

# PRINCIPAL FINANCIAL GROUP INC

## FORM FWP

(Free Writing Prospectus - Filing under Securities Act Rules 163/433)

Filed 11/28/2006

|             |   |
|-------------|---|
| Address     | 711 HIGH STREET<br>DES MOINES, Iowa 50392 |
| Telephone   | 515-247-5111                              |
| CIK         | 0001126328                                |
| Industry    | Insurance (Life)                          |
| Sector      | Financial                                 |
| Fiscal Year | 12/31                                     |

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**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 Denomination: \$2,000 x \$1,000  
Expected Credit Ratings: A2/A\*  
Interest Payment Dates: each April 15th and October 15th  
First Pay Date: April 15, 2007  
Day Count Convention: 30/360  
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.**

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\* 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.