonesia. The Indian Rupee is the official currency of the Republic of India. Each basket currency exchange rate measures the number of units of that basket currency that can be exchanged for one U.S. Dollar. A basket currency exchange rate decreases when the that basket currency appreciates relative to the U.S. Dollar, and increases when that basket currency depreciates relative to the U.S. Dollar. The basket currency exchange rate for any basket currency on any date of determination means the trading price in that basket currency of one U.S. Dollar in the interbank market. U.S. Dollars and the basket currencies are traded by all major foreign exchange traders around the world. We have obtained all information on the basket currencies and the basket currency exchange rates from public sources, without independent verification.

Historical Basket Currency Exchange Rates

Any historical upward or downward trend in any of the basket currency exchange rates during any period shown below is not an indication that that basket currency exchange rate is more or less likely to increase or decrease at any time during the term of the notes. The historical basket currency exchange rates do not indicate future performance of the basket currency exchange rates. We cannot make any assurance that the future levels of the basket currency exchange rates will result in holders of the notes receiving a maturity payment amount greater than the principal amount of their notes on the maturity date. We do not make any representation to you regarding the change in the value of the basket over the term of the notes or the average currency appreciation.

We obtained each of the basket currency exchange rates listed below from Bloomberg Financial Markets without independent verification. The actual basket currency exchange rates on or near the valuation date may bear little relation to the historical values shown below.

The following tables set forth the published high and low levels in the interbank market of the each of the basket currency exchange rates in each calendar quarter from January 1, 2004 through March 31, 2007 and the period from April 1, 2007 to June 06, 2007. On June 06, 2007, the Brazilian Real/U.S. Dollar exchange rate was 1.9509, the Mexican Peso/U.S. Dollar exchange rate was 10.8680, the Turkish Lira/U.S. Dollar exchange rate was 1.3238 , the Hungarian Forint/U.S. Dollar exchange rate was 187.4000, the Indonesian Rupiah/U.S. Dollar exchange rate was 8,913.0000 and the Indian Rupee/U.S. Dollar exchange rate was 40.6700. Historical performances of the basket currency exchange rates do not indicate future performance.

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

Quarter-Start Date	Quarter-End Date	High	Low	Quarter-End Close
01/01/2004	03/31/2004	2.9645	2.7820	2.8953
04/01/2004	06/30/2004	3.2118	2.8755	3.0850
07/01/2004	09/30/2004	3.0782	2.8505	2.8608
10/01/2004	12/31/2004	2.8800	2.6530	2.6560
01/01/2005	03/31/2005	2.7640	2.5665	2.6790
04/01/2005	06/30/2005	2.6588	2.3325	2.3325
07/01/2005	09/30/2005	2.4870	2.2140	2.2275
10/01/2005	12/31/2005	2.3800	2.1615	2.3355
01/01/2006	03/31/2006	2.3364	2.1040	2.1640
04/01/2006	06/30/2006	2.3525	2.0555	2.1650
07/01/2006	09/30/2006	2.2244	2.1230	2.1690
10/01/2006	12/31/2006	2.2000	2.1310	2.1355
01/01/2007	03/31/2007	2.1520	2.0395	2.0590
04/01/2007	06/06/2007	2.0475	1.9010	1.9509

Quarterly High, Low and Close of the Mexican Peso/U.S. Dollar Exchange Rate

Quarter-Start Date	Quarter-End Date	High	Low	Quarter-End Close
01/01/2004	03/31/2004	11.2213	10.8073	11.1251
04/01/2004	06/30/2004	11.6698	11.1470	11.4865
07/01/2004	09/30/2004	11.5935	11.3315	11.3820
10/01/2004	12/31/2004	11.5373	11.0980	11.1470
01/01/2005	03/31/2005	11.3818	10.9853	11.1702
04/01/2005	06/30/2005	11.2445	10.7420	10.7490
07/01/2005	09/30/2005	10.9090	10.5790	10.7590
10/01/2005	12/31/2005	10.9535	10.4217	10.6349
01/01/2006	03/31/2006	11.0160	10.4352	10.8740
04/01/2006	06/30/2006	11.4806	10.8520	11.3400
07/01/2006	09/30/2006	11.3400	10.7713	10.9837
10/01/2006	12/31/2006	11.0914	10.7317	10.8188
01/01/2007	03/31/2007	11.2083	10.7685	11.0448
04/01/2007	06/06/2007	11.0180	10.7116	10.8680

Table of Contents**Quarterly High, Low and Close of the Turkish Lira/U.S. Dollar Exchange Rate**

Quarter-Start Date	Quarter-End Date	High	Low	Quarter-End Close
01/01/2004	03/31/2004	1.4065	1.3093	1.3145
04/01/2004	06/30/2004	1.5580	1.3105	1.4840
07/01/2004	09/30/2004	1.5235	1.4285	1.5055
10/01/2004	12/31/2004	1.5090	1.3435	1.3435
01/01/2005	03/31/2005	1.3965	1.2570	1.3510
04/01/2005	06/30/2005	1.4063	1.3305	1.3305
07/01/2005	09/30/2005	1.3815	1.3125	1.3470
10/01/2005	12/31/2005	1.3690	1.3380	1.3510
01/01/2006	03/31/2006	1.3590	1.3028	1.3482
04/01/2006	06/30/2006	1.7076	1.3175	1.5870
07/01/2006	09/30/2006	1.5987	1.4380	1.5127
10/01/2006	12/31/2006	1.5160	1.4160	1.4172
01/01/2007	03/31/2007	1.4547	1.3815	1.3892
04/01/2007	06/06/2007	1.3888	1.3107	1.3238

Quarterly High, Low and Close of the Hungarian Forint/U.S. Dollar Exchange Rate

Quarter-Start Date	Quarter-End Date	High	Low	Quarter-End Close
01/01/2004	03/31/2004	214.2800	201.6750	201.6750
04/01/2004	06/30/2004	216.9300	201.6850	205.6050
07/01/2004	09/30/2004	207.8800	198.2050	198.2050
10/01/2004	12/31/2004	200.2050	180.0500	181.0200
01/01/2005	03/31/2005	192.1510	180.7140	190.8150
04/01/2005	06/30/2005	208.0850	189.3670	204.0350
07/01/2005	09/30/2005	207.5750	194.4700	207.5750
10/01/2005	12/31/2005	216.7350	206.2900	212.9650
01/01/2006	03/31/2006	221.6900	203.0750	217.8800
04/01/2006	06/30/2006	224.2150	203.1600	221.3900
07/01/2006	09/30/2006	223.9750	209.4000	215.3000
10/01/2006	12/31/2006	216.9850	190.2850	190.2850
01/01/2007	03/31/2007	199.0050	183.5900	185.6400
04/01/2007	06/06/2007	187.4000	179.9500	187.4000

Table of Contents**Quarterly High, Low and Close of the Indonesian Rupiah/U.S. Dollar Exchange Rate**

Quarter-Start Date	Quarter-End Date	High	Low	Quarter-End Close
01/01/2004	03/31/2004	8,663.0000	8,317.0000	8,564.0000
04/01/2004	06/30/2004	9,440.0000	8,573.0000	9,400.0000
07/01/2004	09/30/2004	9,370.0000	8,800.0000	9,155.0000
10/01/2004	12/31/2004	9,320.0000	8,938.0000	9,270.0000
01/01/2005	03/31/2005	9,515.0000	9,135.0000	9,465.0000
04/01/2005	06/30/2005	9,760.0000	9,430.0000	9,760.0000
07/01/2005	09/30/2005	10,775.0000	9,725.0000	10,300.0000
10/01/2005	12/31/2005	10,303.0000	9,685.0000	9,830.0000
01/01/2006	03/31/2006	9,830.0000	9,045.0000	9,070.0000
04/01/2006	06/30/2006	9,495.0000	8,703.0000	9,263.0000
07/01/2006	09/30/2006	9,295.0000	9,045.0000	9,223.0000
10/01/2006	12/31/2006	9,228.0000	8,994.0000	8,994.0000
01/01/2007	03/31/2007	9,250.0000	8,975.0000	9,121.0000
04/01/2007	06/06/2007	9,158.0000	8,670.0000	8,913.0000

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

Quarter-Start Date	Quarter-End Date	High	Low	Quarter-End Close
01/01/2004	03/31/2004	45.6400	43.6000	43.6000
04/01/2004	06/30/2004	46.2500	43.5375	46.0600
07/01/2004	09/30/2004	46.4713	45.6650	45.9500
10/01/2004	12/31/2004	45.9000	43.4600	43.4600
01/01/2005	03/31/2005	43.9300	43.4200	43.7450
04/01/2005	06/30/2005	43.8300	43.2900	43.4850
07/01/2005	09/30/2005	44.1500	43.1750	44.0150
10/01/2005	12/31/2005	46.3100	44.1275	45.0500
01/01/2006	03/31/2006	45.0925	44.1175	44.6225
04/01/2006	06/30/2006	46.3900	44.6012	46.0400
07/01/2006	09/30/2006	46.9950	45.7700	45.9250
10/01/2006	12/31/2006	45.9715	44.2600	44.2600
01/01/2007	03/31/2007	44.6800	43.0450	43.4725
04/01/2007	06/06/2007	43.2900	40.2700	40.6700

Table of Contents

The basket is not a recognized market index. The basket was created solely for purposes of the offering of the notes and will be calculated solely during the term of the notes. Although the basket is not a recognized market index, the following graph depicts the historical performance of the basket as it would have occurred from January 1, 2004 to June 06, 2007, as though the basket had been in existence since January 1, 2004 with a starting level of \$10 and initial basket currency exchange rates for the basket currencies determined as of that date. An increase in the level of the basket corresponds to a decrease in the basket currency exchange rates, and a decrease in the level of the basket corresponds to an increase in the basket currency exchange rates. Any historical upward or downward trend in the level of the basket during any period shown below is not an indication that the level of the basket is more or less likely to increase or decrease at any time during the term of the notes. The historical values of the basket do not give any indication of the future performance of the basket and Wachovia cannot make any assurance regarding the future performance of the basket.

Table of Contents**SUPPLEMENTAL TAX CONSIDERATIONS**

The following is a general description of certain United States federal income tax considerations relating to the notes. The following does not purport to be a complete analysis of all tax considerations relating to the notes. Prospective purchasers of the notes 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 notes and receiving payments under the notes. This summary is based on 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 notes 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 notes who is subject to special treatment under the United States federal income tax laws.

Supplemental U.S. Tax Considerations

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

In the opinion of Sullivan & Cromwell LLP, the notes will be treated as debt instruments subject to special rules governing contingent payment debt obligations for United States federal income tax purposes. Under those rules, the amount of interest you are required to take into account for each accrual period will be determined by constructing a projected payment schedule for the notes, and applying the rules similar to those for accruing original issue discount on a hypothetical noncontingent debt instrument with that projected payment schedule. This method is applied by first determining the yield at which we would issue a noncontingent fixed rate debt instrument with terms and conditions similar to the notes (the **comparable yield**) and then determining a payment schedule as of the issue date that would produce the comparable yield. We have determined that the predominant currency of the notes is the U.S. dollar and that the notes should therefore be treated as denominated in U.S. dollars (the **denomination currency**) for purposes of applying these rules. These rules will generally have the effect of requiring you to include amounts in income in respect of the notes prior to your receipt of cash attributable to that income.

The amount of interest that you will be required to include in income in each accrual period for the notes will equal the product of the adjusted issue price for the notes at the beginning of the accrual period and the comparable yield for the notes. The adjusted issue price of the notes will equal the original offering price for the notes plus any interest that has accrued on the notes (under the rules governing contingent payment debt obligations).

We have determined that the comparable yield for the notes is equal to $\%$ per annum, compounded semi-annually, with a projected payment at maturity of \$ based on an investment of \$10. Based on this comparable yield, if you are an initial holder that holds a note until maturity and you pay your taxes on a calendar year basis, subject to the adjustments described below to reflect the actual payment in the year in which the note matures, you would be required to report the following amounts as ordinary income from the note each year:

Accrual Period	Interest Deemed to Accrue During Accrual Period (per \$10 note)	Total Interest Deemed to Have Accrued from
		Original Issue Date (per \$10 note) as of End
		of Accrual Period
Original Issue Date through December 31, 2007	\$ •	\$ •
January 1, 2008 through December 31, 2008	\$ •	\$ •
January 1, 2009 through _____, 2009	\$ •	\$ •

Table of Contents

However, if the amount you receive at maturity is greater than \$, you would be required to increase the amount of ordinary income that you recognize in 2007 by an amount that is equal to such excess. Conversely, if the amount you receive at maturity is less than \$, you would be required to make an adjustment as described below under Treatment Upon Sale or Maturity .

You are required to use the comparable yield and projected payment schedule above in determining your interest accruals in respect of the notes, unless you timely disclose and justify on your federal income tax return the use of a different comparable yield and projected payment schedule.

The comparable yield and projected payment schedule are not provided to you for any purpose other than the determination of your interest accruals in respect of the notes, and we make no representations regarding the amount of contingent payments with respect to the notes. Any Form 1099-OID accrued interest will be based on such comparable yield and projected payment schedule.

If you purchase the notes for an amount that differs from the notes adjusted issue price at the time of the purchase, you must determine the extent to which the difference between the price you paid for your notes and their adjusted issue price is attributable to a change in expectations as to the projected payment schedule, a change in interest rates, or both, and allocate the difference accordingly.

If you purchase the notes for an amount that is less than the adjusted issue price of the notes, you must (a) make positive adjustments increasing the amount of interest that you would otherwise accrue and include in income each year to the extent of amounts allocated to a change in interest rates under the preceding paragraph and (b) make positive adjustments increasing the amount of ordinary income (or decreasing the amount of loss) that you would otherwise recognize on the maturity of the notes to the extent of amounts allocated to a change in expectations as to the projected payment schedule under the preceding paragraph. If you purchase the notes for an amount that is greater than the adjusted issue price of the notes, you must (a) make negative adjustments decreasing the amount of interest that you would otherwise accrue and include in income each year to the extent of amounts allocated to a change in interest rates under the preceding paragraph and (b) make negative adjustments decreasing the amount of ordinary income (or increasing the amount of loss) that you would otherwise recognize the notes to the extent of amounts allocated to a change in expectations as to the projected payment schedule under the preceding paragraph. Adjustments allocated to the interest amount are not made until the date the daily portion of interest accrues.

Because any Form 1099-OID that you receive will not reflect the effects of positive or negative adjustments resulting from your purchase of the notes at a price other than the adjusted issue price determined for tax purposes, you are urged to consult with your tax advisor as to whether and how adjustments should be made to the amounts reported on any Form 1099-OID.

Treatment Upon Sale or Maturity. You will recognize gain or loss on the sale or maturity of the notes in an amount equal to the difference, if any, between the amount of cash you receive at that time and your adjusted basis in the notes. In general, your adjusted basis in the notes will equal the amount you paid for the notes, increased by the amount of interest you previously accrued with respect to the notes (in accordance with the comparable yield for the notes), and increased or decreased by the amount of any positive or negative adjustment that you are required to make with respect to your notes under the rules set forth above.

Any gain you may recognize on the sale or maturity of the notes will be ordinary interest income. Any loss you may recognize upon the sale of the notes will be ordinary loss to the extent of the interest you included as income in the current or previous taxable years in respect of the notes, and thereafter will be capital loss. If you hold your notes until maturity and the maturity payment is less than the projected payment at maturity, the difference will first reduce interest that would otherwise accrue in respect of the notes in such taxable year, and any remainder will be ordinary loss to the extent of the interest you previously accrued as income in respect of the notes, and thereafter will be capital loss. The deductibility of capital losses is limited.

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 notes as long as

Table of Contents

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 in the accompanying prospectus.

S-25

Table of Contents

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 notes. 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 notes 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 notes 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 notes. 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 notes 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 notes or any interest in the notes will be deemed to have represented by its purchase and holding of the notes that it either (1) is not a plan or a plan asset entity and is not purchasing those notes 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 notes or any interest in the notes which is a non-ERISA arrangement will be deemed to have represented by its purchase and holding of the notes that its purchase and holding will not violate the provisions of any similar law.

Table of Contents

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 notes 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 notes, you should consult your legal counsel.

S-27

Table of Contents

USE OF PROCEEDS AND HEDGING

The net proceeds from the sale of the notes 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 notes.

The hedging activity discussed above may adversely affect the market value of the notes from time to time and the maturity payment amount you will receive on the notes 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 notes** and **Risk Factors** **Potential conflicts of interest could arise** for a discussion of these adverse effects.

S-28

Table of Contents

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 notes initially offered on the date of this pricing supplement set forth below opposite its name. The underwriter is committed to purchase all of those notes if any are purchased.

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

The underwriter proposes to offer the notes 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 note.

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

After the notes 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 notes 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 notes will be made in immediately available funds. The notes will be in the Same Day Funds Settlement System at DTC and, to the extent the secondary market trading in the notes is effected through the facilities of such depository, 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 position. Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do

Table of Contents

not exceed a specified maximum. Syndicate covering transactions involve purchases of the notes 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 notes 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 notes 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 underwriters or any broker-dealer affiliate of Wachovia that would permit a public offering of the notes 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 notes 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 notes. 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 notes on the pricing date or the next succeeding business day will be required, by virtue of the fact that the notes initially will settle in five business days (T+5), to specify alternative settlement arrangements to prevent a failed settlement.

Table of Contents

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.

S-31

Table of Contents

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

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

Table of Contents

TABLE OF CONTENTS

	Page
<u>About This Prospectus</u>	1
<u>Where You Can Find More Information</u>	3
<u>Forward-Looking Statements</u>	4
<u>Risk Factors</u>	7
<u>Wachovia Corporation</u>	11
<u>Use of Proceeds</u>	12
<u>Consolidated Earnings Ratios</u>	12
<u>Regulatory Considerations</u>	13
<u>Description of the Notes We May Offer</u>	14
<u>Description of the Warrants We May Offer</u>	45
<u>Global Securities</u>	60
<u>United States Taxation</u>	64
<u>European Union Directive on Taxation of Savings</u>	77
<u>Employee Retirement Income Security Act</u>	77
<u>Plan of Distribution</u>	79
<u>Validity of the Securities</u>	84
<u>Experts</u>	85
<u>Listing and General Information</u>	85

Table of Contents

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 document incorporated by reference is truthful or complete at any date other than the date mentioned on the cover page of these documents.

We may sell securities to underwriters who will sell the securities to the public on terms fixed at the time of sale. In addition, the securities may be sold by us directly or through dealers or agents designated from time to time, which may be our affiliates. If we, directly or through agents, solicit offers to purchase the securities, we reserve the sole right to accept and, together with our agents, to reject, in whole or in part, any of those offers.

The pricing supplement will contain the names of the underwriters, brokers, dealers or agents, if any, together with the terms of offering, the compensation of those persons and the net proceeds to us. Any underwriters, brokers, dealers or agents participating in the offering may be deemed underwriters within the meaning of the Securities Act of 1933 (the **Securities Act**).

One or more of our subsidiaries, including Wachovia Capital Markets, LLC, may buy and sell any of the securities after the securities are issued as part of their business as a broker-dealer. Those subsidiaries may use this prospectus and the related pricing supplement and any relevant product supplement in those transactions. Any sale by a subsidiary will be made at the prevailing market price at the time of sale. Wachovia Capital Markets, LLC and Wachovia Securities, LLC, another of our subsidiaries, each conduct business under the name **Wachovia Securities**. Any reference in this prospectus to **Wachovia Securities** means Wachovia Capital Markets, LLC, unless otherwise mentioned or unless the

context requires otherwise.

Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus to Wachovia , we , us , our or similar references mean Wachovia Corporation and its subsidiaries.

Table of Contents

Selling Restrictions Outside the United States

The distribution of this prospectus and the offering of the securities in certain other jurisdictions may also be restricted by law. This prospectus does not constitute an offer of, or an invitation on Wachovia's behalf or on behalf of any underwriters, dealers or agents to subscribe to or purchase, any of the securities. This prospectus may not be used for or in connection with an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Please refer to the section entitled "Plan of Distribution".

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. In addition, our SEC filings are available to the public at the SEC's web site at <http://www.sec.gov>. You can also inspect reports, proxy statements and other information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York.

The SEC allows us to incorporate by reference into this prospectus the information in documents we file with it. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus and should be read with the same care. When we update the information contained in documents that have been incorporated by reference by making future filings with the SEC the information incorporated by reference in this prospectus is considered to be automatically updated and superseded. In other words, in the case of a conflict or inconsistency between information contained in this prospectus and information incorporated by reference into this prospectus, you should rely on the information contained in the document that was filed later. We incorporate by reference the documents listed below and any documents we file with the SEC after the date of this prospectus under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (the Exchange Act) and before the date that the offering of securities by means of this prospectus is completed (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

Annual Report on Form 10-K for the year ended December 31, 2006 (File No. 001-10000); and

Current Reports on Form 8-K dated January 23, 2007, February 13, 2007, February 15, 2007 and February 21, 2007 (File No. 001-10000).

You may request a copy of these filings, other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing, at no cost, by writing to or telephoning us at the following address:

Corporate Relations

Wachovia Corporation

One Wachovia Center

301 South College Street

Charlotte, North Carolina 28288-0206

(704) 374-6782

Table of Contents

FORWARD-LOOKING STATEMENTS

This prospectus and applicable pricing supplements and any product supplements contain or incorporate statements that are forward-looking statements within the meaning of the safe harbor provisions of The Private Securities Litigation Reform Act of 1995. These statements can be identified by the use of forward-looking language such as will likely result, may, are expected to, is anticipated, estimate, projected, intended, or other similar words. Our actual results, performance or achievements could be significantly different from the results expressed in or implied by these forward-looking statements. These statements are subject to certain risks and uncertainties, including but not limited to certain risks described in this prospectus, applicable pricing supplements or the documents incorporated by reference. When considering these forward-looking statements, you should keep in mind these risks, uncertainties and other cautionary statements made in this prospectus and the pricing supplements. You should not place undue reliance on any forward-looking statement, which speaks only as of the date made. You should refer to our periodic and current reports filed with the SEC for specific risks that could cause actual results to be significantly different from those expressed or implied by these forward-looking statements. See **Where You Can Find More Information** above.

SUMMARY INFORMATION

This summary includes information that highlight selected information from this prospectus or incorporated by reference into this prospectus as described under **Where You Can Find More Information**. This prospectus does not contain all of the information that you should consider before investing in the securities. You should carefully read this prospectus together with the information incorporated by reference into this prospectus, the applicable pricing supplement and any accompanying product supplement to fully understand the terms of any particular securities being offered to you 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 prospectus and the applicable pricing supplement and any accompanying product supplement, which highlights certain risks associated with an investment in the securities, to determine whether an investment in the securities is appropriate for you.

Wachovia Corporation

Wachovia Corporation is a registered financial holding company and a bank holding company under the Bank Holding Company Act of 1956, as amended. Wachovia and its full-service banking subsidiaries provide a broad range of commercial and retail banking services, and other financial services including mortgage banking, home equity lending, leasing, investment banking, insurance and securities brokerage services.

The Securities We Are Offering

We may offer from time to time notes and warrants.

When we use the term securities in this prospectus, we mean notes and warrants, unless we say otherwise. This prospectus describes the general terms that may apply to the securities. The specific terms of any particular securities we may offer will be described in a pricing supplement and, in some cases, a product supplement to this prospectus. We refer to pricing supplements and any accompanying product supplement in this prospectus as the applicable supplements.

Table of Contents

Notes

Our notes may be senior or subordinated in right of payment. For any particular notes we offer, the applicable supplements will describe:

the specific designation,

the aggregate principal or face amount and the purchase price,

the stated maturity, which will be nine months or longer,

the rate and manner for calculating and the payment dates for interest, if any,

whether the notes are senior or subordinated in right of payment,

the amount or manner of calculating the amount payable at maturity and whether that amount may be paid by delivering cash, securities or other property,

the redemption terms (if any),

the terms on which the notes may be exercisable or exchangeable for the securities of any issuer other than Wachovia, if any, and

any other applicable terms.

Warrants

We may offer two types of warrants which, unless otherwise required by context in this prospectus, shall be referred to collectively as warrants :

warrants to purchase our debt securities, which debt securities may include the notes, on terms to be determined; and

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, on terms to be determined:

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, and

one or more indices or baskets of the items described above.

We refer to these two types of warrants as debt warrants and universal warrants .

For any particular warrants we offer, the applicable supplements will describe the underlying property, the expiration date, the exercise price or manner of determining the exercise price, the amount and kind (or the manner of determining the amount and kind) of property to be delivered by you or us upon exercise, and any other specific terms. We may issue the warrants under our warrant indenture or under warrant agreements between us and one or more warrant agents.

Form of Securities

We will issue the notes and, unless otherwise stated in the applicable supplements, the warrants in book-entry form through one or more depositaries, such as the Depository Trust Company, Euroclear or

Table of Contents

Clearstream, as named in the applicable supplements. Each sale of a security in book-entry form will settle in immediately available funds through the depository, unless otherwise stated in the applicable supplements. We will issue securities only in registered form unless the applicable supplements state otherwise.

Payment Currencies

Amounts payable in respect of the securities, including the purchase price, will be payable in U.S. dollars unless the applicable supplements state otherwise.

Listing

If any securities are to be listed or quoted on a securities exchange or quotation system, the applicable supplements will say so.

Use of Proceeds

We intend to use the proceeds of the offerings of securities for general corporate purposes.

Table of Contents

RISK FACTORS

Our Credit Ratings May Not Reflect All Risks of An Investment in the Securities

The credit ratings of our medium-term note program may not reflect the potential impact of all risks related to structure and other factors on any trading market for, or trading value of, your notes. The warrants are contractual obligations of Wachovia Corporation and will rank equally with our other unsecured and unsubordinated debt and contractual obligations. In addition, real or anticipated changes in our credit ratings will generally effect any trading market for, or trading value of, your notes and your warrants.

Risks Relating to Indexed Securities

We use the term *indexed securities* to mean securities whose value is linked to an underlying property or index. Indexed securities may present a high level of risk, and those who invest in indexed securities may lose their entire investment. In addition, the treatment of indexed securities for U.S. federal income tax purposes is often unclear due to the absence of any authority specifically addressing the issues presented by any particular indexed security. Thus, if you propose to invest in indexed securities, you should independently evaluate the federal income tax consequences of purchasing an indexed security that apply in your particular circumstances. You should also read *United States Taxation* for a discussion of U.S. tax matters.

Investors in Indexed Securities Could Lose Their Investment

The amount of principal and/or interest payable on an indexed note, the cash value or physical settlement value of a physically settled note and the cash value or physical settlement value of an indexed warrant will be determined by reference to the performance, price, level or value of one or more securities, currencies, commodities or other properties, any other financial, economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance, and/or one or more indices or baskets of any of these items. We refer to each of these as an *index*. The direction and magnitude of the change in the price, value or level of the relevant index will determine the amount of principal and/or interest payable on an indexed note, the cash value or physical settlement value of a physically settled note and the cash value or physical settlement value of an indexed warrant. The terms of a particular indexed note may or may not include a guaranteed return of a percentage of the face amount at maturity or a minimum interest rate. An indexed warrant generally will not provide for any guaranteed minimum settlement value and may expire worthless. Thus, if you purchase an indexed security, you may lose all or a portion of the principal or other amount you invest and may receive no return on your investment.

The Issuer of a Security or Currency That Serves as an Index Could Take Actions That May Adversely Affect an Indexed Security

The issuer of a security that serves as an index or part of an index for an indexed security will have no involvement in the offer and sale of the indexed security and no obligations to the holder of the indexed security. The issuer may take actions, such as a merger or sale of assets, without regard to the interests of the holder. Any of these actions could adversely affect the value of a security indexed to that security or to an index of which that security is a component.

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If the index for an indexed security includes a non-U.S. dollar currency or other asset denominated in a non-U.S. dollar currency, the government that issues that currency will also have no involvement in the offer and sale of the indexed security and no obligations to the holder of the indexed security. That government may take actions that could adversely affect the value of the security. See [Risks Relating to Securities Denominated or Payable in or Linked to a Non-U.S. Dollar Currency](#) below for more information about these kinds of government actions.

Table of Contents

An Indexed Security May Be Linked to a Volatile Index, Which Could Hurt Your Investment

Some indices are highly volatile, which means that their value may change significantly, up or down, over a short period of time. The amount of principal or interest that can be expected to become payable on an indexed security or the expected settlement value of an indexed warrant may vary substantially from time to time. Because the amounts payable with respect to an indexed security are generally calculated based on the value or level of the relevant index on a specified date or over a limited period of time, volatility in the index increases the risk that the return on the indexed security may be adversely affected by a fluctuation in the level of the relevant index.

The volatility of an index may be affected by political or economic events, including governmental actions, or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of an indexed security.

An Index to Which a Security Is Linked Could Be Changed or Become Unavailable

Some indices compiled by us or our affiliates or third parties may consist of or refer to several or many different securities, commodities or currencies or other instruments or measures. The compiler of such an index typically reserves the right to alter the composition of the index and the manner in which the value or level of the index is calculated. An alteration may result in a decrease in the value of or return on an indexed security that is linked to the index. The indices for our indexed securities may include published indices of this kind or customized indices developed by us or our affiliates in connection with particular issues of indexed securities.

A published index may become unavailable, or a customized index may become impossible to calculate in the normal manner, due to events such as war, natural disasters, cessation of publication of the index or a suspension or disruption of trading in one or more securities, commodities or currencies or other instruments or measures on which the index is based. If an index becomes unavailable or impossible to calculate in the normal manner, the terms of a particular indexed security may allow us to delay determining the amount payable as principal or interest on an indexed note or the settlement value of an indexed warrant, or we may use an alternative method to determine the value of the unavailable index. Alternative methods of valuation are generally intended to produce a value similar to the value resulting from reference to the relevant index. However, it is unlikely that any alternative method of valuation we use will produce a value identical to the value that the actual index would produce. If we use an alternative method of valuation for a security linked to an index of this kind, the value of the security, or the rate of return on it, may be lower than it otherwise would be.

Some indexed securities are linked to indices that are not commonly used or that have been developed only recently. The lack of a trading history may make it difficult to anticipate the volatility or other risks associated with an indexed security of this kind. In addition, trading in these indices or their underlying stocks, commodities or currencies or other instruments or measures, or options or futures contracts on these stocks, commodities or currencies or other instruments or measures, may be limited, which could increase their volatility and decrease the value of the related indexed securities or the rates of return on them.

We May Engage in Hedging Activities that Could Adversely Affect an Indexed Security

In order to hedge an exposure on a particular indexed security, we may, directly or through our affiliates, enter into transactions involving the securities, commodities or currencies or other instruments or measures that underlie the index for that security, or derivative instruments, such as swaps, options or futures, on the index or any of its component items. By engaging in transactions of this kind, we could adversely affect the

value of an indexed security. It is possible that we could achieve substantial returns from our hedging transactions while the value of the indexed security may decline.

Table of Contents

Information About Indices May Not Be Indicative of Future Performance

If we issue an indexed security, we may include historical information about the relevant index in the applicable supplements. Any information about indices that we may provide will be furnished as a matter of information only, and you should not regard the information as indicative of the range of, or trends in, fluctuations in the relevant index that may occur in the future.

We May Have Conflicts of Interest Regarding an Indexed Security

Wachovia Securities and our other affiliates may have conflicts of interest with respect to some indexed securities. Wachovia Securities and our other affiliates may engage in trading, including trading for hedging purposes, for their proprietary accounts or for other accounts under their management, in indexed securities and in the securities, commodities or currencies or other instruments or measures on which the index is based or in other derivative instruments related to the index or its component items. These trading activities could adversely affect the value of indexed securities. We and our affiliates may also issue or underwrite securities or derivative instruments that are linked to the same index as one or more indexed securities. By introducing competing products into the marketplace in this manner, we could adversely affect the value of an indexed security.

Wachovia Bank, National Association, Wachovia Securities or another of our affiliates may serve as calculation agent for the indexed securities and may have considerable discretion in calculating the amounts payable in respect of the securities. To the extent that Wachovia Bank, National Association, Wachovia Securities or another of our affiliates calculates or compiles a particular index, it may also have considerable discretion in performing the calculation or compilation of the index. Exercising discretion in this manner could adversely affect the value of an indexed security based on the index or the rate of return on the security.

Risks Relating to Securities Denominated or Payable in or Linked to a Non-U.S. Dollar Currency

If you intend to invest in a non-U.S. dollar security e.g., a security whose principal and/or interest is payable in a currency other than U.S. dollars or that may be settled by delivery of or reference to a non-U.S. dollar currency or property denominated in or otherwise linked to a non-U.S. dollar currency you should consult your own financial and legal advisors as to the currency risks entailed by your investment. Securities of this kind may not be an appropriate investment for investors who are unsophisticated with respect to non-U.S. dollar currency transactions.

An Investment in a Non-U.S. Dollar Security Involves Currency-Related Risks

An investment in a non-U.S. dollar security entails significant risks that are not associated with a similar investment in a security that is payable solely in U.S. dollars and where settlement value is not otherwise based on a non-U.S. dollar currency. These risks include the possibility of significant changes in rates of exchange between the U.S. dollar and the various non-U.S. dollar currencies or composite currencies and the possibility of the imposition or modification of foreign exchange controls or other conditions by either the United States or non-U.S. governments. These risks generally depend on factors over which we have no control, such as economic and political events and the supply of and demand for the relevant currencies in the global markets.

Changes in Currency Exchange Rates Can Be Volatile and Unpredictable

Rates of exchange between the U.S. dollar and many other currencies have been highly volatile, and this volatility may continue and perhaps spread to other currencies in the future. Fluctuations in currency exchange rates could adversely affect an investment in a security denominated in, or whose value is otherwise linked to, a specified currency other than U.S. dollars. Depreciation of the specified currency against the U.S. dollar could result in a decrease in the U.S. dollar-equivalent value of payments on the security, including the principal payable at maturity or settlement value payable upon exercise. That in turn could cause the market

Table of Contents

value of the security to fall. Depreciation of the specified currency against the U.S. dollar could result in a loss to the investor on a U.S. dollar basis.

Government Policy Can Adversely Affect Currency Exchange Rates and an Investment in a Non-U.S. Dollar Security

Currency exchange rates can either float or be fixed by sovereign governments. From time to time, governments use a variety of techniques, such as intervention by a country's central bank or imposition of regulatory controls or taxes, to affect the exchange rate of their currencies. Governments may also issue a new currency to replace an existing currency or alter the exchange rate or exchange characteristics by devaluation or revaluation of a currency. Thus, a special risk in purchasing non-U.S. dollar securities is that their yields or payouts could be significantly and unpredictably affected by governmental actions. Even in the absence of governmental action directly affecting currency exchange rates, political or economic developments in the country issuing the specified currency for a non-U.S. dollar security or elsewhere could lead to significant and sudden changes in the exchange rate between the U.S. dollar and the specified currency. These changes could affect the value of the security as participants in the global currency markets move to buy or sell the specified currency or U.S. dollars in reaction to these developments.

Governments have imposed from time to time and may in the future impose exchange controls or other conditions, including taxes, with respect to the exchange or transfer of a specified currency that could affect exchange rates as well as the availability of a specified currency for a security at its maturity or on any other payment date. In addition, the ability of a holder to move currency freely out of the country in which payment in the currency is received or to convert the currency at a freely determined market rate could be limited by governmental actions.

Non-U.S. Dollar Securities May Permit Us to Make Payments in U.S. Dollars or Delay Payment If We Are Unable to Obtain the Specified Currency

Securities payable in a currency other than U.S. dollars may provide that, if the other currency is subject to convertibility, transferability, market disruption or other conditions affecting its availability at or about the time when a payment on the securities comes due because of circumstances beyond our control, we will be entitled to make the payment in U.S. dollars or delay making the payment. These circumstances could include the imposition of exchange controls or our inability to obtain the other currency because of a disruption in the currency markets. If we made payment in U.S. dollars, the exchange rate we would use would be determined in the manner described below under [Description of Notes We May Offer](#) or [Description of the Warrants We May Offer](#) under the subheading [Payment Mechanics](#) [How We Will Make Payments Due in Other Currencies](#) [When the Specified Currency Is Not Available](#). A determination of this kind may be based on limited information and would involve significant discretion on the part of our foreign exchange agent. As a result, the value of the payment in U.S. dollars an investor would receive on the payment date may be less than the value of the payment the investor would have received in the other currency if it had been available, or may be zero. In addition, a government may impose extraordinary taxes on transfers of a currency. If that happens we will be entitled to deduct these taxes from any payment on Securities payable in that currency.

We Will Not Adjust Non-U.S. Dollar Securities to Compensate for Changes in Currency Exchange Rates

Except as described above, we will not make any adjustment or change in the terms of a non-U.S. dollar security in the event of any change in exchange rates for the relevant currency, whether in the event of any devaluation, revaluation or imposition of exchange or other regulatory controls or taxes or in the event of other developments affecting that currency, the U.S. dollar or any other currency. Consequently, investors in non-U.S. dollar Securities will bear the risk that their investment may be adversely affected by these types of events.

In a Lawsuit for Payment on a Non-U.S. Dollar Security, an Investor May Bear Currency Exchange Risk

Our notes and warrants will be governed by New York law. Under Section 27 of the New York Judiciary Law, a state court in the State of New York rendering a judgment on a security denominated in a currency

Table of Contents

other than U.S. dollars would be required to render the judgment in the specified currency; however, the judgment would be converted into U.S. dollars at the exchange rate prevailing on the date of entry of the judgment. Consequently, in a lawsuit for payment on a security denominated in a currency other than U.S. dollars, investors would bear currency exchange risk until judgment is entered, which could be a long time.

In courts outside of New York, investors may not be able to obtain judgment in a specified currency other than U.S. dollars. For example, a judgment for money in an action based on a non-U.S. dollar security in many other U.S. federal or state courts ordinarily would be enforced in the United States only in U.S. dollars. The date used to determine the rate of conversion of the currency in which any particular security is denominated into U.S. dollars will depend upon various factors, including which court renders the judgment.

Information About Exchange Rates May Not Be Indicative of Future Performance

If we issue a non-U.S. dollar security, we may include in the applicable supplements a currency supplement that provides information about historical exchange rates for the relevant non-U.S. dollar currency or currencies. Any information about exchange rates that we may provide will be furnished as a matter of information only, and you should not regard the information as indicative of the range of, or trends in, fluctuations in currency exchange rates that may occur in the future. That rate will likely differ from the exchange rate used under the terms that apply to a particular security.

WACHOVIA CORPORATION

Wachovia was incorporated under the laws of North Carolina in 1967 and is registered as a financial holding company and a bank holding company under the Bank Holding Company Act. Prior to our merger in September 2001 with the former Wachovia Corporation, Wachovia's name was First Union Corporation. Wachovia provides a wide range of commercial and retail banking and trust services through full-service banking offices in Alabama, California, Connecticut, Delaware, Florida, Georgia, Maryland, New Jersey, New York, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas, Virginia and Washington, D.C. Wachovia also provides various other financial services, including asset and wealth management, mortgage banking, credit card, investment banking, investment advisory, home equity lending, asset-based lending, leasing, insurance, international and securities brokerage services through its subsidiaries.

Wachovia's principal executive offices are located at One Wachovia Center, Charlotte, North Carolina 28288-0013, and our telephone number is (704) 374-6565.

Since the 1985 Supreme Court decision upholding regional interstate banking legislation, Wachovia has concentrated its efforts on building a large, diversified financial services organization, primarily doing business in the eastern region of the United States. Since November 1985, Wachovia has completed over 100 banking-related acquisitions.

Wachovia continually evaluates its operations and organizational structures to ensure they are closely aligned with its goal of maximizing performance in core business lines. When consistent with overall business strategy, Wachovia may consider the disposition of certain assets, branches, subsidiaries or lines of business. While acquisitions are no longer a primary business activity, Wachovia continues to explore routinely acquisition opportunities, particularly in areas that would complement core business lines, and frequently conducts due diligence activities in connection with possible acquisitions. As a result, acquisition discussions and, in some cases, negotiations frequently take place and future acquisitions involving cash, debt or equity securities can be expected.

Wachovia is a separate and distinct legal entity from its banking and other subsidiaries. Dividends received from our subsidiaries are our principal source of funds to pay dividends on our common and preferred stock and debt service on our debt. Various federal and state statutes and regulations limit the amount of dividends that our banking and other subsidiaries may pay to us without regulatory approval.

Table of Contents**USE OF PROCEEDS**

Wachovia currently intends to use the net proceeds from the sale of any security for general corporate purposes, which may include:

reducing debt;

investments at the holding company level;

investing in, or extending credit to, our operating subsidiaries;

acquisitions;

stock repurchases; and

other purposes as mentioned in any pricing supplement.

Pending such use, we may temporarily invest the net proceeds. The precise amounts and timing of the application of proceeds will depend upon our funding requirements and the availability of other funds. Except as mentioned in any pricing supplement, specific allocations of the proceeds to such purposes will not have been made at the date of that pricing supplement.

Based upon our historical and anticipated future growth and our financial needs, we may engage in additional financings of a character and amount that we determine as the need arises.

CONSOLIDATED EARNINGS RATIOS

The following table provides Wachovia's consolidated ratios of earnings to fixed charges and preferred stock dividends:

	Years Ended December 31,				
	2006	2005	2004	2003	2002
Consolidated Ratios of Earnings to Fixed Charges and Preferred Stock Dividends					
Excluding interest on deposits	2.40x	2.90	3.83	3.63	2.91
Including interest on deposits	1.66x	1.92	2.37	2.30	1.79

For purposes of computing these ratios

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earnings represent income from continuing operations before extraordinary items and cumulative effect of a change in accounting principles, plus income taxes and fixed charges (excluding capitalized interest);

fixed charges, excluding interest on deposits, represent interest (including capitalized interest), one-third of rents and all amortization of debt issuance costs; and

fixed charges, including interest on deposits, represent all interest (including capitalized interest), one-third of rents and all amortization of debt issuance costs.

One-third of rents is used because it is the proportion deemed representative of the interest factor.

Table of Contents

REGULATORY CONSIDERATIONS

As a financial holding company and a bank holding company under the Bank Holding Company Act, the Federal Reserve Board regulates, supervises and examines Wachovia. For a discussion of the material elements of the regulatory framework applicable to financial holding companies, bank holding companies and their subsidiaries and specific information relevant to Wachovia, please refer to Wachovia's annual report on Form 10-K for the fiscal year ended December 31, 2006, and any subsequent reports we file with the SEC, which are incorporated by reference in this prospectus. This regulatory framework is intended primarily for the protection of depositors and the federal deposit insurance funds and not for the protection of security holders. As a result of this regulatory framework, Wachovia's earnings are affected by actions of the Federal Reserve Board, the Office of Comptroller of the Currency, that regulates our banking subsidiaries, the Federal Deposit Insurance Corporation, that insures the deposits of our banking subsidiaries within certain limits, and the SEC, that regulates the activities of certain subsidiaries engaged in the securities business.

Wachovia's earnings are also affected by general economic conditions, our management policies and legislative action.

In addition, there are numerous governmental requirements and regulations that affect our business activities. A change in applicable statutes, regulations or regulatory policy may have a material effect on Wachovia's business.

Depository institutions, like Wachovia's bank subsidiaries, are also affected by various federal laws, including those relating to consumer protection and similar matters. Wachovia also has other financial services subsidiaries regulated, supervised and examined by the Federal Reserve Board, as well as other relevant state and federal regulatory agencies and self-regulatory organizations. Wachovia's non-bank subsidiaries may be subject to other laws and regulations of the federal government or the various states in which they are authorized to do business.

Table of Contents

DESCRIPTION OF THE NOTES WE MAY OFFER

The following information outlines some of the provisions of the indentures and the notes. This information may not be complete in all respects, and is qualified entirely by reference to the indenture under which the notes are issued. These indentures are incorporated by reference as exhibits to the registration statement of which this prospectus is a part. This information relates to certain terms and conditions that generally apply to the notes. The specific terms of any series of notes will be described in the applicable supplements. As you read this section, please remember that the specific terms of your note as described in the applicable supplements will supplement and, if applicable, may modify or replace the general terms described in this section. If the applicable supplements are inconsistent with this prospectus, the supplements will control with regard to your note. Thus, the statements we make in this section may not apply to your note.

General

Senior notes will be issued under an indenture, dated as of April 1, 1983, as amended and supplemented, between Wachovia and The Bank of New York (as successor in interest to JPMorgan Chase Bank, National Association), as trustee. Subordinated notes will be issued under an indenture, dated as of March 15, 1986, as amended and supplemented, between Wachovia and The Bank of New York (as successor in interest to J.P. Morgan Trust Company, National Association), as trustee. Each of the senior and the subordinated notes constitutes a single series of debt securities of Wachovia issued under the senior and the subordinated indenture, respectively. The provisions of each indenture allow us not only to issue debt securities with terms different from those of debt securities previously issued under that indenture, but also to reopen a previously issued series of debt securities and issue additional debt securities of that series. The term debt securities, as used in this prospectus, refers to all debt securities, including the notes, issued and issuable from time to time under the relevant indenture. The indentures are subject to, and governed by, the Trust Indenture Act of 1939, as amended. These indentures are more fully described below in this section. Whenever we refer to specific provisions or defined terms in one or both of the indentures, those provisions or defined terms are incorporated in this prospectus by reference. Section references used in this discussion are references to the relevant indenture. Capitalized terms which are not otherwise defined shall have the meaning given to them in the relevant indenture.

The notes will be Wachovia's direct, unsecured obligations. The notes will not be deposits or other bank obligations and will not be FDIC insured.

The notes are being offered on a continuous basis by Wachovia through one or more underwriters, as described under Plan of Distribution. The indentures do not limit the aggregate principal amount of senior or subordinated notes that we may issue. We may, from time to time, without the consent of the holders of the notes, provide for the issuance of notes or other debt securities under the indentures. Each note issued under this prospectus will mature nine months or more from its date of issue, as selected by the purchaser and agreed to by Wachovia and may be subject to redemption or repayment before its stated maturity. Notes may be issued at significant discounts from their principal amount due on the stated maturity (or on any prior date on which the principal or an installment of principal of a note becomes due and payable, whether by the declaration of acceleration, call for redemption at the option of Wachovia, repayment at the option of the holder or otherwise), and some notes may not bear interest. Wachovia may from time to time, without the consent of the existing holders of the relevant notes, create and issue further notes having the same terms and conditions as such notes in all respects, except for the issue date, issue price and, if applicable, the first payment of interest thereon. Additional notes issued in this manner will be consolidated with, and will form a single series with, the previously outstanding notes.

Unless we specify otherwise in the applicable supplements, currency amounts in this prospectus are expressed in United States dollars. Unless we specify otherwise in any note and the applicable supplements, the notes will be denominated in U.S. dollars and payments of principal, premium, if any, and any interest on

Table of Contents

the notes will be made in U.S. dollars. If any note is to be denominated other than exclusively in U.S. dollars, or if the principal of, premium, if any, or any interest on the note is to be paid in one or more currencies (or currency units or in amounts determined by reference to an index or indices) other than that in which that note is denominated, additional information (including authorized denominations and related exchange rate information) will be provided in the relevant pricing supplement. Unless we specify otherwise in any pricing supplement, notes denominated in U.S. dollars will be issued in denominations of \$1,000 or any integral multiple of \$1,000.

Interest rates that we offer on the notes may differ depending upon, among other factors, the aggregate principal amount of notes purchased in any single transaction. Notes with different variable terms other than interest rates may also be offered concurrently to different investors. We may change interest rates or formulas and other terms of notes from time to time, but no change of terms will affect any note we have previously issued or as to which we have accepted an offer to purchase.

Each note will be issued as a book-entry note in fully registered form without coupons. Each note issued in book-entry form will be represented by a global note that we deposit with and register in the name of a financial institution or its nominee that we select. The financial institution that we select for this purpose is called the depository. Unless we specify otherwise in the applicable pricing supplement, The Depository Trust Company, New York, New York, will be the depository for all notes in global form. Except as discussed below under Global Notes, owners of beneficial interests in book-entry notes will not be entitled to physical delivery of notes in certificated form. We will make payments of principal of, and premium, if any, and interest, if any, on the notes through the applicable trustee to the depository for the notes. See Global Notes.

The indentures do not limit the aggregate principal amount of debt securities or of any particular series of debt securities which may be issued under the indentures and provide that these debt securities may be issued at various times in one or more series, in each case with the same or various maturities, at par or at a discount. (*Section 301*) The indentures provide that there may be more than one trustee under the indentures with respect to different series of debt securities. At December 31, 2006, \$25.1 billion aggregate principal amount of senior debt securities was outstanding under the senior indenture. The senior trustee is trustee for such series. At December 31, 2006, \$113.5 billion aggregate principal amount of subordinated debt securities was outstanding under the subordinated indenture. The subordinated trustee is trustee for such series.

The indentures do not limit the amount of other debt that Wachovia may issue and do not contain financial or similar restrictive covenants. At December 31, 2006, Wachovia had an aggregate of \$37.0 billion of short-term senior indebtedness outstanding which consisted primarily of commercial paper and other borrowed money. Wachovia expects from time to time to incur additional senior indebtedness and Other Financial Obligations (as defined below). The indentures do not prohibit or limit additional senior indebtedness or Other Financial Obligations.

Because Wachovia is a holding company and a legal entity separate and distinct from its subsidiaries, Wachovia's rights to participate in any distribution of assets of any subsidiary upon its liquidation, reorganization or otherwise, and the ability of the holders of notes to benefit indirectly from such distribution, would be subject to prior creditors' claims, except to the extent that Wachovia itself may be a creditor of that subsidiary with recognized claims. Claims on Wachovia's subsidiary banks by creditors other than Wachovia include long-term debt and substantial obligations with respect to deposit liabilities and federal funds purchased, securities sold under repurchase agreements, other short-term borrowings and various other financial obligations. The indentures do not contain any covenants designed to afford holders of notes protection in the event of a highly leveraged transaction involving Wachovia. Accordingly, Wachovia's obligations under the notes will be effectively subordinated to all existing and future indebtedness and liabilities of Wachovia's subsidiaries, including liabilities under bank products issued by Wachovia's banking subsidiaries, and an investor in notes should look only to Wachovia's assets for payment thereunder.

Table of Contents

Legal Ownership

Street Name and Other Indirect Holders

Investors who hold their notes in accounts at banks or brokers will generally not be recognized by us as legal holders of notes. This is called holding in street name. Instead, we would recognize only the bank or broker, or the financial institution the bank or broker uses to hold its notes. These intermediary banks, brokers and other financial institutions pass along principal, interest and other payments on the notes, either because they agree to do so in their customer agreements or because they are legally required to do so. If you hold your notes in street name, you should check with your own institution to find out:

how it handles note payments and notices;

whether it imposes fees or charges;

how it would handle voting if it were ever required;

whether and how you can instruct it to send you notes registered in your own name so you can be a direct holder as described below; and

how it would pursue rights under the notes if there were a default or other event triggering the need for holders to act to protect their interests.

Direct Holders

Our obligations, as well as the obligations of the trustee and those of any third parties employed by us or the trustee, under the notes run only to persons who are registered as holders of notes. As noted above, we do not have obligations to you if you hold in street name or other indirect means, either because you choose to hold your notes in that manner or because the notes are issued in the form of global securities as described below. For example, once we make payment to the registered holder we have no further responsibility for the payment even if that holder is legally required to pass the payment along to you as a street name customer but does not do so.

Global Notes

A global note is a special type of indirectly held security, as described above under *Street Name and Other Indirect Holders*. If we choose to issue notes in the form of global notes, the ultimate beneficial owners of global notes can only be indirect holders. We require that the global note be registered in the name of a financial institution we select.

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We also require that the notes included in the global note not be transferred to the name of any other direct holder except in the special circumstances described in the section *Global Securities* . The financial institution that acts as the sole direct holder of the global note is called the depository. Any person wishing to own a global note must do so indirectly by virtue of an account with a broker, bank or other financial institution that in turn has an account with the depository. The applicable supplements indicate whether your series of notes will be issued only in the form of global notes.

Further details of legal ownership are discussed in the section *Global Securities* below.

*In the remainder of this description you or holder means direct holders and not street name or other indirect holders of notes. Indirect holders should read the previous subsection titled *Street Name and Other Indirect Holders* .*

Types of Notes

We may issue the four types of notes described below. A note may have elements of each of the four types of notes described below. For example, a note may bear interest at a fixed rate for some periods and at a

Table of Contents

floating rate in others. Similarly, a note may provide for a payment of principal at maturity linked to an index and bear interest at a fixed or floating rate:

Fixed Rate Notes. A note of this type will bear interest at a fixed rate described in the applicable pricing supplement. This type includes zero-coupon notes, which bear no interest and are instead issued at a price lower than the principal amount.

Floating Rate Notes. A note of this type will bear interest at rates that are determined by reference to an interest rate formula. In some cases, the rates may also be adjusted by adding or subtracting a spread or multiplying by a spread multiplier and may be subject to a minimum rate or a maximum rate. The various interest rate formulas and these other features are described below in **Interest Rates Floating Rate Notes**. If your note is a floating rate note, the formula and any adjustments that apply to the interest rate will be specified in the applicable supplements.

Indexed Notes. A note of this type provides that the principal amount payable at its maturity, and/or the amount of interest payable on an interest payment date, will be determined by reference to:

one or more securities;

one or more currencies;

one or more commodities;

any other financial, economic or other measures or instruments, including the occurrence or non-occurrence of any event or circumstance; and/or

one or more indices or baskets of any of these items.

If you are a holder of an indexed note, you may receive a principal amount at maturity that is greater than or less than the face amount of your note depending upon the formula used to determine the amount payable and the value of the applicable property or index at maturity. That value may fluctuate over time. If you purchase an indexed note the applicable supplements will include information about the relevant property or index and about how amounts that are to become payable will be determined by reference to that property or index. Before you purchase any indexed note, you should read carefully the section entitled **Risk Factors Risks Relating to Indexed Securities** above and the discussion of risks in the applicable supplements.

Exchangeable Notes. We may issue notes, which we refer to as **exchangeable notes**, that are exchangeable, at our option or the option of the holder, into securities of an issuer other than Wachovia or into other property. The exchangeable notes may or may not bear interest or be issued with original issue discount or at a premium. The general terms of the exchangeable notes are described below.

Optionally Exchangeable Notes. The holder of an optionally exchangeable note may, during a period, or at specific times, exchange the note for the underlying property at a specified rate of exchange. If specified in the applicable supplements, we will have the option to redeem the optionally exchangeable note prior to maturity. If the holder of an optionally exchangeable note does not elect to exchange the note prior to maturity or any redemption date, the holder will receive the principal amount of the note plus any accrued interest at maturity or upon redemption.

Mandatorily Exchangeable Notes. At maturity, the holder of a mandatorily exchangeable note must exchange the note for the underlying property at a specified rate of exchange, and, therefore, depending upon the value of the underlying property at maturity, the holder of a mandatorily exchangeable note may receive less than the principal amount of the note at maturity. If so indicated in the applicable supplements, the specified rate at which a mandatorily exchangeable note may be exchanged may vary depending on the value of the underlying property so that, upon exchange, the holder participates in a percentage, which may be less than, equal to, or greater than 100% of the change in value of the underlying property. Mandatorily exchangeable notes may include notes where we have the right, but not the obligation, to require holders of notes to exchange their notes for the underlying property.

Table of Contents

Payments upon Exchange. The applicable supplements will specify if upon exchange, at maturity or otherwise, the holder of an exchangeable note may receive, at the specified exchange rate, either the underlying property or the cash value of the underlying property. The underlying property may be the securities of either U.S. or foreign entities or both. The exchangeable notes may or may not provide for protection against fluctuations in the exchange rate between the currency in which that note is denominated and the currency or currencies in which the market prices of the underlying security or securities are quoted. Exchangeable notes may have other terms, which will be specified in the applicable supplements.

Special Requirements for Exchange of Global Securities. If an optionally exchangeable note is represented by a global security, the depositary's nominee will be the holder of that note and therefore will be the only entity that can exercise a right to exchange. In order to ensure that the depositary's nominee will timely exercise a right to exchange a particular note or any portion of a particular note, the beneficial owner of the note must instruct the broker or other direct or indirect participant through which it holds an interest in that note to notify the depositary of its desire to exercise a right to exchange. Different firms have different deadlines for accepting instructions from their customers. Each beneficial owner should consult the broker or other participant through which it holds an interest in a note in order to ascertain the deadline for ensuring that timely notice will be delivered to the depositary.

Payments upon Acceleration of Maturity or upon Tax Redemption. If the principal amount payable at maturity of any exchangeable note is declared due and payable prior to maturity, the amount payable on:

an optionally exchangeable note will equal the face amount of the note plus accrued interest, if any, to but excluding the date of payment, except that if a holder has exchanged an optionally exchangeable note prior to the date of declaration or tax redemption without having received the amount due upon exchange, the amount payable will be an amount of cash equal to the amount due upon exchange and will not include any accrued but unpaid interest; and

a mandatorily exchangeable note will equal an amount determined as if the date of declaration or tax redemption were the maturity date plus accrued interest, if any, to but excluding the date of payment.

Original Issue Discount Notes

A fixed rate note, a floating rate note or an indexed note may be an original issue discount note. A note of this type is issued at a price lower than its principal amount and provides that, upon redemption or acceleration of its maturity, an amount less than its principal amount will be payable. An original issue discount note may be a zero coupon note. A note issued at a discount to its principal may, for U.S. federal income tax purposes, be considered an original issue discount note, regardless of the amount payable upon redemption or acceleration of maturity. See United States Taxation below for a brief description of the U.S. federal income tax consequences of owning an original issue discount note.

Information in the Supplements

The applicable supplements will describe one or more of the following terms of your note:

whether it is a senior note or a subordinated note;

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any limit on the total principal amount of the notes of the same series or class;

the stated maturity;

the specified currency or currencies for principal and interest, if not U.S. dollars;

the price at which we originally issue your note, expressed as a percentage of the principal amount, and the original issue date;

whether your note is a fixed rate note, a floating rate note, an indexed note or an exchangeable note;

Table of Contents

if your note is a fixed rate note, the yearly rate at which your note will bear interest, if any, and the interest payment dates;

if your note is a floating rate note, the interest rate basis, which may be one of the nine interest rate bases described in [Interest Rates Floating Rate Notes](#) below; any applicable index currency or maturity, spread or spread multiplier or initial, maximum or minimum rate; and the interest reset, determination, calculation and payment dates, the day count used to calculate interest payments for any period; and the calculation agent, all of which we describe under [Interest Rates Floating Rate Notes](#) below;

if your note is an indexed note, the principal amount, if any, we will pay you at maturity, the amount of interest, if any, we will pay you on an interest payment date or the formula we will use to calculate these amounts, if any, and whether your note will be exchangeable for or payable in cash, securities of an issuer other than Wachovia or other property;

if your note is an exchangeable note, the securities or property for which the notes may be exchanged, whether the notes are exchangeable at your option or at Wachovia's option, and the other items described in [Exchangeable Notes](#) above;

if your note is an original issue discount note, the yield to maturity;

if applicable, the circumstances under which your note may be redeemed at our option before the stated maturity, including any redemption commencement date, redemption price(s) and redemption period(s);

if applicable, the circumstances under which you may demand repayment of your note before the stated maturity, including any repayment commencement date, repayment price(s) and repayment period(s);

the authorized denominations, if other than \$1,000 and integral multiples of \$1,000;

any special United States federal income tax consequences of the purchase, ownership or disposition of a particular issuance of notes;

the use of proceeds, if materially different than those discussed in this prospectus; and

any other terms of your note, which could be different from those described in this prospectus.

Market-Making Transactions. If you purchase your note in a market-making transaction, you will receive information about the price you pay and your trade and settlement dates in a separate confirmation of sale. A market-making transaction is one in which Wachovia Securities or another of our affiliates resells a note that it has previously acquired from another holder. A market-making transaction in a particular note occurs after the original issuance and sale of the note.

Redemption at the Option of Wachovia; No Sinking Fund

If an initial redemption date is specified in the applicable pricing supplement, we may redeem the particular notes prior to their stated maturity date at our option on any date on or after that initial redemption date in whole or from time to time in part in increments of \$1,000 or any other integral multiple of an authorized denomination specified in the applicable pricing supplement (provided that any remaining principal amount thereof shall be at least \$1,000 or other minimum authorized denomination applicable thereto), at the applicable redemption price (as defined below), together with unpaid interest accrued thereon to the date of redemption. We must give written notice to registered holders of the

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particular notes to be redeemed at our option not more than 60 nor less than 30 calendar days prior to the date of redemption. Redemption price , with respect to a note, means an amount equal to the initial redemption percentage specified in the applicable supplement (as adjusted by the annual redemption percentage reduction, if applicable) multiplied by the unpaid principal amount thereof to be redeemed. The initial redemption percentage, if any, applicable to a note shall decline at each anniversary of the initial redemption date by an

Table of Contents

amount equal to the applicable annual redemption percentage reduction, if any, until the redemption price is equal to 100% of the unpaid principal amount thereof to be redeemed.

The notes will not be subject to, or entitled to the benefit of, any sinking fund.

Repayment at the Option of the Holder

If one or more optional repayment dates are specified in the applicable pricing supplement, registered holders of the particular notes may require us to repay those notes prior to their stated maturity date on any optional repayment date in whole or from time to time in part in increments of \$1,000 or any other integral multiple of an authorized denomination specified in the applicable pricing supplement (provided that any remaining principal amount thereof shall be at least \$1,000 or other minimum authorized denomination applicable thereto), at a repayment price equal to 100% of the unpaid principal amount thereof to be repaid, together with unpaid interest accrued thereon to the date of repayment. A registered holder's exercise of the repayment option will be irrevocable.

For any note to be repaid, the applicable trustee must receive, at its corporate trust office in the Borough of Manhattan, The City of New York, not more than 60 nor less than 30 calendar days prior to the date of repayment, the particular notes to be repaid and, in the case of a book-entry note, repayment instructions from the applicable beneficial owner (as defined below) to the depository and forwarded by the depository.

Only the depository may exercise the repayment option in respect of global notes representing book-entry notes. Accordingly, beneficial owners of global notes that desire to have all or any portion of the book-entry notes represented thereby repaid must instruct the participant (as defined below) through which they own their interest to direct the depository to exercise the repayment option on their behalf by forwarding the repayment instructions to the applicable trustee as aforesaid. In order to ensure that these instructions are received by the applicable trustee on a particular day, the applicable beneficial owner must so instruct the participant through which it owns its interest before that participant's deadline for accepting instructions for that day. Different firms may have different deadlines for accepting instructions from their customers. Accordingly, beneficial owners should consult their participants for the respective deadlines. All instructions given to participants from beneficial owners of global notes relating to the option to elect repayment shall be irrevocable. In addition, at the time repayment instructions are given, each beneficial owner shall cause the participant through which it owns its interest to transfer the beneficial owner's interest in the global note representing the related book-entry notes, on the depository's records, to the applicable trustee. See Global Notes.

If applicable, we will comply with the requirements of Section 14(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act), and the rules promulgated thereunder, and any other securities laws or regulations in connection with any repayment of notes at the option of the registered holders thereof.

We may at any time purchase notes at any price or prices in the open market or otherwise. Notes so purchased by us may, at our discretion, be held, resold or surrendered to the applicable trustee for cancellation.

Interest

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Each interest-bearing note will bear interest from its date of issue at the rate per annum, in the case of a fixed rate note, or pursuant to the interest rate formula, in the case of a floating rate note, in each case as specified in the applicable pricing supplement, until the principal thereof is paid. We will make interest payments in respect of fixed rate notes and floating rate notes in an amount equal to the interest accrued from and including the immediately preceding interest payment date in respect of which interest has been paid or from and including the date of issue, if no interest has been paid, to but excluding the applicable interest payment date or the maturity date, as the case may be (each, an interest period).

Table of Contents

Interest on fixed rate notes and floating rate notes will be payable in arrears on each interest payment date and on the maturity date. The first payment of interest on any note originally issued between a regular record date and the related interest payment date will be made on the interest payment date immediately following the next succeeding record date to the registered holder on the next succeeding record date. The regular record date shall be the fifteenth calendar day, whether or not a business day, immediately preceding the related interest payment date. Business Day is defined below under Interest Rates Special Rate Calculation Terms. For the purpose of determining the holder at the close of business on a regular record date when business is not being conducted, the close of business will mean 5:00 P.M., New York City time, on that day.

Interest Rates

This subsection describes the different kinds of interest rates that may apply to your note, if it bears interest.

Fixed Rate Notes

Your pricing supplement will specify the interest payment dates for a fixed rate note as well as the maturity date. Interest on fixed rate notes will be computed on the basis of a 360-day year of twelve 30-day months or such other day count fraction set forth in the applicable supplement.

If any interest payment date or the maturity date of a fixed rate note falls on a day that is not a business day, we will make the required payment of principal, premium, if any, and/or interest on the next succeeding business day, and no additional interest will accrue in respect of the payment made on that next succeeding business day.

Floating Rate Notes

*In this subsection, we use several specialized terms relating to the manner in which floating interest rates are calculated. These terms appear in **bold, italicized** type the first time they appear, and we define these terms in *Special Rate Calculation Terms* at the end of this subsection.*

The following will apply to floating rate notes.

Interest Rate Basis. We currently expect to issue floating rate notes that bear interest at rates based on one or more of the following interest rate bases:

commercial paper rate;

prime rate;

LIBOR;

EURIBOR;

treasury rate;

CMT rate;

CD rate;

consumer price index (CPI) rate; and/or

federal funds rate.

We describe each of the interest rate bases in further detail below in this subsection. If you purchase a floating rate note, the applicable supplements will specify the interest rate basis that applies to your note.

Calculation of Interest. Calculations relating to floating rate notes will be made by the calculation agent, an institution that we appoint as our agent for this purpose. That institution may include any affiliate

Table of Contents

of ours, such as Wachovia Securities or Wachovia Bank, National Association. If other than Wachovia Securities or Wachovia Bank, National Association, the applicable supplements for a particular floating rate note will name the institution that we have appointed to act as the calculation agent for that note as of its original issue date. We may appoint a different institution to serve as calculation agent from time to time after the original issue date of the note without your consent and without notifying you of the change.

For each floating rate note, the calculation agent will determine, on no later than the corresponding interest calculation date or on the interest determination date, as described below, the interest rate that takes effect on each interest reset date. In addition, the calculation agent will calculate the amount of interest that has accrued during each interest period i.e., the period from and including the original issue date, or the last date to which interest has been paid or made available for payment, to but excluding the payment date. For each interest period, the calculation agent will calculate the amount of accrued interest by multiplying the face or other specified amount of the floating rate note by an accrued interest factor for the interest period. This factor will equal the sum of the interest factors calculated for each day during the interest period. The interest factor for each day will be expressed as a decimal and will be calculated by dividing the interest rate, also expressed as a decimal, applicable to that day by 360 or by the actual number of days in the year, as specified in the applicable supplements.

Upon the request of the holder of any floating rate note, the calculation agent will provide for that note the interest rate then in effect and, if determinable, the interest rate that will become effective on the next interest reset date. The calculation agent's determination of any interest rate, and its calculation of the amount of interest for any interest period, will be final and binding in the absence of manifest error.

All percentages resulting from any calculation relating to a note will be rounded upward or downward, as appropriate, to the next higher or lower one hundred-thousandth of a percentage point, e.g., 9.876541% (or .09876541) being rounded down to 9.87654% (or .0987654) and 9.876545% (or .09876545) being rounded up to 9.87655% (or .0987655). All amounts used in or resulting from any calculation relating to a floating rate note will be rounded upward or downward, as appropriate, to the nearest cent, in the case of U.S. dollars, or to the nearest corresponding hundredth of a unit, in the case of a currency other than U.S. dollars, with one-half cent or one-half of a corresponding hundredth of a unit or more being rounded upward.

In determining the interest rate basis that applies to a floating rate note during a particular interest period, the calculation agent may obtain rate quotes from various banks or dealers active in the relevant market, as discussed below. Those reference banks and dealers may include the calculation agent itself and its affiliates, as well as any agent participating in the distribution of the relevant floating rate notes and its affiliates, and they may include affiliates of Wachovia.

Initial Interest Rate. For any floating rate note, the interest rate in effect from the original issue date to the first interest reset date will be the initial interest rate. We will specify the initial interest rate or the manner in which it is determined in the applicable supplements.

Spread or Spread Multiplier. In some cases, the interest rate basis for a floating rate note may be adjusted:

by adding or subtracting a specified number of basis points, called the spread, with one basis point being 0.01%; or

by multiplying the interest rate basis by a specified percentage, called the spread multiplier.

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If you purchase a floating rate note, the applicable supplements will indicate whether a spread or spread multiplier will apply to your note and, if so, the amount of the spread or spread multiplier.

Table of Contents

Maximum and Minimum Rates. The actual interest rate, after being adjusted by the spread or spread multiplier, may also be subject to either or both of the following limits:

a maximum rate i.e., a specified upper limit that the actual interest rate in effect at any time may not exceed; and/or

a minimum rate i.e., a specified lower limit that the actual interest rate in effect at any time may not fall below.

If you purchase a floating rate note, the applicable supplements will indicate whether a maximum rate and/or minimum rate will apply to your note and, if so, what those rates are.

Whether or not a maximum rate applies, the interest rate on a floating rate note will in no event be higher than the maximum rate permitted by New York law, as it may be modified by U.S. law of general application. Under current New York law, the maximum rate of interest, with some exceptions, for any loan in an amount less than \$250,000 is 16% and for any loan in the amount of \$250,000 or more but less than \$2,500,000 is 25% per year on a simple interest basis. These limits do not apply to loans of \$2,500,000 or more.

The rest of this subsection describes how the interest rate and the interest payment dates will be determined, and how interest will be calculated, on a floating rate note.

Interest Reset Dates. The rate of interest on a floating rate note will be reset, by the calculation agent described below, daily, weekly, monthly, quarterly, semi-annually or annually. The date on which the interest rate resets and the reset rate becomes effective is called the interest reset date. Except as otherwise specified in the applicable supplement, the interest reset date will be as follows:

for floating rate notes that reset daily, each *business day*;

for floating rate notes that reset weekly and are not treasury rate notes, the Wednesday of each week;

for treasury rate notes that reset weekly, the Tuesday of each week;

for floating rate notes that reset monthly, the third Wednesday of each month;

for floating rate notes that reset quarterly, the third Wednesday of March, June, September and December of each year;

for floating rate notes that reset semi-annually, the third Wednesday of each of two months of each year as indicated in the applicable supplements; and

for floating rate notes that reset annually, the third Wednesday of one month of each year as indicated in the applicable supplements.

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For a floating rate note, the interest rate in effect on any particular day will be the interest rate determined with respect to the latest interest reset date that occurs on or before that day. There are several exceptions, however, to the reset provisions described above.

The interest rate in effect from the original issue date to the first interest reset date will be the initial interest rate.

If any interest reset date for a floating rate note would otherwise be a day that is not a business day, the interest reset date will be postponed to the next day that is a business day. For a LIBOR or EURIBOR note, however, if that business day is in the next succeeding calendar month, the interest reset date will be the immediately preceding business day.

Table of Contents

Interest Determination Dates. The interest rate that takes effect on an interest reset date will be determined by the calculation agent by reference to a particular date called an interest determination date. Except as otherwise indicated in the relevant pricing supplement:

for commercial paper rate, federal funds rate and prime rate notes, the interest determination date relating to a particular interest reset date will be the business day preceding the interest reset date;

for CD rate, CPI rate, and CMT rate notes, the interest determination date relating to a particular interest reset date will be the second business day preceding the interest reset date;

for LIBOR notes, the interest determination date relating to a particular interest reset date will be the second *London business day* preceding the interest reset date, unless the *index currency* is pounds sterling, in which case the interest determination date will be the interest reset date. We refer to an interest determination date for a LIBOR note as a LIBOR interest determination date;

for EURIBOR notes, the interest determination date relating to a particular interest reset date will be the second *euro business day* preceding the interest reset date. We refer to an interest determination date for a EURIBOR note as a EURIBOR interest determination date; and

for treasury rate notes, the interest determination date relating to a particular interest reset date, which we refer to as a treasury interest determination date, will be the day of the week in which the interest reset date falls on which treasury bills i.e., direct obligations of the U.S. government would normally be auctioned. Treasury bills are usually sold at auction on the Monday of each week, unless that day is a legal holiday, in which case the auction is usually held on the following Tuesday, except that the auction may be held on the preceding Friday. If as the result of a legal holiday an auction is held on the preceding Friday, that Friday will be the treasury interest determination date relating to the interest reset date occurring in the next succeeding week.

The interest determination date pertaining to a floating rate note, the interest rate of which is determined with reference to two or more interest rate bases, will be the latest business day which is at least two business days before the related interest reset date for the applicable floating rate note on which each interest rate basis is determinable.

Interest Calculation Dates. As described above, the interest rate that takes effect on a particular interest reset date will be determined by reference to the corresponding interest determination date. Except for LIBOR notes and EURIBOR notes, however, the determination of the rate will actually be made on a day no later than the corresponding interest calculation date. The interest calculation date will be the earlier of the following:

the tenth calendar day after the interest determination date or, if that tenth calendar day is not a business day, the next succeeding business day; and

the business day immediately preceding the interest payment date or the maturity date, whichever is the day on which the next payment of interest will be due.

The calculation agent need not wait until the relevant interest calculation date to determine the interest rate if the rate information it needs to make the determination is available from the relevant sources sooner.

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Interest Payment Dates. The interest payment dates for a floating rate note will depend on when the interest rate is reset and, unless we specify otherwise in the applicable supplements, will be as follows:

for floating rate notes that reset daily, weekly or monthly, the third Wednesday of each month or the third Wednesday of March, June, September and December of each year, as specified in the applicable supplement;

for floating rate notes that reset quarterly, the third Wednesday of March, June, September and December of each year;

Table of Contents

for floating rate notes that reset semi-annually, the third Wednesday of the two months of each year specified in the applicable supplement; or

for floating rate notes that reset annually, the third Wednesday of the month specified in the applicable supplement.

Regardless of these rules, if a note is originally issued after the regular record date and before the date that would otherwise be the first interest payment date, the first interest payment date will be the date that would otherwise be the second interest payment date.

In addition, the following special provision will apply to a floating rate note with regard to any interest payment date other than one that falls on the maturity. If the interest payment date would otherwise fall on a day that is not a business day, then the interest payment date will be the next day that is a business day. However, if the floating rate note is a LIBOR note or a EURIBOR note and the next business day falls in the next calendar month, then the interest payment date will be advanced to the next preceding day that is a business day. If the maturity date of a floating rate note falls on a day that is not a business day, we will make the required payment of principal, premium, if any, and interest on the next succeeding business day, and no additional interest will accrue in respect of the payment made on that next succeeding business day.

Calculation Agent. We have initially appointed Wachovia Capital Markets, LLC as our calculation agent for the notes. See Calculation of Interest above for details regarding the role of the calculation agent.

Commercial Paper Rate Notes

If you purchase a commercial paper rate note, your note will bear interest at an interest rate equal to the commercial paper rate and adjusted by the spread or spread multiplier, if any, indicated in your pricing supplement.

The commercial paper rate will be the **money market yield** of the rate, for the relevant interest determination date, for commercial paper having the **index maturity** indicated in your pricing supplement, as published in **H.15(519)** under the heading Commercial Paper Nonfinancial . If the commercial paper rate cannot be determined as described above, the following procedures will apply.

If the rate described above does not appear in H.15(519) at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from that source at that time, then the commercial paper rate will be the rate, for the relevant interest determination date, for commercial paper having the index maturity specified in your pricing supplement, as published in **H.15 daily update** or any other recognized electronic source used for displaying that rate, under the heading Commercial Paper Nonfinancial .

If the rate described above does not appear in H.15(519), H.15 daily update or another recognized electronic source at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, the commercial paper rate will be the money market yield of the arithmetic mean of the following offered rates for U.S. dollar commercial paper that has the relevant index maturity and is placed for an industrial issuer whose bond rating is AA , or the equivalent, from a nationally recognized rating agency: the rates offered as of 11:00 A.M., New York City time, on the relevant interest determination date, by three leading U.S. dollar commercial paper dealers in New York City selected by the calculation agent.

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If fewer than three dealers selected by the calculation agent are quoting as described above, the commercial paper rate for the new interest period will be the commercial paper rate in effect for the prior interest period. If the initial interest rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

Table of Contents

Prime Rate Notes

If you purchase a prime rate note, your note will bear interest at an interest rate equal to the prime rate and adjusted by the spread or spread multiplier, if any, indicated in your pricing supplement.

The prime rate will be the rate, for the relevant interest determination date, published in H.15(519) under the heading **Bank Prime Loan**. If the prime rate cannot be determined as described above, the following procedures will apply.

If the rate described above does not appear in H.15(519) at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from that source at that time, then the prime rate will be the rate, for the relevant interest determination date, as published in H.15 daily update or another recognized electronic source used for the purpose of displaying that rate, under the heading **Bank Prime Loan**.

If the rate described above does not appear in H.15(519), H.15 daily update or another recognized electronic source at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, then the prime rate will be the arithmetic mean of the following rates as they appear on the **Reuters screen US PRIME 1 page**: the rate of interest publicly announced by each bank appearing on that page as that bank's prime rate or base lending rate, as of 11:00 A.M., New York City time, on the relevant interest determination date.

If fewer than four of these rates appear on the Reuters screen US PRIME 1 page, the prime rate will be the arithmetic mean of the prime rates or base lending rates, as of the close of business on the relevant interest determination date, of three major banks in New York City selected by the calculation agent. For this purpose, the calculation agent will use rates quoted on the basis of the actual number of days in the year divided by a 360-day year.

If fewer than three banks selected by the calculation agent are quoting as described above, the prime rate for the new interest period will be the prime rate in effect for the prior interest period. If the initial interest rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

LIBOR Notes

If you purchase a LIBOR note, your note will bear interest at an interest rate equal to LIBOR, which will be the London interbank offered rate for deposits in U.S. dollars or any other index currency, as noted in the applicable supplement. In addition, when LIBOR is the interest rate basis the applicable LIBOR rate will be adjusted by the spread or spread multiplier, if any, indicated in the applicable supplement. LIBOR will be determined in the following manner:

LIBOR will be either:

the offered rate appearing on the **Reuters screen LIBOR01 page**; or

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the arithmetic mean of the offered rates appearing on the *Reuters screen LIBO page* unless that page by its terms cites only one rate, in which case that rate;

in either case, as of 11:00 A.M., London time, on the relevant LIBOR interest determination date, for deposits of the relevant index currency having the relevant index maturity beginning on the relevant interest reset date. The applicable supplement will indicate the index currency, the index maturity and the reference page that apply to your LIBOR note. If no reference page is mentioned in the applicable supplement, Reuters screen LIBOR01 page will apply to your LIBOR note.

If Reuters screen LIBOR01 page applies and the rate described above does not appear on that page, or if Reuters screen LIBO page applies and fewer than two of the rates described above appears on that page or no rate appears on any page on which only one rate normally appears,

Table of Contents

then LIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the relevant LIBOR interest determination date, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the calculation agent: deposits of the index currency having the relevant index maturity, beginning on the relevant interest reset date, and in a *representative amount*. The calculation agent will request the principal London office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, LIBOR for the relevant LIBOR interest determination date will be the arithmetic mean of the quotations.

If fewer than two quotations are provided as described above, LIBOR for the relevant LIBOR interest determination date will be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M., in the principal financial center for the country of the index currency, on that LIBOR interest determination date, by three major banks in that financial center selected by the calculation agent: loans of the index currency having the relevant index maturity, beginning on the relevant interest reset date, and in a representative amount.

If fewer than three banks selected by the calculation agent are quoting as described above, LIBOR for the new interest period will be LIBOR in effect for the prior interest period. If the initial interest rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

EURIBOR Notes

If you purchase a EURIBOR note, your note will bear interest at an interest rate equal to the interest rate for deposits in euro, designated as EURIBOR and sponsored jointly by the European Banking Federation and ACI the Financial Market Association, or any company established by the joint sponsors for purposes of compiling and publishing that rate. In addition, when EURIBOR is the interest rate basis the EURIBOR base rate will be adjusted by the spread or spread multiplier, if any, specified in the applicable supplement. EURIBOR will be determined in the following manner:

EURIBOR will be the offered rate for deposits in euros having the index maturity specified in the applicable supplement, beginning on the second *euro business day* after the relevant EURIBOR interest determination date, as that rate appears on Reuters screen EURIBOR01 page as of 11:00 A.M., Brussels time, on the relevant EURIBOR interest determination date.

If the rate described above does not appear on Reuters screen EURIBOR01 page, EURIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., Brussels time, on the relevant EURIBOR interest determination date, at which deposits of the following kind are offered to prime banks in the *euro-zone* interbank market by the principal euro-zone office of each of four major banks in that market selected by the calculation agent: euro deposits having the relevant index maturity, beginning on the relevant interest reset date, and in a representative amount. The calculation agent will request the principal euro-zone office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, EURIBOR for the relevant EURIBOR interest determination date will be the arithmetic mean of the quotations.

If fewer than two quotations are provided as described above, EURIBOR for the relevant EURIBOR interest determination date will be the arithmetic mean of the rates for loans of the following kind to leading euro-zone banks quoted, at approximately 11:00 A.M., Brussels time on that EURIBOR interest determination date, by three major banks in the euro-zone selected by the calculation agent: loans of euros having the relevant index maturity, beginning on the relevant interest reset date, and in a representative amount.

If fewer than three banks selected by the calculation agent are quoting as described above, EURIBOR for the new interest period will be EURIBOR in effect for the prior interest period. If

Table of Contents

the initial interest rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

Treasury Rate Notes

If you purchase a treasury rate note, your note will bear interest at an interest rate equal to the treasury rate and adjusted by the spread or spread multiplier, if any, indicated in the applicable supplement.

The treasury rate will be the rate for the auction, on the relevant treasury interest determination date, of treasury bills having the index maturity specified in your pricing supplement, as that rate appears on ***Reuters Screen USAUCTION10 or USAUCTION11 page*** under the heading Investment Rate . If the treasury rate cannot be determined in this manner, the following procedures will apply.

If the rate described above does not appear on either page at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from that source at that time, the treasury rate will be the ***bond equivalent yield*** of the rate, for the relevant interest determination date, for the type of treasury bill described above, as published in H.15 daily update, or another recognized electronic source used for displaying that rate, under the heading U.S. Government Securities/Treasury Bills/Auction High .

If the rate described in the prior paragraph does not appear in H.15 daily update or another recognized electronic source at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, the treasury rate will be the bond equivalent yield of the auction rate, for the relevant treasury interest determination date and for treasury bills of the kind described above, as announced by the U.S. Department of the Treasury.

If the auction rate described in the prior paragraph is not announced by 3:00 P.M., New York City time on the relevant interest calculation date, or if no such auction is held for the relevant week, then the treasury rate will be the bond equivalent yield of the rate for the relevant treasury interest determination date and for treasury bills having a remaining maturity closest to the specified index maturity, as published in H.15(519) under the heading U.S. Government Securities /Treasury Bills/Secondary Market .

If the rate described in the prior paragraph does not appear in H.15(519) at 3:00 P.M., New York City time on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, then the treasury rate will be the rate for the relevant treasury interest determination date and for treasury bills having a remaining maturity closest to the specified index maturity, as published in H.15 daily update, or another recognized electronic source used for displaying that rate, under the heading U.S. Government Securities/Treasury Bills/Secondary Market .

If the rate described in the prior paragraph does not appear in H.15 daily update or another recognized electronic source at 3:00 P.M., New York City time on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, the treasury rate will be the bond equivalent yield of the arithmetic mean of the following secondary market bid rates for the issue of treasury bills with a remaining maturity closest to the specified index maturity: the rates bid as of approximately 3:30 P.M., New York City time on the relevant treasury interest determination date by three primary U.S. government securities dealers in New York City selected by the calculation agent.

If fewer than three dealers selected by the calculation agent are quoting as described in the prior paragraph, the treasury rate in effect for the new interest period will be the treasury rate in effect for the prior interest period. If the initial interest rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

Table of Contents

CD Rate Notes

If you purchase a CD rate note, your note will bear interest at an interest rate equal to the CD rate and adjusted by the spread or spread multiplier, if any, indicated in the applicable supplement.

The CD rate will be the rate, on the relevant interest determination date, for negotiable U.S. dollar certificates of deposit having the index maturity specified in the applicable supplement, as published in H.15(519) under the heading **CDs (Secondary Market)**. If the CD rate cannot be determined in this manner, the following procedures will apply.

If the rate described above does not appear in H.15(519) at 3:00 P.M., New York City time on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from that source at that time, then the CD rate will be the rate for the relevant interest determination date described above as published in H.15 daily update, or another recognized electronic source used for displaying that rate, under the heading **CDs (Secondary Market)**.

If the rate described above does not appear in H.15(519), H.15 daily update or another recognized electronic source at 3:00 P.M., New York City time on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, the CD rate will be the arithmetic mean of the following secondary market offered rates for negotiable U.S. dollar certificates of deposit of major U.S. money market banks with a remaining maturity closest to the specified index maturity, and in a representative amount: the rates offered as of 10:00 A.M., New York City time on the relevant interest determination date by three leading nonbank dealers in negotiable U.S. dollar certificates of deposit in New York City, as selected by the calculation agent.

If fewer than three dealers selected by the calculation agent are quoting as described above, the CD rate in effect for the new interest period will be the CD rate in effect for the prior interest period. If the initial interest rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

CMT Rate Notes

If you purchase a CMT rate note, your note will bear interest at an interest rate equal to the CMT rate and adjusted by the spread or spread multiplier, if any, indicated in the applicable supplement.

The CMT rate will be the following rate displayed on the designated ***CMT Reuters page*** under the heading **... Treasury Constant Maturities ...** Federal Reserve Board Release H.15 Mondays Approximately 3:45 P.M., under the column for the ***designated CMT index maturity***:

if the designated CMT Reuters page is Reuters screen FRBCMT page, the rate for the relevant interest determination date; or

if the designated CMT Reuters page is Reuters screen FEDCMT page, the weekly or monthly average, as specified in your pricing supplement, for the week that ends immediately before the week in which the relevant interest determination date falls, or for the month that ends immediately before the month in which the relevant interest determination date falls, as applicable.

If the CMT rate cannot be determined in this manner, the following procedures will apply.

If the applicable rate described above is not displayed on the relevant designated CMT Reuters page at 3:00 P.M., New York City time on the relevant internet date, unless the calculation is made earlier and the rate is available from that source at that time, then the CMT rate will be the applicable treasury constant described above for other salaried employees of the Company and its domestic subsidiaries. These benefit plans include medical, dental, life, and disability insurance.

VII. Pension and Retirement Plans, the Non-qualified Supplemental Retirement Plan, and the Voluntary Deferred Compensation Plan

The Company's executive officers participate in the Employee Stock Ownership Plan (the "ESOP"), the Qualified Pension Plan, and The J. M. Smucker Savings Plan (the "401(k) Plan"). Participation in these plans is an important component of the overall compensation package for all Company employees, including executive officers. Substantially all of the Company's U.S. non-represented employees are eligible to participate in these plans, each upon the terms set forth in the plans applicable to each participant.

ESOP

The Company makes a contribution of approximately 2% of base salary to eligible employees through the ESOP.

Table of Contents**401(k) Plan**

The 401(k) Plan is the primary Company-provided retirement plan for certain eligible employees. The 401(k) Plan provides a match on employees' contributions of up to 6% of pay (maximum Company match of 3% of pay) for employees age 40 and over as of December 31, 2007, and a 100% match on employees' contributions of up to 6% of pay for employees under the age of 40 as of December 31, 2007, or those becoming new participants, regardless of age, on or after January 1, 2008.

Qualified Pension Plan

On January 1, 2008, the Company adopted changes to the Qualified Pension Plan whereby employees under the age of 40 as of December 31, 2007, will not earn future additional benefits and employees age 40 and over as of December 31, 2007 will continue to earn future benefits. The Qualified Pension Plan is a qualified defined benefit plan which provides a pension benefit based upon years of service with the Company and upon final average pay (average base salary compensation for the five most highly compensated consecutive years of employment). Benefits under the Qualified Pension Plan are 1% of final average pay times the participant's years of service with the Company.

SERP

In addition to retirement benefits under the Qualified Pension Plan, 401(k) Plan, and ESOP, certain executive officers of the Company, including the NEOs, also participate in the SERP, entitling them to certain supplemental benefits upon their retirement. Benefits under the SERP, which are based upon years of service, are 55% (reduced for years of service less than 25) of the average of base salary, bonus, and MIP bonus for the five most highly compensated, consecutive years of employment, less any benefits received under the Qualified Pension Plan and Social Security.

The J. M. Smucker Company Defined Contribution Supplemental Executive Retirement Plan, which became effective on May 1, 2008, provides a benefit for certain executive officers not participating in the SERP (the "New SERP"). The New SERP will entitle certain executive officers to certain supplemental benefits upon their retirement, based upon an annual contribution by the Company equal to 7% of the sum of the participant's base salary, holiday bonus, and MIP bonus, along with an interest credit made each year commencing on April 30, 2008. Participants in the New SERP will be eligible for benefits upon the attainment of age 55 and 10 years of service with the Company. NEOs are not participants in the New SERP, but will continue to participate in the SERP.

Deferred Compensation Plan

Executive officers may elect to defer up to 50% of salary and up to 100% of the MIP award in The J. M. Smucker Company Defined Contribution Supplemental Executive Retirement Plan (the "Deferred Compensation Plan"). The amounts deferred are credited to notional accounts set up for each executive officer that mirror the investment alternatives available in the 401(k) Plan. At the time a deferral election is made, participants may elect to receive payout of the deferred amounts upon termination of employment in the form of a lump sum or equal annual installments ranging from two to ten years.

The SERP, the New SERP, and the Deferred Compensation Plan are non-qualified deferred compensation plans and, as such, are subject to the rules of Section 409A of the Code, which restrict the timing of distributions.

VIII. Other Benefits Executive Officers Receive

The executive officers, like all salaried and hourly non-represented employees of the Company, receive an annual holiday bonus of 2% of their base salary.

The executive officers are provided certain personal benefits not generally available to all employees. The Compensation Committee believes these additional benefits are reasonable and enable the Company to attract and retain outstanding employees for key positions.

These benefits include personal use of the Company's

Table of Contents

aircraft, annual physical examinations, financial and tax planning assistance, reimbursement for specified club dues and expense participation in the SERP or the New SERP and the Deferred Compensation Plan. Additionally, the Compensation Committee Board have strongly encouraged the Co-CEOs and their families to use the Company's aircraft for all air travel for efficiency purposes. The value of personal travel on the Company's aircraft is calculated in accordance with applicable regulations under is included in the Co-CEOs' taxable income for the year. The value of these personal benefits for the NEOs, to the extent the value based on incremental cost to the Company equaled or exceeded \$10,000 for fiscal year 2010, is included in the Summary Compensation Table.

The Compensation Committee reviews, on an annual basis, the types of perquisites and other benefits provided executive officers as the dollar value of each perquisite paid to executive officers.

IX. Description of Agreements with Executive Officers**Employment Agreements**

The Company does not have employment agreements, golden parachute agreements, or change of control agreements with any Should there be a change of control of the Company, all outstanding equity awards (other than the performance units for the C Participants) will immediately vest. The definition of change of control for purposes of accelerating the vesting of Restricted S is set forth in the 2006 Plan and The J. M. Smucker Company 1998 Equity and Performance Incentive Plan (the 1998 Plan)

Consulting Agreements

The Co-CEOs have entered into Consulting Agreements with the Company. These agreements are designed to recognize the v Smucker family's involvement in the business and to preserve this value for a period following the termination of employment the Co-CEOs. The Consulting Agreements generally require each of the Co-CEOs to maintain his public representation of the three years following the termination of full-time employment with the Company. The Board also believes that it is crucial to of the *Smucker's* brand that neither of the Co-CEOs undertake activities after the end of his respective employment with the C might be to the competitive disadvantage of the Company.

X. Tax and Accounting Considerations

The Compensation Committee has considered the potential impact on the Company's compensation plans of the \$1,000,000 c deductible compensation under Section 162(m) of the Code. Compensation that qualifies as performance-based compensation from the cap on deductible compensation. To date, Timothy P. Smucker, Richard K. Smucker, and Vincent C. Byrd have each compensation in excess of \$1,000,000 that could be subject to the Section 162(m) limitation. The Compensation Committee is to establishing executive compensation programs that will maximize, as much as possible, the deductibility of compensation p executive officers. To the extent, however, that the Compensation Committee from time to time believes it to be consistent with compensation philosophy and in the best interests of the Company and its shareholders to award compensation that is not fully it may choose to do so.

During fiscal year 2010, the Compensation Committee continued to monitor the regulatory developments under Section 409A which was enacted as part of the American Jobs Creation Act of 2004. Section 409A imposes additional limitations on non-qualified deferred compensation plans and subjects those plans to additional conditions.

Compensation-Related Risk Assessment

During fiscal year 2010, the Compensation Committee oversaw the performance of a risk assessment of the Company's comp policies and practices to ascertain any material risks that may be created by the Company's compensation programs. In April, members of the Company's human resources department, internal audit department and various business unit leaders, along with

Watson, reviewed

Table of Contents

and assessed the potential risks arising from the Company's compensation policies and practices. This group reviewed and designed the compensation programs in which the Company's employees participate. This group also determined whether any of the Company's policies or programs could create risks that are reasonably likely to have a material adverse effect on the Company.

The results of management's review and Towers Watson's assessment were presented to the Compensation Committee in July 2010 for review and final assessment. Based on the Compensation Committee's review of the risk assessment, the Company has determined that its compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. This conclusion was supported by the Company's risk mitigating practices, including holdbacks of a portion of certain incentive payments, incentive modifiers based upon business unit performance, and the use of discretionary adjustments. In addition, Restricted Stock Awards generally have a four year vesting requirement, and the Company has a share ownership requirement for its executive officers.

SUMMARY COMPENSATION TABLE

The following table provides information concerning the compensation of the Company's NEOs for fiscal years 2010, 2009 and 2008, as required. Please read the "Compensation Discussion and Analysis" in conjunction with reviewing this table.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Name and Principal Position	Year	Salary (\$)	Bonus \$(1)	Stock Awards \$(2)	Option Awards (\$)	Non-Equity Incentive Plan Compensation \$(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings \$(4)	All Other Compensation \$(5)(6)
Timothy P. Smucker Chairman of the Board and Co-Chief Executive Officer	2010	820,000	16,400	2,345,750		1,558,000	2,014,057	76,056
	2009	761,000	15,220	1,674,200		1,369,800	174,024	93,421
	2008	730,000	14,600	1,460,000		876,000		90,152
Richard K. Smucker Executive Chairman, President and Co-Chief Executive Officer	2010	820,000	16,400	2,345,750		1,558,000	3,176,314	60,819
	2009	761,000	15,220	1,674,000		1,369,800	789,273	79,262
	2008	730,000	14,600	1,460,000		876,000	341,800	85,236
Mark R. Belgya Senior Vice President and Chief Financial Officer	2010	330,000	6,800	426,000		408,000	676,259	9,447
	2009	284,615	65,200	288,000		320,000	85,330	10,071
	2008	245,000	4,900	221,000		166,000	46,993	9,937
Vincent C. Byrd President, U.S. Retail Coffee	2010	500,000	10,000	735,000		600,000	1,222,882	40,286
	2009	446,154	8,000	600,000		550,000	204,651	30,032
	2008	373,423	7,300	400,000		276,000	50,339	28,340

Barry C. Dunaway Senior Vice President, Corporate and Organization Development	2010	330,000	6,800	426,000	408,000	587,233	9,482
Steven Oakland President, U.S. Retail	2010	400,000	12,000	504,000	396,000	705,089	22,320
<i>Smucker's, Jif and Hungry Jack</i>	2009	351,539	6,600	400,000	394,000	73,333	24,780
	2008	304,038	6,000	280,500	130,000		21,714

- (1) Included in the Bonus column (d) is a holiday bonus representing 2% of base salary at the time of payment. Also included in Bonus column (d) is a special bonus (\$4,000) awarded to Steven Oakland in fiscal year 2010 in recognition of his performance incentive compensation in relationship to his peers.
- (2) The amounts reported in column (e) reflect the aggregate grant date fair value computed in accordance with ASC Topic 718 for Restricted Stock Awards granted during the reported years (note that, in accordance with SEC guidance, the amounts reported in column (e) for 2009 and 2008 have been recomputed to conform to this manner of presentation). For the Restricted Stock Awards reported in this column for 2010, such amounts are based on the probable outcome of the relevant performance condition at the grant date. Assuming that the highest level of performance was achieved for these awards, the grant date fair value of the awards would have been: Timothy P. Smucker, \$3,518,625; Richard K.

Table of Contents

Smucker, \$3,518,625; Mark R. Belgya, \$639,000; Vincent C. Byrd, \$1,102,500; Barry C. Dunaway, \$639,000; and Steve \$756,000.

Restricted shares generally vest at the end of the four-year period from the date of grant or upon the attainment of age 60 of service with the Company, if earlier. Timothy P. Smucker and Richard K. Smucker were at least age 60 with 10 years fiscal year end and, therefore, their respective restricted shares vested immediately upon grant. During the vesting period are the beneficial owners of the restricted shares and possess all voting and dividend rights. Dividends are payable at the is paid on the Company s common shares generally. During fiscal year 2010, the Company paid quarterly dividends at a per share.

In order to qualify the June 15, 2010 Restricted Stock Award described above as performance-based compensation under Section 162(m) of the Code, at the beginning of the fiscal year 2010, the NEOs were granted performance units with a on performance period. Each performance unit is equal in value to \$1.00. The actual number of performance units earned wa the form of restricted shares.

- (3) Amounts shown in column (g) represent performance-based awards under the MIP. The incentive payment was based on of performance targets established for fiscal year 2010 and was paid in June 2010, subsequent to the end of the fiscal year. Performance criteria under the MIP relate to the Company s performance, individual performance, and in some cases, st business area performance, and are discussed in detail under the caption Compensation Discussion and Analysis.
- (4) Amounts shown in column (h) represent the increase in present value of accumulated benefits accrued under the Qualifie Plan and the SERP. The changes in column (h) between 2009 and 2010 are due to the Statement of Financial Accounting No. 87, *Employers Accounting for Pensions* (SFAS 87) discount rate being changed from 7.4% in 2009 to 5.8% in 2 compensation increases. A discussion of the assumptions made in determining this increase is included below under the Pension Benefits.
- (5) Column (i) includes payments made by the Company to defined contribution plans, life insurance and accidental death and dismemberment insurance premiums related to the NEOs, and tax gross ups on the SERP. Additionally, perquisites were this column based on their incremental cost to the Company for any NEO whose total equaled or exceeded \$10,000.
- (6) The NEOs received various perquisites provided by or paid by the Company. These perquisites included personal use of Company s aircraft, reimbursement of specified club dues and expenses, annual physical examinations, financial and tax assistance, and, in the case of one of the NEOs, Vincent C. Byrd, use of a Company-paid apartment in Cincinnati, Ohio. T strongly encourages Timothy P. Smucker and Richard K. Smucker and their families to use the Company s aircraft for a efficiency and security purposes.

All NEOs, with the exception of Mark R. Belgya and Barry C. Dunaway, received perquisites in excess of \$10,000 for fi 2010. The incremental value of the perquisites for these executive officers is included in column (i). The aggregate value perquisite or other personal benefit exceeding \$25,000 is shown below.

The Company used incremental costs, including costs related to fuel, landing fees, crew meals, and other miscellaneous c valuing personal use of the Company s aircraft in fiscal year 2010.

Personal Use of Aircraft

Name

Timothy P. Smucker

\$

Richard K. Smucker

\$

Table of Contents**2010 GRANTS OF PLAN-BASED AWARDS**

(a)	(b)	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Possible Payouts Under Equity Incentive Plan Awards (2)		
		(c)	(d)	(e)	(f)	(g)	(h)
Name	Grant Date	Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)
Timothy P. Smucker	6/16/2009	194,750	779,000	1,558,000	1,172,875	2,345,750	3,518,625
Richard K. Smucker	6/16/2009	194,750	779,000	1,558,000	1,172,875	2,345,750	3,518,625
Mark R. Belgya	6/16/2009	51,000	204,000	408,000	213,000	426,000	639,000
Vincent C. Byrd	6/16/2009	75,000	300,000	600,000	367,500	735,000	1,102,500
Barry C. Dunaway	6/16/2009	51,000	204,000	408,000	213,000	426,000	639,000
Steven Oakland	6/16/2009	60,000	240,000	480,000	252,000	504,000	756,000

(1) Estimated possible payouts included in the Non-Equity Incentive Plan Awards columns relate to cash payments eligible under the Company's MIP. The amounts in column (c) reflect 25% of the target amount in column (d), while the amounts in column (e) reflect 200% of such target amounts. The amounts are based on salaries in effect as of April 25, 2010 for each NEO which is the basis for determining the actual payments to be made subsequent to year end.

(2) These numbers reflect the number of performance units granted in June 2009. The amounts are based on salaries in effect as of April 25, 2010 for each NEO which is the basis for determining the actual payments to be made in June, 2010. Each performance unit is worth in value to \$1.00 and has a one-year performance period. The actual dollar amount earned was converted into restricted shares at \$60.81, the average closing share price for the final five trading days during fiscal year 2010 and the first five trading days of fiscal year 2011, and rounded to the nearest five shares. The restricted shares were paid out on June 15, 2010 (i.e., subsequent to year end) and were issued out of the 2006 Plan. The grant date fair value for the Restricted Stock Awards based on the probable outcome of the relevant performance conditions as of the grant date is included in the Summary Compensation Table in column (e).

Subsequent to year end, the actual number of Restricted Stock Awards granted to each NEO as a result of earning the awards set forth above were as set forth below. The NEO must be employed by the Company at the time the Compensation Committee determines the actual payments to be made subsequent to fiscal year end in order to be eligible to receive the earned restricted shares.

Name	Restricted Awards June
Timothy P. Smucker	5
Richard K. Smucker	5
Mark R. Belgya	
Vincent C. Byrd	1
Barry C. Dunaway	
Steven Oakland	1

Restricted shares generally vest at the end of the four-year period from the date of grant or upon the attainment of age 60 or more years of service with the Company, whichever is earlier. The Restricted Stock Awards issued to Timothy P. Smucker and Richard K. Smucker vested immediately because each of them is more than the age of 60 and has more than 10 years of service with the Company.

- (3) Amounts disclosed in this column for the Restricted Stock Awards are computed in accordance with ASC Topic 718 based on the probable outcome of the performance conditions as of the grant date.

Table of Contents**OUTSTANDING EQUITY AWARDS AT 2010 FISCAL YEAR-END**

(a)	Option Awards					(f)	Stock Awards		
	(b)	(c)	(d)	(e)	(g)		(h)	(i)	
Name	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Exercised Options (#)	Number of Securities Underlying Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(1)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(2)	Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(3)	
Timothy P. Smucker	50,000			44.1700	10/27/14			3,518,625(4)	
	30,000			43.3800	10/28/13				
Richard K. Smucker	50,000			44.1700	10/27/14			3,518,625(4)	
	30,000			43.3800	10/28/13				
Mark R. Belgya						23,900	1,459,573	639,000(4)	
	8,000			44.1700	10/27/14				
	5,000			43.3800	10/28/13				
Vincent C. Byrd	15,000			33.6600	06/30/12			1,102,500(4)	
	10,000			44.1700	10/27/14	45,410	2,773,189		
Barry C. Dunaway	15,000			44.1700	10/27/14			639,000(4)	
	10,000			43.3800	10/28/13	22,035	1,345,677		
Steven Oakland	8,000			44.1700	10/27/14			756,000(4)	
	5,000			43.3800	10/28/13				
	10,000			33.6600	06/30/12	31,085	1,898,361		

(1) Restricted shares outstanding at year-end have vested or will vest on the following dates:

Name	6/13/2010	6/12/2011	6/17/2012
Timothy P. Smucker			
Richard K. Smucker			
Mark R. Belgya	4,940	4,130	4,985
Vincent C. Byrd	8,650	7,240	9,015
Barry C. Dunaway	3,885	3,195	4,020
Steven Oakland	6,035	5,055	6,325

Restricted shares generally vest at the end of the four-year period from the date of grant or upon the attainment of age 60 of service with the Company, whichever is earlier.

- (2) The market value of restricted shares was computed using \$61.07, the closing share price of the Company's common shares on April 30, 2010.
- (3) The NEO must be employed by the Company at the time the Compensation Committee meets subsequent to year end in order to be eligible to receive the earned awards.
- (4) This number reflects the performance units outstanding at year end. Each performance unit has a value of \$1.00. The actual units earned, based upon achievement of fiscal year 2010 performance goals, were converted to restricted shares in June 2010. Restricted shares issued to Timothy P. Smucker (with a value of \$3,342,694) and Richard K. Smucker (with a value of \$3,342,694) vested immediately due to their ages and years of service with the Company. For the other NEOs, the restricted shares are scheduled to vest on June 15, 2014. The number of the restricted shares was computed using the average closing share price for the last 30 days of fiscal year 2010 and the first five trading days of fiscal year 2011. In accordance with published SEC guidance, because the Company exceeded fiscal year 2010 target goals, the amounts reported in column (i) represent the maximum number of performance units that could have been earned for fiscal year 2010.

Table of Contents**2010 OPTION EXERCISES AND STOCK VESTED**

(a) Name	Option Awards		Stock Awards	
	(b) Number of Shares Acquired on Exercise (#)	(c) Value Realized on Exercise (\$)(1)	(d) Number of Shares Acquired on Vesting (#)	Value
Timothy P. Smucker			57,220(2)	2,
Richard K. Smucker			57,220(2)	2,
Mark R. Belgya			3,970	
Vincent C. Byrd	64,176	1,620,313	7,115	
Barry C. Dunaway	10,000	258,250	3,115	
Steven Oakland	10,000	251,900	4,955	

- (1) The market price used in determining the value realized was calculated using the average of the high and low share price on NYSE on the date of exercise.
- (2) Represents 57,220 restricted shares which vested immediately upon date of grant in June 2009 due to the participant being age and having 10 years of service with the Company.
- (3) The market price used in determining the value realized was calculated using the average of the high and low share price on NYSE on the date of vesting.

Table of Contents

PENSION BENEFITS

The Company maintains two defined benefit plans that cover the NEOs. One is the Qualified Pension Plan, which provides full tax-qualified benefits up to the limits on compensation and benefits under the Code to some salaried employees of the Company discussed in the Qualified Pension Plan summary on page 52. The second is the SERP, which provides unfunded, non-qualified benefits to certain executive officers. All of the NEOs included in the 2010 Pension Benefits Table participate in both of these plans.

Qualified Pension Plan

The benefit provided under the Qualified Pension Plan is only payable as an annuity beginning at normal retirement age which is the Qualified Pension Plan benefit expressed as an annual single life annuity is 1% times final average earnings times years of service.

In addition, NEOs, who prior to 1991, participated in the old employee contributory portion of the Qualified Pension Plan may have a frozen contributory benefit based on their participant contributions made prior to April 30, 1991. Those frozen benefits, included in the total Qualified Pension Plan benefit, are as follows: \$56,600 for Timothy P. Smucker, \$48,100 for Richard K. Smucker, \$10,000 for Mark R. Belgya, \$7,900 for Vincent C. Byrd, \$0 for Barry C. Dunaway, and \$4,000 for Steven Oakland.

Early retirements under the Qualified Pension Plan are subject to the following rules:

if the participant terminates employment prior to normal retirement age without completing five years of service, no benefit is payable from the Qualified Pension Plan;

if the participant terminates employment after completing five years of service but prior to attaining age 65, the Qualified Pension Plan benefit is calculated based on final average earnings and service at the time the NEO leaves employment;

annuity payments from the Qualified Pension Plan cannot be made prior to the NEO reaching age 55 and require 10 years of service rather than the five years required for vesting;

early payments are reduced 4% per year that the benefits start before age 65; and

if the participant has more than 30 years of service at the time he terminates employment, early payments are reduced 2% per year from age 62.

As of April 30, 2010, each of Timothy P. Smucker, Richard K. Smucker, and Vincent C. Byrd had already completed 30 years of service with the Company.

Final average earnings are equal to average base salary over the five consecutive years of employment which produces the highest average.

SERP

The benefit provided under the SERP is payable as an annuity beginning at normal retirement age. The SERP benefit expressed as an annual single life annuity is equal to (A) 2.5% times final average earnings, times years of service up to 20 years, plus (B) 1.0% times final average earnings, times years of service from 20 to 25 years, minus (C) the basic benefit provided under the Qualified Pension Plan, plus (D) the Company paid portion of the contributory benefit in the Qualified Pension Plan that was frozen April 30, 1991, and minus an estimate of the Social Security benefit that would be payable at the later of age 62 or actual retirement. Final average earnings are defined as average compensation (base salary, MIP bonus, and holiday bonus) over the five consecutive years of employment which produces the highest average.

Early retirements under the SERP are subject to the following rules:

if the participant terminates employment before normal retirement age without completing 10 years of service, no SERP payable;

Table of Contents

if the participant terminates employment after completing 10 years of service but before age 65, the gross SERP benefit (B) in the prior paragraph) is calculated based on final average earnings and service at the time the participant leaves employment; and

the gross SERP benefit will be reduced by 4% per year that the benefit commences prior to age 62 and then offset by Pension Plan benefit, frozen contributory benefit, and estimate of Social Security benefit.

Determination of Value

The amounts shown are based on the value at age 62, which is the earliest age at which an unreduced retirement benefit is payable under both plans. Other key assumptions used to determine the amounts are as follows:

an interest rate of 5.8%, the SFAS 87 discount rate as of April 30, 2010. The SFAS 87 discount rate as of April 30, 2008 was 6.6%;

RP-2000 Combined Healthy Mortality Table (projected 8 years to 2008) to estimate the value of annuity benefits payable under the Pension Plan and the unisex mortality table specified in Revenue Ruling 2001-62 to determine lump sums; and

all benefits under the Qualified Pension Plan are assumed to be paid as annuities. The value of benefits under the SERP is determined assuming 50% of the benefit is received as an annuity and the remaining 50% is received as a lump sum.

The years of credited service for all of the NEOs are based only on their years of service while an employee of the Company. No years of credited service have been granted.

The 2010 Pension Benefits Table below shows the NEOs number of years of credited service, present value of accumulated benefits, and payments during the last fiscal year under each of the plans.

2010 Pension Benefits

(a) Name	(b) Plan Name	(c) Number of Years of Credited Service (#)	(d) Present Value of Accumulated Benefit (\$)
Timothy P. Smucker	Qualified Pension Plan	40.8	1,559,324
	SERP	40.8	<u>8,965,535</u>
	Total		10,524,859
Richard K. Smucker	Qualified Pension Plan	37.6	1,535,590
	SERP	37.6	<u>10,096,589</u>
	Total		11,632,179
Mark R. Belgya	Qualified Pension Plan	25.1	336,296
	SERP	25.1	<u>1,153,468</u>
	Total		1,489,764
Vincent C. Byrd	Qualified Pension Plan	33.3	655,860
	SERP	33.3	<u>2,609,486</u>
	Total		3,265,346

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Barry C. Dunaway	Qualified Pension Plan	23.2	266,145
	SERP	23.2	<u>960,319</u>
	Total		1,226,464
Steven Oakland	Qualified Pension Plan	27.6	371,623
	SERP	27.6	<u>1,289,703</u>
	Total		1,661,326

Table of Contents**2010 NONQUALIFIED DEFERRED COMPENSATION**

(a) Name	(b) Executive Contributions in Last Fiscal Year (\$)(1)	(c) Registrant Contributions in Last Fiscal Year (\$)	(d) Aggregate Earnings (Loss) in Last Fiscal Year (\$)(2)	(e) Aggregate Withdrawals/ Distributions (\$)	Aggregate at Fiscal Y (\$)
Timothy P. Smucker	545,300		503,523		2,6
Richard K. Smucker	545,300		503,819		2,5
Mark R. Belgya					
Vincent C. Byrd			6,624		
Barry C. Dunaway					
Steven Oakland					

- (1) Amounts shown in column (b) were deferrals of awards made under the MIP in June 2010 related to fiscal year 2010. As related compensation is included in compensation in the Summary Compensation Table.
- (2) No portion of the amounts shown in column (d) are reported in the Summary Compensation Table as no earnings are above market.
- (3) Column (f) includes amounts reported as compensation in the Summary Compensation Table in previous fiscal years. are as follows: Timothy P. Smucker, \$1,802,780; Richard K. Smucker, \$1,802,780; and Vincent C. Byrd, \$23,000. These also include deferrals of awards made under the MIP on June 15, 2010.

Executive officers may elect to defer up to 50% of salary and up to 100% of the MIP award in the Deferred Compensation amounts deferred are credited to notional accounts selected by the executive officer that mirror the investment alternative the 401(k) Plan.

The Deferred Compensation Plan is a non-qualified deferred compensation plan and, as such, is subject to the rules of the Code, which restrict the timing of distributions. At the time a deferral election is made, participants elect to receive preferred amounts upon termination of employment in the form of a lump sum or in equal annual installments ranging from 10 years.

Table of Contents

POTENTIAL PAYMENT TO EXECUTIVE OFFICERS UPON TERMINATION

Consulting Agreements with Timothy P. Smucker and Richard K. Smucker

Timothy P. Smucker and Richard K. Smucker have entered into Consulting Agreements with the Company. The agreements provide to each of Timothy P. Smucker and Richard K. Smucker that for three years from the date of his respective termination of employment, or three years after the end of the public representation period, whichever is later, he will not enter into any relationship that might be in the Company's competitive disadvantage.

During the three-year public representation period, the former executive will receive annual compensation in an amount equal to his base salary in effect as of the time his active employment with the Company ended, plus benefits and perquisites, including without limitation medical insurance and life insurance, but excluding stock options, restricted shares, or other equity-based benefits.

However, upon termination of employment, the former executive will also receive, each year during that period, an amount equal to his target award applicable under the short-term MIP at the date of his termination.

The agreements also provide to each of Timothy P. Smucker and Richard K. Smucker certain severance benefits upon termination of employment.

Specifically, in the event of the death or disability of either individual, he (or his estate) will be entitled to receive, for three years following the event, annual compensation equal to the base salary he was receiving at the time the event occurred, plus the benefits described in the agreements. (or his estate) also will receive an amount equal to 50% of his target bonus awards in effect at the time of the event. At the end of the three-year period following the death or disability, he (or his spouse) will be eligible for retirement benefits under the SERP without application of early retirement reduction factors.

If either Timothy P. Smucker or Richard K. Smucker voluntarily terminates employment and commences receiving his monthly retirement benefits under the SERP, he will receive any accrued but unpaid salary as of the date of such retirement and will be reimbursed for expenses incurred, but not yet paid. In addition, he will be entitled to any options, restricted shares, or other plan benefits which terms extend beyond termination of employment.

In the event that either Timothy P. Smucker or Richard K. Smucker is terminated by the Company without cause or if he resigns without cause (as specifically defined in the agreements), he will receive the same benefits as in the case of death or disability as described above.

If the Company terminates either Timothy P. Smucker or Richard K. Smucker for cause, however, he will receive only that which he is otherwise entitled to as of the date of termination.

Broad-Based Severance Plan

All other salaried employees of the Company are eligible for benefits under a broad-based severance plan. If an employee is terminated without cause, he or she will be eligible for a severance benefit of up to one year of base salary based on certain age and service requirements.

Long-Term Disability

In the event of a qualified long-term disability, participants continue to earn Qualified Pension Plan benefit service up to the age 65 or the end of the disability period. Also, 60% of base salary is continued, up to \$20,000 per month, until the earlier of the end of the disability period.

Termination Payments

The Severance values in the following tables represent the payments to executive officers based on certain possible terminations. For the Co-CEOs, these payments are defined by their Consulting Agreements.

Table of Contents

For the other executive officers, these payments are based on the broad-based severance plan that covers substantially all salary employees of the Company.

The Medical, Life Insurance, and Perquisites row in the following tables represents the three years of payments due to the Company under the terms of their Consulting Agreements.

The MIP Bonus Award row in the following tables represents the payment to each executive officer who is eligible to receive under the short-term MIP based on actual Company performance if he is actively employed on the last day of the fiscal year.

The Value of Restricted Shares row in the following tables reflects the immediate vesting of outstanding equity awards based on termination that has occurred.

The Company does not have golden parachute agreements or change in control agreements with any employee. Should there be a change in control of the Company, all outstanding equity awards (other than performance units for Covered Participants described above) will immediately vest based on the terms of the existing equity plans.

The Value of Restricted Shares row in the following tables are also the values associated with the vesting of outstanding equity awards to a change in control.

No restricted shares are awarded if an employee is not actively employed with the Company on the date of the grant. The Restricted Share Award for fiscal year 2010 that would have been forfeited based on the assumed April 30, 2010 termination date is not reflected in the termination scenario tables.

The Retiree Healthcare Benefit values in the following tables are shown only for those executive officers who are eligible for coverage at the end of the fiscal year. These values represent the subsidy paid by the Company to retiring executive officers to assist with their retiree medical coverage.

Table of Contents**Termination Analysis Tables**

The following tables illustrate the estimated potential payment obligations under various termination events. The tables assume termination of employment occurs on the last day of the fiscal year. A closing stock price of \$61.07, as of the last day of the fiscal year (April 30, 2010), is assumed for all equity values.

Termination Analysis for Timothy P. Smucker

Compensation Components	Termination Scenario for Fiscal Year Ending April 30, 2010		
	Retirement (\$)(1)	Termination with Agreement to Publicly Represent the Company (\$)(2)	Death (\$)
Severance(3)		3,774,525	3,774,525
Medical, Life Insurance & Perquisites(4)		253,910	241,039
MIP Bonus Award	1,558,000	1,558,000	1,558,000
Value of Restricted Shares			
Retirement Benefits(5)	10,669,194	8,678,646	4,381,073
Retiree Healthcare Benefits(6)	33,889	33,889	16,945
Total Benefits to Employee	12,261,083	14,298,970	9,971,582

- (1) This amount assumes the employee terminates or retires and elects not to continue to publicly represent the Company during the Service Period, or the employee elects to immediately begin receiving his monthly SERP benefit.
- (2) This column represents all forms of termination that would cause compensation to be paid during a Service Period. The types include: any termination of employment with agreement to publicly represent the Company, disability, termination by the Company without cause, and termination by the employee for good reason. Retirement Benefits in this column assume payments begin at the end of the three-year Service Period.
- (3) This amount equals base pay, plus one-half of target MIP bonus. Where such annual amount would be paid for three years during employment termination, the amount shown represents the annual amount times three.
- (4) Medical, Life Insurance & Perquisites represent the continuation of benefits for three years during a Service Period. The amounts shown are the value of continuation of active coverage in those plans. The life insurance and perquisites are assumed to be the same as of all other compensation from the Summary Compensation Table for three years.
- (5) Retirement Benefits represent the total value of such benefits assuming the termination event occurs on April 30, 2010. Such value may differ from the comparable value shown on the Pension Benefits Table since these benefits are assumed to be payable immediately and the Pension Benefits Table assumes payments are deferred to the earliest unreduced retirement age. It is assumed that the surviving spouse receives half of the 50% joint and survivor benefit.
- (6) Includes the value of the employer-provided subsidy for post-retirement medical benefits.

Table of Contents**Termination Analysis for Richard K. Smucker**

Compensation Components	Termination Scenario for Fiscal Year Ending April 30, 2010		
	Retirement (\$)(1)	Termination with Agreement to Publicly Represent the Company (\$)(2)	Death (\$)
Severance(3)		3,774,525	3,774,525
Medical, Life Insurance & Perquisites(4)		208,201	195,330
MIP Bonus Award	1,558,000	1,558,000	1,558,000
Value of Restricted Shares			
Retirement Benefits(5)	11,747,269	9,597,924	4,838,502
Retiree Healthcare Benefits(6)	61,944	61,944	30,972
Total Benefits to Employee	13,367,213	15,200,594	10,397,329

- (1) This amount assumes the employee terminates or retires and elects not to continue to publicly represent the Company during the Service Period, or the employee elects to immediately begin receiving his monthly SERP benefit.
- (2) This column represents all forms of termination that would cause compensation to be paid during a Service Period. The types include: any termination of employment with agreement to publicly represent the Company, disability, termination of employment by the Company without cause, and termination by the employee for good reason. Retirement Benefits in this column assume payments begin at the end of the three-year Service Period.
- (3) This amount equals base pay, plus one-half of target MIP bonus. Where such annual amount would be paid for three years during employment termination, the amount shown represents the annual amount times three.
- (4) Medical, Life Insurance & Perquisites represent the continuation of benefits for three years during a Service Period. The amounts shown represent the value of continuation of active coverage in those plans. The life insurance and perquisites are assumed to be the same as shown in all other compensation from the Summary Compensation Table for three years.
- (5) Retirement Benefits represent the total value of such benefits assuming the termination event occurs on April 30, 2010. Such amounts may differ from the comparable value shown on the Pension Benefits Table since these benefits are assumed to be payable immediately and the Pension Benefits Table assumes payments are deferred to the earliest unreduced retirement age. It is assumed that the surviving spouse receives half of the 50% joint and survivor benefit.
- (6) Includes the value of the employer-provided subsidy for post-retirement medical benefits.

Table of Contents**Termination Analysis for Mark R. Belgya**

Compensation Components	Termination Scenario for Fiscal Year Ending Apr		
	Voluntary (\$)(1)	Death (\$)	Involuntary for Cause (\$)
Severance(2)			
MIP Bonus Award	408,000	408,000	408,000
Value of Restricted Shares(3)		1,459,573	
Retirement Benefits(4)	1,774,052	893,051	1,774,052
Retiree Healthcare Benefits			
Total Benefits to Employee	2,182,052	2,760,624	2,182,052

(1) Executive is not currently eligible for retirement.

(2) This amount equals up to a maximum of 52 weeks of pay based on the provisions of the severance plan.

(3) In the event of a change in control, all unvested equity awards would automatically vest. In the event of an involuntary termination without cause, the Compensation Committee has the discretion to vest all outstanding unvested restricted shares.

(4) Retirement Benefits represent the total value of such benefits assuming the termination event occurs on April 30, 2010. Such value may differ from the comparable value shown on the Pension Benefits Table. Death benefits assume that the surviving beneficiary receives half of the 50% joint and survivor benefit.

Termination Analysis for Vincent C. Byrd

Compensation Components	Termination Scenario for Fiscal Year Ending Apr		
	Voluntary (\$)(1)	Death (\$)	Involuntary for Cause (\$)
Severance(2)			
MIP Bonus Award	600,000	600,000	600,000
Value of Restricted Shares(3)		2,773,189	
Retirement Benefits(4)	3,914,410	1,972,374	3,914,410
Retiree Healthcare Benefits	119,844	59,922	
Total Benefits to Employee	4,634,254	5,405,485	4,514,410

(1) Executive is currently eligible for retirement.

(2) This amount equals up to a maximum of 52 weeks of pay based on the provisions of the severance plan.

- (3) In the event of a change in control, all unvested equity awards would automatically vest. In the event of an involuntary termination without cause, the Compensation Committee has the discretion to vest all outstanding unvested restricted shares.
- (4) Retirement Benefits represent the total value of such benefits assuming the termination event occurs on April 30, 2010. Such values may differ from the comparable value shown on the Pension Benefits Table. Death benefits assume that the surviving spouse receives half of the 50% joint and survivor benefit.

Table of Contents**Termination Analysis for Barry C. Dunaway**

Compensation Components	Termination Scenario for Fiscal Year Ending Apr		
	Voluntary (\$)(1)	Death (\$)	Involuntary for Cause (\$)
Severance(2)			
MIP Bonus Award	408,000	408,000	408,000
Value of Restricted Shares(3)		1,345,677	
Retirement Benefits(4)	1,461,918	735,879	1,461,918
Retiree Healthcare Benefits			
Total Benefits to Employee	1,869,918	2,489,556	1,869,918

(1) Executive is not currently eligible for retirement.

(2) This amount equals up to a maximum of 52 weeks of pay based on the provisions of the severance plan.

(3) In the event of a change in control, all unvested equity awards would automatically vest. In the event of an involuntary termination without cause, the Compensation Committee has the discretion to vest all outstanding unvested restricted shares.

(4) Retirement Benefits represent the total value of such benefits assuming the termination event occurs on April 30, 2010. Such value may differ from the comparable value shown on the Pension Benefits Table. Death benefits assume that the surviving beneficiary receives half of the 50% joint and survivor benefit.

Termination Analysis for Steven Oakland

Compensation Components	Termination Scenario for Fiscal Year Ending Apr		
	Voluntary (\$)(1)	Death (\$)	Involuntary for Cause (\$)
Severance(2)			
MIP Bonus Award	396,000	396,000	396,000
Value of Restricted Shares(3)		1,898,361	
Retirement Benefits(4)	1,981,139	997,279	1,981,139
Retiree Healthcare Benefits			
Total Benefits to Employee	2,377,139	3,291,640	2,377,139

(1) Executive is not currently eligible for retirement.

(2) This amount equals up to a maximum of 52 weeks of pay based on the provisions of the severance plan.

- (3) In the event of a change in control, all unvested equity awards would automatically vest. In the event of an involuntary termination without cause, the Compensation Committee has the discretion to vest all outstanding unvested restricted shares.
- (4) Retirement Benefits represent the total value of such benefits assuming the termination event occurs on April 30, 2010. Such values may differ from the comparable value shown on the Pension Benefits Table. Death benefits assume that the surviving beneficiary receives half of the 50% joint and survivor benefit.

Table of Contents**TOTAL SHAREHOLDER RETURN GRAPH**

In the Compensation Discussion and Analysis portion of this proxy statement describing the MIP short-term incentive compensation program, we noted that from 2001 through 2010, the Company achieved an annual compounded growth rate in non-GAAP earnings per share of approximately 13%.

Set forth in the table below is a graph comparing the cumulative total shareholder return for the five years ended April 30, 2010, of the Company's common shares, the S&P 500, and the S&P Packaged Foods and Meats index. These figures assume all dividends were reinvested when received and are based on \$100 invested in the Company's common shares and the referenced index funds on April 30, 2005.

Comparison of 5 Year Cumulative Total Return*
Among The J.M. Smucker Company, The S&P 500 Index and
The S&P Packaged Foods & Meats Index

	4/05	4/06	4/07	4/08	4/09
The J. M. Smucker Company	\$ 100.00	\$ 80.99	\$ 118.04	\$ 107.88	\$ 96.14
S&P 500	100.00	115.42	133.00	126.78	82.01
S&P Packaged Foods & Meats	100.00	96.76	115.60	113.50	89.84

* \$100 invested on April 30, 2005 in stock or index, including reinvestment of dividends. Fiscal year ending April 30.

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Table of Contents

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on the review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference into the Company's Annual Report on Form 10-K for the year ended April 30, 2010.

EXECUTIVE COMPENSATION COMMITTEE

Elizabeth Valk Long, Chair
Kathryn W. Dindo
Paul J. Dolan

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Each of the following Directors served as a member of the Compensation Committee during fiscal year 2010: Kathryn W. Dindo, Paul J. Dolan, and Elizabeth Valk Long. During fiscal year 2010, no Company executive officer or Director was a member of the board of directors of any other company where the relationship would be construed to constitute a committee interlock within the meaning of the rules of the SEC.

RELATED PARTY TRANSACTIONS

The Board has long recognized that transactions with Related Persons (as defined below) present a potential for conflict of interest (or the perception of a conflict) and, together with the Company's senior management, the Board has enforced the conflict of interest policy set forth in the Company's Policy on Ethics and Conduct. All employees and members of the Board sign and agree to be bound by the Company's Policy on Ethics and Conduct. Ethics has been, and will continue to be, a Basic Belief of the Company.

In order to formalize the process by which the Company reviews any transaction with a Related Person, the Board has adopted a policy addressing the Company's procedures with respect to the review, approval, and ratification of related person transactions that are required to be disclosed pursuant to Item 404(a) of Regulation S-K. Under the policy, the Company's General Counsel initially determines whether a transaction or relationship constitutes a transaction that requires compliance with the policy. The policy provides that any transaction or relationship, or series of similar transactions, with any Director, executive officer, 5% beneficial owner, or any immediate family members, or any entity which is owned or controlled by such persons, or in which such persons have a substantial ownership interest or control at such entity (collectively, "Related Persons") in which the Company has or will have a direct or indirect material interest and which exceeds \$120,000 in the aggregate will be subject to review, approval or ratification by the Nominating Committee. In its review of related person transactions, the Nominating Committee will review the material facts and circumstances of the transaction.

Mark T. Smucker, President, Special Markets, for the Company, is the son of the Company's Chairman of the Board and Co-CEO, P. Smucker, and nephew of the Company's Executive Chairman, President and Co-CEO, Richard K. Smucker. He received a total of \$912,000 in compensation in fiscal year 2010 (including salary, MIP bonus earned in fiscal year 2010 and paid subsequent to the year-end, financial and tax planning services, and other W-2 reportable items). He was also granted 9,985 restricted shares in June 2010 for performance of the Company for fiscal year ended April 30, 2010. The 2010 restricted shares were granted pursuant to the 2009 Restricted Share Plan.

Paul Smucker Wagstaff, President, U.S. Retail Oils and Baking of the Company, is the nephew of the Company's Chairman of the Board and Co-CEO, Timothy P. Smucker, and the Company's Executive Chairman, President and Co-CEO, Richard K. Smucker. He received approximately \$923,000 in compensation in fiscal year 2010 (including salary, MIP bonus earned in fiscal year 2010 and paid subsequent to the year-end, financial and tax planning services, and other W-2 reportable items).

to year end, financial and tax planning services, and other W-2 reportable items). He was also granted 9,985 restricted

Table of Contents

shares in June 2010 based on the performance of the Company for fiscal year ended April 30, 2010. The restricted shares were pursuant to the 2006 Plan.

Kimberly Wagstaff, Marketing Manager for the Company, is the sister of Paul Smucker Wagstaff, President, U.S. Retail Oils of the Company. She earned approximately \$141,000 in compensation in fiscal year 2010 (including salary, MIP bonus earned in fiscal year 2010 and paid subsequent to year end, and other W-2 reportable items). She was granted 470 restricted shares in June 2010 based on the performance of the Company for fiscal year ended April 30, 2010. Kent Wadsworth, Marketing Manager for the Company, is the brother-in-law of Paul Smucker Wagstaff, President, U.S. Retail Oils and Baking of the Company. He earned approximately \$141,000 in compensation in fiscal year 2010 (including salary, MIP bonus earned in fiscal year 2010 and paid subsequent to year end, and other W-2 reportable items). He was granted 495 restricted shares in June 2010 based on the performance of the Company for fiscal year ended April 30, 2010. The restricted shares were granted to Ms. Wagstaff and Mr. Wadsworth pursuant to the 2006 Plan.

Ronald H. Neill, husband of M. Ann Harlan, the Company's Vice President and General Counsel, was, until his retirement in 2009, a partner in Calfee, Halter, & Griswold, LLP. The law firm, from time to time, provides legal services for the Company. Calfee, Halter, & Griswold LLP received approximately \$1,547,000 in fees earned during fiscal year 2010. Mr. Neill does not perform any legal services for the Company.

Paul J. Dolan, a member of the Board, is president of the Cleveland Indians, the Major League Baseball team operating in Cleveland. Mr. Dolan's family also owns the Cleveland Indians organization. The Company incurred approximately \$294,000 in advertising and promotional activities expenses related to its sponsorship with the Cleveland Indians organization, along with purchases of seats and a loge, in fiscal year 2010.

Nancy Lopez Knight, a member of the Board, is associated as a former player with the LPGA, a ladies pro golf association, and is a current member of the Commissioner Advisory Board of the LPGA. The Company incurred approximately \$265,000 in advertising and promotional activities related to its sponsorship with the LPGA in fiscal year 2010.

Related party transactions regarding members of the Compensation Committee would have been disclosed under the Compensation Committee Interlocks and Insider Participation section of this proxy statement.

Table of Contents**OWNERSHIP OF COMMON SHARES****Beneficial Ownership of Company Common Shares**

The following table sets forth, as of June 23, 2010 (unless otherwise noted), the beneficial ownership of the Company's common

each person or group known to the Company to be the beneficial owner of more than 5% of the outstanding common shares of the Company;

each Director, each nominee for Director listed in this proxy statement, and each NEO of the Company; and

all Directors and executive officers of the Company as a group.

Unless otherwise noted, the shareholders listed in the table below have sole voting and investment powers with respect to the common shares beneficially owned by them. The address of each Director, nominee for Director, and executive officer is Strawberry Lane, Columbus, Ohio 44667. As of June 23, 2010, there were 119,471,560 common shares outstanding.

Name	Number of Common Shares Beneficially Owned(1)(2)(3)(4)(5)
BlackRock, Inc.	10,652,658(6)
Massachusetts Financial Services Company	7,700,661(7)
Timothy P. Smucker	1,960,859
Richard K. Smucker	2,430,236
Mark R. Belgya	75,534
Vincent C. Byrd	130,497
R. Douglas Cowan	23,815
Kathryn W. Dindo	32,053
Paul J. Dolan	12,527
Barry C. Dunaway	53,819
Nancy Lopez Knight	6,452
Elizabeth Valk Long	43,016
Steven Oakland	78,197
Gary A. Oatey	28,531
Alex Shumate	1,829
Mark T. Smucker	124,103
William H. Steinbrink	43,459
Paul Smucker Wagstaff	105,724
27 Directors and executive officers as a group	4,325,091

* Less than 1%.

- (1) In accordance with SEC rules, each beneficial owner's holdings have been calculated assuming full exercise of outstanding options covering common shares, if any, exercisable by such owner within 60 days after June 23, 2010. The common shares include such options as follows: Timothy P. Smucker, 80,000; Richard K. Smucker, 80,000; Mark R. Belgya, 28,000; Vi Byrd, 25,000; Barry C. Dunaway, 13,000; Steven Oakland, 27,000; and all Directors and executive officers as a group, 3

Table of Contents

- (2) This number includes restricted shares as follows: Timothy P. Smucker, 0; Richard K. Smucker, 0; Mark R. Belgya, 28,900; C. Byrd, 53,985; Barry C. Dunaway, 28,135; Steven Oakland, 36,860; and all Directors and executive officers as a group.
- (3) Beneficial ownership of the following common shares included in the table is disclaimed by Timothy P. Smucker: 477,700 common shares held by trusts for the benefit of family members of which Timothy P. Smucker is a trustee with sole investment power or a co-trustee with shared investment power; 202,062 common shares owned by the Willard E. Smucker Foundation of which Timothy P. Smucker is a trustee with shared investment power; and 148,390 common shares with respect to which Timothy P. Smucker disclaims voting or investment power.

Beneficial ownership of the following common shares included in the table is disclaimed by Richard K. Smucker: 1,433,000 common shares held by trusts for the benefit of family members (including Timothy P. Smucker) of which Richard K. Smucker is a trustee with sole investment power or a co-trustee with shared investment power; 202,062 common shares owned by the Willard E. Smucker Foundation of which Richard K. Smucker is a trustee with shared investment power; and 100,000 common shares with respect to which Richard K. Smucker disclaims voting or investment power.

Beneficial ownership of the following common shares included in the table is disclaimed by Mark T. Smucker: 9,132 common shares with respect to which Mark T. Smucker disclaims voting or investment power.

Beneficial ownership of the following common shares included in the table is disclaimed by Paul Smucker Wagstaff: 8,900 common shares with respect to which Paul Smucker Wagstaff disclaims voting or investment power.

The number of common shares beneficially owned by all Directors and executive officers as a group has been computed without duplication of beneficial ownership.

- (4) This number includes common shares held for the benefit of the individual named under the terms of the Amended and Restated Nonemployee Director Stock Plan (" Nonemployee Director Stock Plan "), the Nonemployee Director Deferred Compensation Plan (" Nonemployee Director Deferred Compensation Plan "), and the 2006 Plan as follows: R. Douglas Cowan, 13,315; Kathryn W. Dindo, 23,087; Paul J. Dolan, 12,527; Nancy Lopez K. Long, 31,571; Gary A. Oatey, 18,031; Alex Shumate, 1,729; and William H. Steinbrink, 30,551. The common shares indicated are held in trust for the Directors named and are voted pursuant to their direction.
- (5) Because under the Company's Articles of Incorporation and Bylaws shareholders may be entitled on certain matters to cast ten-votes-per-share with regard to certain common shares and only one-vote-per-share with regard to others, there may not be a correlation between the percentage of outstanding common shares owned and the voting power represented by those common shares. The total voting power of the Company's common shares can be determined only at the time of a shareholder meeting due to the need to obtain certifications as to the ownership of common shares not held as of record in the name of individuals. There is only one proposal on this year's agenda to which the ten-votes-per-share provisions apply.
- (6) According to a Schedule 13G of Blackrock, Inc. (" Blackrock "), 40 East 52nd Street, New York, NY 10022, filed on January 15, 2010, Blackrock is a U.S. company organized under the laws of the State of Delaware. As of December 31, 2009, Blackrock has sole voting power as to 10,652,658 common shares and sole dispositive power as to 10,652,658 common shares.
- (7) According to a Schedule 13G/A of Massachusetts Financial Services Company (" MFS "), 500 Boylston Street, Boston, MA 02116, filed on February 5, 2010, MFS is a U.S. company organized under the laws of the State of Delaware. As of December 31, 2009, MFS has sole voting power as to 5,998,712 common shares and sole dispositive power as to 7,700,661 common shares.

Section 16(a) Beneficial Ownership Reporting Compliance

Under the U.S. securities laws, the Company's Directors, executive officers, and beneficial owners of more than 10% of the Company's common shares are required to report their initial ownership of common shares and any subsequent changes in that ownership to the SEC and the NYSE. Due dates for the reports are

Table of Contents

specified by those laws, and the Company is required to disclose in this proxy statement any failure in the past year to file by the required dates. Based solely on written representations of the Company's Directors and executive officers and on copies of the reports filed with the SEC, it is the Company's belief that all of the Company's Directors and executive officers complied with all filing requirements applicable to them with respect to transactions in the Company's equity securities during fiscal year 2010.

EQUITY COMPENSATION PLAN INFORMATION

The table below sets forth certain information with respect to the following equity compensation plans of the Company as of April 30, 2010: the 1987 Stock Option Plan, the 1998 Plan, the 2006 Plan, the Nonemployee Director Stock Plan, the Nonemployee Director Stock Option Plan, the Nonemployee Director Deferred Compensation Plan, and the Amended and Restated 1997 Stock-Based Incentive Plan (the 1997 Plan). All of these equity compensation plans have been approved by the Company's shareholders, with the exception of the 2006 Plan, which was assumed by the Company as a result of the International Multifoods Corporation acquisition in June 2004, and the Nonemployee Director Deferred Compensation Plan, which was adopted by the Board in October 2006.

Plan Category	Number of Securities	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Future Awards Available for Grant Under the Plans
	to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)		
Equity compensation plans approved by security holders(4)(5)	1,068,691	\$41.05	
Equity compensation plans not approved by security holders(6)	19,895	\$44.39	
Total	1,088,586	\$41.06	

(1) As of April 30, 2010, there were 1,097,710 common shares remaining available for grant as awards other than options. The weighted-average exercise price of outstanding options, warrants, and rights in column (b) does not take restricted shares, restricted stock units, or other non-option awards into account.

(2) Upon approval of the 2006 Plan by shareholders, no further awards could be made under the 1987 Stock Option Plan, the Nonemployee Director Stock Plan, the Nonemployee Director Stock Option Plan, and the 1997 Plan, except that the provisions relating to the deferral of Director retainers and fees under the Nonemployee Director Stock Plan continued to apply to shares rendered through December 31, 2006.

(3) There is no established pool of authorized common shares under the Nonemployee Director Deferred Compensation Plan.

(4)

This amount includes 167,951 deferred stock units and restricted stock units outstanding under the Nonemployee Director's Plan, the 1998 Plan, and the 2006 Plan. The weighted-average exercise price of outstanding options, warrants, and rights in column (b) does not take these deferred stock units and restricted stock units into account.

- (5) In June 2009, the Company granted several executive officers performance units with a one-year performance period, payable in restricted shares in June 2010. The actual number of performance units earned was not known as of April 30, 2010. Subsequent to April 30, 2010, the performance units earned were converted into 190,010 restricted shares. The actual number of restricted shares earned was included in column (a) for purposes of including the performance units outstanding at April 30, 2010. The weighted-average exercise price of outstanding options, warrants, and rights in column (b) does not take these performance units into account.

Table of Contents

- (6) This row includes 1,257 outstanding options under the 1997 Plan which was initially adopted by the stockholders of International Multifoods Corporation in 1997. The 1997 Plan was subsequently assumed by the Company as a result of the June 18, 2000 acquisition of International Multifoods Corporation.

Included in this row are 18,638 outstanding deferred stock units related to retainer and meeting fees voluntarily deferred by non-employee Directors under the Nonemployee Director Deferred Compensation Plan. The Nonemployee Director Deferred Compensation Plan provides each non-employee Director of the Company with an opportunity to defer receipt of any portion of his or her cash compensation he or she receives for his or her service as a Director. The weighted-average exercise price of outstanding warrants, and rights in column (b) does not take these deferred stock units into account.

ANNUAL REPORT

The Company's annual report for the fiscal year ended April 30, 2010 was mailed to each shareholder on or about July 8, 2010.

2011 SHAREHOLDER PROPOSALS

Any shareholder who intends to present a proposal at the Company's 2011 annual meeting and who wishes to have the proposal included in the Company's proxy statement and form of proxy for that annual meeting must deliver the proposal to the Corporate Secretary of the Company so that it is received no later than March 10, 2011. In addition, according to the Regulations, if a shareholder intends to present a proposal (including with respect to Director nominations) at the Company's 2011 annual meeting without the inclusion of that proposal in the Company's proxy materials, the shareholder must deliver the proposal to the Corporate Secretary of the Company so that it is received no later than 60 calendar days before the first anniversary of the date on which this proxy statement is first mailed by the Company. The deadline is May 9, 2011. After that date, the notice would be considered untimely. If, however, public announcement of the date of the Company's 2011 annual meeting of shareholders is not made at least 75 days before the date of that annual meeting, then the deadline for shareholders to notify the Company will be the close of business on the tenth calendar day following the date on which public announcement of the 2011 annual meeting date is first made.

OTHER MATTERS

The Company does not know of any matters to be brought before the meeting except as indicated in this notice. However, if any matters properly come before the meeting for action, it is intended that the person authorized under solicited proxies may vote thereon in accordance with his or her own judgment.

HOUSEHOLDING OF PROXY MATERIALS

In accordance with the notices the Company has sent to registered shareholders, the Company is sending only one copy of its annual report and proxy statement to shareholders who share the same last name and mailing address, unless they have notified the Company that they want to continue receiving multiple copies. Each shareholder will continue to receive a separate proxy card or Notice of Internet Availability of Proxy Materials. The Company understands that the brokerage community has mailed similar notices to holders of common shares who hold their common shares in street name. This practice, known as "householding", is permitted by the SEC and is intended to reduce duplicate mailings and save printing and postage costs, as well as conserve natural resources.

Shareholders who currently receive multiple copies of the annual report and proxy statement at their address and would like to opt for "householding" of their communications should contact their broker if they are a street name shareholder or, if they are a registered shareholder, should contact Computershare by calling 1-800-456-1169, or inform them in writing at Computershare Investor Services, P.O. Box 43078, Providence, RI 02940-3078. Shareholders who are "householding" their communications, but who wish to begin receiving separate copies of the annual report and proxy statement in the future, may also notify their broker or

Table of Contents

Computershare. The Company will promptly deliver a separate copy of the annual report and proxy statement at a shared address. A single copy was delivered upon written or oral request to Shareholder Services, The J. M. Smucker Company, Strawberry Lane, Cincinnati, Ohio 44667, 330-684-3838.

ELECTRONIC DELIVERY OF COMPANY SHAREHOLDER COMMUNICATIONS

If you are a registered shareholder and received the Company's annual report and proxy statement by mail or received a Notice of Availability of Proxy Materials, the Company encourages you to conserve natural resources, as well as reduce printing and mailing costs by signing up to receive your shareholder communications from the Company electronically. Through participation in the eTree program sponsored by Computershare, the Company will have a tree planted on your behalf if you elect to receive your shareholder materials and documents electronically. The tree will be planted through American Forests, a leading conservation organization, to support reforestation efforts in the United States. You will receive your shareholder information faster and will be able to access your documents, reports, and information on-line at the Investor Centre on Computershare's website. Access www.eTree.com/smu for more information in electronic communications. With your consent, the Company will stop mailing paper copies of these documents and will notify you by e-mail when the documents are available to you, where to find them, and how to quickly submit your vote on-line. Your election to receive shareholder communications electronically will be effective until you cancel it.

Please note that, although there is no charge for accessing the Company's annual meeting materials on-line, you may incur costs from service providers such as your Internet access provider and your telephone company. If you have any questions or need assistance, call 1-866-451-3787.

VOTING RIGHTS OF COMMON SHARES

Under Article Fourth of the Articles, the holder of each outstanding common share is entitled to one vote on each matter submitted to the shareholders except for the following specific matters:

- any matter that relates to or would result in the dissolution or liquidation of the Company;
- the adoption of any amendment of the Articles or the Regulations, or the adoption of amended Articles, other than the adoption of any amendment or amended Articles that increases the number of votes to which holders of common shares are entitled to vote on the matters to which time phase voting applies;
- any proposal or other action to be taken by the shareholders of the Company, relating to the Rights Agreement, dated August 11, 2009 between the Company and Computershare Trust Company, N.A. or any successor plan;
- any matter relating to any stock option plan, stock purchase plan, executive compensation plan, executive benefit plan, or any similar plan, arrangement, or agreement;
- adoption of any agreement or plan of or for the merger, consolidation, or majority share acquisition of the Company or any of its subsidiaries with or into any other person, whether domestic or foreign, corporate or noncorporate, or the authorization, sale, exchange, transfer, or other disposition of all, or substantially all, of the Company's assets;
- any matter submitted to the Company's shareholders pursuant to Article Fifth (which relates to procedures applicable to business combinations) or Article Seventh (which relates to procedures applicable to certain proposed acquisitions of certain percentages of the Company's outstanding common shares) of the Articles, as they may be further amended, or any issue relating to the issuance of common shares of the Company for which shareholder approval is required by applicable stock exchange rules; and
- any matter relating to the issuance of common shares, or the repurchase of common shares that the Board determines to be appropriate to be submitted to the Company's shareholders under the Ohio Revised Code or applicable stock exchange rules.

Table of Contents

On the matters listed above, common shares are entitled to ten-votes-per-share if they meet the requirements set forth in the Articles of Incorporation. Common shares entitled to ten-votes-per-share must meet one of the following criteria:

common shares beneficially owned as of November 6, 2008 and for which there has not been a change in beneficial ownership after November 6, 2008; or

common shares received through the Company's various equity plans which have not been sold or otherwise transferred after November 6, 2008.

In the event of a change in beneficial ownership, the new owner of that common share will be entitled to only one vote with respect to each share on all matters until four years pass without a further change in beneficial ownership of the share. The ten-votes-per-share provisions apply to Proposal 3 on this year's ballot.

The express terms of the common shares provide that a change in beneficial ownership occurs whenever any change occurs in the identity of the group of persons who has or shares voting power, investment power, the right to receive sale proceeds, or the right to receive dividends or other distributions in respect of those common shares. In the absence of proof to the contrary, a change in beneficial ownership is deemed to have occurred whenever common shares are transferred of record into the name of any other person. Moreover, common shares held by general partnerships, limited partnerships, voting trustees, banks, trust companies, brokers, nominees, and clearing agencies will be entitled to only one-vote-per-share on common shares held of record in their respective names unless written proof is provided to establish that there has been no change in the person or persons who direct the exercise of any of the rights of beneficial ownership of such shares, including the voting of common shares. Thus, shareholders who hold common shares in street name or through any of the other methods mentioned above must be able to submit written proof of beneficial ownership in form and substance satisfactory to the Company in order to be entitled to exercise ten-votes-per-share.

The foregoing is merely a summary of the voting terms of the common shares and this summary should be read in conjunction with, and qualified in its entirety by reference to, the express terms of those common shares as set forth in the Articles. A copy of the Articles is posted on the Company's website at www.smuckers.com and is available free of charge to any shareholder submitting a written request to the Corporate Secretary, The J. M. Smucker Company, Strawberry Lane, Orrville, Ohio 44667.

Table of Contents

THE J. M. SMUCKER COMPANY

2010 EQUITY AND INCENTIVE COMPENSATION PLAN

1. *Purpose.* The purpose of The J. M. Smucker Company 2010 Equity and Incentive Compensation Plan is to attract and retain consultants, officers, and other employees of The J. M. Smucker Company, an Ohio corporation, and its Subsidiaries and to provide persons incentives and rewards for performance.

2. *Definitions.* As used in this Plan,

(a) *Appreciation Right* means a right granted pursuant to Section 5 or Section 9 of this Plan, and will include both Free-Standing Appreciation Rights and Tandem Appreciation Rights.

(b) *Base Price* means the price to be used as the basis for determining the Spread upon the exercise of a Free-Standing Appreciation Right or a Tandem Appreciation Right.

(c) *Board* means the Board of Directors of the Company and, to the extent of any delegation by the Board to a committee (or subcommittee) thereof pursuant to Section 11 of this Plan, such committee (or subcommittee).

(d) *Cash Incentive Award* means a cash award granted pursuant to Section 8 of this Plan.

(e) *Change in Control* has the meaning set forth in Section 13 of this Plan.

(f) *Code* means the Internal Revenue Code of 1986, as amended from time to time.

(g) *Common Shares* means the shares of common stock, without par value, of the Company or any security into which such shares may be changed by reason of any transaction or event of the type referred to in Section 12 of this Plan.

(h) *Company* means The J. M. Smucker Company, an Ohio corporation, and its successors.

(i) *Covered Employee* means a Participant who is, or is determined by the Board to be likely to become, a covered employee within the meaning of Section 162(m) of the Code (or any successor provision).

(j) *Date of Grant* means the date specified by the Board on which a grant of Option Rights, Appreciation Rights, Performance Units, Cash Incentive Awards, or other awards contemplated by Section 10 of this Plan, or a grant or sale of Restricted Stock Units, or other awards contemplated by Section 10 of this Plan will become effective (which date will not be the date on which the Board takes action with respect thereto).

(k) *Detrimental Activity* means:

(i) Engaging in any activity, as an employee, principal, agent, or consultant for another entity that competes with the Company or its actual, researched, or prospective product, service, system, or business activity for which the Participant has had any direct responsibility during the last two years of his or her employment with the Company or a Subsidiary, in any territory in which the Company or Subsidiary manufactures, sells, markets, services, or installs such product, service, or system, or engages in such business activity.

- (ii) Soliciting any employee of the Company or a Subsidiary to terminate his or her employment with the Company or a Subsidiary
- (iii) The disclosure to anyone outside the Company or a Subsidiary, or the use in other than the Company's or a Subsidiary's business without prior written authorization from the Company, of any confidential, proprietary, or trade secret information or material information relating to the business of the Company

A-1

Table of Contents

or its Subsidiaries, acquired by the Participant during his or her employment with the Company or its Subsidiaries or while acting as a consultant for the Company or its Subsidiaries thereafter.

(iv) The failure or refusal to disclose promptly and to assign to the Company upon request all right, title and interest in any invention, idea, patentable or not, made or conceived by the Participant during employment by the Company or any Subsidiary, relating to the actual or anticipated business, research, or development work of the Company or any Subsidiary or the failure or refusal to do anything reasonably necessary to enable the Company or any Subsidiary to secure a patent where appropriate in the United States and other countries.

(v) Activity that results in Termination for Cause. For the purposes of this Section, Termination for Cause will mean a termination

(A) due to the Participant's willful and continuous gross neglect of his or her duties for which he or she is employed; or

(B) due to an act of dishonesty on the part of the Participant constituting a felony resulting or intended to result, directly or indirectly, in or her gain for personal enrichment at the expense of the Company or a Subsidiary.

(vi) Any other conduct or act determined to be injurious, detrimental, or prejudicial to any significant interest of the Company or Subsidiary unless the Participant acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company.

(l) Director means a member of the Board.

(m) Effective Date means, with respect to Cash Incentive Awards, the date this Plan is approved by the shareholders of the Company with respect to all other awards under this Plan, November 7, 2010, provided that this Plan is approved by the shareholders of the Company prior to or on such date.

(n) Evidence of Award means an agreement, certificate, resolution, or other type or form of writing or other evidence approved by the Board that sets forth the terms and conditions of the awards granted under the Plan. An Evidence of Award may be in an electronic medium, may be limited to notation on the books and records of the Company and, with the approval of the Board, need not be signed by a representative of the Company or a Participant.

(o) Exchange Act means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, as such rules and regulations may be amended from time to time.

(p) Existing Plan means The J. M. Smucker Company 2006 Equity Compensation Plan.

(q) Free-Standing Appreciation Right means an Appreciation Right granted pursuant to Section 5 or Section 9 of this Plan that is not granted in tandem with an Option Right.

(r) Incentive Stock Options means Option Rights that are intended to qualify as incentive stock options under Section 422 of the Internal Revenue Code or any successor provision.

(s) Management Objectives means the measurable performance objective or objectives established pursuant to this Plan for Participants who have received grants of Performance Shares or Performance Units or, when so determined by the Board, Cash Incentive Awards, Option Rights, Appreciation Rights, Restricted Stock, Restricted Stock Units, dividend credits, and other awards pursuant to this Plan. Management Objectives may be described in terms of Company-wide objectives or objectives that are related to the performance of an individual Participant or of the Subsidiary, division, department, region, or function within the Company or Subsidiary in which the Participant is employed. The Management Objectives may be made relative to the performance of other companies or subsidiaries or divisions, departments, regions, or functions within such other companies, and may be made relative to an index or one or more

performance criteria themselves. The Board may grant awards subject to Management Objectives that are either Qualified Performance-Based Awards or are not Qualified Performance-Based Awards. The Management Objectives

A-2

Table of Contents

applicable to any Qualified Performance-Based Award to a Covered Employee will be based on one or more, or a combination of the following metrics:

(i) **Profits** (e.g., operating income, income from continuing operations, EBIT, EBT, net income, earnings per share, segment profit, residual, or economic earnings – these profitability metrics could be measured before certain specified special items and subject to a specific definition);

(ii) **Cash Flow** (e.g., EBITDA, adjusted EBITDA, operating cash flow, cash from operations, total cash flow, free cash flow, cash flow in excess of cost of capital, residual cash flow, or cash flow return on investment);

(iii) **Returns** (e.g., profits or cash flow returns on: assets, invested capital, net capital employed, and equity);

(iv) **Working Capital** (e.g., working capital divided by sales, days sales outstanding, days sales in inventory, and days sales receivable);

(v) **Profit Margins** (e.g., profits divided by net sales);

(vi) **Liquidity Measures** (e.g., debt-to-capital, debt-to-EBITDA, total debt ratio);

(vii) **Sales Growth, Cost Initiatives and Stock Price Metrics** (e.g., net sales, net sales growth, stock price appreciation, total return to shareholders, administrative costs divided by net sales, cost reduction targets, and selling, administrative and distribution costs as a percentage of net sales); and

(viii) **Strategic Initiatives Key Deliverable Metrics** consisting of one or more of the following: product development, strategic research and development, market penetration, geographic business expansion goals, cost targets, customer satisfaction, employee satisfaction, management of employment practices and employee benefits, supervision of litigation and information technology, and other metrics relating to acquisitions or divestitures of subsidiaries, affiliates, and joint ventures.

If the Board determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which it conducts its business, or other events or circumstances render the Management Objectives unsuitable, the Board may, in its discretion modify such Management Objectives or the related minimum acceptable level of achievement, in whole or in part, as it deems appropriate and equitable, except in the case of a Qualified Performance-Based Award (other than in connection with a Change of Control) where such action would result in the loss of the otherwise available exemption of the award under Section 162(m) of the Code. In such case, the Board will not make any modification of the Management Objectives or minimum acceptable level of achievement with respect to such Covered Employee.

(t) **Market Value per Share** means, as of any particular date, the average of the high and low sales prices of the Common Shares on the New York Stock Exchange Composite Tape or, if not listed on such exchange, on any other national securities exchange on which the Common Shares are listed, or if there are no sales on such day, on the next preceding trading day during which a sale occurred. If there is no regular trading market for such Common Shares, the Market Value per Share will be determined by the Board.

(u) **Non-Employee Director** means a person who is a Non-Employee Director of the Company within the meaning of Rule 101(b)(1) of the Securities and Exchange Commission promulgated under the Exchange Act and an outside director within the meaning of Section 101(b)(1) of the Code and the regulations promulgated thereunder by the U.S. Department of the Treasury.

(v) **Optionee** means the optionee named in an Evidence of Award evidencing an outstanding Option Right.

(w) **Option Price** means the purchase price payable on exercise of an Option Right.

(x) Option Right means the right to purchase Common Shares upon exercise of an option granted pursuant to Section 4 or S Plan.

A-3

Table of Contents

(y) **Participant** means a person who is selected by the Board to receive benefits under this Plan and who is at the time a contractor, officer, or other employee of the Company or any one or more of its Subsidiaries, or who has agreed to commence serving in any of these capacities within 90 days of the Date of Grant, and will also include each non-employee Director who receives an award under this Plan. The term **Participant** will also include any person who provides services to the Company or a Subsidiary that are equivalent to those typically provided by an employee.

(z) **Performance Period** means, in respect of a Performance Share or Performance Unit, a period of time established pursuant to this Plan within which the Management Objectives relating to such Performance Share or Performance Unit are to be achieved.

(aa) **Performance Share** means a bookkeeping entry that records the equivalent of one Common Share awarded pursuant to this Plan.

(bb) **Performance Unit** means a bookkeeping entry awarded pursuant to Section 8 of this Plan that records a unit equivalent to one Performance Share or other value as is determined by the Board.

(cc) **Plan** means The J. M. Smucker Company 2010 Equity and Incentive Compensation Plan, as may be amended from time to time.

(dd) **Qualified Performance-Based Award** means any award of Cash Incentive Awards, Performance Shares, Performance Units, Restricted Stock, Restricted Stock Units, or other awards contemplated under Section 10 of this Plan, or portion of such award, to a Covered Employee that is intended to satisfy the requirements for qualified performance-based compensation under Section 162(m).

(ee) **Restricted Stock** means Common Shares granted or sold pursuant to Section 6 or Section 9 of this Plan as to which neither a substantial risk of forfeiture nor the prohibition on transfers has expired.

(ff) **Restriction Period** means the period of time during which Restricted Stock Units are subject to restrictions, as provided in Section 9 of this Plan.

(gg) **Restricted Stock Unit** means an award made pursuant to Section 7 or Section 9 of this Plan of the right to receive Common Shares or cash at the end of a specified period. An award of Restricted Stock Units may be described as an award of Deferred Stock Units.

(hh) **Spread** means the excess of the Market Value per Share on the date when an Appreciation Right is exercised over the Base Price provided for in the related Option Right or Free-Standing Appreciation Right, respectively.

(ii) **Subsidiary** means a corporation, company or other entity (i) at least 50 percent of whose outstanding shares or securities (or, if the right to vote for the election of directors or other managing authority are, or (ii) which does not have outstanding shares or securities (as may be the case in a partnership, joint venture, or unincorporated association), but at least 50 percent of whose ownership interests representing the right generally to make decisions for such other entity is, now or hereafter, owned or controlled, directly or indirectly, by the Company except that for purposes of determining whether any person may be a Participant for purposes of any grant of Incentive Options, **Subsidiary** means any corporation in which at the time the Company owns or controls, directly or indirectly, at least 50 percent of the total combined voting power represented by all classes of stock issued by such corporation.

(jj) **Tandem Appreciation Right** means an Appreciation Right granted pursuant to Section 5 or Section 9 of this Plan that is granted in tandem with an Option Right.

3. Shares Available Under the Plan.

(a) *Maximum Shares Available Under Plan.*

(i) Subject to adjustment as provided in Section 12 of this Plan, the number of Common Shares that may be issued or transferred upon the exercise of Option Rights or Appreciation Rights, (B) in payment of Restricted Stock and released from substantial risks of ownership thereof, (C) in payment of Restricted Stock Units, (D) in payment of Performance Shares or Performance Units that have been earned, and (E) as awards to

A-4

Table of Contents

non-employee Directors, (F) as awards contemplated by Section 10 of this Plan, or (G) in payment of dividend equivalents paid in respect to awards made under the Plan will not exceed in the aggregate 7,000,000 Common Shares plus, as of the Effective Date, the number of Common Shares available for awards under the Existing Plan on the Effective Date. Such shares may be shares of common stock, newly issued shares or treasury shares or a combination of the foregoing.

(ii) Common Shares covered by an award granted under the Plan will not be counted as used unless and until they are actually delivered to a Participant and, therefore, the total number of shares available under the Plan as of a given date will not be reduced by shares relating to prior awards that have expired or have been forfeited or cancelled. Upon payment in cash of the benefit provided by an award granted under the Plan, any Common Shares that were covered by that award will again be available for issue or transfer. Notwithstanding anything to the contrary contained herein: (A) if Common Shares are tendered or otherwise used in payment of the Price of an Option Right the total number of shares covered by the Option Right being exercised will reduce the aggregate plan limit described above; (B) Common Shares withheld by the Company to satisfy the tax withholding obligation will count against the aggregate plan limit described above; and (C) the number of Common Shares covered by an Appreciation Right, to the extent that it is exercised and Common Shares, and whether or not shares are actually issued to the Participant upon exercise of the right, will be considered as transferred pursuant to the Plan. In the event that the Company repurchases shares with Option Right proceeds, those shares will be added to the aggregate plan limit described above. If, under this Plan, a Participant has elected to give up the right to receive cash in exchange for Common Shares based on fair market value, such Common Shares will not count against the aggregate plan limit described above.

(b) Life of Plan Limits. Notwithstanding anything in this Section 3, or elsewhere in this Plan, to the contrary and subject to adjustments provided in Section 12 of this Plan:

(i) The aggregate number of Common Shares actually issued or transferred by the Company upon the exercise of Incentive Stock Options will not exceed 7,000,000 Common Shares.

(ii) Awards will not be granted under Section 9 or Section 10 of the Plan to the extent they would involve the issuance of more than 350,000 shares in the aggregate.

(c) Individual Participant Limits. Notwithstanding anything in this Section 3, or elsewhere in this Plan to the contrary, and subject to adjustments as provided in Section 12 of this Plan:

(i) No Participant will be granted Option Rights or Appreciation Rights, in the aggregate, for more than 1,000,000 Common Shares in any calendar year.

(ii) No Participant will be granted Qualified Performance-Based Awards of Restricted Stock, Restricted Stock Units, Performance Awards or other awards under Section 10 of this Plan, in the aggregate, for more than 400,000 Common Shares during any calendar year.

(iii) Notwithstanding any other provision of this Plan to the contrary, in no event will any Participant in any calendar year receive a Qualified Performance-Based Award of Performance Units having an aggregate maximum value as of their respective Dates of Award in excess of \$7,000,000.

(iv) In no event will any Participant in any calendar year receive a Qualified Performance-Based Award that is a Cash Incentive Award having an aggregate maximum value in excess of \$7,000,000.

4. Option Rights. The Board may, from time to time and upon such terms and conditions as it may determine, authorize the grant to Participants of options to purchase Common Shares. Each such grant may utilize any or all of the authorizations contained in the following provisions:

(a) Each grant will specify the number of Common Shares to which it pertains subject to the limitations set forth in Section 3 of this Plan.

(b) Each grant will specify an Option Price per share, which may not be less than the Market Value per Share on the Date of C

A-5

Table of Contents

(c) Each grant will specify whether the Option Price will be payable (i) in cash or by check acceptable to the Company or by wire transfer of immediately available funds, (ii) by the actual or constructive transfer to the Company of Common Shares owned by the Participant for at least six months (or other consideration authorized pursuant to Section 4(d) of this Plan) having a value at the time of exercise equal to the total Option Price, (iii) by a combination of such methods of payment, or (iv) by such other methods as may be approved by the Board.

(d) To the extent permitted by law, any grant may provide for deferred payment of the Option Price from the proceeds of sale of the shares of the Company by a bank or broker on a date satisfactory to the Company of some or all of the shares to which such exercise relates.

(e) Successive grants may be made to the same Participant whether or not any Option Rights previously granted to such Participant have been unexercised.

(f) Each grant will specify the period or periods of continuous service by the Optionee with the Company or any Subsidiary that are necessary before the Option Rights or installments thereof will become exercisable. A grant of Option Rights may provide for the exercise of such Option Rights in the event of the retirement, the attainment of reasonable age and service requirements approved by the Board, death or disability of a Participant, or a Change in Control.

(g) Any grant of Option Rights may specify Management Objectives that must be achieved as a condition to the exercise of such Option Rights.

(h) Option Rights granted under this Plan may be (i) options, including, without limitation, Incentive Stock Options, that are intended to qualify under particular provisions of the Code, (ii) options that are not intended so to qualify, or (iii) combinations of the foregoing. Incentive Stock Options may only be granted to Participants who meet the definition of "employees" under Section 3401(c) of the Code.

(i) The exercise of an Option Right will result in the cancellation on a share-for-share basis of any Tandem Appreciation Right granted under Section 5 of this Plan.

(j) No Option Right will be exercisable more than 10 years from the Date of Grant.

(k) Each grant of Option Rights will be evidenced by an Evidence of Award. Each Evidence of Award will be subject to this Plan and shall contain such terms and provisions, consistent with this Plan, as the Board may approve.

5. Appreciation Rights.

(a) The Board may, from time to time and upon such terms and conditions as it may determine, authorize the granting (i) to any Participant of Tandem Appreciation Rights in respect of Option Rights granted hereunder, and (ii) to any Participant, of Free-Standing Appreciation Rights. A Tandem Appreciation Right will be a right of the Optionee, exercisable by surrender of the related Option Right, to receive from the Company an amount determined by the Board, which will be expressed as a percentage of the Spread (not exceeding 100 percent) at the time of exercise. Tandem Appreciation Rights may be granted at any time prior to the exercise or termination of the related Option Right, provided, however, that a Tandem Appreciation Right awarded in relation to an Incentive Stock Option must be granted concurrently with such Incentive Stock Option. A Free-Standing Appreciation Right will be a right of the Participant to receive from the Company an amount determined by the Board, which will be expressed as a percentage of the Spread (not exceeding 100 percent) at the time of exercise.

(b) Each grant of Appreciation Rights may utilize any or all of the authorizations contained in the following provisions:

(i) Each grant will specify that the amount payable on exercise of an Appreciation Right will be paid by the Company in cash, Common Shares, or in any combination thereof.

(ii) Any grant may specify that the amount payable on exercise of an Appreciation Right may not exceed a maximum specified by the Board at the Date of Grant.

Table of Contents

(iii) Any grant may specify waiting periods before exercise and permissible exercise dates or periods.

(iv) Any grant may specify that such Appreciation Right may be exercised only in the event of, or earlier in the event of, the attainment of reasonable age and service requirements approved by the Board, death or disability of a Participant, or a Change

(v) Any grant of Appreciation Rights may specify Management Objectives that must be achieved as a condition of the exercise of Appreciation Rights.

(vi) Each grant of Appreciation Rights will be evidenced by an Evidence of Award, which Evidence of Award will describe such Appreciation Rights, identify the related Option Rights (if applicable), and contain such other terms and provisions, consistent with the Plan, as the Board may approve.

(c) Any grant of Tandem Appreciation Rights will provide that such Tandem Appreciation Rights may be exercised only at a time when the related Option Right is also exercisable and at a time when the Spread is positive, and by surrender of the related Option Right upon cancellation. Successive grants of Tandem Appreciation Rights may be made to the same Participant regardless of whether any other Appreciation Rights previously granted to the Participant remain unexercised.

(d) Regarding Free-Standing Appreciation Rights only:

(i) Each grant will specify in respect of each Free-Standing Appreciation Right a Base Price, which may not be less than the Market Value per Share on the Date of Grant;

(ii) Successive grants may be made to the same Participant regardless of whether any Free-Standing Appreciation Rights previously granted to the Participant remain unexercised; and

(iii) No Free-Standing Appreciation Right granted under this Plan may be exercised more than 10 years from the Date of Grant.

6. *Restricted Stock.* The Board may, from time to time and upon such terms and conditions as it may determine, also authorize the sale of Restricted Stock to Participants. Each such grant or sale may utilize any or all of the authorizations contained in the following provisions:

(a) Each such grant or sale will constitute an immediate transfer of the ownership of Common Shares to the Participant in consideration of the performance of services, entitling such Participant to voting, dividend, and other ownership rights, but subject to the substantial forfeiture and restrictions on transfer hereinafter referred to.

(b) Each such grant or sale may be made without additional consideration or in consideration of a payment by such Participant that is less than the Market Value per Share at the Date of Grant.

(c) Each such grant or sale will provide that the Restricted Stock covered by such grant or sale that vests upon the passage of time is subject to a substantial risk of forfeiture within the meaning of Section 83 of the Code for a period to be determined by the Board from the Date of Grant or upon achievement of Management Objectives referred to in subparagraph (e) below. If the elimination of restrictions is based only on the passage of time rather than the achievement of Management Objectives, the period of time will be no shorter than three years, except that the restrictions may be removed ratably during the three-year period, on at least an annual basis, as determined by the Board.

(d) Each such grant or sale will provide that during or after the period for which such substantial risk of forfeiture is to continue, the transferability of the Restricted Stock will be prohibited or restricted in the manner and to the extent prescribed by the Board at the Date of Grant (which restrictions may include, without limitation, rights of repurchase or first refusal in the Company or provisions similar to those relating to Restricted Stock to a continuing substantial risk of forfeiture in the hands of any transferee).

(e) Any grant of Restricted Stock may specify Management Objectives that, if achieved, will result in termination or early termination of the restrictions applicable to such Restricted Stock; provided, however, that notwithstanding subparagraph (c) above, restrictions on Restricted Stock that vests

A-7

Table of Contents

upon the achievement of Management Objectives may not terminate sooner than one year from the Date of Grant. Each grant in respect of such Management Objectives a minimum acceptable level of achievement and may set forth a formula for determining the number of shares of Restricted Stock on which restrictions will terminate if performance is at or above the minimum or threshold levels, or is at or above the target level or levels, but falls short of maximum achievement of the specified Management Objectives. Each grant of a Qualified Performance-Based Award of Restricted Stock will specify that, before the termination or early termination of restrictions applicable to such Restricted Stock, the Board must determine that the Management Objectives have been satisfied.

(f) Notwithstanding anything to the contrary contained in this Plan, any grant or sale of Restricted Stock may provide for the early termination of restrictions on such Restricted Stock in the event of the retirement, the attainment of reasonable age and service approved by the Board, death or disability of a Participant, or a Change in Control.

(g) Any such grant or sale of Restricted Stock may require that any or all dividends or other distributions paid thereon during the Restriction Period such restrictions be automatically deferred and reinvested in additional shares of Restricted Stock, which may be subject to the same restrictions as the underlying award; provided, however, that dividends or other distributions on Restricted Stock with restrictions shall be paid as a result of the achievement of Management Objectives will be deferred until and paid contingent upon the achievement of the Management Objectives.

(h) Each grant or sale of Restricted Stock will be evidenced by an Evidence of Award and will contain such terms and provisions consistent with this Plan, as the Board may approve. Unless otherwise directed by the Board, (i) all certificates representing shares of Restricted Stock will be held in custody by the Company until all restrictions thereon will have lapsed, together with a stock power and powers executed by the Participant in whose name such certificates are registered, endorsed in blank and covering such shares of Restricted Stock will be held at the Company's transfer agent in book entry form with appropriate restrictions relating to the transfer of such shares of Restricted Stock.

7. Restricted Stock Units. The Board may, from time to time and upon such terms and conditions as it may determine, also authorize the granting or sale of Restricted Stock Units (which may also be referred to as Deferred Stock Units) to Participants. Each such grant or sale may utilize any or all of the authorizations contained in the following provisions:

(a) Each such grant or sale will constitute the agreement by the Company to deliver Common Shares or cash to the Participant in consideration of the performance of services, but subject to the fulfillment of such conditions (which may include the achievement of Management Objectives) during the Restriction Period as the Board may specify. If a grant of Restricted Stock Units specifies a Restriction Period will terminate only upon the achievement of Management Objectives, then, notwithstanding anything to the contrary contained in subparagraph (c) below, such Restriction Period may not terminate sooner than one year from the Date of Grant. Each grant or sale may specify in respect of such Management Objectives a minimum acceptable level of achievement and may set forth a formula for determining the number of Restricted Stock Units on which restrictions will terminate if performance is at or above the minimum or threshold level or levels, or is at or above the target level or levels, but falls short of maximum achievement of the specified Management Objectives. The grant of Qualified Performance-Based Awards of Restricted Stock Units will specify that, before the termination or early termination of restrictions applicable to such Restricted Stock Units, the Board must determine that the Management Objectives have been satisfied.

(b) Each such grant or sale may be made without additional consideration or in consideration of a payment by such Participant that is less than the Market Value per Share at the Date of Grant.

(c) If the Restriction Period lapses only by the passage of time rather than the achievement of Management Objectives as provided in subparagraph (a) above, each such grant or sale will be subject to a Restriction Period of not less than three years, except that the Board may provide that the

Table of Contents

Restriction Period will expire ratably during the three-year period, on an annual basis, as determined by the Board.

(d) Notwithstanding anything to the contrary contained in this Plan, any grant or sale of Restricted Stock Units may provide for lapse or other modification of the Restriction Period in the event of the retirement, the attainment of reasonable age and service requirements approved by the Board, death or disability of a Participant, or a Change in Control.

(e) During the Restriction Period, the Participant will have no right to transfer any rights under his or her award and will have no ownership in the Common Shares deliverable upon payment of the Restricted Stock Units and will have no right to vote them. The Board may, at the Date of Grant, authorize the payment of dividend equivalents on such Restricted Stock Units on either a current or deferred or contingent basis, either in cash or in additional Common Shares; provided, however, that dividends or other distributions on Common Shares underlying Restricted Stock Units with restrictions that lapse as a result of the achievement of Management Objectives will be deferred until and paid contingent upon the achievement of the applicable Management Objectives.

(f) Each grant or sale will specify the time and manner of payment of the Restricted Stock Units that have been earned. Each grant or sale will specify that the amount payable with respect thereto will be paid by the Company in Common Shares or cash.

(g) Each grant or sale of Restricted Stock Units will be evidenced by an Evidence of Award and will contain such terms and conditions consistent with this Plan, as the Board may approve.

8. *Cash Incentive Awards, Performance Shares and Performance Units.* The Board may, from time to time and upon such terms and conditions as it may determine, also authorize the granting of Cash Incentive Awards, Performance Shares and Performance Units. Any such grant may utilize any or all of the authorizations contained in the following provisions:

(a) Each grant will specify the number of Performance Shares or Performance Units, or amount payable with respect to Cash Incentive Awards, to which it pertains, which number or amount may be subject to adjustment to reflect changes in compensation or other factors; provided, however, that no such adjustment will be made in the case of a Qualified Performance-Based Award (other than in connection with the death or disability of the Participant or a Change in Control) where such action would result in the loss of the otherwise available exemption of the award under Section 162(m) of the Code.

(b) The Performance Period with respect to each Cash Incentive Award, Performance Share, or Performance Unit will be such time (not less than one year) as will be determined by the Board at the time of grant, which may be subject to earlier lapse or other modification in the event of the retirement, death or disability of a Participant, or a Change in Control; provided, however, that no adjustment will be made in the case of a Qualified Performance-Based Award (other than in connection with the death or disability of the Participant or a Change in Control) where such action would result in the loss of the otherwise available exemption of the award under Section 162(m) of the Code.

(c) Any grant of Cash Incentive Awards, Performance Shares, or Performance Units may specify Management Objectives which, if achieved, will result in payment or early payment of the award, and each grant may specify in respect of such specified Management Objectives a minimum acceptable level or levels of achievement and will set forth a formula for determining the number of Performance Shares or Performance Units, or amount payable with respect to Cash Incentive Awards, that will be earned if performance is at or above the minimum or threshold level or levels, or is at or above the target level or levels, but falls short of maximum achievement of such specified Management Objectives. The grant of a Qualified Performance-Based Award of a Cash Incentive Award, Performance Share, or Performance Units will specify that, before the Cash Incentive Award, Performance Share, or Performance Units will be earned, the Board must determine that the Management Objectives have been satisfied.

(d) Each grant will specify the time and manner of payment of Cash Incentive Awards, Performance Shares, or Performance Units that have been earned. Any grant may specify that the amount payable with respect to such award, share, or unit will be paid by the Company in Common Shares or cash.

Table of Contents

respect thereto may be paid by the Company in cash, in Common Shares, in Restricted Stock or Restricted Stock Units or in a combination thereof.

(e) Any grant of Cash Incentive Awards, Performance Shares or Performance Units may specify that the amount payable or the number of Common Shares, shares of Restricted Stock or Restricted Stock Units with respect thereto may not exceed a maximum specified by the Board at the Date of Grant.

(f) The Board may, at the Date of Grant of Performance Shares, provide for the payment of dividend equivalents to the holder in cash or in additional Common Shares, subject in all cases to deferral and payment on a contingent basis based on the Performance of the Performance Shares with respect to which such dividend equivalents are paid.

(g) Each grant of Cash Incentive Awards, Performance Shares, or Performance Units will be evidenced by an Evidence of Award which may contain such other terms and provisions, consistent with this Plan, as the Board may approve.

9. *Awards to Non-Employee Directors.* Subject to the limit set forth in Section 3(b)(ii) of this Plan, the Board may, from time to time, upon such terms and conditions as it may determine, authorize the granting to non-employee Directors of Option Rights, Appreciation Rights, or other awards contemplated by Section 10 of this Plan and may also authorize the grant or sale of Common Shares, Restricted Stock, or Restricted Stock Units (which may also be referred to as Deferred Stock Units) to non-employee Directors. Each grant of an award to a non-employee Director will be upon such terms and conditions as approved by the Board and will be evidenced by an Evidence of Award in such form as will be approved by the Board. Each grant will specify in the case of an Option Right an Option Price and in the case of a Free-Standing Appreciation Right, a Base Price per share, which will not be less than the Market Value per share on the Date of Grant. Each Option Right and Free-Standing Appreciation Right granted under the Plan to a non-employee Director shall vest not more than 10 years from the Date of Grant and will be subject to earlier termination as hereinafter provided. Non-employee Directors pursuant to this Section 9, may be awarded, or may be permitted to elect to receive, pursuant to procedures established by the Board, any portion of their annual retainer, meeting fees or other fees in Common Shares, Restricted Stock, Restricted Stock Units, or cash, or under the Plan in lieu of cash.

10. *Other Awards.*

(a) Subject to limitations under applicable law and to the limit set forth in Section 3(b)(ii) of this Plan, the Board may grant to any Participant such other awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise related to, Common Shares or factors that may influence the value of such shares, including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into Common Shares, purchase rights for Common Shares with value and payment contingent upon performance of the Company or specified Subsidiaries, affiliates or other business units, or any other factors designated by the Board, and awards valued by reference to the book value of Common Shares or the value of the Company, or the performance of specified Subsidiaries or affiliates or other business units of the Company. The Board will determine the terms and conditions of such awards. Common Shares delivered pursuant to an award in the nature of a purchase right granted under Section 10 will be purchased for such consideration, paid for at such time, by such methods, and in such forms, including, without limitation, Common Shares, other awards, notes or other property, as the Board determines.

(b) The Board may grant Common Shares as a bonus, or may grant other awards in lieu of obligations of the Company or a Subsidiary to pay cash or deliver other property under this Plan or under other plans or compensatory arrangements, subject to such terms as determined by the Board.

(c) Share-based awards pursuant to this Section 10 are not required to be subject to any minimum vesting period.

Table of Contents

11. *Administration of the Plan.*

(a) This Plan will be administered by the Board, which may from time to time delegate all or any part of its authority under this Plan to the Executive Compensation Committee of the Board or any other committee of the Board (or a subcommittee thereof), as constituted from time to time. To the extent of any such delegation, references in this Plan to the Board will be deemed to be references to such subcommittee.

(b) The interpretation and construction by the Board of any provision of this Plan or of any agreement, notification or document relating to the grant of Option Rights, Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units or awards pursuant to Section 10 of this Plan and any determination by the Board pursuant to any provision of this Plan or of any agreement, notification, or document will be final and conclusive.

(c) The Board or, to the extent of any delegation as provided in Section 11(a), the committee, may delegate to one or more of its members or to one or more executive officers of the Company, or to one or more agents or advisors, such administrative duties or powers as may be deemed advisable, and the Board, the committee, or any person to whom duties or powers have been delegated as aforesaid, may consult with one or more persons to render advice with respect to any responsibility the Board, the committee, or such person may have under this Plan. The Board or the committee may, by resolution, authorize one or more executive officers of the Company to do one or both of the foregoing on the same basis as the Board or the committee: (i) designate employees to be recipients of awards under this Plan; (ii) determine the nature and scope of any such awards; provided, however, that (A) the Board or the Committee will not delegate such responsibilities to any such executive officer for awards granted to an employee who is an executive officer, Director, or more than 10% beneficial owner of any class of the Company's equity securities that is registered pursuant to Section 12 of the Exchange Act, as determined by the Board in accordance with Section 16 of the Exchange Act, or any Covered Employee; (B) the resolution providing for such authorization sets forth the terms and conditions of Common Shares such executive officer(s) may grant; and (C) the executive officer(s) will report periodically to the Board or the committee, as the case may be, regarding the nature and scope of the awards granted pursuant to the authority delegated.

12. *Adjustments.* The Board will make or provide for such adjustments in the numbers of Common Shares covered by outstanding awards of Option Rights, Appreciation Rights, Restricted Stock Units, Performance Shares, and Performance Units granted hereunder and, if applicable, the number of Common Shares covered by other awards granted pursuant to Section 10 hereof, in the Option Price and Base Price of awards in outstanding Option Rights and Appreciation Rights, and in the kind of shares covered thereby, as the Board, in its sole discretion and as it determine is equitably required to prevent dilution or enlargement of the rights of Participants or Optionees that otherwise would result from (a) any stock dividend, stock split, combination of shares, recapitalization or other change in the capital structure of the Company; (b) any merger, consolidation, spin-off, split-off, spin-out, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities, or (c) any other corporate transaction or event having an effect similar to the foregoing. Moreover, in the event of any such transaction or event or in the event of a Change in Control, the Board, in its sole discretion, may provide in substitution for any or all outstanding awards under this Plan such alternative consideration (including cash), if the Board, in good faith, may determine to be equitable in the circumstances and may require in connection therewith the surrender of all awards to be replaced in a manner that complies with Section 409A of the Code. In addition, for each Option Right or Appreciation Right with an Option Price or Base Price greater than the consideration offered in connection with any such transaction or event or Change in Control, the Board may in its sole discretion elect to cancel such Option Right or Appreciation Right without any payment to the person holding such Option Right or Appreciation Right. The Board will also make or provide for such adjustments in the numbers of shares specified in Section 3(b)(i) of this Plan as the Board in its sole discretion, exercised in good faith, may determine is appropriate to reflect any transaction or event described in this Section 12; provided, however, that any such adjustment to the number specified in Section 3(b)(i) will be made only if and to the extent that such adjustment would not cause any option intended to qualify as an Incentive Stock Option to fail to so

Table of Contents

13. *Change in Control.* For purposes of this Plan, except as may be otherwise prescribed by the Board in an Evidence of Award under this Plan, a *Change in Control* will be deemed to have occurred upon the occurrence of any of the following events:

(a) The consummation of a merger, consolidation, combination (as defined in Section 1701.01(Q), Ohio Revised Code), or major acquisition (as defined in Section 1701.01(R), Ohio Revised Code) involving the Company and as a result of which the securities of the Company entitled to vote generally in the election of Directors that are outstanding immediately prior to the transaction do not represent, directly or indirectly (either by remaining outstanding or by being converted into securities of the surviving entity or its parent thereof entitled to vote in the election of directors of such entity), one-third or more of the voting power of the surviving entity or its parent thereof;

(b) The consummation of the sale of all or substantially all of the assets of the Company;

(c) The adoption of any resolution of reorganization or dissolution of the Company by the shareholders;

(d) If during any period of two consecutive years, individuals who at the beginning of such period constitute the Directors of the Company cease for any reason to constitute a majority thereof; provided, however, that any individual who becomes a Director during such period whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least two-thirds of the Directors then still in office who were Directors of the Company at the beginning of such period (either by specific vote or by approval of a statement of the Company in which such individual is named as a nominee for Director, without objection to such nomination) shall be considered as though such individual were a Director of the Company at the beginning of such period, but excluding, for this purpose, such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of any individual, entity, or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) other than the Board; or

(e) The acquisition by any person (including a group within the meaning of Sections 13(d)(3) or 14(d)(2) of the Exchange Act) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 25% or more of the Company's then outstanding securities, unless such acquisition is approved by the vote of at least two-thirds of the Directors of the Company then in office.

14. *Detrimental Activity.* Any Evidence of Award may provide that if a Participant, either during employment by the Company or a Subsidiary or within a specified period after termination of such employment, will engage in any *Detrimental Activity*, and the Board so find, forthwith upon notice of such finding, the Participant will:

(a) Forfeit any award granted under this Plan then held by the Participant;

(b) Return to the Company, in exchange for payment by the Company of any amount actually paid therefor by the Participant, the Shares that the Participant has not disposed of that were offered pursuant to this Plan within a specified period prior to the date of commencement of such *Detrimental Activity*, and

(c) With respect to any Common Shares so acquired that the Participant has disposed of, pay to the Company in cash the difference between:

(i) Any amount actually paid therefor by the Participant pursuant to this Plan, and

(ii) The Market Value per Share of the Common Shares on the date of such disposition.

(d) To the extent that such amounts are not paid to the Company, the Company may set off the amounts so payable to it against any amounts that may be owing from time to time by the Company or a Subsidiary to the Participant, whether as wages, deferred compensation or vacation pay or in the form of any other benefit or for any other reason.

Table of Contents

In addition, notwithstanding anything in the Plan to the contrary, any Evidence of Award may provide for the cancellation or forfeiture of an award or the forfeiture and repayment to the Company of any gain related to an award, or other provisions intended to have the same effect, upon such terms and conditions as may be determined by the Board from time to time.

15. *Non U.S. Participants.* In order to facilitate the making of any grant or combination of grants under this Plan, the Board may consider necessary or appropriate to accommodate differences in local law, tax policy, or custom. Moreover, the Board may consider necessary or appropriate to amend, restate, or supplement this Plan (including, without limitation, sub-plans) and the Board may consider necessary or appropriate for such purposes, without thereby affecting the terms of this Plan as in effect for any other purpose. The Secretary or other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as this Plan. No such special terms, supplements, amendments, or restatements, however, will include any provisions that are inconsistent with the terms of this Plan as then in effect unless this Plan could have been amended to eliminate such inconsistency without further approval by the shareholders of the Company.

16. *Transferability.*

(a) Except as otherwise determined by the Board, no Option Right, Appreciation Right, Restricted Stock, Restricted Stock Unit, Performance Share, Performance Unit, Cash Incentive Award, award contemplated by Section 9 or 10 of this Plan, or dividend payment made or benefit realized with respect to awards made under the Plan will be transferable by the Participant except by will or the laws of descent and distribution, and in no event will any such award granted under the Plan be transferred for value. Except as otherwise determined by the Board, Option Rights and Appreciation Rights will be exercisable during the Participant's lifetime only by him or her or, in the event of the Participant's legal incapacity to do so, by his or her guardian or legal representative acting on behalf of the Participant in a fiduciary capacity under state law or court supervision.

(b) The Board may specify at the Date of Grant that part or all of the Common Shares that are (i) to be issued or transferred by the Company upon the exercise of Option Rights or Appreciation Rights, upon the termination of the Restriction Period applicable to Restricted Stock Units or upon payment under any grant of Performance Shares or Performance Units or (ii) no longer subject to the substantial risk of forfeiture and restrictions on transfer referred to in Section 6 of this Plan, will be subject to further restrictions on transfer.

17. *Withholding Taxes.* To the extent that the Company is required to withhold federal, state, local, or foreign taxes in connection with the payment made or benefit realized by a Participant or other person under this Plan, and the amounts available to the Company for such withholding are insufficient, it will be a condition to the receipt of such payment or the realization of such benefit that the Participant or such other person make arrangements satisfactory to the Company for payment of the balance of such taxes required to be withheld. Such arrangements (in the discretion of the Board) may include relinquishment of a portion of such benefit. If a Participant's benefit is received in the form of Common Shares, and such Participant fails to make arrangements for the payment of tax, the Company will withhold such Common Shares having a value equal to the amount required to be withheld. Notwithstanding the foregoing, when a Participant is required to pay the Company an amount required to be withheld under applicable income and employment tax laws, the Participant may elect to satisfy the obligation, in whole or in part, by electing to have withheld, from the shares required to be withheld from the Participant, Common Shares having a value equal to the amount required to be withheld (except in the case of Restricted Stock if an election under Section 83(b) of the Code has been made), or by delivering to the Company other Common Shares held by such Participant. The shares used for tax withholding will be valued at an amount equal to the Market Value per Share of such Common Shares on the date the benefit is to be included in Participant's income. In no event will the Market Value per Share of the Common Shares withheld and delivered pursuant to this Section to satisfy applicable withholding taxes in connection with the benefit exceed the amount of taxes required to be withheld. Participants will also make such arrangements as the Company may require for the payment of taxes.

Table of Contents

any withholding tax obligation that may arise in connection with the disposition of Common Shares acquired upon the exercise of the Rights.

18. Compliance with Section 409A of the Code.

(a) To the extent applicable, it is intended that this Plan and any grants made hereunder comply with the provisions of Section 409A of the Code, so that the income inclusion provisions of Section 409A(a)(1) of the Code do not apply to the Participants. This Plan and any grants made hereunder will be administered in a manner consistent with this intent. Any reference in this Plan to Section 409A of the Code also includes any regulations or any other formal guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.

(b) Neither a Participant nor any of a Participant's creditors or beneficiaries will have the right to subject any deferred compensation (within the meaning of Section 409A of the Code) payable under this Plan and grants hereunder to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment. Except as permitted under Section 409A of the Code, any deferred compensation (within the meaning of Section 409A of the Code) payable to a Participant or for a Participant's benefit under this Plan and grants hereunder may not be reduced by, or offset against, any amount owing by a Participant to the Company or any of its Subsidiaries.

(c) If, at the time of a Participant's separation from service (within the meaning of Section 409A of the Code), (i) the Participant is a specified employee (within the meaning of Section 409A of the Code and using the identification methodology selected by the Company from time to time) and (ii) the Company makes a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A of the Code) the payment of which is required to be delayed pursuant to the delay rule set forth in Section 409A of the Code in order to avoid taxes or penalties under Section 409A of the Code, then the Company will not pay such amount on the otherwise scheduled payment date but will instead pay it, without interest, on the tenth business day of the seventh month after such separation from service.

(d) Notwithstanding any provision of this Plan and grants hereunder to the contrary, in light of the uncertainty with respect to the application of Section 409A of the Code, the Company reserves the right to make amendments to this Plan and grants hereunder if the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A of the Code. In any case, a Participant will be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on a Participant's account in connection with this Plan and grants hereunder (including any taxes and penalties under Section 409A of the Code) and neither the Company nor any of its affiliates will have any obligation to indemnify or otherwise hold a Participant harmless from all of such taxes or penalties.

19. Amendments.

(a) The Board may at any time and from time to time amend this Plan in whole or in part; provided, however, that if an amendment to this Plan (i) would materially increase the benefits accruing to participants under this Plan, (ii) would materially increase the number of Common Shares which may be issued under this Plan, (iii) would materially modify the requirements for participation in this Plan, or (iv) must otherwise be approved by the shareholders of the Company in order to comply with applicable law or the rules of the New York Stock Exchange or, if the Common Shares are not traded on the New York Stock Exchange, the principal national securities exchange on which the Common Shares are traded or quoted, then, such amendment will be subject to shareholder approval and will not be effective unless and until such approval has been obtained.

(b) Except in connection with a corporate transaction or event described in Section 12 of this Plan, the terms of outstanding awards may be amended to reduce the Option Price of outstanding Option Rights or the Base Price of outstanding Appreciation Rights, or to exchange outstanding Option Rights or Appreciation Rights in exchange for cash, other awards or Option Rights or Appreciation Rights. The Option Price or Base Price, as applicable, that is less than the Option Price of the original Option Rights or Base Price of the original Option Rights or Appreciation Rights, as applicable, without shareholder approval. This Section 19(b) is intended to

Table of Contents

prohibit the repricing of underwater Option Rights and Appreciation Rights and will not be construed to prohibit the adjustment for in Section 12 of this Plan.

(c) If permitted by Section 409A of the Code and Section 162(m) of the Code, but subject to the paragraph that follows, in the event of an involuntary termination of employment or termination of employment by reason of death, disability, retirement, closing of business, reorganization, operation units, or elimination of job position, or in the case of unforeseeable emergency or other special circumstances (including, but not limited to, a Participant's reasonable age and service requirements approved by the Board from time to time), of or relating to a Participant who holds an Option Right or Appreciation Right not immediately exercisable in full, or any shares of Restricted Stock as to which the substantial risk of forfeiture or the prohibition or restriction on transfer has not lapsed, or any Restricted Stock Units as to which the Restriction Period has not been completed, or any Cash Incentive Awards, Performance Shares or Performance Units which have not been fully earned, or any awards made pursuant to Section 10 subject to any vesting schedule or transfer restriction, or who holds Common Shares subject to a transfer restriction imposed pursuant to Section 16(b) of this Plan, the Board may, in its sole discretion, accelerate the time at which an Option Right, Appreciation Right or other award may be exercised or the time at which such substantial risk of forfeiture or prohibition or restriction on transfer will lapse or the time when such Restriction Period will end or the time at which such Cash Incentive Awards, Performance Shares, or Performance Units will be deemed to have been fully earned or the time when such transfer restriction will terminate or may waive any other limitation or requirement under any such award except in the case of a Qualified Performance-Based Award where such action would result in the loss of the otherwise available exemption of the award under Section 162(m) of the Code.

Subject to Section 19(b) hereof, the Board may amend the terms of any award theretofore granted under this Plan prospectively or retroactively, except in the case of a Qualified Performance-Based Award (other than in connection with the Participant's death or a Change of Control) where such action would result in the loss of the otherwise available exemption of the award under Section 162(m) of the Code. In such case, the Board will not make any modification of the Management Objectives or the level or levels of achievement with respect to such Qualified Performance-Based Award. Subject to Section 12 above, no such amendment will impair the rights of any Participant without his or her consent. The Board may, in its discretion, terminate this Plan at any time. Termination of this Plan will not affect the rights of Participants or their successors under any awards outstanding hereunder and not exercised in full on the date of termination.

20. *Governing Law.* This Plan and all grants and awards and actions taken hereunder will be governed by and construed in accordance with the internal substantive laws of the State of Ohio.

21. *Effective Date/Termination.* This Plan will be effective as of the Effective Date. No grants will be made on or after November 7, 2010 (provided that this Plan is approved by the shareholders of the Company prior to or on such date) under the Existing Plan, except for outstanding awards granted under the Existing Plan will continue unaffected following such date. No grant will be made under the Existing Plan more than 10 years after November 7, 2010, but all grants made on or prior to such date will continue in effect thereafter subject to the terms thereof and of this Plan.

22. *Miscellaneous Provisions.*

(a) The Company will not be required to issue any fractional Common Shares pursuant to this Plan. The Board may provide for the elimination of fractions or for the settlement of fractions in cash.

(b) This Plan will not confer upon any Participant any right with respect to continuance of employment or other service with the Company or any Subsidiary, nor will it interfere in any way with any right the Company or any Subsidiary would otherwise have to terminate a Participant's employment or other service at any time.

(c) To the extent that any provision of this Plan would prevent any Option Right that was intended to qualify as an Incentive Stock Option from qualifying as such, that provision will be null and void with respect to such Option Right. Such provision, however, will not have any effect for other Option Rights and there will be no further effect on any provision of this Plan.

Table of Contents

(d) No award under this Plan may be exercised by the holder thereof if such exercise, and the receipt of stock thereunder, would be contrary to the opinion of counsel selected by the Board, contrary to law or the regulations of any duly constituted authority having jurisdiction over the Plan.

(e) Absence on leave approved by a duly constituted officer of the Company or any of its Subsidiaries will not be considered a termination of service of any employee for any purposes of this Plan or awards granted hereunder, except that no awards may be granted to an employee while he or she is absent on leave.

(f) No Participant will have any rights as a stockholder with respect to any shares subject to awards granted to him or her under the Plan prior to the date as of which he or she is actually recorded as the holder of such shares upon the stock records of the Company.

(g) The Board may condition the grant of any award or combination of awards authorized under this Plan on the surrender or forfeiture by a Participant of his or her right to receive a cash bonus or other compensation otherwise payable by the Company or a Subsidiary to the Participant.

(h) Except with respect to Option Rights and Appreciation Rights, the Board may permit Participants to elect to defer the issuance of Common Shares under the Plan pursuant to such rules, procedures, or programs as it may establish for purposes of this Plan and which are intended to comply with the requirements of Section 409A of the Code. The Board also may provide that deferred issuances and settlements include the payment or crediting of dividend equivalents or interest on the deferral amounts.

(i) If any provision of this Plan is or becomes invalid, illegal, or unenforceable in any jurisdiction, or would disqualify this Plan from being an award under any law deemed applicable by the Board, such provision will be construed or deemed amended or limited in scope to conform to applicable laws or, in the discretion of the Board, it will be stricken and the remainder of this Plan will remain in full force and effect.

Table of Contents

Table of Contents

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and the electronic delivery of information up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to complete the electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receive all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above. If you vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Processing, c/o Broadridge, 51 Mercedes Way, Edgecliff, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M25725-P98808-Z53278 KEEP THIS PORTION FOR YOUR RECORDS
DETACH AND RETURN THIS PORTION TO THE COMPANY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

THE J. M. SMUCKER COMPANY

The Board of Directors recommends you vote FOR the following proposals:

1. Election of Directors to the class whose term of office will expire in 2013.	For	Against
Nominees:		
1a. Kathryn W. Dindo	o	o
1b. Richard K. Smucker	o	o
1c. William H. Steinbrink	o	o
1d. Paul Smucker Wagstaff	o	o
2. Ratification of appointment of Ernst & Young LLP as the Company's Independent Registered Public Accounting Firm for the 2011 fiscal year.	o	o
3. Approval of The J. M. Smucker Company 2010 Equity and Incentive Compensation Plan.	o	o
Please indicate if you plan to attend this meeting.	o	o

	Yes	No
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NOTE: Please sign your name EXACTLY as your name appears on this proxy. When signing as attorney, trustee, executor, administrator, guardian or corporate officer, please provide your FULL title.

NOTE: Such other business as may properly come before the meeting or any adjournment thereof.

	Date	Signature (Joint Owners)	Date
--	------	--------------------------	------

Signature [PLEASE SIGN WITHIN
BOX]

Table of Contents

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Notice and Proxy Statement and Annual Report are available at www.proxyvote.com.

M25726-P98808

Proxy THE J. M. SMUCKER COMPANY

THE J. M. SMUCKER COMPANY

One Strawberry Lane, Orrville, Ohio 44667-0280

Solicited by the Board of Directors for the Annual Meeting of Shareholders on August 18, 2010

The authorized party as herein noted (the Authorized Party) hereby appoints Timothy P. Smucker, Richard K. Smucker, Knudsen, or any one of them, proxies with full power of substitution to vote, as designated on the reverse side, all common s Authorized Party is entitled to vote at the Annual Meeting of Shareholders of The J. M. Smucker Company to be held on Au or at any adjournment or adjournments, and any postponement or postponements thereof.

When properly executed, this proxy will be voted in the manner directed. If properly executed, but if no direction proxy will be voted FOR all Proposals.

Please mark, date, sign, and return this proxy card promptly, using the enclosed envelope. No postage is required if United States.

Table of Contents

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and the electronic delivery of information up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to complete the electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receive future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above. If you vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgecliff Park, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M25727-P98808-Z53278 KEEP THIS PORTION FOR YOUR RECORDS
DETACH AND RETURN THIS PORTION TO THE ADDRESS ABOVE

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

THE J. M. SMUCKER COMPANY

**The Board of Directors recommends you vote
FOR the following proposals:**

	For	Against
1. Election of Directors to the class whose term of office will expire in 2013.		
Nominees:		
1a. Kathryn W. Dindo	o	o
1b. Richard K. Smucker	o	o
1c. William H. Steinbrink	o	o
1d. Paul Smucker Wagstaff	o	o
2. Ratification of appointment of Ernst & Young LLP as the Company's Independent Registered Public Accounting Firm for the 2011 fiscal year.	o	o
3. Approval of The J. M. Smucker Company 2010 Equity and Incentive Compensation Plan.	o	o

NOTE: Please sign your name EXACTLY as your name appears on this proxy. When signing as attorney, trustee, executor, administrator, guardian or corporate officer, please provide your FULL title.

Instructions regarding Non-directed and/or Unallocated Shares

SELECT ONLY ONE OF THE FOLLOWING OPTIONS

	Yes	No
4a. I wish to vote Non-directed and/or Unallocated Shares under the Plan in the same way as my Allocated Shares.	o	o
4b. I do not wish to vote Non-directed Shares or Allocated Shares.	o	o
4c. I wish to vote Non-directed or Unallocated Shares differently from my Allocated Shares and will call Broadridge at 1-866-451-3787 to request a separate card for that purpose.	o	o

NOTE: Such other business as may properly come before the meeting or any adjournment thereof.

Signature [PLEASE SIGN WITHIN BOX] Date

Signature (Joint Owners) Date

Table of Contents

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Notice and Proxy Statement and Annual Report are available at www.proxyvote.com.

M25728-P988

Proxy **THE J. M. SMUCKER COMPANY**

VOTING INSTRUCTIONS

TO:

**SEI Private Trust Company, Trustee (the Trustee) under
The J. M. Smucker Company Employee Stock Ownership Plan and Trust (the Plan)**

AND TO:

**Fidelity Management Trust Company, Trustee (the Trustee) under
The J. M. Smucker Company Employee Savings Plan, and
The J. M. Smucker Company Orrville Represented Employee Savings Plan
(each referred to hereinafter as the Plan)**

I, the authorized party as herein noted, as a Participant in or a Beneficiary of one or more of the above-referenced Plans, hereby authorize the Trustee to vote (in person or by proxy), in accordance with my confidential instructions on the reverse side of this card and the instructions of the Plan(s), all common shares of The J. M. Smucker Company (the Company) allocated to the account under the Plan(s) (Allocated Shares) as of the record date for the Annual Meeting of Shareholders of the Company to be held on August 18, 2010.

In addition to voting the Allocated Share(s) you may also use this card to vote Unallocated Shares held in the ESOP Suspended Plan(s) (Unallocated Shares), if applicable, and/or non-directed shares held in the savings plans as determined in accordance with the instructions of the Plan(s) (Non-directed Shares). For more information concerning voting Unallocated Shares and Non-directed Shares, please refer to the reverse side of this card and the enclosed instructions.

The Trustee will vote any shares allocated to the account for which timely instructions are received from you by 12:01 PM Eastern Daylight Time, August 13, 2010 in accordance with the Plan(s).

When properly executed, this voting instruction card will be voted in the manner directed. If properly executed, but if no instruction is given, this voting instruction card will be voted FOR all Proposals and for Allocated Shares only.

Please mark, date, sign, and return this voting instruction card promptly, using the enclosed envelope. No postage is required if mailed in the United States.

Table of Contents

THE J. M. SMUCKER COMPANY

LETTER TO ALL PARTICIPANTS IN THE J. M. SMUCKER COMPANY EMPLOYEE STOCK OWNERSHIP PLAN, TRUST, THE J. M. SMUCKER COMPANY EMPLOYEE SAVINGS PLAN, AND THE J. M. SMUCKER COMPANY ORRVILLE REPRESENTED EMPLOYEE SAVINGS PLAN

Enclosed are materials relating to the Annual Meeting of Shareholders of The J. M. Smucker Company (the Company), which is being held on August 18, 2010. You are receiving these materials because you were a participant in one or more of the benefit plans listed on the June 23, 2010 record date. As a participant in one of the plans, you are also a beneficial owner of common shares of the Company which are held in the plans. As a beneficial owner, you are entitled to direct the trustee under each of the plans on how to vote those shares with respect to issues being submitted to the shareholders at the Company's Annual Meeting. The trustee of The J. M. Smucker Company Employee Stock Ownership Plan and Trust is SEI Private Trust Company. The trustee of The J. M. Smucker Company Employee Savings Plan and The J. M. Smucker Company Orrville Represented Employee Savings Plan is Fidelity Management Trust Company. The purpose of this letter is to give you information on how to provide voting direction to the trustee on shares allocated to your account under one or more of the plans. The letter also discusses a right that you have under the plans to provide direction to the trustee on certain other shares should be voted that are allocated to other participants, but are not voted, or which are not yet allocated to your account. This letter also outlines what it means if you exercise your right with respect to those other shares. Before making a decision on how to vote the trustee, you should carefully read this letter and the enclosed materials.

HOW DO I PROVIDE DIRECTION TO THE TRUSTEE?

As a participant in one or more of the plans referenced at the top of this letter, you may direct the trustee how to vote all shares allocated to your account. You may also direct the trustee how to vote the following other plan shares:

Shares allocated to the accounts of other participants who do not themselves provide direction to the trustee on how to vote those shares (these are Non-directed Shares); and

If you are a participant in the Employee Stock Ownership Plan (ESOP), shares in that plan that have not been allocated to your account (these are Unallocated Shares).

If you do not direct the trustee how to vote the shares which are allocated to your account, those shares will be voted by the trustee in accordance with the direction of other participants.

The trustee will vote shares under a particular plan based upon the direction of participants in the plan who timely return voting instruction cards like the one that is enclosed. If you are a participant in more than one plan, you will receive one voting instruction card for all shares for all plans in which you participate.

To direct the trustee how to vote shares allocated to your account under the plan or plans in which you participate, simply mark your choices on the enclosed voting instruction card. With respect to Non-directed Shares and Unallocated Shares, you may, by marking the appropriate square on the back of the card, direct the trustee to either:

Table of Contents

Vote a portion of the Non-directed Shares and Unallocated Shares under a plan the same way you directed the trustee to vote allocated shares;

Not to vote Non-directed Shares and Unallocated Shares pursuant to your direction because you do not wish to undertake the duties described below which arise from that direction; or

Vote the Non-directed Shares and Unallocated Shares differently than your allocated shares, in which case you should contact Broadridge Financial Solutions, Inc. at 1-866-451-3787 for further information.

If you elect to direct the trustee how to vote your allocated shares and/or the Non-directed Shares and Unallocated Shares, you must follow the voting instructions summarized on the voting instruction card. In order for the trustee to be able to vote the shares at the Annual Meeting, the trustee must receive your voting instructions by the deadline indicated on the voting instruction card.

Your decision whether or not to direct the trustee to vote shares in the plans will be treated confidentially by the trustee and will not be disclosed to the Company or any of its employees, officers, or directors.

VOTING RIGHTS OF SHARES

The Company's Amended Articles of Incorporation provide generally that each common share will entitle the holder to one vote on any matter properly submitted to shareholders, except for certain matters listed in the Amended Articles of Incorporation. On those matters, shareholders are entitled to exercise ten-votes-per-share unless there has been a change in beneficial ownership of the share after November 6, 2008. In the event of a change in beneficial ownership, the new owner of that common share will be entitled to only one vote with respect to that common share on all matters until four years pass without a further change in beneficial ownership of the share. **The ten-votes-per-share provisions apply to Proposal 3, Approval of The J. M. Smucker Company 2010 Equity and Compensation Plan.**

FIDUCIARY STATUS

Each plan participant is a named fiduciary (as defined in Section 402 (a) (2) of the Employee Retirement Income Security Act of 1974, as amended) with respect to a decision to direct the trustee how to vote the shares allocated to his or her account. Individuals who are named fiduciaries are required to act prudently, solely in the interest of the participants and beneficiaries of the plans, and for the purpose of providing benefits to participants and beneficiaries of the plans. A named fiduciary may be subject to liability for his or her actions as a fiduciary. By signing, dating, and returning the enclosed voting instruction card, or submitting your vote online, you are accepting your designation under the plans as a named fiduciary. You should, therefore, exercise your voting rights prudently. You should mark, date, sign, and return the voting instruction card, or submit your vote online, only if you are willing to act as a named fiduciary. If you direct the trustee how to vote Non-directed Shares and Unallocated Shares, you will be named fiduciary with respect to those shares also. You are similarly required to act prudently, solely in the interest of the participants and beneficiaries of the plan, and for the purpose of providing benefits to participants and beneficiaries of the plan in giving direction on Non-directed Shares, if you choose to do so.

All questions and requests for assistance should be directed to the Company's Shareholder Services department at (330) 684-3333.

Table of Contents

THE J. M. SMUCKER COMPANY ANNUAL MEETING FOR HOLDERS AS OF 6/23/10 TO BE HELD ON 8/18/10 (ONLY IF YOU AGREE WITH YOUR VOTING RIGHTS CAN YOU VOTE BY PHONE) Your vote is important. Thank you for voting. To vote by Internet 1) Read the Proxy Statement and have the voting instruction form below at hand. 2) Go to website www.proxyvote.com. 3) Follow the instructions provided on the website. To vote by Telephone 1) Read the Proxy Statement and have the voting instruction form below at hand. 2) Call 1-800-454-8683. 3) Follow the instructions. To vote by Mail 1) Read the Proxy Statement. 2) Check the appropriate boxes on the voting instruction form below. 3) Sign and date the voting instruction form. 4) Return the voting instruction form in the envelope provided. **TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:** M25719-P98529 Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting. The following material is available at www.proxyvote.com: Notice and Proxy Statement and Annual Report The Board of Directors recommends you vote FOR the following proposals: A Company Proposals 1. Election of Directors to the class whose term of For Against Abstain office will expire in 2013 1 a. Kathryn W. Dindo 1b. Richard K. Smucker 1 c. William H. Steinbrink 1d. Paul Smucker Wagstaff 2. Ratification of appointment of Ernst & Young LLP 0 0 0 as the Company's Independent Registered Public Accounting Firm for the 2011 fiscal year. 3. Approval of The J. M. Smucker Company 2010 Equity and Incentive Compensation Plan. NOTE: Such other business as may properly come before the meeting or any adjournment thereof. PLEASE X HERE ONLY IF YOU PLAN TO ATTEND THE MEETING AND VOTE THESE SHARES IN PERSON Certification of Ten-Vote Shares The ten-votes-per-share provision stated in The J. M. Smucker Company's Amended Articles of Incorporation applies to Proposal 3 on this voting form. In order to exercise the ten-votes-per-share provision, please complete the information below. Should you choose not to provide the information below, all shares represented will be counted as one-vote-per-share. Of the shares you are entitled to vote, the number of common shares of the company beneficially owned by you as of June 23, 2010, and for which there has not been a change in beneficial ownership after November 6, 2008. _____ shares Signature [PLEASE SIGN WITHIN BOX] Date