

PRINCIPAL FINANCIAL GROUP INC

Form FWP

November 28, 2006

**Filed Pursuant to Rule 433  
Registration No. 333-111352  
November 28, 2006**

**PRICING TERM SHEET**

Issuer: Principal Financial Group, Inc.  
Title of Securities: 6.05% Senior Notes due 2036  
Offering Size: \$100,000,000  
Coupon: 6.05% per annum, payable semi-annually  
Trade Date: November 28, 2006  
Settlement Date: December 5, 2006  
Maturity: October 15, 2036  
Treasury Benchmark: 4.500% due February, 2036  
US Treasury Spot: 98-12+  
US Treasury Yield: 4.600%  
Spread to Treasury: 109 basis points  
Re-offer Yield: 5.690%  
Price to Public: 105.134% plus accrued interest from October 16, 2006 to settlement date  
Gross Proceeds: \$105,134,000 plus accrued interest from October 16, 2006 to settlement date  
Net Proceeds to Issuer  
(after expenses): \$104,249,000 plus accrued interest from October 16, 2006 to settlement date  
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 Dates: each April 15th and October 15th  
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

**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  
revision or  
withdrawal at  
any time by the  
assigning rating  
organization.