

PRINCIPAL FINANCIAL GROUP INC

Form FWP

October 12, 2006

**Filed Pursuant to Rule 433  
Registration No. 333-111352  
October 11, 2006**

**PRICING TERM SHEET**

Issuer:	Principal Financial Group, Inc.
Title of Securities:	6.05% Senior Notes due 2036
Offering Size:	\$500,000,000
Coupon:	6.05% per annum, payable semi-annually
Trade Date:	October 11, 2006
Settlement Date:	October 16, 2006
Maturity:	October 15, 2036
Treasury Benchmark:	4.500% due February, 2036
US Treasury Spot:	93-17
US Treasury Yield:	4.918%
Spread to Treasury:	118 basis points
Re-offer Yield:	6.098%
Price to Public:	99.343%
Gross Proceeds:	\$496,715,000
Net Proceeds to Issuer:	\$492,340,000
Optional Redemption:	Make-whole redemption at any time at a discount rate of Treasury plus 20 basis points
Minimum	\$2,000 x \$1,000
Denomination:	
Expected Credit	A2/A*
Ratings:	
Interest Payment	each April 15 <sup>th</sup> and October 15 <sup>th</sup>
Dates:	
First Pay Date:	April 15, 2007
Day Count	30/360
Convention:	
CUSIP:	74251V AA 0
Bookrunners:	Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated, Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and UBS Securities LLC
Co-Managers:	A.G. Edwards & Sons, Inc., Banc of America Securities LLC, Lehman Brothers Inc. and Wachovia Capital Markets, LLC

**The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Goldman, Sachs & Co. toll-free at 1-866-471-2526, Merrill Lynch, Pierce, Fenner & Smith Incorporated toll-free at 1-866-500-5408 or Morgan Stanley & Co. Incorporated toll-free at 1-866-718-1649.**

\* A security rating is not a recommendation to buy, sell or

hold securities  
and should be  
evaluated  
independently of  
any other rating.  
The rating is  
subject to  
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any time by the  
assigning rating  
organization.