WACHOVIA CORP NEW
Form 424B5
June 08, 2005
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Registration No. 333-123311

PROSPECTUS SUPPLEMENT

(To prospectus dated May 13, 2005)

$9,250,000

Wachovia Corporation

8.5% *Trigger* CAPITALS[SM]

(Covered Asset ParticIpation Target exchAngeabLe Securities)

Linked to the Common Stock of Phelps Dodge Corporation

due June 14, 2006

Issuer:	Wachovia Corporation
Principal Amount:	Each note will have a principal amount of $1,000. Each note will be offered at an original public offering price of $1,000.
Maturity Date:	June 14, 2006. The term of the notes will be one year.
Interest:	8.5% per annum, payable quarterly
Interest Payment Dates:	March 14, June 14, September 14 and December 14, beginning on September 14, 2005
Record Dates:	For the interest payment dates specified above, February 27, May 30, August 30 and November 29. Interest will accrue from and including the settlement date to but excluding the maturity date.
Underlying Stock:	Phelps Dodge Corporation common stock. Phelps Dodge Corporation has no obligations relating to, and does not sponsor or endorse, the notes.
Payment at Maturity:	On the maturity date, for each note you hold, you will receive a cash payment equal to the principal amount of your notes, plus any accrued but unpaid interest, unless: (a) a trigger event has occurred; and (b) the final stock price is less than the initial stock price If the conditions described in (a) and (b) both occur, at maturity, for each note you hold, you will receive a number of shares of the Underlying Stock equal to the following:

$$\left(\frac{\$1{,}000}{\text{initial stock price}}\right) \times \text{ share multiplier,}$$

plus any accrued but unpaid interest in cash.

	If the calculation of the number of shares of the Underlying Stock per $1,000 note on the valuation date results in fractional shares, such fractional shares will be paid in U.S. dollar amounts equal to the fractional number of shares multiplied by the closing price per share of the Underlying Stock on the valuation date. ***If a trigger event has occurred and the final stock price is less than the initial stock price, you will lose some or all of the value of your principal and receive shares of the Underlying Stock instead of a cash payment. Under these conditions, the market value on the valuation date of the shares of the Underlying Stock that you will receive on the maturity date will be less than the aggregate principal amount of your notes and could be $0 (but an investor will still receive any accrued by unpaid interest in cash).*** A trigger event will occur if the market price of the Underlying Stock multiplied by the share multiplier at any time on any business day, from June 8, 2005 to and including the valuation date, is less than or equal to the trigger price. The trigger price will equal $64.08, a price that is 30% below the initial stock price.
Listing:	The notes have been approved for listing on the American Stock Exchange under the symbol WDB.N .
Pricing Date:	June 7, 2005
Expected Settlement Date:	June 14, 2005
CUSIP Number:	929769AC1

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-11.

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

	Per Note	Total
Public Offering Price	100.00%	$ 9,250,000
Underwriting Discount and Commission	1.75%	$ 161,875
Proceeds to Wachovia Corporation.	98.25%	$ 9,088,125

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

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

Wachovia Securities

The date of this prospectus supplement is June 7, 2005.

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Prospectus Supplement

Prospectus

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

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SUMMARY INFORMATION

This summary includes questions and answers that highlight selected information from this prospectus supplement and the accompanying prospectus to help you understand the 8.5% *Trigger* CAPITALS℠ (Covered Asset ParticIpation Target exchAngeabLe Securities) Linked to the Common Stock of Phelps Dodge Corporation due June 14, 2006 (the notes). You should carefully read this prospectus supplement and the accompanying prospectus to fully understand the terms of the notes as well as 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 prospectus 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 prospectus supplement to Wachovia , we , us and our or similar references mean Wachovia Corporation and its subsidiaries. Unless otherwise mentioned or unless the context requires otherwise, all references to WBNA mean Wachovia Bank, National Association. Wachovia Capital Markets, LLC is an indirect, wholly owned subsidiary of Wachovia Corporation. Wachovia Corporation conducts its investment banking, capital markets and retail brokerage activities through its various broker-dealer, bank and non-bank subsidiaries, including Wachovia Capital Markets, LLC, under the trade name Wachovia Securities . Any reference to Wachovia Securities in this prospectus supplement does not, however, refer to Wachovia Securities, LLC, 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. All references to this prospectus supplement mean the pricing supplement contemplated in the accompanying prospectus.

What are the notes?

The notes offered by this prospectus supplement will be issued by Wachovia and will mature on June 14, 2006, a date that is one year following the settlement date. The return on the notes will depend on whether a trigger event occurs during the term of the notes and whether the final stock price is less than the initial stock price.

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 may issue from time to time. The notes will rank equally with all other unsecured and unsubordinated debt of Wachovia. For more details, see Specific Terms of the Notes beginning on page S-11.

Each note will have a principal amount of $1,000. Each note will be offered at an original public offering price equal to $1,000. You may transfer only whole notes. Wachovia 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.

Will I receive interest on the notes?

The notes will bear interest at 8.5% per annum payable on each of March 14, June 14, September 14 and December 14, beginning on September 14, 2005. Interest will accrue from and including the settlement date to but excluding the maturity date. The interest rate on the notes is higher than the current dividend rate of the Underlying Stock.

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What will I receive upon maturity of the notes?

At maturity, for each note you own, you will receive a cash payment equal to the principal amount of your notes, plus any accrued but unpaid interest, unless:

(a) a trigger event has occurred; and

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

If the conditions described in (a) and (b) both occur, at maturity, for each note you hold, you will receive a number of shares of the Underlying Stock equal to the following:

$$\left(\frac{\$1{,}000}{\text{initial stock price}}\right) \text{ x share multiplier,}$$

plus any accrued but unpaid interest in cash.

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

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

The initial stock price is $91.5413, the average price per share of the Underlying Stock that any affiliate of Wachovia has paid to hedge Wachovia s obligations under the notes on June 7, 2005.

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

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

A trigger event will occur if the market price of the Underlying Stock multiplied by the share multiplier at any time on any business day, from June 8, 2005 to and including the valuation date, is less than or equal to the trigger price.

The trigger price is $64.08, a price that is 30% below the initial stock price.

The valuation date means the fifth business day prior to the maturity date. However, if that day occurs on a day that is not a business day or on a day on which the calculation agent has determined that a market

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disruption event has occurred or is continuing, the valuation date will be postponed until the next succeeding business day on which the calculation agent determines that a market disruption event does not occur and is not continuing. *If the valuation date is postponed, then the maturity date of the notes will be postponed by an equal number of business days*.

If a trigger event has occurred and the final stock price is less than the initial stock price, you will lose some or all of the value of your principal and receive shares of the Underlying Stock instead of a cash payment.

Hypothetical Examples

Set forth below are four hypothetical examples of the calculation of the redemption amount (which do not consider any accrued but unpaid interest). Interest will be paid quarterly regardless of whether a trigger event occurs. For purposes of these examples, we have assumed that the share multiplier on the valuation date is 1.0.

Initial stock price: $91.5413

Trigger price: $64.08

Example 1 The hypothetical final stock price is equal to 50% of the initial stock price and a trigger event *has* occurred:

Hypothetical final stock price: $45.77

Redemption amount (per note) = $\left(\frac{\$45.77}{\$91.5413}\right) \times 1.0$ = 10 shares of Underlying Stock and $42.29 cash in lieu of fractional shares

Since the hypothetical final stock price is *less* than the initial stock price and a trigger event *has* occurred, the redemption amount per note would be equal to 10 shares of Underlying Stock and $42.29 cash in lieu of fractional shares with a market value on the valuation date equal to $500, representing a 50% loss of the principal amount of your note.

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

Hypothetical final stock price: $77.81

Redemption amount (per note) = $\left(\dfrac{\$77.81}{\$91.5413}\right) \times 1.0$ = 10 shares of Underlying Stock and $71.90 cash in lieu of fractional shares

Since the hypothetical final stock price is *less* than the initial stock price and a trigger event *has* occurred, the redemption amount per note would be equal to 10 shares of Underlying Stock and $71.90 cash in lieu of fractional shares with a market value on the valuation date equal to $850, representing a 15% loss of the principal amount of your note.

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

Hypothetical final stock price: $77.81

Redemption amount (per note) = $1,000

Since a trigger event *has not* occurred, your principal would be protected even though the hypothetical final stock price is *less* than the initial stock price and your redemption amount would be in cash. Your total cash payment at maturity would be $1,000 per note, representing the principal amount of your note.

Example 4 The hypothetical final stock price is equal to 150% of the initial stock price, whether a trigger event has, or has not, occurred:

Hypothetical final stock price: $137.31

Redemption amount (per note) = $1,000

Since the hypothetical final stock price is *greater* than the initial stock price, regardless of whether a trigger event has occurred, the redemption amount per note would be equal to the principal amount of your note and your redemption amount would be in cash. Your total cash payment at maturity would be $1,000 per note, representing the principal amount of your note. Your total return on your note will not reflect the increase in the market price of the Underlying Stock during the term of the notes.

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

We have designed the notes for investors who want to receive a quarterly interest payment of 8.5% per annum, who are willing to make an investment that is contingently exposed to the full downside performance risk of the Underlying Stock and the potential loss of some or all of the value of their principal, who do not expect to participate in any appreciation in the price of the Underlying Stock and who are willing to receive shares of the Underlying Stock as the return on their investment if the final stock price is less than the initial stock price.

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

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

The market value of the notes may fluctuate between the date you purchase them and the maturity of the notes. Several factors and their interrelationship will influence the market value of the notes, including the market price of the Underlying Stock, dividend yields on the Underlying Stock, the time remaining to maturity of the notes, interest and yield rates in the market and the volatility of the market price of the Underlying Stock. The notes are 100% principal protected only if held to maturity and if no trigger event

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occurs during the term of the notes. If you sell your notes prior to maturity, you may have to sell them at a discount and you will not have contingent 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 of the notes 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 .

Who is Phelps Dodge Corporation?

According to publicly available information, Phelps Dodge Corporation (the Underlying Stock Issuer) is a producer of copper, carbon black, magnet wire, continuous-cast copper rod, molybdenum and molybdenum products. You should independently investigate the Underlying Stock Issuer and decide whether an investment in the notes linked to the Underlying Stock is appropriate for you.

Because the Underlying Stock is registered under the Securities Exchange Act of 1934, as amended (the Exchange Act), the Underlying Stock Issuer is required to file periodically certain financial and other information specified by the Securities and Exchange Commission (the SEC). Information provided to or filed with the SEC by the Underlying Stock Issuer can be located by reference to SEC file number 001-00082 and inspected at the SEC s public reference facilities or accessed over the Internet through the SEC s website. The address of the SEC s website is http://www.sec.gov. In addition, information regarding the Underlying Stock may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated information. We make no representation or warranty as to the accuracy or completeness of any such information. For further information, please see the section entitled The Underlying Stock The Underlying Stock Issuer in this prospectus supplement.

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

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

How has the Underlying Stock performed historically?

You can find a table with the high, low and closing prices per share of the Underlying Stock during each calendar quarter from calendar year 2002 to the present in the section entitled The Underlying Stock Historical Data in this prospectus supplement. We have provided this historical information to help you evaluate the behavior of the Underlying Stock in the recent past; however, past performance of the Underlying Stock is not indicative of how it will perform in the future.

What about taxes?

The United States federal income tax consequences of your investment in the notes are complex and uncertain. By purchasing a note, you and Wachovia hereby agree, in the absence of administrative or judicial ruling to the contrary, to characterize a note for all tax purposes as an investment unit consisting of a non-contingent debt instrument and payments for a put option. Under this characterization of the notes, you should be required to treat a portion of the payments on the note as an interest payment, and the remainder of the payments as amounts paid to you in respect of the put option. In the opinion of our counsel, Sullivan & Cromwell LLP, it is reasonable to treat the notes as described above, but it would also be reasonable to treat the notes as a single debt instrument subject to the special tax rules governing contingent debt instruments. **Because of this uncertainty, we urge you to consult your tax advisor as to the tax consequences of your investment in the Notes.** For a further discussion, see Supplemental Tax Considerations beginning on page S-21.

Will the notes be listed on a stock exchange?

The notes have been approved for listing on the American Stock Exchange under the symbol WDB.N . You should be aware that the listing of the notes on the American Stock Exchange will not necessarily ensure that a liquid trading market will develop for the notes. Accordingly, if you sell your notes prior to maturity, you may have to sell them at a substantial loss. You should review the section entitled Risk Factors There may not be an active trading market for the notes in this prospectus supplement.

Are there any risks associated with my investment?

Yes, an investment in the notes is subject to significant risks, including the risk of loss of some or all of your principal. We urge you to read the detailed explanation of risks in Risk Factors beginning on page S-7.

How to reach us

You may get information about the notes by calling 1-888-215-4145 or 1-212-909-0038 and asking for Equity Structured Products.

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RISK FACTORS

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

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

We will not repay you a fixed amount of principal on the notes at maturity. With an investment in the notes, you bear the risk of losing some or all of the value of your principal if a trigger event occurs during the term of the notes and the final stock price is less than the initial stock price. Under these circumstances, at maturity for each note you hold, you will receive a number of shares of the Underlying Stock equal to the product of the share multiplier and the quotient of: (i) the principal amount of the note and (ii) the initial stock price. ***Accordingly, if a trigger event has occurred during the term of the notes and the market price of the Underlying Stock has declined over the term of the notes (i.e., the final stock price is less than the initial stock price), you will lose some or all of the value of the principal amount of your notes and receive shares of the Underlying Stock instead of a cash payment. Your principal protection is contingent and, therefore, your principal will be protected only if a trigger event never occurs during the term of the notes and you hold your notes until maturity.*** *Even if a trigger event occurs during the term of the notes, you will receive a full return of the principal amount of your notes in cash at maturity if the final stock price is greater than or equal to the initial stock price.*

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

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

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

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

There may not be an active trading market for the notes

The notes have been approved for listing on the American Stock Exchange under the symbol WDB.N .

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You should be aware that the listing of the notes on the American Stock Exchange will not necessarily ensure 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 market price of the Underlying Stock. 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 note 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 original public offering price, and, as a result, you may suffer substantial losses.

Wachovia Capital Markets, LLC and other broker-dealer affiliates of Wachovia currently intend to make a market for the notes, although they are not required to do so and may stop any such market-making activities at anytime. 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.

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. The following paragraphs describe the expected impact on the market value of the notes given a change in a specific factor, assuming all other conditions remain constant.

The market price of the Underlying Stock is expected to affect the market value of the notes

We expect that the market value of the notes will depend substantially on the market price of the Underlying Stock as compared with the initial stock price. If you choose to sell your notes when the market price of the Underlying Stock exceeds or is equal to the initial stock price, you may receive substantially less than the amount that would be payable at maturity based on this market price because of the expectation that the market price of the Underlying Stock will continue to fluctuate until the final stock price is determined and the risk that a trigger event will occur.

Changes in the volatility of the Underlying Stock are expected to affect the market value of the notes

Volatility is the term used to describe the size and frequency of price and/or market fluctuations. If the volatility of the Underlying Stock increases or decreases, the market value of the notes may be adversely affected.

Changes in the levels of interest rates are expected to affect the market value of the notes

We expect that changes in interest rates, even if they do not affect the market price of the Underlying Stock as described above, may affect the market value of the notes and may be adverse to holders of the notes.

Changes in dividend yields of the Underlying Stock are expected to affect the market value of the notes

In general, if dividend yields on the Underlying Stock increase, we expect that the market value of the notes will decrease and, conversely, if dividend yields on the Underlying Stock decrease, we expect that the market value of the notes will increase. The return on the notes will not reflect any dividends paid on the Underlying Stock.

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Changes in our credit ratings may affect the market value of the notes

Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings may affect the market value of the notes. However, because the return on your notes is dependent upon factors in addition to our ability to pay our obligations under the notes, such as the percentage change in the market price of the Underlying Stock shortly prior to maturity relative to the pricing date, an improvement in our credit ratings will not reduce the other investment risks related to the notes.

In general, assuming all relevant factors are held constant, we expect that the effect on the market value of the notes of a given change in some of the factors listed above will be less if it occurs later in the term of the notes than if it occurs earlier in the term of the notes.

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

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

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

This prospectus supplement relates only to the notes and does not relate to the Underlying Stock. We have derived the information about the Underlying Stock Issuer in this prospectus supplement from publicly available information, without independent verification. We have not participated in the preparation of any of the documents or made any due diligence investigation or any inquiry of the Underlying Stock Issuer in connection with the offering of the notes. Neither we nor any of our affiliates assumes any responsibility for the adequacy or accuracy of the information about the Underlying Stock Issuer contained in this prospectus supplement. Furthermore, we do not know whether the Underlying Stock Issuer has disclosed all events occurring before the date of this prospectus supplement including events that could affect the accuracy or completeness of the publicly available documents referred to above, the market price of the Underlying Stock and, therefore, the initial stock price and the final stock price of the Underlying Stock that the calculation agent will use to determine the redemption amount with respect to your notes. You, as an investor in the notes, should make your own investigation into the Underlying Stock Issuer.

You have limited antidilution protection

WBNA, as calculation agent for your notes, will, in its sole discretion, adjust the share multiplier for certain events affecting the Underlying Stock, such as stock splits and stock dividends, and certain other corporate actions involving the Underlying Stock Issuer, such as mergers. However, the calculation agent is not required to make an adjustment for every corporate event that can affect the Underlying Stock. For example, the calculation agent is not required to make any adjustments to the share multiplier if the Underlying Stock Issuer or anyone else makes a partial tender or partial exchange offer for the Underlying Stock. Consequently, this could affect the calculation of the redemption amount and the market value of the notes. You should refer to Specific Terms of the Notes Antidilution Adjustments beginning on page S-14 for a description of the general circumstances in which the calculation agent will make adjustments to the share multiplier.

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

It is impossible to predict whether the market price of the Underlying Stock will rise or fall. The Underlying Stock has performed differently in the past and is expected to perform differently in the future. The market price of the Underlying Stock will be influenced by complex and interrelated political, economic, financial and other factors that can affect the Underlying Stock Issuer. You should refer to The Underlying Stock beginning on page S-18 for a description of the Underlying Stock Issuer and historical data on the Underlying Stock.

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

As described below under Use of Proceeds and Hedging on page S-25, we or one or more of our affiliates may hedge our obligations under the notes by purchasing the Underlying Stock, futures or options on the Underlying Stock or other derivative instruments with returns linked or related to changes in the market price of the Underlying Stock, and we may adjust these hedges by, among other things, purchasing or selling the Underlying Stock, futures, options or other derivative instruments with returns linked to the Underlying Stock at any time. Although they are not expected to, any of these hedging activities may adversely affect the market price of the Underlying Stock and, therefore, the market value of the notes. 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.

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

The valuation date and, therefore, the determination of the final stock price may be postponed if the calculation agent determines that a market disruption event has occurred or is continuing on the valuation date. If a postponement occurs, the calculation agent will use the average price per share of the Underlying Stock that any affiliate of Wachovia receives to unwind the hedge of the obligations under the notes on the next succeeding business day on which no market disruption event occurs or is continuing. As a result, the maturity date for the notes would also be postponed. You will not be entitled to any compensation from us or the calculation agent for any loss suffered as a result of the occurrence of a market disruption event, any resulting delay in payment or any change in the market price of the Underlying Stock resulting from the postponement of the valuation date. See Specific Terms of the Notes Market Disruption Event beginning on page S-13.

Potential conflicts of interest could arise

Our subsidiary, WBNA, is our agent for the purposes of calculating the final stock price and the redemption 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 as to whether the final stock price can be calculated on a particular business day, or what price any affiliate of Wachovia receives to unwind its hedge on the valuation date. See the section entitled Specific Terms of the Notes Market Disruption Event beginning on page S-13. WBNA is required to carry out its duties as calculation agent in good faith and using its reasonable judgment.

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

Tax consequences are uncertain

You should consider the tax consequences of investing in the notes, significant aspects of which are uncertain. See Supplemental Tax Considerations beginning on page S-21.

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 such 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 beginning on page S-24.

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

This prospectus supplement summarizes specific financial and other terms that apply to the 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.

Interest

The notes will bear interest at 8.5% per annum payable on each of March 14, June 14, September 14 and December 14, beginning on September 14, 2005. Interest will accrue from and including the settlement date to but excluding the maturity date. The interest rate on the notes is higher than the current dividend rate of the Underlying Stock.

The regular record dates will be the close of business on February 27, May 30, August 30 and November 29, respectively, in each case the fifteenth calendar day, whether or not a business day, immediately preceding the related interest payment date. For the purpose of determining the holder at the close of business on a day that is not a business day, the close of business will mean 5:00 P.M. in The City of New York, on that day.

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Denominations

Wachovia will issue the notes in principal amount of $1,000 per note and integral multiples thereof.

Offering Price

Each note will be offered at an original public offering price equal to $1,000.

Redemption Amount

At maturity, for each note you own, you will receive a cash payment equal to the aggregate principal amount of your notes plus any accrued but unpaid interest unless:

(a) a trigger event has occurred; and

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

If the conditions described in (a) and (b) both occur, at maturity, for each note you hold, you will receive a number of shares of the Underlying Stock equal to the following:

$$\left(\frac{\$1{,}000}{\text{initial stock price}}\right) \text{ x share multiplier,}$$

plus any accrued but unpaid interest in cash.

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

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

The initial stock price is $91.5413, the average price per share of the Underlying Stock that any affiliate of Wachovia has paid to hedge Wachovia s obligations under the notes on June 7, 2005.

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

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

A trigger event will occur if the market price of the Underlying Stock multiplied by the share multiplier at any time on any business day, from June 8, 2005 to and including the valuation date, is less than or equal to the trigger price.

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The trigger price is $64.08, a price that is 30% below the initial stock price.

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

If any payment is due on the notes on a day which is not a day on which commercial banks settle payments in The City of New York, then that payment may be made on the next day that is a day on which commercial banks settle payments in The City of New York, 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 will be at the sole discretion of the calculation agent and, absent a determination of a manifest error, will be conclusive for all purposes and binding on Wachovia and the holders and beneficial owners of the notes. Wachovia may at any time change the calculation agent without notice to holders of notes.

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

Market Disruption Event

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

- a suspension, absence or material limitation of trading in the Underlying Stock on its primary market for more than two hours of trading or during the one-half hour before the close of trading in that market, as determined by the calculation agent in its sole discretion;
- a suspension, absence or material limitation of trading in option or futures contracts relating to the Underlying Stock, if available, in the primary market for those contracts for more than two hours of trading or during the one-half hour before the close of trading in that market, as determined by the calculation agent in its sole discretion;
- the Underlying Stock does not trade on the New York Stock Exchange, the American Stock Exchange, the Nasdaq National Market System or what was the primary market for the Underlying Stock, as determined by the calculation agent in its sole discretion; or
- any other event, if the calculation agent determines in its sole discretion that the event materially interferes with our ability or the ability of any of our affiliates to unwind all or a material portion of a hedge with respect to the notes that we or our affiliates have effected or may effect as described below under Use of Proceeds and Hedging.

The following events will not be market disruption events:

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

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

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

- a price change exceeding limits set by that market;
- an imbalance of orders relating to those contracts; or
- a disparity in bid and asked quotes relating to those contacts

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

Events of Default and Acceleration

In case an event of default with respect to any 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 each $1,000 principal amount of each note, will be equal to the redemption 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.

Antidilution Adjustments

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

How adjustments will be made

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

The calculation agent will also determine the effective date of that adjustment, and the replacement of the Underlying Stock, if applicable, in the event of consolidation or merger of the Underlying Stock Issuer. Upon making any such adjustment, the calculation agent will give notice as soon as practicable to the trustee, stating the adjustment to the share multiplier. In no event, however, will an antidilution adjustment to the share multiplier during the term of the notes be deemed to change the principal amount per note which is fixed at $1,000.

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

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

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

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

The following events are those that may require an antidilution adjustment of the share multiplier:

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

any other similar event that may have a diluting or concentrative effect on the market price of the Underlying Stock; and

a consolidation of the Underlying Stock Issuer with another company or merger of the Underlying Stock Issuer with another company.

Stock Splits and Reverse Stock Splits

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

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

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

Stock Dividends

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

If the Underlying Stock is subject to a stock dividend payable in shares of Underlying Stock that is given ratably to all holders of shares of the Underlying Stock, then once the dividend has become effective the calculation agent will adjust the share multiplier on the ex-dividend date to equal the sum of the prior share multiplier plus the product of the number of shares issued with respect to one share of the Underlying Stock and the prior share multiplier. The ex-dividend date for any dividend or other distribution is the first day on and after which the Underlying Stock trades without the right to receive that dividend or distribution.

No Adjustments for Other Dividends and Distributions

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

- stock dividends described above,
- issuances of transferable rights and warrants as described in Transferable Rights and Warrants below,
- distributions that are spin-off events described in Reorganization Events beginning on page S-17, and
- extraordinary dividends described below.

A dividend or other distribution with respect to the Underlying Stock will be deemed to be an extraordinary dividend if its per share value exceeds that of the immediately preceding non-extraordinary dividend, if any, for the Underlying Stock by an amount equal to at least 10% of the closing price of the Underlying Stock on the business day before the ex-dividend date.

If the Underlying Stock is subject to an extraordinary dividend, then once the extraordinary dividend has become effective the calculation agent will adjust the share multiplier on the ex-dividend date to equal the product of the prior share multiplier and a fraction, the numerator of which is the closing price of the Underlying Stock on the business day preceding the ex-dividend date and the denominator of which is the amount by which the closing price of the Underlying Stock on the business day preceding the ex-dividend date exceeds the extraordinary dividend.

The amount of an extraordinary dividend for the Underlying Stock will equal:

- for an extraordinary dividend that is paid in lieu of a regularly scheduled dividend, the amount of the extraordinary dividend per share of the Underlying Stock minus the amount per share of the immediately preceding dividend, if any, that was not an extraordinary dividend for the Underlying Stock, or

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for an extraordinary dividend that is not paid in lieu of a regularly scheduled dividend, the amount per share of the extraordinary dividend.

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

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

Transferable Rights and Warrants

If the Underlying Stock Issuer issues transferable rights or warrants to all holders of the Underlying Stock to subscribe for or purchase the Underlying Stock at an exercise price per share that is less than the closing price of the Underlying Stock on the business day before the ex-dividend date for the issuance, then the share multiplier will be adjusted to equal the product of the prior share multiplier and a fraction, the numerator of which will be the number of shares of the Underlying Stock outstanding at the close of business on the business day before the ex-dividend date (as adjusted for any subsequent event requiring an adjustment hereunder) plus the number of additional shares of the Underlying Stock offered for subscription or purchase pursuant to the rights or warrants and the denominator of which will be the number of shares of the Underlying Stock outstanding at the close of business on the business day before the ex-dividend date (as adjusted for any subsequent event requiring an adjustment hereunder) plus the number of additional shares of Underlying Stock which the aggregate offering price of the total number of shares of the Underlying Stock so offered for subscription or purchase pursuant to the rights or warrants would purchase at the closing price on the business day before the ex-dividend date for the issuance, which will be determined by multiplying the total number of additional shares of the Underlying Stock offered for subscription or purchase pursuant to the rights or warrants by the exercise price of the rights or warrants and dividing the product so obtained by the closing price on the business day before the ex-dividend date for the issuance. If the number of shares of the Underlying Stock actually delivered in respect of the rights or warrants differs from the number of shares of the Underlying Stock offered in respect of the rights or warrants, then the share multiplier will promptly be readjusted to the share multiplier which would have been in effect had the adjustment been made on the basis of the number of shares of the Underlying Stock actually delivered in respect of the rights or warrants.

Reorganization Events

Each of the following is a reorganization event:

the Underlying Stock is reclassified or changed;

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

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

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

the Underlying Stock Issuer effects a spin-off, other than as part of an event described above (in a spin-off, a corporation), issues to all holders of its common stock equity securities of another issuer); or

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the Underlying Stock Issuer is liquidated, dissolved or wound up or is subject to a proceeding under any applicable bankruptcy, insolvency or other similar law, or another entity completes a tender or exchange offer for all the outstanding shares of Underlying Stock.

Adjustments for Reorganization Events

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

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

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

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

THE UNDERLYING STOCK

The Underlying Stock Issuer

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

Phelps Dodge Corporation has disclosed that it is a producer of copper, carbon black, magnet wire, continuous-cast copper rod, molybdenum and molybdenum products. Phelps Dodge Corporation consists of two major divisions: (i) Phelps Dodge Mining Company (PDMC) and (ii) Phelps Dodge Industries (PDI).

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PDMC includes Phelps Dodge Corporation s worldwide, vertically integrated copper operations from mining through rod production, marketing and sales; molybdenum operations from mining through conversion to chemical and metallurgical products, marketing and sales; other mining operations and investments; and worldwide mineral exploration, technology and project development programs. PDMC includes 12 reportable segments Morenci, Bagdad, Sierrita, Miami/Bisbee, Chino/Cobre and Tyrone (located in the United States), Candelaria/Ojos del Salado, Cerro Verde and El Abra (located in South America), Manufacturing, Sales and Primary Molybdenum and other mining activities. PDI is Phelps Dodge Corporation s manufacturing division comprising two reportable segments Specialty Chemicals and Wire and Cable. PDI produces engineered products principally for the global energy, transportation and specialty chemicals sectors.

The Underlying Stock is registered under the Exchange Act. Companies with securities registered under the Exchange Act are required to file financial and other information specified by the SEC periodically. Information filed with the SEC can be inspected and copied at the Public Reference Section of the SEC, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of this material can also be obtained from the Public Reference Section, at prescribed rates. In addition, information filed by the Underlying Stock Issuer with the SEC electronically can be reviewed through a website maintained by the SEC. The address of the SEC s website is http://www.sec.gov. Information filed with the SEC by the Underlying Stock Issuer under the Exchange Act can be located by reference to SEC file number 001-00082.

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

Historical Data

The Underlying Stock is principally traded on the New York Stock Exchange under the symbol PD . The following table sets forth the high and low intra-day prices and the quarter-end closing prices for and the amount of dividends paid per share of the Underlying Stock. The information given below is for the four calendar quarters in each of 2002, 2003 and 2004, and the first calendar quarter in 2005. Partial data is provided for the second calendar quarter in 2005. On June 7, 2005, the closing price for the Underlying Stock was $90.44 per share. The high and low intra-day prices and the quarter-end closing prices listed below were obtained from Bloomberg Financial Services, without independent verification. The historical closing prices of the Underlying Stock should not be taken as an indication of future performance, and no assurance can be given that the price of the Underlying Stock will not decrease.

Quarterly High, Low and Closing Price of the Underlying Stock

Quarter - Start Date	Quarter - End Date	High Intra-Day Price of the Underlying Stock	Low Intra-Day Price of the Underlying Stock	Quarter -End Closing Price of the Underlying Stock	Quarterly Dividend per share of the Underlying Stock
1/1/02	3/31/02	42.51	30.50	42.10	
4/1/02	6/30/02	42.10	34.50	41.20	
7/1/02	9/30/02	42.00	24.67	25.63	
10/1/02	12/31/02	33.85	22.90	31.65	
1/1/03	3/31/03	36.75	30.11	32.48	
4/1/03	6/30/03	39.77	30.57	38.34	

7/1/03	9/30/03	50.80	37.25	46.80	
10/1/03	12/31/03	79.40	47.07	76.09	
1/1/04	3/31/04	90.52	70.88	81.66	
4/1/04	6/30/04	84.79	59.81	77.51	
7/1/04	9/30/04	93.70	69.99	92.03	0.25
10/1/04	12/31/04	101.55	80.52	98.92	0.25
1/1/05	3/31/05	109.12	90.02	101.73	0.25
4/1/05	6/7/05	103.41	78.24	90.44	0.375

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HYPOTHETICAL RETURNS

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

the hypothetical price return of the Underlying Stock;

the hypothetical pre-tax annualized rate of return of an investment in the Underlying Stock, as more fully described below;

the hypothetical redemption amount per note (excluding interest payments);

the hypothetical return at maturity of the notes (excluding interest payments); and

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

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

			A trigger event has occurred			A trigger event has not occurred		
Hypothetical final stock price	Hypothetical price return of the Underlying Stock	Hypothetical pre-tax annualized rate of return of the Underlying Stock(1)(2)	Hypothetical redemption amount per note (excluding interest payment)	Hypothetical return at maturity of the notes (excluding interest payment)	Hypothetical pre-tax annualized rate of total return on the notes(1)	Hypothetical redemption amount per note (excluding interest payment)	Hypothetical return at maturity of the notes (excluding interest payment)	Hypothetical pre-tax annualized rate of total return on the notes(1)
45.77	-50.00%	-48.70%	$ 499.99	-50.00%	-43.03%			
50.35	-45.00%	-43.66%	$ 550.02	-45.00%	-37.82%			
54.92	-40.00%	-38.62%	$ 600.00	-40.00%	-32.63%			
59.50	-35.00%	-33.59%	$ 649.98	-35.00%	-27.43%			
64.08(4)	-30.00%	-28.55%	$ 700.01	-30.00%	-22.24%			
68.66	-25.00%	-23.51%	$ 750.04	-25.00%	-17.06%	$ 1,000.00	0.00%	8.77%
73.23	-20.00%	-18.48%	$ 799.97	-20.00%	-11.89%	$ 1,000.00	0.00%	8.77%
77.81	-15.00%	-13.45%	$ 850.00	-15.00%	-6.72%	$ 1,000.00	0.00%	8.77%
82.39	-10.00%	-8.41%	$ 900.03	-10.00%	-1.55%	$ 1,000.00	0.00%	8.77%
86.96	-5.00%	-3.39%	$ 949.95	-5.00%	3.61%	$ 1,000.00	0.00%	8.77%

91.5413(3)	0.00%	1.65%	$ 1,000.00	0.00%	8.77%	$ 1,000.00	0.00%	8.77%
96.12	5.00%	6.68%	$ 1,000.00	0.00%	8.77%	$ 1,000.00	0.00%	8.77%
100.70	10.00%	11.71%	$ 1,000.00	0.00%	8.77%	$ 1,000.00	0.00%	8.77%
105.27	15.00%	16.74%	$ 1,000.00	0.00%	8.77%	$ 1,000.00	0.00%	8.77%
109.85	20.00%	21.77%	$ 1,000.00	0.00%	8.77%	$ 1,000.00	0.00%	8.77%
114.43	25.00%	26.80%	$ 1,000.00	0.00%	8.77%	$ 1,000.00	0.00%	8.77%
119.00	30.00%	31.82%	$ 1,000.00	0.00%	8.77%	$ 1,000.00	0.00%	8.77%
123.58	35.00%	36.85%	$ 1,000.00	0.00%	8.77%	$ 1,000.00	0.00%	8.77%
128.16	40.00%	41.88%	$ 1,000.00	0.00%	8.77%	$ 1,000.00	0.00%	8.77%
132.73	44.99%	46.90%	$ 1,000.00	0.00%	8.77%	$ 1,000.00	0.00%	8.77%
137.31	50.00%	51.93%	$ 1,000.00	0.00%	8.77%	$ 1,000.00	0.00%	8.77%

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

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

(a) quarterly dividend equal to $0.375 per share;

(b) no transaction fees or expenses; and

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(c) a 1-year investment term.

(3) This is also the initial stock price.

(4) This is also the trigger price.

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

Return Profile of 8.5% ***Trigger*** **CAPITALS[SM] vs. Phelps Dodge Corporation Common Stock Price**

SUPPLEMENTAL TAX CONSIDERATIONS

The following is a general description of certain United States federal tax considerations relating to the notes. It 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 of interest, principal and/or other amounts under the notes. This summary is based upon the law as in effect on the date of this prospectus supplement and is subject to any change in law that may take effect after such date. This summary does not address all aspects of United States federal income taxation of the 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 applicable to you only if you are a United States holder (as defined in the accompanying prospectus).

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The treatment of the notes for United States federal income tax purposes is uncertain. In the opinion of Sullivan & Cromwell LLP, it would be reasonable to treat the notes as an investment unit consisting of (i) a non-contingent debt instrument (that is not treated as a short-term obligation) subject to the rules governing debt instruments (as described under United States Taxation U.S. Holders in the accompanying prospectus) issued by us to you (the Debt Portion) and (ii) a stock-settled put option on the Underlying Stock written by you and purchased by us (the Put Option). The terms of the notes require you and us (in the absence of an administrative determination or a judicial ruling to the contrary) to treat the notes for all tax purposes in accordance with such characterization.

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

Treatment as an Investment Unit. If the notes are properly treated as an investment unit consisting of a Debt Portion and Put Option, it is likely that the Debt Portion of the note would be treated as having been issued for the principal amount you paid for the note and that interest payments on the note would be treated in part as payments of interest and in part as payments for the Put Option. If the amount you paid for the note is less than 99.75% of the principal amount, you will be subject to the market discount rules described in the accompanying prospectus under United States Taxation United States Holders Notes Purchased with Market Discount. Amounts treated as interest would be includible in income by you in accordance with your regular method of accounting for interest for United States federal income tax purposes. Amounts treated as payment for the Put Option would be deferred and would be included in income by you upon the maturity or sale of the note or, in the event the note is stock settled, would be incorporated into your basis of the Underlying Stock you received in respect of your notes. The terms of the note require you and us to treat 3.68% of the stated interest payments on the note as payment of interest on the Debt Portion and the remaining 4.82% of the stated interest payments on the note as payment for the Put Option.

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

A payment at maturity in shares of the Underlying Stock would likely be treated as (i) payment in full of the principal amount of the Debt Portion (resulting in neither gain nor loss for an initial purchaser) and (ii) the exercise by us of the Put Option and your purchase of the Underlying Stock for an amount equal to the principal amount of the note. Your United States federal income tax basis in the Underlying Stock you receive would equal the principal amount of the note less the amount of payments you received for the Put Option and deferred as described in the preceding paragraph. Your holding period in the Underlying Stock would begin the day you beneficially receive such stock. If you receive cash in lieu of a fractional share of the Underlying Stock, you would recognize a short-term capital gain or loss in an amount equal to the difference between the amount of cash you receive and your tax basis (determined in the manner described above) in the fractional share.

Upon the sale of the note, you would be required to apportion the value of the amount you receive between the Debt Portion and Put Option on the basis of the values thereof on the date of the sale. You would recognize gain or loss with respect to the Debt Portion in an amount equal to the difference between (i) the amount apportioned to the Debt Portion and (ii) your adjusted United States federal income tax basis in the Debt Portion (which would generally be equal to the principal amount of your note if you are an initial purchaser of your note). Such gain or loss would be short-term capital gain or loss if your holding period is one year or less. The amount of cash that you receive that is apportioned to the Put Option (together with any amount of premium received in respect thereof and deferred as described in the preceding paragraph) would be treated as short-term capital gain. If the value of the Debt Portion on the date of the sale of your Note is in

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excess of the amount you receive upon such sale, you would likely be treated as having made a payment (to the purchaser in the case of a sale) equal to the amount of such excess in order to extinguish your rights and obligations under the Put Option. In such a case, you would likely recognize short-term capital gain or loss in an amount equal to the difference between the premium you previously received in respect of the Put Option and the amount of the deemed payment made by you to extinguish the Put Option.

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

Example of Tax Treatment as an Investment Unit. The following example is for illustrative purposes only. Assume that you purchased a note on the initial issuance with an underlying hypothetical XYZ Index Stock, which has an initial value of $100, at par for $1,000 and will receive a 10% annual coupon. Assume further that the $100 annual coupon consists of an interest payment with respect to the Debt Portion of 3%, or $30, and a payment with respect to the Put Option of 7%, or $70. Pursuant to the characterization described above, you would include the interest portion of $30 in ordinary income in the year it is received or accrued, depending on your accounting method for tax purposes. Initially, the portion of the coupon attributable to the Put Option ($70) would not be subject to tax.

For a 12-month note that is not sold prior to maturity, the coupon payments would total $100, $30 of which would be taxed as ordinary interest income in the year it is received or accrued and $70 of which would not be subject to tax until maturity. If the value of the XYZ Index Stock never fell below the downside protection price and/or is equal to or higher than the initial value of $100 at maturity, you would receive $1,000 cash and recognize a short-term capital gain of $70 (that is, the amount of the payments previously received by you with respect to the Put Option). If the value of the XYZ Index Stock at maturity is below the $100 initial value and at some point had fallen below the downside protection price of $70, you would receive 10 shares of XYZ Index Stock (that is, $1000 principal amount/$100 per share initial price = 10 shares). Your basis in the shares would be $930, which is the initial purchase price of the note ($1000) less the payments previously made to you with respect to the Put Option ($70).

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

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

United States Alien Holders. If you are a United States holder, 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 you comply with certain certification and identification requirements as to your foreign status. Please see the discussion under United States Taxation United States Alien Holders and Backup Withholding and Information Reporting .

As discussed above, alternative characterizations of the notes for U.S. federal income tax purposes are possible. Should an alternative characterization of the notes, by reason of a change or clarification of the law, by regulation or otherwise, cause payments with respect to the notes to become subject to withholding tax, we will withhold at the applicable statutory rate. Prospective United States alien holders of the notes should consult their own tax advisors in this regard.

E MPLOYEE 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 Securities or certain of our affiliates is or becomes a party in interest may constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code, unless those notes are acquired pursuant to and in accordance with an applicable exemption. 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;

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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 plan assets of any plan, unless in each case the purchaser or holder is eligible for the exemptive relief available under one or more of the PTCEs listed above or another applicable similar exemption. Any purchaser or holder of the 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 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.

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 or any other applicable exemption, or the potential consequences of