

DICKERSON LYMAN B REVOCABLE TRUST  
Form SC 13D/A  
March 01, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D/A

(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS

FILED PURSUANT TO RULE 13d-1(a) AND AMENDMENTS

THERE TO FILED PURSUANT TO RULE 13d-2(a)

(Amendment No. 1)<sup>1</sup>

IONICS, INCORPORATED

(Name of Issuer)

Common Stock

(Title of Class of Securities)

**462218108**

(CUSIP Number)

Lyman B. Dickerson  
2855 NW 75<sup>th</sup> Avenue,  
Miami, Florida 33122  
305.592.1000

(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

February 13, 2004

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D/A, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box o.

*Note:* Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. *See* Rule 13d-7(b) for other parties to whom copies are to be sent.

(Continued on following pages)

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The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended (the "Act"), or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, *see* the *Notes*).

CUSIP No.		SCHEDULE 13D/A	
462218108			
1	NAME OF REPORTING PERSONS  I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  Lyman B. Dickerson		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) <input type="radio"/>  (b) <input checked="" type="checkbox"/>		
3	SEC USE ONLY		
4	SOURCE OF FUNDS*  OO		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>		
6	CITIZENSHIP OR PLACE OF ORGANIZATION  State of Florida, United States of America		
NUMBER OF SHARES	7	SOLE VOTING POWER  1,946,926	
BENEFICIALLY	8	SHARED VOTING POWER  -0-	
OWNED BY EACH REPORTING	9	SOLE DISPOSITIVE POWER  1,946,926	
	10	SHARED DISPOSITIVE POWER	

PERSON WITH		-0-	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 1,946,926		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* o		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 8.6%		
14	TYPE OF REPORTING PERSON* OO		

CUSIP No.		SCHEDULE 13D/A	
462218108			
1	NAME OF REPORTING PERSONS  I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  Lyman B. Dickerson Revocable Trust, dated September 9, 1996		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) <input type="radio"/>  (b) <input checked="" type="checkbox"/>		
3	SEC USE ONLY		
4	SOURCE OF FUNDS*  OO		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>		
6	CITIZENSHIP OR PLACE OF ORGANIZATION  State of Florida, United States of America		
NUMBER OF SHARES	7	SOLE VOTING POWER  1,946,926	
BENEFICIALLY	8	SHARED VOTING POWER  -0-	
OWNED BY EACH REPORTING	9	SOLE DISPOSITIVE POWER  1,946,926	
	10	SHARED DISPOSITIVE POWER	

PERSON WITH		-0-
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 1,946,926	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* 0	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 8.6%	
14	TYPE OF REPORTING PERSON* OO	

CUSIP No.		SCHEDULE 13D/A	
462218108			
1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Lyman Dickerson Irrevocable Trust, dated July 1, 1991		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) <input type="radio"/> (b) <input checked="" type="checkbox"/>		
3	SEC USE ONLY		
4	SOURCE OF FUNDS* OO		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>		
6	CITIZENSHIP OR PLACE OF ORGANIZATION State of Florida, United States of America		
NUMBER OF SHARES	7	SOLE VOTING POWER 260,622	
BENEFICIALLY	8	SHARED VOTING POWER -0-	
OWNED BY EACH REPORTING	9	SOLE DISPOSITIVE POWER -0-	
PERSON WITH	10	SHARED DISPOSITIVE POWER 260,622	

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  260,622
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  1.2%
14	TYPE OF REPORTING PERSON*  OO





11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  1,503,296
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  <input type="radio"/>
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  6.6%
14	TYPE OF REPORTING PERSON*  OO

**\*SEE INSTRUCTIONS BEFORE FILLING OUT!**

CUSIP No.		SCHEDULE 13D/A	
462218108			
1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Douglas G. Dickerson Revocable Trust, dated June 22, 1988		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) <input type="radio"/> (b) <input checked="" type="checkbox"/>		
3	SEC USE ONLY		
4	SOURCE OF FUNDS* OO		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>		
6	CITIZENSHIP OR PLACE OF ORGANIZATION Commonwealth of Virginia, United States of America		
NUMBER OF SHARES	7	SOLE VOTING POWER 751,648	
BENEFICIALLY	8	SHARED VOTING POWER -0-	
OWNED BY EACH REPORTING	9	SOLE DISPOSITIVE POWER 751,648	
PERSON WITH	10	SHARED DISPOSITIVE POWER -0-	

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  751,648
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  3.3%
14	TYPE OF REPORTING PERSON*  OO

**\*SEE INSTRUCTIONS BEFORE FILLING OUT!**

CUSIP No.		SCHEDULE 13D/A	
462218108			
1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Douglas Dickerson Irrevocable Trust No. 3, dated July 1, 1991		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) <input type="radio"/> (b) <input checked="" type="checkbox"/>		
3	SEC USE ONLY		
4	SOURCE OF FUNDS* OO		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>		
6	CITIZENSHIP OR PLACE OF ORGANIZATION Commonwealth of Virginia, United States of America		
NUMBER OF SHARES	7	SOLE VOTING POWER 100,619	
BENEFICIALLY	8	SHARED VOTING POWER -0-	
OWNED BY EACH REPORTING	9	SOLE DISPOSITIVE POWER -0-	
PERSON WITH	10	SHARED DISPOSITIVE POWER 100,619	

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  100,619
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  <input type="radio"/>
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  0.4%
14	TYPE OF REPORTING PERSON*  OO

**\*SEE INSTRUCTIONS BEFORE FILLING OUT!**

CUSIP No.		SCHEDULE 13D/A	
462218108			
1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Richard Dickerson Revocable Trust, dated March 5, 1993		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) <input type="radio"/> (b) <input checked="" type="checkbox"/>		
3	SEC USE ONLY		
4	SOURCE OF FUNDS* OO		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>		
6	CITIZENSHIP OR PLACE OF ORGANIZATION Commonwealth of Virginia, United States of America		
NUMBER OF SHARES	7	SOLE VOTING POWER 751,648	
BENEFICIALLY	8	SHARED VOTING POWER -0-	
OWNED BY EACH REPORTING	9	SOLE DISPOSITIVE POWER 751,648	
PERSON WITH	10	SHARED DISPOSITIVE POWER -0-	

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  751,648
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  <input type="radio"/>
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  3.3%
14	TYPE OF REPORTING PERSON*  OO

**\*SEE INSTRUCTIONS BEFORE FILLING OUT!**



CUSIP No. <b>462218108</b>		SCHEDULE 13D/A	Page 2 of 7 Pages
1	NAME OF REPORTING PERSONS  I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  Richard Dickerson Irrevocable Trust No. 3, dated July 1, 1991		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) <input type="radio"/>  (b) <input checked="" type="checkbox"/>		
3	SEC USE ONLY		
4	SOURCE OF FUNDS*  OO		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="radio"/>		
6	CITIZENSHIP OR PLACE OF ORGANIZATION  Commonwealth of Virginia, United States of America		
NUMBER OF SHARES	7	SOLE VOTING POWER  100,619	
BENEFICIALLY	8	SHARED VOTING POWER  -0-	
OWNED BY EACH REPORTING	9	SOLE DISPOSITIVE POWER  -0-	
PERSON WITH	10	SHARED DISPOSITIVE POWER  100,619	

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  100,619
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  0.4%
14	TYPE OF REPORTING PERSON*  OO

**\*SEE INSTRUCTIONS BEFORE FILLING OUT!**

SCHEDULE 13D/A

FOR

IONICS, INCORPORATED

This Schedule 13D/A is a joint filing of Lyman B. Dickerson, the Lyman B. Dickerson Revocable Trust, dated September 9, 1996, the Lyman Dickerson Irrevocable Trust, dated July 1, 1991, Douglas G. Dickerson, the Douglas G. Dickerson Revocable Trust, dated June 22, 1988, the Douglas G. Dickerson Irrevocable Trust No. 3, dated July 1, 1993, the Richard Dickerson Revocable Trust, dated March 5, 1993 and the Richard Dickerson Irrevocable Trust No. 3, dated July 1, 1991 (collectively, the "Reporting Persons"), pursuant to an Agreement to Joint Filing of Schedule 13D, dated February 19, 2004, attached hereto as Exhibit A and incorporated herein.

Item 1. Security and Issuer

Common stock, Ionics, Incorporated, 65 Grove Street, Watertown, Massachusetts 02172

Item 2. Identity and Background

This Statement is being filed on behalf of each of the following Reporting Persons:

- i. Lyman B. Dickerson;
- ii. The Lyman B. Dickerson Revocable Trust, dated September 9, 1996 (the "Lyman Revocable Trust");
- iii. The Lyman Dickerson Irrevocable Trust, dated July 1, 1991 (the "Lyman Irrevocable Trust");
- iv. Douglas G. Dickerson;
- v. The Douglas G. Dickerson Revocable Trust, dated June 22, 1988 (the "Douglas Revocable Trust");
- vi. The Douglas Dickerson Irrevocable Trust No. 3, dated July 1, 1991 (the "Douglas Irrevocable Trust");
- vii. The Richard Dickerson Revocable Trust, dated March 5, 1993 (the "Richard Revocable Trust"); and
- viii. The Richard Dickerson Irrevocable Trust No. 3, dated July 1, 1991 (the "Richard Irrevocable Trust").

This Statement relates to shares of the common stock of Ionics, Incorporated ("Ionics") held by the Reporting Persons.

Lyman B. Dickerson is a resident of the State of Florida and is employed as a Vice-President of Ionics. His business address is 2855 NW 75<sup>th</sup> Avenue, Miami, Florida 33122.

The Lyman Revocable Trust is a Florida trust. Its principal address is 2855 NW 75<sup>th</sup> Avenue, Miami, Florida 33122.

The Lyman Irrevocable Trust is a Florida trust. Its principal address is 2855 NW 75<sup>th</sup> Avenue, Miami, Florida 33122.

Douglas G. Dickerson is retired and is a resident of the Commonwealth of Virginia. His address is 1204 Kamichi Court, Virginia Beach, VA 23451.

The Douglas Revocable Trust is a Virginia trust. Its principal address is 1204 Kamichi Court, Virginia Beach, VA 23451.

The Douglas Irrevocable Trust is a Virginia trust. Its principal address is 1204 Kamichi Court, Virginia Beach, VA 23451.

The Richard Revocable Trust is a Virginia trust. Its principal address is 1204 Kamichi Court, Virginia Beach, VA 23451.

The Richard Irrevocable Trust is a Virginia trust. Its principal address is 1204 Kamichi Court, Virginia Beach, VA 23451.

During the past five years, none of the Reporting Persons and, to the best of the Reporting Persons' knowledge, no other person identified in response to this Item 2 has been (a) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (b) a party to any civil proceeding of a judicial or administrative body of competent jurisdiction and, as a result of which, such person was or is subject to a judgement, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws, or finding any violation with respect to such laws.

### Item 3. Source and Amount of Funds and Other Consideration

On February 13, 2004, Ionics acquired all of the outstanding equity interests of Ecolochem, Inc. and its affiliates, owned by the Reporting Persons. The transaction consideration was cash in the aggregate amount of \$209,418,000 and 4,652,648 shares of Ionics common stock.

The Lyman Revocable Trust received 1,946,926 shares.

The Lyman Irrevocable Trust received 260,622 shares.

The Douglas Revocable Trust received 861,891 shares.

The Douglas Irrevocable Trust received 115,376 shares.

The Richard Revocable Trust received 861,891 shares.

The Richard Irrevocable Trust received 115,376 shares.

On February 13, 2004, in a sale to a single third party under an effective S-3 registration statement, the following Reporting Persons collectively sold an aggregate of 250,000 shares of Ionics common stock in the following increments (a) the Douglas Revocable Trust sold 110,243 shares, (b) the Douglas Irrevocable Trust sold 14,757 shares, (c) the Richard Revocable Trust sold 110,243 shares, and (d) Richard Irrevocable Trust sold 14,757 shares. Following the sale, the Douglas Revocable Trust owns 751,648 shares, the Douglas Irrevocable Trust owns 100,619 shares, the Richard Revocable Trust owns 751,648 shares and the Richard Irrevocable Trust owns 100,619 shares.

Item 4. Purpose of Transaction

Lyman B. Dickerson ("Lyman") is a director and a Vice-President of Ionics. Lyman is the sole trustee of the Lyman Revocable Trust and has sole voting and disposition power over its 1,946,926 shares. In this capacity and as a director and officer of Ionics, Lyman may have influence over the corporate affairs of Ionics, including activities, that may relate to items described in subparagraphs (a) through (j) of Item 4 of Schedule 13D/A.

Douglas G. Dickerson ("Douglas") is the sole trustee of the Douglas Revocable Trust and has sole voting and disposition power over its 751,648 shares. Douglas is a co-trustee of the Richard Revocable Trust and has shared voting and disposition power over its 751,648 shares. In these capacities, Douglas may have influence over the corporate activities of Ionics, including activities, that may relate to items described in subparagraphs (a) through (j) of Item 4 of Schedule 13D/A.

All of the shares reported herein were acquired for investment purposes. Except as set forth in this Schedule 13D /A, the Reporting Persons do not have any plans or proposals that relate to or would result in any of the transactions described in subparagraphs (a) through (j) of item 4 of Schedule 13D/A.

The Reporting Persons reserve the right to acquire, or cause to be acquired, additional securities of Ionics, to dispose of, or cause to be disposed, such securities at any time or to formulate other purposes, plans or proposals regarding Ionics or any of its securities, to the extent deemed advisable in light of general investment and trading policies of the Reporting Persons, market conditions or other factors.

Item 5. Interest in Securities of the Issuer

Based on information provided by Ionics, the total number of shares of common stock outstanding as of February 13, 2004 was 22,577,684.

- a. The Lyman Revocable Trust has the sole power to direct the voting and disposition of its 1,946,926 shares;
- b. The Lyman Irrevocable Trust has the sole power to direct the voting and disposition of its 260,622 shares;
- c. The Douglas Revocable Trust has the sole power to direct the voting and disposition of its 751,648 shares;
- d. The Douglas Irrevocable Trust has the sole power to direct the voting and disposition of its 100,619 shares;
- e. The Richard Revocable Trust has the sole power to direct the voting and disposition of its 751,648 shares;
- f. The Richard Irrevocable Trust has the sole power to direct the voting and disposition of its 100,619 shares;
- g. Douglas may be deemed the beneficial owner of 1,704,534 shares (approximately 7.5% of the total number of shares outstanding). This number consists of (i) 751,648 shares held by the Douglas Revocable Trust, (ii) 751,648 shares held by the Richard Revocable Trust, (iii) 100,619 shares held by

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the Richard Irrevocable Trust and (iv) 100,619 shares held by the Douglas Irrevocable Trust;

- h. Douglas has the sole power to direct the voting and disposition of the 751,648 shares held by the Douglas Revocable Trust;
- i. Douglas shares the power, with Marguerite W. Dickerson, co-trustee, to direct the voting and disposition of the 751,648 shares held by the Richard Revocable Trust;
- j. Douglas shares the power of disposition of the 100,619 shares held by the Richard Irrevocable Trust with Marguerite W. Dickerson, co-trustee, and Frederick T. Stant, III, independent trustee;
- k. Frederick T. Stant, III has the sole power to direct the voting, and the shared power to direct the disposition, of the 100,619 shares held by the Richard Irrevocable Trust;
- l. Douglas shares the power to direct the disposition of the 100,619 shares held by the Douglas Irrevocable Trust with Frederick T. Stant, III, independent trustee;
- m. Frederick T. Stant, III has the sole power to direct the voting, and the shared power to direct the disposition, of the 100,619 shares held by the Douglas Irrevocable Trust;
- n. Lyman may be deemed the beneficial owner of 2,207,548 shares (approximately 9.8% of the total number of shares outstanding). This number consists of (i) 1,946,926 shares held by the Lyman Revocable Trust and (ii) 260,622 shares held by the Lyman Irrevocable Trust;
- o. Lyman has the sole power to direct the voting and disposition of the 1,946,926 shares held by the Lyman Revocable Trust;
- p. Lyman shares the power of disposition of the 260,622 shares held by the Lyman Irrevocable Trust with Charles C. Kline, independent trustee;
- q. Charles C. Kline has the sole power to direct the voting of the 260,622 shares held by the Lyman Irrevocable Trust;
- r. The acquisition of the common stock of Ionics and the sale of the 250,000 shares of Ionics common stock described in Item 3 occurred within the last 60 days.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

The Reporting Persons and Ionics are parties to a Stockholders Agreement, dated as of February 13, 2004. This agreement allows the Reporting Persons to appoint two individuals to the Board of Directors of Ionics and requires, subject to certain circumstances, that the Reporting Persons vote all shares of their common stock in the same proportion as the votes cast by or on behalf of all of the other stockholders of Ionics. The Stockholders Agreement does permit the Reporting Persons to vote in favor of any director nominee of the Reporting Persons. Except as set forth herein, the Reporting Persons do not have any contracts, arrangements, understandings or relationships with respect to any securities of Ionics.

Item 7. Material to be Filed as Exhibits.

Exhibit A Agreement to Joint Filing of Schedule 13D

Exhibit B Stockholders Agreement dated as of February 13, 2004, among Ionics, Incorporated and the sellers named therein, including the Reporting Persons, incorporated by reference to Exhibit 2.2 to the Current Report on Form 8-K, dated February 13, 2004, File No. 001-07211, filed by Ionics, Incorporated on February 27, 2004.



**SIGNATURES**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement on Schedule 13D/A is true, complete and correct.

THE RICHARD DICKERSON REVOCABLE TRUST

DATED MARCH 5, 1993, OR ANY SUCCESSOR TRUSTEE,

AS AMENDED

By: /s/ Douglas G. Dickerson

DOUGLAS G. DICKERSON, Co-Trustee

February 26, 2004

Date Signed

By: /s/ Marguerite W. Dickerson

MARGUERITE W. DICKERSON, Co-Trustee

February 26, 2004

Date Signed

THE DOUGLAS G. DICKERSON REVOCABLE TRUST

DATED JUNE 22, 1988, OR ANY SUCCESSOR TRUSTEE,

AS AMENDED

By: /s/ Douglas G. Dickerson

DOUGLAS G. DICKERSON, Trustee

February 26, 2004

Date Signed

THE RICHARD DICKERSON IRREVOCABLE TRUST NO. 3,

DATED JULY 1, 1991

By: /s/ Douglas Dickerson

DOUGLAS DICKERSON, Co-Trustee

February 26, 2004

Date Signed

By: /s/ Marguerite W. Dickerson

MARGUERITE W. DICKERSON, Co-Trustee

February 26, 2004

Date Signed

THE DOUGLAS DICKERSON IRREVOCABLE TRUST NO. 3,

DATED JULY 1, 1991

By: /s/ Douglas D. Dickerson

DOUGLAS D. DICKERSON, Trustee

February 26, 2004

Date Signed

THE LYMAN B. DICKERSON REVOCABLE TRUST DATED SEPTEMBER 9, 1996, OR ANY SUCCESSOR TRUSTEE, AS AMENDED

By: /s/ Lyman B. Dickerson

LYMAN B. DICKERSON, Trustee

February 26, 2004

Date Signed

THE LYMAN DICKERSON IRREVOCABLE TRUST,

DATED JULY 1, 1991

By: /s/ Lyman B. Dickerson

LYMAN B. DICKERSON, Trustee

February 26, 2004

Date Signed

By: /s/ Lyman B. Dickerson

LYMAN B. DICKERSON, Individually

February 26, 2004

Date Signed

By: /s/ Douglas G. Dickerson

DOUGLAS G. DICKERSON, Individually

February 26, 2004

Date Signed

*Attention:*

Intentional misstatements or omissions of fact constitute Federal criminal violations (see 18 U.S.C. 1001).

EXHIBIT A

Agreement to Joint Filing

of Schedule 13D

Dated February 19, 2004

We agree to jointly submit this Schedule 13D/A, and any subsequent amendments thereto, which is filed on behalf of Ionics, Inc. and each of us individually.

THE RICHARD DICKERSON REVOCABLE TRUST

DATED MARCH 5, 1993, OR ANY SUCCESSOR TRUSTEE,

AS AMENDED

By: /s/ Douglas G. Dickerson

DOUGLAS G. DICKERSON, Co-Trustee

February 26, 2004

Date Signed

THE DOUGLAS G. DICKERSON REVOCABLE TRUST

DATED JUNE 22, 1988, OR ANY SUCCESSOR TRUSTEE,

AS AMENDED

By: /s/ Doulgas G. Dickerson

DOUGLAS G. DICKERSON, Trustee

February 26, 2004

Date Signed

THE RICHARD DICKERSON IRREVOCABLE TRUST NO. 3,

DATED JULY 1, 1991

By: /s/ Douglas Dickerson

DOUGLAS DICKERSON, Co-Trustee

February 26, 2004

Date Signed

By: /s/ Marguerite W. Dickerson

MARGUERITE W. DICKERSON, Co-Trustee

February 26, 2004

Date Signed

THE DOUGLAS DICKERSON IRREVOCABLE TRUST NO. 3,

DATED JULY 1, 1991

By: /s/ Douglas D. Dickerson

DOUGLAS D. DICKERSON, Trustee

February 26, 2004

Date Signed

THE LYMAN B. DICKERSON REVOCABLE TRUST DATED SEPTEMBER 9, 1996, OR ANY SUCCESSOR TRUSTEE, AS AMENDED



By: /s/ Lyman B. Dickerson

LYMAN B. DICKERSON, Trustee

February 26, 2004

Date Signed

THE LYMAN DICKERSON IRREVOCABLE TRUST,

DATED JULY 1, 1991

By: /s/ Lyman B. Dickerson

LYMAN B. DICKERSON, Trustee

February 26, 2004

Date Signed

By: /s/ Lyman B. Dickerson

LYMAN B. DICKERSON, Individually

February 26, 2004

Date Signed

By: /s/ Douglas G. Dickerson

DOUGLAS G. DICKERSON, Individually

February 26, 2004

Date Signed

0; margin-right: 0; margin-bottom: 0; color: #000000; background: #ffffff;"> The Interest Determination Date pertaining to an Interest Reset Date for Commercial Paper Rate Notes, Prime Rate Notes, Federal Funds Rate Notes or CMT Rate Notes will be the second Business Day next preceding such Interest Reset Date. The Interest Determination Date pertaining to an Interest Reset Date for a LIBOR Note will be the second London Banking Day next preceding such Interest Reset Date. The Interest Determination Date pertaining to an Interest Reset Date for a Treasury Rate Note will be the day of the week in which such Interest Reset Date falls on which Treasury bills of the Index Maturity (as defined below) specified on the face of such Note are auctioned, but in no event shall such Interest Determination Date be after the related Interest Payment Date. Treasury bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that such auction may be held on the preceding Friday. If, as the result of a legal holiday, an auction is held on the preceding Friday, that Friday will be the Interest Determination Date pertaining to the Interest Reset Date occurring in the next succeeding week for that Treasury Rate Note. If no auction is held in any week, or on the preceding Friday, the Interest Determination Date shall be the Monday of the week in which the Interest Reset Date falls.

The Calculation Date , where applicable, pertaining to an Interest Determination Date will be the first to occur of either

the tenth calendar day after such Interest Determination Date or, if such day is not a Business Day, the next succeeding Business Day or

the Business Day preceding the date any payment is required to be made for any period following the applicable Interest Reset Date or Maturity Date (or the date of redemption or repayment).

Unless otherwise specified in the applicable pricing supplement, J.P. Morgan Trust Company, National Association shall be the calculation agent (in such capacity, the Calculation Agent ) with respect to Floating Rate Notes. Upon request of the holder of any Floating Rate Note, the Calculation Agent will provide the interest rate then in effect and, if determined, the interest rate that will become effective on the next Interest Reset Date with respect to such Floating Rate Note.

Index Maturity is the particular maturity (specified in the applicable pricing supplement) of the type of instrument or obligation from which a Base Rate is calculated.

#### **Commercial Paper Rate Notes**

Each Commercial Paper Rate Note will bear interest at the interest rate calculated with reference to the Commercial Paper Rate and any Spread or Spread Multiplier specified in that Note and in the applicable pricing supplement.

Unless otherwise specified in the applicable pricing supplement, the **Commercial Paper Rate** means, with respect to any Interest Determination Date, the Money Market Yield, calculated as described below, of the rate on such date for commercial paper having the Index Maturity designated in the applicable pricing supplement as published by the Board of Governors of the Federal Reserve System in Statistical Release H.15(519), Selected Interest Rates, or any successor publication of such Board ( H.15(519) ), under the heading **Commercial Paper-Nonfinancial**. The following procedures will be followed if the Commercial Paper Rate cannot be determined as described above:

If such rate is not published by 3:00 p.m., New York City time, on the Calculation Date pertaining to such Interest Determination Date, then the Commercial Paper Rate shall be the Money Market Yield

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of the rate on that Interest Determination Date for commercial paper having the Index Maturity designated in the applicable pricing supplement as set forth in the daily update of the Board of Governors of the Federal Reserve System at <http://www.bog.frb.fed.us/releases/h15/update> or any successor site or publication (the "H.15 Daily Update") paper having the Index Maturity on the face hereof.

If such rate is neither published in H.15(519) or in the H.15 Daily Update by 3:00 p.m., New York City time, on the Calculation Date pertaining to such Interest Determination Date, then the Commercial Paper Rate for that Interest Determination Date shall be calculated by the Calculation Agent and shall be the Money Market Yield of the arithmetic mean of the offered rates of three leading dealers of commercial paper in The City of New York, which may include the Agents or the Calculation Agent or their affiliates, selected by the Calculation Agent (after consulting with us) as of 11:00 a.m., New York City time, on that Interest Determination Date, for commercial paper having the Index Maturity designated in the applicable pricing supplement placed for an industrial issuer whose bond rating is AA, or the equivalent, from a nationally recognized rating agency; provided, however, that, if the dealers selected as aforesaid are not quoting as mentioned in this sentence, the Commercial Paper Rate will be the Commercial Paper Rate in effect on such Interest Determination Date.

Money Market Yield shall be a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where  $D$  refers to the per annum rate for the commercial paper, quoted on a bank discount basis and expressed as a decimal; and  $M$  refers to the actual number of days in the interest period for which interest is being calculated.

**LIBOR Notes**

Each LIBOR Note will bear interest at the interest rate calculated with reference to LIBOR and any Spread or Spread Multiplier specified in that Note and in the applicable pricing supplement.

Unless otherwise specified in the applicable pricing supplement, LIBOR will be determined by the Calculation Agent in accordance with the following provisions:

(i) With respect to an Interest Determination Date, LIBOR shall equal either: (A) the arithmetic mean, as determined by the Calculation Agent, of the offered rates which appear on the display specified in the applicable pricing supplement on the LIBOR page of the Reuters Monitor Money Rates Service (or such other relevant page as may replace that page on that service) (the "Reuters Screen") or (B) the offered rate which appears on page 3750 of the Moneyline Telerate service (or such other page as may replace that page on that service) (the "Telerate Page"), in each case as of 11:00 a.m., London time, on that Interest Determination Date; if neither the Reuters Screen nor the Telerate Page is specified in the applicable pricing supplement, LIBOR will be determined as if the Telerate Page had been specified; provided, however, in the case of (A) above, if fewer than two such offered rates so appear on the Reuters Screen, or in the case of (B) above, if no rate appears on the Telerate Page, LIBOR for that Interest Determination Date will be determined as described in (ii) below.

(ii) If, on any Interest Determination Date, fewer than two offered rates appear on the Reuters Screen and if no rate appears on the Telerate Page, as the case may be, the Calculation Agent will request the principal London office of each of four major banks in the London interbank market, which may include the Agents or the Calculation Agent or their affiliates, as selected by the Calculation Agent (after consulting with us), to provide the Calculation Agent with its quotation of the rate offered to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that Interest Determination Date for deposits in U.S. dollars having the Index Maturity, and in a principal amount equal to an amount not less than

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\$1,000,000 that is representative of a single transaction in such market at such time (a Representative Amount ). If at least two such quotations are provided, LIBOR will be the arithmetic mean of such quotations. If fewer than two quotations are provided, LIBOR will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., New York City time, on such Interest Determination Date by three major U.S. banks, which may include the Agents or the Calculation Agent or their affiliates, selected by the Calculation Agent (after consulting with us), for loans in U.S. dollars to leading European banks having the Index Maturity designated in the applicable pricing supplement, commencing on the second London Banking Day immediately following that Interest Determination Date and in a Representative Amount, provided, however, that if fewer than three banks selected as aforesaid by the Calculation Agent are quoting as mentioned in this sentence, LIBOR for such date will be LIBOR in effect on such Interest Determination Date.

**Treasury Rate Notes**

Each Treasury Rate Note will bear interest at the interest rate calculated with reference to the Treasury Rate and any Spread or Spread Multiplier specified in that Note and in the applicable pricing supplement.

Unless otherwise specified in the applicable pricing supplement, the Treasury Rate means

(a) the rate from the auction held on the Treasury Rate Interest Determination Date (the Auction ) of direct obligations of the United States ( Treasury Bills ) having the Index Maturity specified in the applicable pricing supplement under the caption INVESTMENT RATE on the display on Moneyline Telerate (or any successor service) on page 56 (or any other page as may replace that page on that service) ( Moneyline Telerate Page 56 ) or page 57 (or any other page as may replace that page on that service) ( Moneyline Telerate Page 57 ), or

(b) if the rate referred to in clause (a) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the Bond Equivalent Yield (as defined below) of the rate for the applicable Treasury Bills as published in H.15 Daily Update, or another recognized electronic source used for the purpose of displaying the applicable rate, under the caption U.S. Government Securities/Treasury Bills/Auction High , or

(c) if the rate referred to in clause (b) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the Bond Equivalent Yield of the auction rate of the applicable Treasury Bills as announced by the United States Department of the Treasury, or

(d) if the rate referred to in clause (c) is not so announced by the United States Department of the Treasury, or if the Auction is not held, the Bond Equivalent Yield of the rate on the particular Interest Determination Date of the applicable Treasury Bills as published in H.15(519) under the caption U.S. Government Securities/Treasury Bills/Secondary Market , or

(e) if the rate referred to in clause (d) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on the particular Interest Determination Date of the applicable Treasury Bills as published in H.15 Daily Update, or another recognized electronic source used for the purpose of displaying the applicable rate, under the caption U.S. Government Securities/Treasury Bills/Secondary Market , or

(f) if the rate referred to in clause (e) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on the particular Interest Determination Date calculated by the Calculation Agent as the Bond Equivalent Yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 P.M., New York City time, on that Interest Determination Date, of three primary United States government securities dealers, which may include the Agents or the Calculation Agent or their affiliates, selected by the Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity specified in the applicable pricing supplement, or

(g) if the dealers so selected by the Calculation Agent are not quoting as mentioned in clause (f), the Treasury Rate in effect on the particular Interest Determination Date.

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Bond Equivalent Yield means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Bond Equivalent Yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where *D* refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis and expressed as a decimal, *N* refers to 365 or 366, as the case may be, and *M* refers to the actual number of days in the applicable Interest Reset Period.

**Federal Funds Rate Notes**

Each Federal Funds Rate Note will bear interest at the interest rate calculated with reference to the Federal Funds Rate and any Spread or Spread Multiplier specified in that Note and in the applicable pricing supplement.

Unless otherwise specified in the applicable pricing supplement, the Federal Funds Rate means, with respect to any Interest Determination Date, the rate on that day for Federal Funds as published in H.15(519) under the heading Federal Funds (Effective). The following procedures will be followed if the Federal Funds Rate cannot be determined as described above:

If the above rate is not so published by 9:00 a.m., New York City time, on the Calculation Date pertaining to such Interest Determination Date, then the Federal Funds Rate shall be the rate on such Interest Determination Date as published in the H.15 Daily Update under the heading Federal Funds (Effective).

If such rate is not published in either H.15(519) or the H.15 Daily Update by 3:00 p.m., New York City time, on the Calculation Date pertaining to such Interest Determination Date, the Federal Funds Rate for such Interest Determination Date shall be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight Federal Funds arranged by each of three leading brokers of Federal Funds transactions in New York City, which may include the Agents or the Calculation Agent or their affiliates, selected by the Calculation Agent (after consulting with us) prior to 11:00 a.m., New York City time, on such Interest Determination Date; provided, however, that if the brokers selected as aforesaid are not quoting as mentioned in this sentence, the Federal Funds Rate with respect to such Interest Determination Date will remain the Federal Funds Rate then in effect on such Interest Determination Date.

**Prime Rate Notes**

Each Prime Rate Note will bear interest at the interest rate calculated with reference to the Prime Rate and any Spread or Spread Multiplier specified in that Note and in the applicable pricing supplement.

Unless otherwise specified in the applicable pricing supplement, the Prime Rate means, with respect to any Interest Determination Date, the rate on such date as published in H.15(519) under the heading Bank Prime Loan. The following procedures will be followed if the Prime Rate cannot be determined as described above:

In the event that such rate is not published by 9:00 a.m., New York City time, on the Calculation Date pertaining to such Interest Determination Date, then the Prime Rate will be the rate on the Interest Determination Date as published in the H.15 Daily Update opposite the caption Bank Prime Loan.

If such rate is not published prior to 3:00 p.m., New York City time, on the Calculation Date in either H.15 (519) or the H.15 Daily Update, then the Prime Rate will be determined by the Calculation Agent and will be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen USPRIME1 Page as such bank's prime rate or base lending rate as in effect for that Interest Determination Date.

Reuters Screen USPRIME1 Page means the display designated as page USPRIME1 on the Reuters Monitor Money Rates Service (or such other page

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as may replace the USPRIME1 page on that service for the purpose of displaying prime rates or base lending rates of major United States banks).

If fewer than four such rates but more than one such rate appear on the Reuters Screen USPRIME1 Page for such Interest Determination Date, the Prime Rate shall be determined by the Calculation Agent and will be the arithmetic mean of the prime rates quoted on the basis of the actual number of days in the year divided by 360 as of the close of business on such Interest Determination Date by at least two major money center banks in New York City, which may include the Agents or the Calculation Agent or their affiliates, selected by the Calculation Agent (after consulting with us).

If fewer than two such rates appear on the Reuters Screen USPRIME1 Page, the Prime Rate will be determined by the Calculation Agent and will be the arithmetic mean of the prime rates furnished in New York City by three substitute banks or trust companies organized and doing business under the laws of the United States, or any State thereof, in each case having total equity capital of at least U.S. \$500,000,000 and being subject to supervision or examination by Federal or State authority, which may include the Agents or the Calculation Agent or their affiliates, selected by the Calculation Agent (after consulting with us) to provide such rate or rates; provided, however, that if the banks selected as aforesaid are not quoting as mentioned in this sentence, the Prime Rate will remain the Prime Rate in effect on such Interest Determination Date.

**CMT Rate Notes**

Each CMT Rate Note will bear interest at the interest rate calculated with reference to the CMT Rate and any Spread or Spread Multiplier specified in that Note and any applicable pricing supplement.

Unless otherwise specified in the applicable pricing supplement, the CMT Rate means, with respect to any Interest Determination Date, the rate on such date as displayed on the Designated CMT Telerate Page (as defined below) under the caption ... Treasury Constant Maturities ... Federal Reserve Board Release H.15 ... Mondays Approximately 3:45 P.M., under the column for the Designated CMT Maturity Index (as defined below) for (i) if the Designated CMT Telerate Page is 7051, the rate on such CMT Rate Interest Determination Date and (ii) if the Designated CMT Telerate Page is 7052, the week, or the month, as applicable, ended immediately preceding the week in which the related CMT Rate Interest Determination Date occurs. The following procedures will be followed if the CMT Rate cannot be determined as described above:

If such rate is no longer displayed on the relevant page, or if not displayed by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate for such CMT Rate Interest Determination Date will be such treasury constant maturity rate for the Designated CMT Maturity Index as published in the relevant H.15(519).

If such rate is no longer published, or if not published by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate for such CMT Rate Interest Determination Date will be such treasury constant maturity rate for the Designated CMT Maturity Index (or other United States Treasury rate for the Designated CMT Maturity Index), for the CMT Rate Interest Determination Date with respect to such Interest Reset Date as may then be published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury that the Calculation Agent determines to be comparable to the rate formerly displayed on the Designated CMT Telerate Page and published in the relevant H.15(519).

If such information is not provided by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate for the CMT Rate Interest Determination Date will be calculated by the Calculation Agent, and will be a yield to maturity, based on the arithmetic mean of the secondary market closing offer side prices as of approximately 3:30 P.M., New York City time, on the CMT Rate Interest Determination Date reported, according to their written records, by three leading primary United States government securities dealers (each, a Reference Dealer ) in The City of New York, which may include the Agents or the Calculation Agent or their affiliates, selected by the Calculation





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Agent after consulting with us (from five such Reference Dealers selected by the Calculation Agent after consulting with us and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)), for the most recently issued direct noncallable fixed rate obligations of the United States ( Treasury Notes ) with an original maturity of approximately the Designated CMT Maturity Index and a remaining term to maturity of not less than such Designated CMT Maturity Index minus one year.

If the Calculation Agent cannot obtain three such Treasury Note quotations, the CMT Rate for such CMT Rate Interest Determination Date will be calculated by the Calculation Agent and will be a yield to maturity based on the arithmetic mean of the secondary market offer side prices as of approximately 3:30 P.M., New York City time, on the CMT Rate Interest Determination Date of three Reference Dealers in The City of New York, which may include the Agents or the Calculation Agent or their affiliates (from five such Reference Dealers selected by the Calculation Agent after consulting with us and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)), for Treasury Notes with an original maturity of the number of years that is the next highest to the Designated CMT Maturity Index and a remaining term to maturity closest to the Designated CMT Maturity Index and in an amount of at least \$100 million.

If three or four (and not five) of such Reference Dealers are quoting as described above, then the CMT Rate will be based on the arithmetic mean of the offer prices obtained and neither the highest nor the lowest of such quotes will be eliminated; provided however, that if fewer than three Reference Dealers selected by the Calculation Agent after consulting with us are quoting as described herein, the CMT Rate will be the CMT Rate in effect on such CMT Rate Interest Determination Date.

If two Treasury Notes with an original maturity as described in the third preceding sentence have remaining terms to maturity equally close to the Designated CMT Maturity Index, the quotes for the Treasury Note with the shorter remaining term to maturity will be used.

Designated CMT Telerate Page means the display on the CMT Moneyline Telerate Service on the page designated in the applicable pricing supplement, or any other page as may replace such page on that service for the purpose of displaying Treasury Constant Maturities as reported in H.15(519), for the purpose of displaying Treasury Constant Maturities as reported in H.15(519). If no such page is specified in the applicable pricing supplement, the Designated CMT Telerate Page shall be 7052, for the most recent week.

Designated CMT Maturity Index means the original period to maturity of the U.S. Treasury securities (either 1, 2, 3, 5, 7, 10, 20, or 30 years) specified in the applicable pricing supplement with respect to which the CMT Rate will be calculated. If no such maturity is specified in the applicable pricing supplement, the Designated CMT Maturity Index shall be 2 years.

### **Book-Entry Notes**

We have established a depositary arrangement with The Depository Trust Company with respect to the Book-Entry Notes, the terms of which are summarized below. Any additional or differing terms of the depositary arrangement with respect to the Book-Entry Notes will be described in the applicable pricing supplement.

Upon issuance, all Book-Entry Notes of like tenor and terms up to \$500,000,000 aggregate principal amount will be represented by a single Global Security. Each Global Security representing Book-Entry Notes will be deposited with, or on behalf of, the Depository and will be registered in the name of the Depository or a nominee of the Depository. No Global Security may be transferred except as a whole by a nominee of the Depository to the Depository or to another nominee of the Depository, or by the Depository or another nominee of the Depository to a successor of the Depository or a nominee of a successor to the Depository.

So long as the Depository or its nominee is the registered holder of a Global Security, the Depository or its nominee, as the case may be, will be the sole owner of the Book-Entry Notes represented thereby for all purposes under the Indenture. Except as otherwise provided below, the Beneficial Owners (as defined below)



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of the Global Security or Securities representing Book-Entry Notes will not be entitled to receive physical delivery of Certificated Notes and will not be considered the registered holders thereof for any purpose under the Indenture, and no Global Security representing Book-Entry Notes shall be exchangeable or transferable. Accordingly, each Beneficial Owner must rely on the procedures of the Depository and, if that Beneficial Owner is not a Participant, on the procedures of the Participant through which that Beneficial Owner owns its interest in order to exercise any rights of a registered holder under the Indenture. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of securities in certificated form. Such limits and laws may impair the ability to transfer beneficial interests in a Global Security representing Book-Entry Notes.

Each Global Security representing Book-Entry Notes will be exchangeable for Certificated Notes of like tenor and terms and of differing authorized denominations in a like aggregate principal amount, only if (i) the Depository notifies us that it is unwilling or unable to continue as Depository for the Global Securities or we become aware that the Depository has ceased to be a clearing agency registered under the Securities Exchange Act of 1934, as amended (the Exchange Act ) and, in any such case we fail to appoint a successor to the Depository within 90 days or (ii) we, in our sole discretion, determine that the Global Securities shall be exchangeable for Certificated Notes. Upon any such exchange, the Certificated Notes shall be registered in the names of the Beneficial Owners of the Global Security or Securities representing Book-Entry Notes, which names shall be provided by the Depository's relevant Participants (as identified by the Depository) to the Trustee.

The following is based on information furnished by the Depository:

The Depository will act as securities depository for the Book-Entry Notes. The Book-Entry Notes will be issued as fully registered securities registered in the name of Cede & Co. (the Depository's partnership nominee). One fully registered Global Security will be issued for each issue of Book-Entry Notes, each in the aggregate principal amount of such issue, and will be deposited with the Depository. If, however, the aggregate principal amount of any issue exceeds \$500,000,000, one Global Security will be issued with respect to each \$500,000,000 of principal amount and an additional Global Security will be issued with respect to any remaining principal amount of such issue.

The Depository is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. The Depository holds securities that its participants ( Participants ) deposit with the Depository. The Depository also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants of the Depository ( Direct Participants ) include securities brokers and dealers (including the Agents), banks, trust companies, clearing corporations and certain other organizations. The Depository is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the Depository's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ( Indirect Participants ). The rules applicable to the Depository and its Participants are on file with the Securities and Exchange Commission.

Purchases of Book-Entry Notes under the Depository's system must be made by or through Direct Participants, which will receive a credit for such Book-Entry Notes on the Depository's records. The ownership interest of each actual purchaser of each Book-Entry Note represented by a Global Security ( Beneficial Owner ) is in turn to be recorded on the records of Direct Participants and Indirect Participants. Beneficial Owners will not receive written confirmation from the Depository of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct



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Participants through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in a Global Security representing Book-Entry Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners of a Global Security representing Book-Entry Notes will not receive Certificated Notes representing their ownership interests therein, except in the event that use of the book-entry system for such Book-Entry Notes is discontinued.

To facilitate subsequent transfers, all Global Securities representing Book-Entry Notes which are deposited with, or on behalf of, the Depository are registered in the name of the Depository's nominee, Cede & Co. The deposit of Global Securities with, or on behalf of, the Depository and their registration in the name of Cede & Co. effect no change in beneficial ownership. The Depository has no knowledge of the actual Beneficial Owners of the Global Securities representing the Book-Entry Notes; the Depository's records reflect only the identity of the Direct Participants to whose accounts such Book-Entry Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by the Depository to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither the Depository nor Cede & Co. will consent or vote with respect to the Global Securities representing the Book-Entry Notes. Under its usual procedures, the Depository mails an Omnibus Proxy to a company as soon as possible after the applicable record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Book-Entry Notes are credited on the applicable record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and/or interest, if any, payments on the Global Securities representing the Book-Entry Notes will be made in immediately available funds to the Depository. The Depository's practice is to credit Direct Participants' accounts on the applicable payment date in accordance with their respective holdings shown on the Depository's records unless the Depository has reason to believe that it will not receive payment on such date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such Participant and not of the Depository, the Trustee or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to the Depository is the responsibility of the Company and the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of the Depository, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants.

If applicable, redemption notices shall be sent to Cede & Co. If less than all of the Book-Entry Notes of like tenor and terms are being redeemed, the Depository's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

A Beneficial Owner shall give notice of any option to elect to have its Book-Entry Notes repaid by us, through its Participant, to the Trustee, and shall effect delivery of such Book-Entry Notes by causing the Direct Participant to transfer the Participant's interest in the Global Security or Securities representing such Book-Entry Notes, on the Depository's records, to the Trustee. The requirement for physical delivery of Book-Entry Notes in connection with a demand for repayment will be deemed satisfied when the ownership rights in the Global Security or Securities representing such Book-Entry Notes are transferred by Direct Participants on the Depository's records.

The Depositary may discontinue providing its services as securities depository with respect to the Book-Entry Notes at any time by giving reasonable notice to us or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Certificated Notes are required to be printed and delivered.

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We may decide to discontinue use of the system of book-entry transfers through the Depository (or a successor securities depository). In that event, Certificated Notes will be printed and delivered.

The information in this section concerning the Depository and the Depository's system has been obtained from sources that we believe to be reliable, but neither we nor any Agent takes any responsibility for the accuracy thereof.

### **Sinking Fund**

Unless otherwise specified in the applicable pricing supplement, no sinking fund will be provided for the Notes.

### **Redemption**

The Notes will not generally be redeemable prior to their Maturity Date. We, in the applicable pricing supplement relating to a Note, may specify that a Note will be redeemable at our option on a date or dates specified prior to its Maturity Date at a price or prices set forth in the applicable pricing supplement, together with accrued interest to the date of redemption. We may redeem any of the Notes which are redeemable and remain outstanding either in whole or from time to time in part, upon not less than 30, nor more than 60, days notice. If less than all of the Notes with like tenor and terms are redeemed, the Notes to be redeemed shall be selected by the Trustee by such method as the Trustee shall deem fair and appropriate, which may include selection pro rata or by lot.

Any redemption affecting a Global Security will be made in accordance with the provisions of the Indenture and the rules and procedures of the Depository.

The amount of any Discount Note payable in the event of redemption by us or acceleration of the Maturity Date thereof, in lieu of the stated principal amount due at the Maturity Date, shall be the Amortized Face Amount of such Discount Note as of the date of such redemption, repayment or acceleration. The Amortized Face Amount of a Discount Note shall be the amount equal to:

the Issue Price of such Discount Note set forth in the applicable pricing supplement plus

the portion of the difference between the Issue Price and the principal amount of such Discount Note that has accrued at the yield to maturity set forth in the pricing supplement (computed in accordance with generally accepted United States bond yield computation principles) at the date as of which the Amortized Face Amount is calculated.

In no event shall the Amortized Face Amount of such Discount Note exceed its stated principal amount. See also Certain U.S. Federal Income Tax Considerations U.S. Holders.

### **Repayment and Repurchase**

The Notes will not generally be repayable at the option of the holder prior to their Maturity Date. We, in the pricing supplement relating to a Note, may specify that a Note will be repayable at the option of the holder on a date or dates specified prior to its Maturity Date at a price or prices set forth in the applicable pricing supplement, together with accrued interest to the date of repayment.

In order for a Note to be repaid, the Paying Agent must receive at least 30, but not more than 45, days prior to the repayment date:

the Note with the form entitled Option to Elect Repayment on the reverse of the Note duly completed or

a facsimile transmission or a letter from a member of a national securities exchange or the National Association of Securities Dealers, Inc. or a commercial bank or trust company in the United States of America setting forth the name of the holder of the Note, the principal amount of the Note, the principal amount of the Note to be repaid, the certificate number or a description of the tenor and terms of the Note, a statement that the option to elect repayment is being exercised thereby and a



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guarantee that the Note to be repaid with the form entitled "Option to Elect Repayment" on the reverse of the Note duly completed will be received by the Paying Agent not later than five Business Days after the date of such facsimile transmission or letter and such Note and form duly completed are received by the Paying Agent by such fifth Business Day.

Exercise of the repayment option by the holder of a Note shall be irrevocable. The repayment option may be exercised by the holder of a Note for less than the entire principal amount of the Note provided that the principal amount of the Note remaining outstanding after repayment is an authorized denomination.

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

**Certain Limitations on Claims in Bankruptcy**

If a bankruptcy proceeding is commenced in respect of the Company, the claim of the holder of a Discount Note may, under Section 502(b)(2) of Title 11 of the United States Code, be limited to the issue price of such Note plus that portion of any original issue discount that is amortized from the date of issue to the commencement of the proceeding.

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**CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS**

**General**

This section summarizes certain U.S. tax consequences to holders of Notes. The discussion is limited in the following ways:

The discussion covers you only if you buy your Notes in the initial offering of a particular issuance of Notes.

The discussion covers you only if you hold your Notes as a capital asset (that is, for investment purposes), and if you do not have a special tax status.

The discussion does not cover tax consequences that depend upon your particular tax situation in addition to your ownership of Notes. We suggest that you consult your tax advisor about the consequences of holding Notes in your particular situation.

This discussion does not address tax considerations that may be important to certain categories of investors subject to special rules including, but not limited to, financial institutions, insurance companies, tax-exempt organizations, dealers in securities, U.S. expatriates, persons who hold the Notes as part of a hedge, straddle, conversion, or other risk-reduction transaction, persons subject to alternative minimum tax, or persons who have a functional currency other than the U.S. dollar.

The discussion is based on current law. Changes in the law may change the tax treatment of the Notes, possibly on a retroactive basis.

The discussion does not cover state, local or foreign law.

The discussion does not cover every type of Note that we might issue. If we intend to issue a Note of a type not described in this summary, or of a type described in this summary with terms warranting additional tax discussion, additional tax information will be provided in the pricing supplement for the Note.

We have not requested, nor do we intend to obtain, a ruling from the Internal Revenue Service (the IRS) on the tax consequences of owning or disposing of the Notes. As a result, the IRS could disagree with portions of this discussion.

**If you are considering buying Notes, we suggest that you consult your tax advisor about the tax consequences of holding the Notes in your particular situation.**

**U.S. Holders**

This section applies to you if you are a U.S. Holder. A U.S. Holder is:

an individual U.S. citizen or resident alien;

a corporation or entity taxable as a corporation for U.S. Federal income tax purposes that was created under U.S. law (Federal or state); or

an estate or trust whose world-wide income is subject to U.S. Federal income tax.

If a partnership holds Notes, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. If you are a partner of a partnership holding Notes, we suggest that you consult your tax advisor.

***Payments of Interest***

The tax treatment of interest paid on the Notes depends upon whether the interest is Qualified Stated Interest. A Note may have some interest that is Qualified Stated Interest and some that is not.



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Qualified Stated Interest is any interest that meets all the following conditions:

It is payable at least once each year.

It is payable over the entire term of the Note.

It is payable at a single fixed rate applied to the outstanding principal of the Notes or, subject to certain conditions and limitations, is based on one or more indices.

The Note has a maturity of more than one year from its issue date.

If any interest on a Note is Qualified Stated Interest, then

If you are a cash method taxpayer (including most individual holders), you must report that interest in your income when you receive it.

If you are an accrual method taxpayer, you must report that interest in your income as it accrues.

If any interest on a Note is not Qualified Stated Interest, it is subject to the rules for original issue discount (OID) described below.

### ***Determining Amount of OID***

Notes that have OID are subject to additional tax rules. The amount of OID on a Note is determined as follows:

The amount of OID on a Note is the stated redemption price at maturity of the Note minus the issue price of the Note. If such amount is zero or negative, there is no OID.

The stated redemption price at maturity of a Note is the total amount of all principal and interest payments to be made on the Note, other than Qualified Stated Interest. When all interest is Qualified Stated Interest, the stated redemption price at maturity is the same as the principal amount.

The issue price of a Note is the first price at which a substantial amount of the Notes are sold to the public (not including underwriters, wholesalers, or placement agents).

Under a special rule, if the OID determined under the general formula is very small, it is disregarded and not treated as OID. Such disregarded OID is called *de minimis* OID. If all the interest on a Note is Qualified Stated Interest, the rule applies if the amount of OID is less than the following items multiplied together: (a) .25% ( $1/4$  of 1%), (b) the number of full years from the issue date to the maturity date of the Note, and (c) the principal amount.

### ***Accrual of OID Into Income***

If a Note has OID (a Discount Note), the following consequences arise:

You must include the total amount of OID as ordinary income over the life of the Note.

You must include OID in income as the OID accrues on the Notes, even if you use the cash method of accounting. You will be required to report OID income, and in some cases pay tax on such income, before you receive the cash that corresponds to such income.

OID accrues on a Note on a constant yield method, which takes into account the compounding of interest. Under the constant yield method, the accrual of OID on a Note, combined with the inclusion into income of any Qualified Stated Interest on the Note, will result in you being taxed at approximately a constant percentage of your unrecovered investment in the Note.

The amount of OID includible in income by you is the sum of the daily portions of OID with respect to your Note for each day of the taxable year (or portion thereof) in which you hold the Note. The daily portion is determined

by allocating to each day in an accrual period a pro rata portion of the OID allocable to that accrual period.  
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Accruals of OID on a Note will generally be less in the early years and more in the later years.

If any of the interest paid on the Note is not Qualified Stated Interest, such interest is taxed solely as OID and is not separately taxed when it is paid to you.

Your tax basis in the Note is initially your cost. Your basis increases by any OID (but not Qualified Stated Interest) you report as income. Your basis decreases by any principal payments you receive on the Note, and by any interest payments you receive that are not Qualified Stated Interest.

***Notes Subject to Additional Tax Rules***

Additional or different tax rules apply to several types of Notes that we may issue.

*Short-Term Notes:* Notes with a maturity of one year or less are subject to special rules.

No interest payable on Short-Term Notes is Qualified Stated Interest. Otherwise, the amount of OID is calculated in the same manner as described above.

You may make certain elections concerning the method of accrual (i.e., straight line or constant yield) of OID on Short-Term Notes over the life of the Notes.

If you are an accrual method taxpayer or in certain other categories, you must include OID in income as it accrues.

If you are a cash method taxpayer not subject to the accrual rule described above in the preceding bullet point, you do not include OID in income until you actually receive payments on the Note. Alternatively, you can elect to include OID in income as it accrues. This election applies to all short-term notes acquired by you during the first taxable year for which the election is made and all subsequent taxable years, unless the IRS consents to a revocation.

Two special rules apply if you are a cash method taxpayer and you do not include OID in income as it accrues. First, if you sell the Note or it is paid at maturity, and you have a taxable gain, then the gain is ordinary income to the extent of the accrued OID on the Note at the time of the sale that you have not yet taken into income. Second, if you borrow money (or do not repay outstanding debt) to acquire or hold the Note, then while you hold the Note you cannot deduct any interest on the borrowing that corresponds to accrued OID on the Note until you include the OID in your income.

*Floating Rate Notes:* Floating Rate Notes are subject to special OID rules.

If the interest rate is based on a single fixed formula based on objective financial information (which may include a fixed interest rate for the initial period if certain conditions are met), all the interest generally will be Qualified Stated Interest. The amount of OID (if any), and the method of accrual of OID, will then be calculated by converting the Note's initial floating rate into a fixed rate and by applying the general OID rules described above.

The Qualified Stated Interest allocable to an accrual period is increased (or decreased) if the interest actually paid during such accrual period exceeds (or is less than) the interest assumed to be paid during the accrual period.

If the Note has more than one formula for interest rates, it is possible that the combination of interest rates might create OID. We suggest that you consult your tax advisor concerning the OID accruals on such a Note.

If we issue Floating Rate Notes, additional discussion of tax consequences relating to the particular terms of the Notes issued will be included in the pricing supplement for such Notes.

*Foreign Currency Notes:* Foreign Currency Notes are subject to special tax rules.

If you are a cash method taxpayer, you will be taxed on the U.S. dollar value of any foreign currency you receive as interest. The dollar value will be determined as of the date when you receive the payments.



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If you are an accrual method taxpayer, you must report interest income as it accrues. You can use the average foreign currency exchange rate during the relevant interest accrual period (or, if that period spans two taxable years, during the portion of the interest accrual period in the relevant taxable year) to determine the U.S. dollar value of interest accruals. In such case, you will make an adjustment (that is, you will have exchange gain or loss, which is treated as ordinary income or loss) upon receipt of the foreign currency to reflect actual exchange rates at that time. Certain alternative elections for determining the U.S. dollar value of interest accruals may also be available.

Any OID on Foreign Currency Notes will be determined in the relevant foreign currency. You must accrue OID in the same manner that an accrual basis holder accrues interest income, including the recognition of exchange gain or loss upon payment in foreign currency.

Your initial tax basis in a Foreign Currency Note is the amount of U.S. dollars you pay for the Note (or, if you pay in foreign currency, the value of that foreign currency on the purchase date). Adjustments are made to reflect OID and other items as described above.

If you collect foreign currency upon the maturity of the Note, or if you sell the Note for foreign currency, your gain or loss will be based on the U.S. dollar value of the foreign currency you receive. For a publicly traded Foreign Currency Note, the value is determined for cash basis taxpayers on the settlement date for the sale of the Note, and for accrual basis taxpayers on the trade date for the sale (although such taxpayers can also elect the settlement date, which election must be applied consistently from year to year and cannot be changed without the consent of the IRS). You will then have a tax basis in the foreign currency equal to the value reported on the sale.

Any gain or loss on the sale or retirement of a Note will be ordinary income or loss to the extent it arises from currency fluctuations between your purchase date and sale date. Any gain or loss on the sale of foreign currency will also be ordinary income or loss.

Special rules apply to Foreign Currency Notes subject to contingencies or denominated in more than one currency. If we issue Foreign Currency Notes, additional discussion of the tax consequences relating to the particular terms of the Foreign Currency Notes issued will be included in the pricing supplement for such Notes.

*Other Categories of Notes:* Additional rules may apply to certain other categories of Notes that we may offer. The pricing supplement for these Notes may summarize these rules. In addition, we suggest that you consult your tax advisor in these situations. These categories of Notes include:

Notes with contingent payments;

Notes that you can put to the Company before their maturity;

Notes that are callable by the Company before their maturity, other than typical calls at a premium;

Indexed Notes with an index tied to currencies; and

Notes that are extendable at your option or at the option of the Company.

### ***Premium and Discount***

Additional special rules apply in the following situations involving discount or premium:

If you buy a Note in the initial offering for more than the sum of all amounts payable on the Note (other than payments of Qualified Stated Interest), the excess amount you pay will be bond premium. You can elect to use bond premium to reduce your taxable interest income from your Note. Under the election, the total premium will be allocated to interest periods, as an offset to your interest income, on a constant yield basis over the life of your Note that is, with a smaller offset in the early periods and a larger offset in the later periods. If you elect to



amortize bond premium on a Note, you must reduce your adjusted tax basis in such Note by the amount of bond premium so amortized. You make this election on your tax return for the year in which you acquire the Note.

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However, if you make the election, it automatically applies to all debt instruments with bond premium that you own during that year or that you acquire at any time thereafter, unless the IRS permits you to revoke the election. Special rules may apply if a Note is subject to a call prior to maturity at a price in excess of its stated redemption price at maturity.

Similarly, if a Note has OID and you buy it in the initial offering for more than the issue price, the excess (up to the total amount of OID) is called acquisition premium. The amount of OID you are required to include in income will be reduced by this amount over the life of the Note.

If you buy a Note in the initial offering for less than the initial offering price to the public, special rules concerning market discount may apply.

Appropriate adjustments to tax basis are made in these situations. We suggest that you consult your tax advisor if you are in one of these situations.

### ***Accrual Election***

You can elect to be taxed on the income from the Note in a different manner than described above. Under the election:

No interest is Qualified Stated Interest.

You include amounts in income as it economically accrues to you. The accrual of income is in accordance with the constant yield method, based on the compounding of interest. The accrual of income takes into account stated interest, OID (including *de minimis* OID), market discount, and premium.

Your tax basis is increased by all accruals of income and decreased by all payments you receive on the Note.

This election applies only to the Notes with respect to which it is made, although additional elections will be deemed to have been made (which may affect other notes owned by you) if this election is made with respect to a Note with bond premium or market discount.

This election is made for the taxable year in which you buy the Note and may not be revoked without the consent of the IRS.

### ***Sale or Retirement of Notes***

On your sale or retirement of your Note:

You will have taxable gain or loss equal to the difference between the amount received by you and your tax basis in the Note. Your tax basis in the Note generally is your cost, increased by OID and market discount previously included in income, and decreased by payments received by you (other than payments of Qualified Stated Interest) and bond premium amortized by you.

Your gain or loss will generally be capital gain or loss, and will be long term capital gain or loss if you held the Note for more than one year. For an individual, the maximum tax rate on long term capital gains is currently 15%. The deductibility of capital losses is subject to limitations.

If (a) you purchased the Note with *de minimis* OID, (b) you did not make the election to accrue all OID into income, and (c) you receive the principal amount of the Note upon the sale or retirement, then you will generally have capital gain equal to the amount of the *de minimis* OID.

If you sell the Note between interest payment dates, a portion of the amount you receive reflects interest that has accrued on the Note but has not yet been paid by the sale date. That amount is treated as ordinary interest income and not as sale proceeds.



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All or part of your gain may be ordinary income rather than capital gain in certain cases. These cases include sales of Short-Term Notes, Discount Notes, Notes with contingent payments, Notes acquired with market discount, or Foreign Currency Notes.

### ***Information Reporting and Backup Withholding***

Under the tax rules concerning information reporting to the IRS:

assuming you hold your Notes through a broker or other securities intermediary, the intermediary must provide information to the IRS and to you on IRS Form 1099 concerning interest, OID and retirement proceeds on your Notes, unless an exemption applies. As discussed above under **Premium and Discount**, if your Notes have OID, the amount reported to you may have to be adjusted to reflect the amount you must report on your own tax return.

similarly, unless an exemption applies, you must provide the intermediary with your Taxpayer Identification Number for its use in reporting information to the IRS. If you are an individual, this is your social security number. You are also required to comply with other IRS requirements concerning information reporting.

if you are subject to these requirements but do not comply, the intermediary must withhold 28% (increasing to a rate of 31% in 2010) of all amounts payable to you on the Notes (including principal payments). This is called **backup withholding**. If the intermediary withholds payments, you may use the withheld amount as a credit against your Federal income tax liability if you provide the required information to the IRS.

all individuals are subject to these requirements. Some holders, including all corporations, tax-exempt organizations and individual retirement accounts, are exempt from these requirements.

### **Tax Consequences to Non-U.S. Holders**

This section applies to you if you are a **Non-U.S. Holder**. A **Non-U.S. Holder** is:  
an individual that is a nonresident alien;

a corporation or entity taxable as a corporation for U.S. Federal income tax purposes created under non-U.S. law; or

an estate or trust that is not taxable in the United States on its worldwide income.

### ***Withholding Taxes***

Generally, payments of principal, interest and OID on the Notes will not be subject to U.S. withholding taxes.

However, for the exemption from withholding taxes to apply to you, you must meet one of the following requirements.

You provide a completed Form W-8BEN (or substitute form) to the bank, broker or other intermediary through which you hold your Notes. The Form W-8BEN contains your name, address and a statement that you are the beneficial owner of the Notes and that you are not a U.S. Holder.

You hold your Notes directly through a **qualified intermediary**, and the qualified intermediary has sufficient information in its files indicating that you are not a U.S. Holder. A **qualified intermediary** is a bank, broker or other intermediary that (1) is either a U.S. or non-U.S. entity, (2) is acting out of a non-U.S. branch or office and (3) has signed an agreement with the IRS providing that it will administer all or part of the U.S. Federal tax withholding rules under specified procedures.

You are entitled to an exemption from withholding tax on interest under a tax treaty between the United States and your country of residence. To claim this exemption, you must generally complete Form W-8BEN and fill out Part II of the form to state your claim for treaty benefits. In some cases,

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you may instead be permitted to provide documentary evidence of your claim to the intermediary, or a qualified intermediary may already have some or all of the necessary evidence in its files.

The interest income on the Notes is effectively connected with the conduct of your trade or business in the United States, and is not exempt from U.S. tax under a tax treaty. To claim this exemption, you must complete Form W-8ECI.

Even if you meet one of the above requirements, interest paid to you will be subject to withholding tax under any of the following circumstances:

The withholding agent or an intermediary knows or has reason to know that you are not entitled to an exemption from withholding tax. Specific rules apply for this test.

The IRS notifies the withholding agent that information that you or an intermediary provided concerning your status is false.

An intermediary through which you hold the Notes fails to comply with the procedures necessary to avoid withholding taxes on the Notes. In particular, an intermediary is generally required to forward a copy of your Form W-8BEN (or other documentary information concerning your status) to the withholding agent for the Notes. However, if you hold your Notes through a qualified intermediary or if there is a qualified intermediary in the chain of title between yourself and the withholding agent for the Notes the qualified intermediary will not generally forward this information to the withholding agent.

The amount of interest payable on a Note is based on the earnings of the Company or certain other contingencies. If this exception applies, additional information will be provided in the pricing supplement for such Notes.

You own 10% or more of the voting stock of the Company, are a controlled foreign corporation with respect to the Company, or are a bank making a loan in the ordinary course of its business. In these cases, you will be exempt from withholding taxes only if you are eligible for a treaty exemption or if the interest income is effectively connected with your conduct of a trade or business in the United States, as discussed above, and you comply with the documentary requirements to claim such benefits.

Interest payments (including OID) made to you will generally be reported to the IRS and to you on Form 1042-S. However, this reporting does not apply to you if one of the following conditions applies:

You hold your Notes directly through a qualified intermediary and the applicable procedures are complied with.

The Notes have an original maturity of 183 days or less from their issue date.

The rules regarding withholding are complex and vary depending on your individual situation. They are also subject to change. In addition, special rules apply to certain types of non-U.S. holders of Notes, including partnerships, trusts, and other entities treated as pass-through entities for U.S. Federal income tax purposes. We suggest that you consult with your tax advisor regarding the specific methods for satisfying these requirements.

***Sale or Retirement of Notes***

If you sell a Note or it is redeemed, you will not be subject to Federal income tax on any gain unless one of the following applies:

The gain is connected with a trade or business that you conduct in the United States.

You are an individual, you are present in the United States for at least 183 days during the year in which you dispose of the Note, and certain other conditions are satisfied.

The gain represents accrued interest or OID, in which case the rules for interest would apply.

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***U.S. Trade or Business***

If you hold your Note in connection with a trade or business that you are conducting in the United States:

Any interest on the Note, and any gain from disposing of the Note, generally will be subject to income tax as if you were a U.S. Holder.

If you are a corporation, you may be subject to the branch profits tax on your earnings that are connected with your U.S. trade or business, including earnings from the Note. This tax is 30%, but may be reduced or eliminated by an applicable income tax treaty.

***Estate Taxes***

If you are an individual, your Notes will not be subject to U.S. estate tax when you die. However, this rule only applies if, at your death, payments on the Notes were not connected to a trade or business that you were conducting in the United States and you did not own 10% or more of the voting stock of the Company. The determination of residency is different for purposes of U.S. federal estate tax and purposes of U.S. federal income tax. You should consult your tax advisor regarding the U.S. estate tax implications of owning the Notes.

***Information Reporting and Backup Withholding***

U.S. rules concerning information reporting and backup withholding are described above. These rules apply to Non-U.S. Holders as follows:

Principal and interest payments you receive will be automatically exempt from the usual rules if you are a Non-U.S. Holder exempt from withholding tax on interest, as described above. The exemption does not apply if the withholding agent or an intermediary knows or has reason to know that you should be subject to the usual information reporting or backup withholding rules. In addition, as described above, interest payments made to you may be reported to the IRS on Form 1042-S.

Sale proceeds you receive on a sale of your Notes through a broker may be subject to information reporting and/or backup withholding if you are not eligible for an exemption. In particular, information reporting and backup withholding may apply if you use the U.S. office of a broker, and information reporting (but not backup withholding) may apply if you use the foreign office of a broker that has certain connections to the United States. In general, you may file Form W-8BEN to claim an exemption from information reporting and backup withholding. We suggest that you consult your tax advisor concerning information reporting and backup withholding on a sale.

***Non-U.S. Tax Consequences***

This Prospectus Supplement does not address the non-U.S. tax consequences of an investment in the Notes. Consequently, any person who is or may be subject to taxation in a jurisdiction other than the United States should consult an independent professional adviser.

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**EUROPEAN UNION SAVINGS TAX DIRECTIVE**

The Council of the European Union has adopted a Directive regarding the taxation of savings income. The Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual resident in another Member State, except that Austria, Belgium and Luxembourg will instead operate a withholding system for a transitional period, unless during such period they elect otherwise.

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**Table of Contents****PLAN OF DISTRIBUTION**

We are offering the Notes on a continuing basis through the Agents. The Agents have agreed to use their reasonable efforts to solicit orders for the purchase of the Notes. We reserve the right to sell Notes directly to investors on our own behalf in those jurisdictions where we are authorized to do so. We will have the sole right to accept orders to purchase Notes and may reject any proposed purchase of Notes in whole or in part. Each Agent will have the right, in its discretion reasonably exercised, to reject any proposed purchase of Notes through it in whole or in part. Payment of the purchase price of Notes will be required to be made in immediately available funds. With respect to Notes with maturity periods that are thirty years or shorter, we will pay each Agent a commission ranging from .125% to .750%, depending upon the maturity period of the Notes sold, of the principal amount of Notes sold through such Agent. With respect to Notes sold with maturity periods in excess of thirty years, the commission amount shall be negotiated. No commission will be payable on any sales made directly by us. The following table describes the potential proceeds we will receive but does not include expenses payable by us which we estimate to be approximately \$800,000:

	<b>Price to Public</b>	<b>Agents Commissions</b>	<b>Proceeds to Us</b>
Per Note	100%	.125%-.750%	99.25%-99.875%
Total(1)	\$800,000,000	\$1,000,000-\$6,000,000	\$794,000,000-\$799,000,000

(1) Or the equivalent thereof in one or more foreign currencies.

We may also sell Notes at a discount to an Agent as principal for resale to one or more investors and other purchasers at varying prices related to prevailing market prices at the time of resale or, if set forth in the applicable pricing supplement, at a fixed public offering price, as determined by such Agent. After any initial public offering of Notes to be resold to investors and other purchasers, the public offering price (in the case of Notes to be resold at a fixed public offering price), the concession and the discount may be changed. In addition, an Agent may offer Notes purchased by it as principal to other dealers. Notes sold by an Agent to a dealer may be sold at a discount and, unless otherwise specified in the applicable pricing supplement, such discount allowed will not be in excess of the discount received by such Agent from us. Unless otherwise specified in the applicable pricing supplement, any Note purchased by an Agent as principal will be purchased at 100% of the principal amount thereof less a percentage equal to the commission applicable to an agency sale of a Note of identical maturity.

We may appoint Agents, other than or in addition to the Agents listed in this prospectus supplement, with respect to the Notes. Any other Agents will be named in the applicable pricing supplement and will enter into or otherwise agree to be bound by the terms of the selling agency agreement.

Concurrently with the offering of the Notes through the Agents or otherwise as described herein, we may issue other debt securities as described in the accompanying Prospectus.

Unless otherwise provided in the applicable pricing supplement, we do not intend to apply for the listing of these securities on a national securities exchange. Each Agent may make a market in the Notes, but such Agent is not obligated to do so and may discontinue any market-making at any time without notice. There can be no assurance as to the existence or liquidity of a secondary market for any Notes.

In connection with the offering of Notes, a specified Agent or persons on its behalf may over-allot or effect transactions that stabilize, maintain or otherwise affect the market price of the Notes with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the relevant Agent or such other person to do this. Such stabilization, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilizing, if any, shall be in compliance with all relevant laws and regulations. Such transactions may consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of Notes. If the Agents create a short position in Notes, i.e., if they sell Notes in an aggregate principal amount exceeding that set forth in the applicable pricing supplement, the Agents may reduce that short position by purchasing Notes in the open market. In general, purchases of Notes for the purpose



of stabilization or to

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reduce a short position could cause the price of Notes to be higher than it might be in the absence of such purchases.

The Agents, whether acting as agent or principal, may be deemed to be underwriters within the meaning of the Securities Act of 1933 (the Securities Act ). We have agreed to indemnify the Agents against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the Agents may be required to make in respect thereof.

Each Agent and certain of its affiliates may from time to time engage in transactions with, and perform investment banking and commercial lending services for, us and certain of our affiliates in the ordinary course of business for which they have received, or may receive, customary fees and expenses.

**LEGAL OPINIONS**

Certain legal matters relating to the Notes to be offered hereby will be passed upon for us by Flora R. Perez, Esq., Assistant General Counsel of our company, and for the Agents, if any, by Linklaters, 1345 Avenue of the Americas, 19th Floor, New York, New York 10105. Ms. Perez is a full-time employee of our company, and owns, and holds options to purchase, shares of our common stock.

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**Prospectus**

**\$800,000,000**  
**RYDER SYSTEM, INC.**  
**Debt Securities**  
**Preferred Stock**  
**Depository Shares**  
**Common Stock**  
**Warrants**  
**Stock Purchase Contracts**  
**Stock Purchase Units**

We, Ryder System, Inc., may offer from time to time

debt securities,

shares of preferred stock,

depository shares,

shares of common stock,

warrants and

stock purchase contracts and stock purchase units

in one or more series, with an aggregate principal amount (or net proceeds in the case of securities issued at an original issue discount) of up to \$800,000,000, including the equivalent thereof in other currencies, or composite currency units, such as the euro, in amounts, at prices and on terms to be determined at the time of offering.

When we offer securities pursuant to this prospectus, we will deliver to you this prospectus as well as a prospectus supplement setting forth the specific terms of the securities being offered. We urge you to read carefully this prospectus and the accompanying prospectus supplement before you make your investment decision.

Our common stock is listed on the New York Stock Exchange under the symbol R. Any common stock sold pursuant to a prospectus supplement will be listed on such exchange, subject to official notice of issuance.

Any debt securities issued under this prospectus will rank equal in right of payment with all our other unsecured and unsubordinated indebtedness.

We may sell the securities to or through underwriters and also may sell the securities directly to other purchasers or through agents or dealers.

**This prospectus may not be used to consummate sales of securities unless accompanied by a prospectus supplement.**

**These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

The date of this prospectus is November 1, 2005.

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**No dealer, salesman or other person has been authorized to give any information or to make any representations in connection with the offer made by this prospectus or any prospectus supplement other than those contained in, or incorporated by reference in, this prospectus or any prospectus supplement, and if given or made, such information or representations must not be relied upon as having been authorized by us or any agent, underwriter or dealer. This prospectus and any prospectus supplement do not constitute an offer to sell or a solicitation of any offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The delivery of this prospectus or any prospectus supplement at any time does not imply that the information contained herein or therein is correct as of any time subsequent to their respective dates.**

**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement filed by us with the Securities and Exchange Commission, or Commission, utilizing a shelf registration process. Under this shelf process, we may, from time to time, sell any combination of securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any applicable prospectus supplement together with additional information described below under the heading **Where You Can Find More Information**.

As used in this prospectus, company, we, our and us refer only to Ryder System, Inc. and not any of its subsidiaries, except where the context otherwise requires or as otherwise indicated.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and special reports, proxy statements and other information with the Commission. You may read and copy any document previously filed by us at the Commission's Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the Commission at 1-800-SEC-0330. Our filings with the Commission are also available to the public on the Commission's Internet website at <http://www.sec.gov>.

You can also inspect reports, proxy statements and other information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

We have filed with the Commission a registration statement under the Securities Act that registers the distribution of the securities offered hereby. The registration statement, including the attached exhibits and schedules, contains additional relevant information about us and the securities being offered. This prospectus, which forms part of the registration statement, omits certain of the information contained in the registration statement in accordance with the rules and regulations of the Commission. Reference is hereby made to the registration statement and related exhibits for further information with respect to us and the securities offered hereby. Statements contained in this prospectus concerning the provisions of any document are not necessarily complete and, in each instance, reference is made to the copy of such document filed as an exhibit to the registration statement or otherwise filed with the Commission. Each such statement is qualified in its entirety by such reference.

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**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

We incorporate into this prospectus by reference the following documents filed by us with the Commission, each of which should be considered an important part of this prospectus:

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2004 filed with the Commission on February 24, 2005;

Our Quarterly Reports on Form 10-Q for the periods ended March 31, 2005, June 30, 2005 and September 30, 2005 filed with the Commission on April 28, 2005, July 28, 2005 and October 27, 2005, respectively;

Our Current Reports on Form 8-K, other than information furnished pursuant to Item 2.02 or Item 7.01 of Form 8-K, filed with the Commission on February 4, 2005, February 16, 2005, February 22, 2005, May 11, 2005, June 3, 2005, July 19, 2005, August 31, 2005, September 12, 2005, September 20, 2005, September 27, 2005 and October 14, 2005;

Description of our common stock contained in our registration statement on Form 8-A filed with the Commission on September 10, 1971; and

All subsequent documents filed by us after the date of this prospectus under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act of 1934, other than any information furnished pursuant to Item 2.02 or Item 7.01 of Form 8-K or as otherwise permitted by Commission rules and regulations.

Any statement contained in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus and registration statement to the extent that a statement contained herein or in any other subsequently filed document which also is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus and registration statement. While any securities described herein remain outstanding, we will make available at no cost, upon written or oral request, to any beneficial owner and any prospective purchaser of securities described herein, any of the documents incorporated by reference in this prospectus and registration statement by writing to us at the following address or telephoning us at (305) 500-3726.

Investor Relations  
Ryder System, Inc.  
11690 NW 105<sup>th</sup> Street  
Miami, Florida 33178-1103

In addition, we make available free of charge through the Investor Relations page on our website at <http://www.ryder.com>, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the Commission. Other than the information expressly incorporated by reference into this prospectus, information on, or accessible through, our website is not a part of this prospectus, any prospectus supplement or the registration statement of which this prospectus is a part.

Exhibits to an incorporated document will not be provided unless the exhibit is specifically incorporated by reference into this prospectus.

**RYDER SYSTEM, INC.**

We operate in three reportable business segments: (1) Fleet Management Solutions, which provides full service leasing, contract maintenance, contract-related maintenance and commercial rental of trucks, tractors and trailers to customers principally in the U.S., Canada and the U.K.; (2) Supply Chain Solutions, which provides comprehensive supply chain consulting and lead logistics management solutions throughout North America and in Latin America, Europe and Asia; and (3) Dedicated Contract Carriage, which provides vehicles and drivers as part of a dedicated transportation solution in North America. Our customer base includes governments and enterprises operating in a

variety of industries including automotive, electronics, high-tech, telecommunications, manufacturing, aerospace, consumer goods, paper and paper products, office equipment, food and beverage, and general retail industries.

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We were incorporated in Florida in 1955. Our principal executive offices are located at 11690 NW 105<sup>th</sup> Street, Miami, Florida 33178-1103. Our telephone number is (305) 500-3726. Our website is <http://www.ryder.com>.

**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Forward-looking statements (within the meaning of the Federal Private Securities Litigation Reform Act of 1995) are statements that relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends concerning matters that are not historical facts. These statements are often preceded by or include the words believe, expect, intend, estimate, anticipate, will, may, could, should or similar expressions. This prospectus and documents incorporated by reference in this prospectus contain forward-looking statements including, but not limited to, statements regarding:

our expectations as to anticipated revenue and earnings growth across all business segments;

our ability to improve our competitive advantage by leveraging our vehicle buying power, reducing vehicle downtime, providing innovative broad-based supply chain solutions and increasing our customers' competitive position;

anticipated gains on the sale of used vehicles;

our ability to successfully achieve the operational goals that are the basis of our business strategies, including offering competitive pricing, optimizing asset utilization, leveraging the expertise of our various business segments, serving our customers' global needs and expanding our support services;

our ability to successfully identify, consummate and integrate future acquisitions;

impact of losses from conditional obligations arising from guarantees;

number of NLE vehicles in inventory over the near term;

our belief as to the adequacy of our insurance coverage and funding sources and the effectiveness of our interest and foreign currency exchange rate risk management programs;

our relationship with our employees;

our belief that we can continue to realize significant savings from our cost management initiatives and process improvement actions;

potential impact and adequacy of insurance coverage for severe weather events;

estimates of capital expenditures for the remainder of the year;

the adequacy of our accounting estimates and reserves for pension expense, depreciation and residual value guarantees, self-insurance reserves, goodwill impairment, accounting changes and income taxes;

our belief that we have not entered into any other transactions since 2000 that raise the same type of issues identified by the IRS in their audit of the 1998 to 2000 tax period;

our ability to fund all of our operations in 2005 through internally generated funds and outside funding sources; and



the anticipated cost of environmental liabilities.

These statements, as well as other forward-looking statements contained in this prospectus and the documents incorporated by reference in this prospectus, are based on our current plans and expectations and are subject to risks, uncertainties and assumptions. We caution readers that certain important factors could cause actual results and events to differ significantly from those expressed in any forward-looking statements. These risk factors include, but are not limited to, the following:

Market Conditions:

Changes in general economic conditions in the U.S. and worldwide leading to decreased demand for our services, lower profit margins and increased levels of bad debt;

Changes in our customers' operations, financial condition or business environment that may limit their need for, or ability to purchase, our services;

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Changes in market conditions affecting the commercial rental market or the sale of used vehicles;

Less than anticipated growth rates in the markets in which we operate; and

The effect of severe weather events on our operations and the economy.

**Competition:**

Competition from other service providers, some of which have greater capital resources or lower capital costs;

Continued consolidation in the markets in which we operate which may create large competitors with greater financial resources;

Competition from vehicle manufacturers in our foreign FMS business operations; and

Our inability to maintain current pricing levels due to customer acceptance or competition.

**Profitability:**

Our inability to obtain adequate profit margins for our services;

Lower than expected customer retention levels;

Loss of a key customer in our SCS business segment;

Unexpected reserves and/or write-offs due to the deterioration of the credit worthiness of certain customers in our SCS business segment;

Our inability to adapt our product offerings to meet changing consumer preferences on a cost-effective basis;

The inability of our business segments to create operating efficiencies;

Increases in fuel prices, and/or availability of fuel;

Our inability to successfully implement our asset management initiatives;

An increase in the cost of, or shortages in the availability of, qualified drivers;

Labor strikes and work stoppages;

Our inability to manage our cost structure; and

Our inability to limit our exposure for customer claims.

**Government Regulation:**

Cost of compliance with new or changing government regulations, including regulations regarding vehicle emissions, drivers, hours of service and anti-terrorism and security regulations issued by the Department of Homeland Security and the U.S. Customs Service.

**Financing Concerns:**

Higher borrowing costs and possible decreases in available funding sources caused by an adverse change in our debt ratings;

Unanticipated interest rate and currency exchange rate fluctuations; and

Negative funding status of our pension plans caused by lower than expected returns on invested assets and unanticipated changes in interest rates.

Accounting Matters:

Impact of unusual items resulting from on-going evaluations of business strategies, asset valuations, acquisitions, divestitures and organizational structure;

Reductions in residual values or useful lives of revenue earning equipment;

Increases in compensation levels, retirement rate and mortality resulting in higher pension expense;

Increases in healthcare costs resulting in higher insurance reserves; and

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Changes in accounting rules, assumptions and accruals.

Other risks detailed from time to time in our Commission filings.

The risks included here are not exhaustive. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors or to assess the impact of such risk factors on our business. As a result, no assurance can be given as to our future results or achievements. You should not place undue reliance on the forward-looking statements contained herein, which speak only as of the date of this prospectus. We do not intend, or assume any obligation, to update or revise any forward-looking statements contained in this prospectus, whether as a result of new information, future events or otherwise.

**USE OF PROCEEDS**

Unless otherwise specified in the prospectus supplement, we intend to use the net proceeds from the sale of the securities offered by this prospectus and any accompanying prospectus supplement for general corporate purposes, which may include the repayment of indebtedness, working capital, capital expenditures, acquisitions and the repurchase of shares of our equity securities. Pending use for these purposes, we may invest proceeds from the sale of the securities in short-term marketable securities. The precise amount and timing of sales of any securities will be dependent on market conditions and the availability and cost of other funds to us.

**RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth the ratio of earnings to fixed charges for Ryder and its subsidiaries, whether or not consolidated, for each of the nine-month periods ended September 30, 2005 and 2004, and for each of the years in the five-year period ended December 31, 2004. For purposes of computing the ratio of earnings to fixed charges, fixed charges consist of interest expense and other financial charges plus interest capitalized and that portion (one third) of rental expense considered to be interest. Earnings are computed by adding fixed charges, except interest capitalized, to earnings from continuing operations before income taxes and cumulative effect of changes in accounting principles. Prior period ratios have been restated to exclude discontinued operations. Because we had no shares of preferred stock outstanding during any of the periods presented or as of the date of this prospectus, we do not separately present the ratio of earnings to combined fixed charges and preferred stock dividends.

<b>Nine Months Ended September 30</b>		<b>Years Ended December 31</b>				
<b>2005</b>	<b>2004</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
2.99	3.08	3.11	2.16	1.80	1.10	1.44

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**DESCRIPTION OF THE DEBT SECURITIES**

The following is a description of the general terms and provisions that may apply to the debt securities. The particular terms of any debt securities offered hereby will be described in the prospectus supplement relating to those debt securities which may add, update or change the terms described in this prospectus. To review the terms of any debt securities offered by this prospectus, you must review both this prospectus and the relevant prospectus supplement.

The debt securities will be unsecured and unsubordinated obligations of our company and will be issued from time to time under the Indenture dated as of October 3, 2003 between us and J.P. Morgan Trust Company, National Association, as trustee. The indenture is subject to and governed by the Trust Indenture Act of 1939.

Following is a brief description of certain provisions of the indenture. This description is not complete and is subject to the detailed provisions of the indenture. The indenture is incorporated by reference in the registration statement of which this prospectus is a part. Section references appearing below are to the indenture. Whenever particular provisions of the indenture are referenced, such provisions are incorporated by reference as part of the statement made, and the statement is qualified in its entirety by such reference. Any capitalized term used in this description and not defined shall have the meaning given to such term in the indenture. We urge you to read the indenture (and any amendments thereto) in its entirety because it, and not the following description, defines your rights as a holder of debt securities.

**General**

The indenture does not limit the amount of debt securities that we may issue. Debt securities may be issued up to the principal amount authorized by our board of directors from time to time. The aggregate principal amount of the debt securities to be offered by this prospectus will not exceed \$800,000,000 (or its foreign exchange rate equivalent if any debt securities are offered in currencies other than U.S. dollars).

Unless otherwise provided in the prospectus supplement accompanying this prospectus, the debt securities will be issued in fully registered form without coupons ( registered securities ). In addition, debt securities may be issued in the form of one or more global securities (each a global security ). Registered securities which are book-entry securities ( book-entry securities ) will be issued as registered global securities.

Debt securities of a single series may be issued at various times with different maturity dates and different principal repayment provisions, may bear interest at different rates, may be issued at or above par or with an original issue discount, and may otherwise vary, all as provided in the indenture.

The debt securities will be unsecured and unsubordinated general obligations of our company and will rank equal in right of payment with all our other unsecured and unsubordinated indebtedness.

Reference is made to the prospectus supplement relating to the particular series of debt securities for the following terms of such debt securities:

the title of such debt securities;

any limit upon the aggregate principal amount of such debt securities;

the initial public offering price;

the currency or currency unit of payment;

the date or date on which the principal of such debt securities is payable;

the rate or rates at which such debt securities will bear interest or the method for calculating such rate, if any, the date or dates from which such interest will accrue, the dates on which such interest will be payable and the record date for the interest payable on any interest payment date;

whether such debt securities will be issued as registered securities or bearer securities or both;



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the place where the principal of and interest on such debt securities will be payable;

the period or periods, if any, within which the price or prices at which and the terms and conditions upon which such debt securities may be redeemed by us;

whether we are obligated to redeem or purchase such debt securities pursuant to any sinking fund or at the option of a holder thereof, and the terms and conditions upon which such debt securities shall be redeemed or purchased pursuant to such obligation;

any provisions for the remarketing of the debt securities by and on behalf of us;

if other than denominations of \$1,000 and integral multiples thereof, the denominations in which such debt securities shall be issuable;

if other than the principal amount thereof, the portion of the principal amount of such debt securities which shall be payable upon declaration of acceleration of the maturity thereof;

whether the offered debt securities are to be issued in whole or in part in the form of one or more global securities and, if so, the identity of the depositary for such global security or securities and the terms and conditions, if any, upon which such global securities may be exchanged for individual certificates;

whether and under what circumstances we will pay Additional Amounts to any holder of offered debt securities who is not a United States person in respect of any tax, assessment or other governmental charge required to be withheld or deducted and, if so, whether we will have the option to redeem rather than pay any Additional Amounts;

any additions, deletions or modifications to the covenants, events of default or our ability to discharge our obligations set forth in the indenture, that will be applicable with respect to the offered debt securities; and

any other terms not inconsistent with the indenture. (Section 2.02.)

A debt security will not be valid until authenticated by the manual signature of the trustee or an authenticating agent. Such signature will be conclusive evidence that the debt security has been authenticated under the indenture. (Section 2.03.)

Some of the debt securities may be issued as original issue discount debt securities. Original issue discount securities bear no interest or bear interest at below-market rates. These are sold at a discount below their stated principal amount. If we issue these securities, the prospectus supplement will describe any special tax, accounting, or other considerations relevant to these securities.

**Transfer and Exchange**

We will maintain an office or agency in The City of New York where registered debt securities may be presented for registration of transfer or exchange ( registrar ). Unless otherwise provided in the prospectus supplement, a registered holder of debt securities will be able to transfer registered debt securities at the office of the registrar we name in the prospectus supplement. The registered holder may also exchange registered debt securities at the office of the registrar for an equal aggregate principal amount of registered debt securities of the series having the same maturity date, interest rate and other terms as long as the debt securities are issued in authorized denominations. (Sections 2.05, 2.08 and 4.04.)

Neither we nor the trustee will impose a service charge for any transfer or exchange of a debt security; however, a holder may be required to pay any tax or governmental charge in connection with a transfer or exchange of a debt security.

For a discussion of certain restrictions on the registration, transfer and exchange of global securities, see Global Securities. If we fail to maintain a registrar the trustee will act as such. We or any of our subsidiaries may act as registrar.



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**Certain Definitions**

A summary of the definitions of certain terms used in the indenture follows (reference should be made to Article I of the indenture for complete definitions of the following and other terms):

*Additional Amounts* means any additional amounts which are required by a debt security or by or pursuant to a board resolution, under circumstances specified therein, to be paid by us in respect of certain taxes, assessments or other governmental charges imposed on certain holders of debt securities.

*After-Acquired Indebtedness* means (a) pre-existing indebtedness assumed by us or a Restricted Subsidiary as a result of the acquisition of the assets or stock of an entity other than a Subsidiary of ours, (b) liens on property existing at the time of acquisition of said property and (c) indebtedness of an Unrestricted Subsidiary which is outstanding at the time such Unrestricted Subsidiary becomes a Restricted Subsidiary subsequent to the date of the indenture.

*Consolidated* when used with respect to any other term, means such term as reflected in a consolidation of our and our Restricted Subsidiaries accounts in accordance with generally accepted accounting principles.

*Foreign Financing Subsidiary* means any subsidiary not organized under the laws of the United States of America, engaged in the business of lending to, or borrowing on behalf of, us or our Restricted Subsidiaries.

*Indebtedness* means indebtedness other than Subordinated Indebtedness of ours or any of our Restricted Subsidiaries for borrowed money or leasing obligations as reflected on the Consolidated balance sheet of our company and our Restricted Subsidiaries, and indebtedness of other parties guaranteed by us or our Restricted Subsidiaries.

*Intercompany Indebtedness* means any Indebtedness owed directly between us and/or our Restricted Subsidiaries.

*Leasing Indebtedness* means the capitalized Indebtedness of any leasing obligations on personal property.

*Net Tangible Assets* means total assets as reflected on the Consolidated balance sheet of our company and our Restricted Subsidiaries, after deduction for minority interests, less: (a) goodwill and other intangibles, (b) amounts invested in, advanced to, or equity in Unrestricted Subsidiaries and (c) unamortized debt discount.

*Original Issue Discount Debt Security* means a debt security which provides that an amount less than the principal amount thereof shall become due and payable upon acceleration of the maturity or redemption thereof, or any debt security which for United States Federal income tax purposes would be considered an original issue discount debt security.

*Real Property Indebtedness* means Indebtedness secured by real property acquired by us or any of our Restricted Subsidiaries after the date of the indenture, including both mortgage and lease financing.

*Restricted Subsidiary* means any Subsidiary other than an Unrestricted Subsidiary.

*Secured Indebtedness* means Indebtedness, other than Intercompany Indebtedness, secured by a lien on any property and any unsecured Indebtedness of any Restricted Subsidiary other than a Foreign Financing Subsidiary.

*Unrestricted Subsidiary* means (a) any Subsidiary (other than a Foreign Financing Subsidiary) substantially all of the property of which is located or substantially all of the business of which is conducted outside of the United States of America or its possessions and (b) any other Subsidiary (including, if so designated, a Foreign Financing Subsidiary) so designated by our board of directors or our chief executive officer.

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### **Certain Covenants**

#### ***Limitation on Secured Indebtedness.***

Unless otherwise provided in the prospectus supplement, we and our Restricted Subsidiaries will not incur any Secured Indebtedness unless debt securities then outstanding are equally and ratably secured, with the following exceptions:

Secured Indebtedness existing at the date of the indenture;

Indebtedness of a corporation in existence at the time it becomes a Restricted Subsidiary;

After-Acquired Indebtedness;

Intercompany Indebtedness secured in favor of us or any Restricted Subsidiary;

Indebtedness deemed Secured Indebtedness by virtue of certain liens or charges not yet due or payable without penalty or which are being contested and for which reserves have been set aside;

industrial revenue bond Indebtedness;

Real Property Indebtedness;

Leasing Indebtedness not to exceed a total of 10% of Consolidated Net Tangible Assets; and

all other Secured Indebtedness (in addition to that otherwise permitted above) not to exceed a total of 20% of Consolidated Net Tangible Assets. (Section 4.06.)

#### ***Limitation on Consolidations and Mergers.***

We shall not consolidate with or merge into, or transfer all or substantially all of our assets to, another entity unless such entity assumes all the obligations under the debt securities and the indenture and certain other conditions are met (whereupon all our obligations under the indenture shall terminate). (Section 5.01.)

#### **Events of Default and Remedies**

Unless otherwise provided in the prospectus supplement, the events of default with respect to the debt securities of any series are:

default for 30 days in the payment of interest thereon;

default in the payment of principal thereof;

default in performance by us of any other agreement with respect thereto which continues for 60 days after written notice; and

certain events of bankruptcy, insolvency or reorganization. (Section 6.01.)

If an event of default is continuing with respect to the debt securities of any series, the trustee or the holders of 25% in aggregate principal amount of the debt securities of that series then outstanding, by notice in writing to us and the trustee, may accelerate the principal of such debt securities, but the holders of a majority in aggregate principal amount of such debt securities then outstanding may rescind such acceleration if all existing events of default have been cured. (Section 6.02.)

Holders of debt securities may not enforce the indenture except in the case of the failure of the trustee, for 60 days, to act after notice of an event of default and a request to enforce the indenture by the holders of 25% in aggregate principal amount of the series of debt securities affected thereby and an offer of indemnity satisfactory to the trustee. (Section 6.06.) This provision will not prevent any holder of a debt security from enforcing payment of the principal

of and interest on such debt security at the respective due dates thereof. (Section 6.07.) The holders of a majority in aggregate principal amount of the debt securities of any series then outstanding may direct the manner of conducting any proceedings for any remedy or trust power available to the trustee. The trustee, however, may refuse to follow any direction that conflicts with law or the

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indenture, is unduly prejudicial to holders of other debt securities or would involve the trustee in personal liability. (Section 6.05.)

Holders of a majority in aggregate principal amount of any series of debt securities then outstanding may waive on behalf of all holders of debt securities of that series any default with respect to that series except a default in the payment of the principal or interest on such debt securities. (Section 6.04.)

The indenture provides that the trustee may withhold notice to the holders of any series of debt securities issued of any default if the trustee considers it in the interest of such holder to do so, provided the trustee may not withhold notice of default in the payment of principal of or interest on any of the debt securities of such series.

We will furnish an annual officers' certificate to the trustee as to our compliance with all conditions and covenants set forth in the indenture. (Section 4.03.)

**Satisfaction and Discharge**

Unless otherwise provided in the prospectus supplement, we may terminate certain of our obligations under the indenture, including our obligation to comply with the covenants described above, with respect to any series of debt securities which does not provide for the payment of any Additional Amounts, on the terms and subject to the conditions contained in the indenture, by irrevocably depositing in trust with the trustee money or U.S. government obligations sufficient to pay principal and interest on such debt securities to maturity. Such deposit and termination is conditioned upon our delivery of an opinion of independent tax counsel that the holders of such debt securities will have no Federal income tax consequences as a result of such deposit and termination. (Section 8.01.)

**Modification and Waiver**

We and the trustee, with the consent of the holders of a majority in aggregate principal amount of the then outstanding debt securities affected, may execute supplemental indentures amending the indenture or such debt securities, except that no such amendment may, without the consent of the holders of the affected debt securities, among other things, change the maturity or reduce the principal amount thereof, change the rate or the time of payment of interest thereon, change any obligation on our part to pay Additional Amounts relating to a particular debt security or reduce the amount of principal of an Original Issue Discount Debt Security that would be due and payable upon a declaration of acceleration of the maturity thereof. (Sections 9.02 and 9.03.)

We and the trustee may also, without the consent of any holders of debt securities, enter into supplemental indentures for the purposes of, among other things, curing ambiguities and inconsistencies, addressing changes in generally accepted accounting principles and making changes that do not adversely affect the rights of any holders of debt securities. (Section 9.01.)

**Payment and Paying Agents**

We will maintain an office or agency where the debt securities may be presented for payment ( paying agent ). Unless otherwise provided in the prospectus supplement, payment of principal of, premium, if any, and interest, if any, on registered securities will be made in U.S. dollars at the office of such paying agent or paying agents as we may designate from time to time, except that at our option payment of any interest may be made by check mailed to the address of the person entitled thereto as such address shall appear in the security register maintained by the registrar. Unless otherwise provided in the prospectus supplement, payment of any installment of interest on registered securities will be made to the person in whose name such registered security is registered at the close of business on the regular record date for such interest. (Section 4.01.)

Unless otherwise provided in the prospectus supplement, the corporate trust office of the trustee in The City of New York will be designated as our sole paying agent for payments with respect to offered debt securities that are issuable solely as registered securities. Any paying agents outside the United States and any

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other paying agents in the United States initially designated by us for the offered debt securities will be named in the prospectus supplement. We may at any time designate additional paying agents or rescind the designation of any paying agent or approve a change in the office through which any paying agent acts, except that, if debt securities of a series are issuable solely as registered securities, we will be required to maintain a paying agent in each place of payment for such series. (Section 4.04.) If we fail to maintain a paying agent the trustee will act as such. We or any of our subsidiaries may act as paying agent.

**Global Securities**

The debt securities of a series may be issued in whole or in part in the form of one or more global securities that will be deposited with, or on behalf of, a depositary (a depositary ) identified in the prospectus supplement relating to such series. Global securities may be issued in registered, and in either temporary or definitive form. Unless and until it is exchanged in whole for debt securities in definitive form, a global security may not be transferred except as a whole by the depositary for such global security to a nominee of such depositary or by a nominee of such depositary to such depositary or another nominee of such depositary or by such depositary or any such nominee to a successor of such depositary or a nominee of such successor. (Section 2.16.)

The specific terms of any depositary arrangement with respect to the offered debt securities will be described in the prospectus supplement relating thereto. Unless otherwise specified in the prospectus supplement, we anticipate that the following provision will apply to all depositary arrangements.

Unless otherwise specified in the prospectus supplement, registered securities that are to be represented by a global security to be deposited with or on behalf of a depositary will be represented by a global security registered in the name of such depositary or its nominee. (Section 2.16.) Upon the issuance of a global security in registered form, the depositary for such global security will credit, on its book-entry registration and transfer system, the respective principal amounts of the debt securities represented by such global security to the accounts of institutions that have accounts with such depositary or its nominee ( participants ). The accounts to be credited shall be designated by the underwriters or selling agents for such debt securities, or by us if such debt securities are offered and sold directly by us. Ownership of beneficial interests in such global securities will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests in such global securities will be shown on, and the transfer of that ownership will be effected only through, records maintained by the depositary or its nominee for such global security or by participants or persons that hold through participants. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a global security.

So long as the depositary for a global security in registered form, or its nominee, is the registered owner of such global security, such depositary or such nominee, as the case may be, will be considered the sole owner or holder of the debt securities represented by such global security for all purposes under the indenture governing such debt securities. Except as set forth below, owners of beneficial interests in such global securities will not be entitled to have debt securities of the series represented by such global security registered in their names, will not receive or be entitled to receive physical delivery of debt securities of such series in definitive form and will not be considered the owners or holders thereof under the indenture.

Payment of principal of, premium, if any, and interest, if any, on debt securities registered in the name of or held by a depositary or its nominee will be made to the depositary or its nominee, as the case may be, as the registered owner or the holder of the global security representing such debt securities. None of us, the trustee, any paying agent or the registrar for such debt securities will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a global security for such debt securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. (Section 2.15.)

We expect that the depositary for debt securities of a series, upon receipt of any payment of principal of, premium, if any, or interest, if any, on permanent global securities, will immediately credit participants accounts with payments in amounts proportionate to their respective beneficial interests in the principal

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amount of such global securities as shown on the records of such depository. We also expect that payments by participants to owners of beneficial interests in such global security held through such participants will be governed by standing instructions and customary practices.

If a depository for registered securities is at any time unwilling or unable to continue as depository and a successor depository is not appointed by us within 90 days, we will issue individual certificates for the registered securities in definitive form in exchange for the global security or securities representing such registered securities. In addition, we may at any time and in our sole discretion determine not to have any registered securities represented by one or more global securities and, in such event, will issue individual certificates for the registered securities in definitive form in exchange for the global security or securities representing such registered securities. In any such instance, an owner of a beneficial interest in a global security will be entitled to physical delivery in definitive form of individual certificates for the registered securities of the series represented by such global security equal in principal amount to such beneficial interest and to have such individual certificates registered in the name of the owner of such beneficial interest. (Section 2.16.)

**Absence of Certain Covenants**

We are not restricted by the indenture from paying dividends or from incurring, assuming or becoming liable for any type of debt or other obligation or creating liens on our property, except as set forth under Certain Covenants-Limitation on Secured Indebtedness. The indenture does not require the maintenance of any financial ratios or specified levels of net worth or liquidity. The indenture contains no provisions which afford holders of the debt securities protection in the event of a highly leveraged transaction involving our company.

**Regarding the Trustee**

J.P. Morgan Trust Company, National Association is the trustee under the indenture. J.P. Morgan Trust Company, National Association and its affiliates also act as depository for funds of, makes loans to, acts as trustee and performs certain other services for, us and certain of our subsidiaries and affiliates in the normal course of our business.

**Notices**

Notices to holders of registered debt securities will be mailed by first class mail to the address on the register kept by the registrar. (Section 10.02.)

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**DESCRIPTION OF THE PREFERRED STOCK**

The following is a description of the general terms and provisions that may apply to our preferred stock. The particular terms of any series of preferred stock offered hereby will be described in the prospectus supplement relating to that series of preferred stock which may add, update or change the terms described in this prospectus. To review the terms of any preferred stock offered by this prospectus, you must review both this prospectus and the relevant prospectus supplement.

All the terms of the preferred stock are, or will be, contained in our restated articles of incorporation, the articles of amendment relating to each series of the preferred stock and our bylaws, which are, or will be, filed with the Commission at the time we issue a series of the preferred stock. The following summary is qualified in its entirety by reference to our restated articles of incorporation, the relevant articles of amendment and our bylaws. Reference is also made to the Florida Business Corporation Act, or FBCA.

Our restated articles of incorporation authorize us to issue up to 3,800,917 shares of preferred stock, no par value per share. As of the date of this prospectus, no shares of preferred stock were issued and outstanding. Subject to limitations prescribed by law, our board of directors is authorized at any time, without shareholder action, to:

issue one or more series of preferred stock;

determine the designation for any series by number, letter or title that shall distinguish the series from any other series of preferred stock; and

determine the number of shares in any series.

Our board of directors is authorized to determine, for each series of preferred stock, and the prospectus supplement relating to such series of preferred stock will set forth, the following information:

whether dividends on that series of preferred stock will be cumulative and, if so, from which date;

the dividend rate;

the dividend payment date or dates;

the liquidation preference per share of that series of preferred stock, if any;

any conversion provisions applicable to that series of preferred stock;

any redemption or sinking fund provisions applicable to that series of preferred stock;

the voting rights of that series of preferred stock, if any; and

the terms of any other preferences or special rights applicable to that series of preferred stock.

The preferred stock, when issued, will be fully paid and nonassessable.

**Rank**

The shares of preferred stock of any series will have the rank set forth in the relevant articles of amendment and described in the prospectus supplement relating to such series of preferred stock.

**Dividends**

The articles of amendment setting forth the terms of a series of preferred stock may provide that holders of that series are entitled to receive dividends, when, as and if authorized by our board of directors out of funds legally available for dividends. The rates and dates of payment of dividends and any other terms applicable to the dividends will be set forth in the relevant articles of amendment and described in the prospectus supplement relating to such series of preferred stock.

Payment of dividends on any series of preferred stock may be restricted by loan agreements, indentures and other transactions we may enter into.



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**Convertibility**

The articles of amendment setting forth the terms of a series of preferred stock may provide that, and the prospectus supplement relating to such series of preferred stock, may describe the terms, if any, on which, shares of that series are convertible into, or exchangeable for, shares of our common stock or other securities or property.

**Redemption**

If so specified in the articles of amendment setting forth the terms of a series of preferred stock, a series of preferred stock may be redeemable at our or the holder's option and/or may be mandatorily redeemed partially or in whole. Any redemption rights granted in the articles of amendment for a series of preferred stock offered hereby will be described in the relevant prospectus supplement.

Shares of preferred stock that we redeem or otherwise reacquire will resume the status of authorized and unissued shares of preferred stock undesignated as to series, and will be available for subsequent issuance.

**Liquidation**

In the event our company voluntarily or involuntarily liquidates, dissolves or winds up, the holders of each series of preferred stock may be entitled to receive a liquidation preference. The terms and conditions of any liquidation preference granted to the holders of a series of preferred stock will be set forth in the articles of amendment relating to such series and will be described in the relevant prospectus supplement.

**Voting**

The holders of preferred stock will not have any voting rights, except as required by the FBCA or as provided in the articles of amendment relating to a particular series of preferred stock and the relevant prospectus supplement.

**Other Rights**

The articles of amendment setting forth the terms of a series of preferred stock may provide that the holders of that series of preferred stock are entitled to preemptive, sinking fund or other rights. The prospectus supplement relating to such series of preferred stock will contain a description of any such rights. The rights, preferences and privileges of holders of a series of preferred stock could be subject to, and may be adversely affected by, the rights of the holders of shares of any other series of preferred stock, if any, which may be issued in the future.

**Anti-Takeover Effects of our Articles of Incorporation**

Our restated articles of incorporation provide that the consent of the holders of a majority of each series of outstanding preferred stock shall be required in order to effect a merger or consolidation of the company with or into any other corporation or the sale of all or substantially all of the assets of the company in exchange for stock or securities of another corporation unless: (i) the surviving corporation will not have, after such transaction, any stock either authorized or outstanding that ranks prior to the preferred stock, or to the stock of the surviving corporation issued in exchange therefor, in respect of payment of dividends or distribution of assets (except such stock of the company as may have been authorized or outstanding immediately prior to the transaction), and (ii) the merger or consolidation results in no change in the rights, privileges or preferences of such series of preferred stock or the stock of the surviving corporation issued in exchange therefor. While we currently do not have any shares of preferred stock outstanding, the issuance of any shares of preferred stock in the future may delay, defer or prevent a merger or sale of all or substantially all of the company's assets.

**Transfer Agent and Registrar**

We will designate the transfer agent for each series of preferred stock in the prospectus supplement.

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**DESCRIPTION OF THE DEPOSITARY SHARES**

If we elect to offer fractional shares of preferred stock, rather than full shares of preferred stock, we will issue receipts for depositary shares, and each of these depositary shares will represent a fraction of a share of a particular series of preferred stock. Each owner of a depositary share will be entitled, in proportion to the applicable fractional interest in shares of preferred stock underlying that depositary share, to all rights and preferences of the preferred stock underlying that depositary share. Those rights include dividend, voting, redemption and liquidation rights.

The shares of preferred stock underlying the depositary shares will be deposited with a depositary under a deposit agreement between us, the depositary and the holders of the depositary receipts evidencing the depositary shares. The depositary will be a bank or trust company selected by us. The depositary will also act as the transfer agent, registrar and dividend disbursing agent for the depositary shares.

Holders of depositary receipts agree to be bound by the deposit agreement, which requires holders to take certain actions such as filing proof of residence and paying certain charges.

The following is a summary of the most important terms of the depositary shares. The particular terms of any depositary shares offered hereby will be described in the prospectus supplement relating to the depositary shares which may add, update or change the terms described in this prospectus. To review the terms of any depositary shares offered by this prospectus, you must review both this prospectus and the relevant prospectus supplement.

All the terms of the depositary shares are, or will be, contained in the deposit agreement, our restated articles of incorporation and the articles of amendment for the applicable series of preferred stock that are, or will be, filed with the Commission. The following summary is qualified in its entirety by reference to the deposit agreement, our restated articles of incorporation and the articles of amendment for the applicable series of preferred stock.

**Dividends**

The depositary will distribute all cash dividends or other cash distributions received relating to the series of preferred stock underlying the depositary shares, to the record holders of depositary receipts in proportion to the number of depositary shares owned by those holders on the relevant record date. The record date for the depositary shares will be the same date as the record date for the preferred stock.

In the event of a distribution other than in cash, the depositary will distribute property received by it to the record holders of depositary receipts that are entitled to receive the distribution. However, if the depositary determines that it is not feasible to make the distribution, the depositary may, with our approval, adopt another method for the distribution. The method may include selling the property and distributing the net proceeds to the holders.

**Liquidation Preference**

In the event of our voluntary or involuntary liquidation, dissolution or winding up, the holders of each depositary share will be entitled to receive the fraction of the liquidation preference, if any, accorded each share of the applicable series of preferred stock, as set forth in the relevant prospectus supplement for the depositary shares.

**Redemption**

If a series of preferred stock underlying the depositary shares is subject to redemption, the depositary shares will be redeemed from the proceeds received by the depositary resulting from the redemption, in whole or in part, of preferred stock held by the depositary. Whenever we redeem any preferred stock held by the depositary, the depositary will redeem, as of the same redemption date, the number of depositary shares representing the preferred stock so redeemed. The redemption price per depositary share will be equal to the applicable fraction of the redemption price payable per share for the applicable series of preferred stock. If

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fewer than all the depositary shares are redeemed, the depositary shares will be selected by lot or ratably as the depositary will decide.

### **Voting**

Upon receipt of notice of any meeting at which the holders of preferred stock are entitled to vote, the depositary will mail the information contained in the notice of meeting to the record holders of the depositary receipts representing the preferred stock. Each record holder of those depositary receipts on the record date will be entitled to instruct the depositary as to the exercise of the voting rights pertaining to the amount of preferred stock underlying that holder's depositary shares. The record date for the depositary shares will be the same date as the record date for the preferred stock. The depositary will try, as far as practicable, to vote the preferred stock underlying the depositary shares in a manner consistent with the instructions of the holders of the depositary receipts. We will agree to take all action which may be deemed necessary by the depositary in order to enable the depositary to do so. The depositary will not vote the preferred stock to the extent that it does not receive specific instructions from the holders of depositary receipts.

### **Withdrawal of Preferred Stock**

Owners of depositary shares are entitled, upon surrender of depositary receipts at the principal office of the depositary and payment of any unpaid amount due the depositary, to receive the number of whole shares of preferred stock underlying the depositary shares. Partial shares of preferred stock will not be issued. These holders of preferred stock will not be entitled to deposit the shares under the deposit agreement or to receive depositary receipts evidencing depositary shares for the preferred stock.

### **Amendment and Termination of Deposit Agreement**

The form of depositary receipt evidencing the depositary shares and any provision of the deposit agreement may be amended at any time and from time to time by agreement between us and the depositary. However, any amendment which materially and adversely alters the rights of the holders of depositary shares, other than any change in fees, will not be effective unless the amendment has been approved by at least a majority of the depositary shares then outstanding. The deposit agreement automatically terminates if:

all outstanding depositary shares have been redeemed; or

there has been a final distribution relating to the preferred stock in connection with our dissolution, and that distribution has been made to all the holders of depositary shares.

### **Charges of Depositary**

We will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. We will also pay charges of the depositary in connection with the initial deposit of the preferred stock and the initial issuance of the depositary shares, any redemption of the preferred stock and all withdrawals of preferred stock by owners of depositary shares. Holders of depositary receipts will pay transfer, income and other taxes and governmental charges and certain other charges as provided in the deposit agreement. In certain circumstances, the depositary may refuse to transfer depositary shares, withhold dividends and distributions, and sell the depositary shares evidenced by the depositary receipt, if the charges are not paid.

### **Reports to Holders**

The depositary will forward to the holders of depositary receipts all reports and communications we deliver to the depositary that we are required to furnish to the holders of the preferred stock. In addition, the depositary will make available for inspection by holders of depositary receipts at the principal office of the depositary, and at other places as it thinks is advisable, any reports and communications we deliver to the depositary as the holder of preferred stock.

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**Liability and Legal Proceedings**

Neither we nor the depositary will be liable if either we or the depositary is prevented or delayed by law or any circumstance beyond our control in performing our obligations under the deposit agreement. Our obligations and those of the depositary will be limited to performance in good faith of our and their duties under the deposit agreement. Neither we nor the depositary will be obligated to prosecute or defend any legal proceeding in respect of any depositary shares or preferred stock unless satisfactory indemnity is furnished. We and the depositary may rely on written advice of counsel or accountants, on information provided by holders of depositary receipts or other persons believed in good faith to be competent to give such information and on documents believed to be genuine and to have been signed or presented by the proper persons.

**Resignation and Removal of Depositary**

The depositary may resign at any time by delivering thirty (30) days prior written notice to us of its election to do so. We may also remove the depositary at any time. Any such resignation or removal will take effect upon the appointment of a successor depositary and its acceptance of such appointment. The provisions of the depositary agreement relating to the appointment of a successor depositary will be described in the prospectus supplement relating to the depositary shares.

**Federal Income Tax Consequences**

Owners of the depositary shares will be treated for Federal income tax purposes as if they were owners of the preferred stock underlying the depositary shares. Accordingly, the owners will be entitled to take into account for Federal income tax purposes income and deductions to which they would be entitled if they were holders of the preferred stock. In addition:

no gain or loss will be recognized for Federal income tax purposes upon the withdrawal of preferred stock in exchange for depositary shares;

the tax basis of each share of preferred stock to an exchanging owner of depositary shares will, upon the exchange, be the same as the aggregate tax basis of the depositary shares exchanged; and

the holding period for preferred stock in the hands of an exchanging owner of depositary shares will include the period during which the person owned the depositary shares.

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**DESCRIPTION OF THE COMMON STOCK**

The following description of our common stock is qualified in its entirety by reference to our restated articles of incorporation and bylaws. Reference is also made to the FBCA.

As of the date of this prospectus, we were authorized to issue up to 400,000,000 shares of common stock, \$0.50 par value per share. As of September 30, 2005, 64,173,849 shares of our common stock were issued and outstanding. Our common stock is listed on the New York Stock Exchange, under the symbol R.

**Dividend Rights**

Each share of common stock is entitled to participate equally with respect to dividends declared on the common stock out of funds legally available for the payment thereof. Our restated articles of incorporation do not limit the dividends that can be paid on the common stock.

**Liquidation Rights**

After satisfaction of creditors and payments due to the holders of preferred stock, if any, the holders of common stock are entitled to share ratably in the distribution of all remaining assets.

**Voting Rights**

In general, the holders of our common stock are entitled to one vote per share for the election of directors and for other corporate purposes. Our restated articles of incorporation and/or bylaws also:

permit shareholders to remove a director with or without cause only by the affirmative vote of 75% of the voting power of the outstanding shares of voting stock, voting as a class;

provide that a vacancy on our board of directors may be filled only by a majority of remaining directors;

permit shareholders to take action only at an annual meeting, or a special meeting duly called by certain officers, our board of directors or the holders of not less than 10% of the voting power of the outstanding shares of voting stock entitled to vote on the matter;

require the affirmative vote of 75% of the voting power of the outstanding shares of voting stock, voting as a class, to approve business combinations with an interested shareholder, as defined below, or its affiliates, unless approved by a majority of the disinterested directors, as defined below, or, in some cases, if specified minimum price and procedural requirements are met; and

require the affirmative vote of 75% of the voting power of the outstanding shares of voting stock to amend specified provisions of our restated articles of incorporation and bylaws, including the provisions discussed here.

These provisions may have a significant effect on the ability of holders of our voting stock to change the composition of an incumbent board of directors or to benefit from some transactions that are opposed by an incumbent board of directors.

The term *interested shareholder* is defined in our restated articles of incorporation to include (i) a shareholder who beneficially owns 20% or more of the voting power of the outstanding shares of our voting stock, (ii) an affiliate of our company who during the preceding two years beneficially owned 20% or more of the voting power of the outstanding shares of our voting stock or (iii) a successor to any shares owned by any person referred to in sections (i) and (ii) during the preceding two years. The term *disinterested director* is defined in our restated articles of incorporation to include any director who is not an affiliate of an interested shareholder and who was a director prior to the time the interested shareholder became an interested shareholder and any successor to a disinterested director who is not an affiliate of an interested shareholder and recommended by a majority of disinterested directors. The above provisions dealing with *business combinations* between us and an interested shareholder may discriminate against a shareholder

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who becomes an interested shareholder by reason of the beneficial ownership of 20% or more in voting power of our of common or other voting stock.

The term "business combination" is defined in our restated articles of incorporation to include:

any merger or consolidation of our company or any direct or indirect majority owned subsidiary with an interested shareholder or any other corporation which is, or after such merger or consolidation would be, an affiliate of an interested shareholder;

any sale, lease, exchange, mortgage, pledge, transfer or other disposition in one transaction or a series of transactions to or with any interested shareholder or any affiliate of an interested shareholder of our assets or any direct or indirect majority owned subsidiary having an aggregate fair market value of \$100,000,000 or more;

the issuance or transfer by us or any direct or indirect majority owned subsidiary in one transaction or a series of transactions of any of our securities or any subsidiary to any interested shareholder or any affiliate of any interested shareholder in exchange for cash, securities or other property, or a combination thereof, having an aggregate fair market value of \$100,000,000 or more;

the adoption of any plan or proposal for our liquidation or dissolution proposed by or on behalf of an interested shareholder or an affiliate of an interested shareholder; or

any reclassification of securities, including any reverse stock split, or recapitalization, or any merger or consolidation of us with any of our direct or indirect majority owned subsidiaries or any other transaction which has the direct or indirect effect of increasing the proportionate share of the outstanding shares of any class of our equity or convertible securities or any direct or indirect wholly owned subsidiary which is directly or indirectly owned by any interested shareholder or any affiliate of any interested shareholder.

The holders of our common stock do not have cumulative voting rights, and therefore the holders of more than 50% of a quorum of the outstanding shares of common stock can elect all of our directors. Unless otherwise provided in our restated articles of incorporation or bylaws or in accordance with applicable law, the affirmative vote of a majority of the total number of shares represented at a meeting and entitled to vote is required for shareholder action on a matter. Voting rights for the election of directors or otherwise, if any, for any series of preferred stock, will be established by the board of directors when such series is designated.

**Board of Directors**

Our bylaws provide that our board of directors shall be divided into three classes each consisting of an equal, or as nearly equal as possible, number of directors. Each class will be elected for a three-year term, and the term of each class will expire in succeeding years. It will, therefore, require elections in three consecutive years to reelect or replace our entire board of directors.

**No Other Rights**

Holders of our common stock are not entitled to preemptive, redemption, subscription or conversion rights. The rights, preferences and privileges of holders of common stock could be subject to, and may be adversely affected by, the rights of the holders of shares of any preferred stock, if any, which may be issued in the future.

**Anti-Takeover Effects of Florida Law**

We are subject to certain anti-takeover provisions that apply to public corporations under Florida law. Pursuant to Section 607.0901 of the FBCA, a publicly held Florida corporation may not engage in a broad range of business combinations or other extraordinary corporate transactions with an interested shareholder

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without the approval of the holders of two-thirds of the voting shares of such corporation (excluding shares held by the interested shareholder) unless:

the transaction is approved by a majority of disinterested directors before the shareholder becomes an interested shareholder;

the interested shareholder has owned at least 80% of the corporation's outstanding voting shares for at least five years preceding the announcement date of any such business combination;

the interested shareholder is the beneficial owner of at least 90% of the outstanding voting shares of the corporation, exclusive of shares acquired directly from the corporation in a transaction not approved by a majority of the disinterested directors; or

the consideration paid to the holders of the corporation's voting stock is at least equal to certain fair price criteria.

An interested shareholder is defined as a person who together with affiliates and associates beneficially owns more than 10% of a corporation's outstanding voting shares.

In addition, we are subject to Section 607.0902 of the FBCA which prohibits the voting of shares in a publicly held Florida corporation that are acquired in a control share acquisition unless the holders of a majority of the corporation's voting shares, exclusive of shares owned by officers of the corporation, employee directors or the acquiring party, approve the granting of voting rights as to the shares acquired in the control share acquisition. A control share acquisition is defined as an acquisition that immediately thereafter entitles the acquiring party to 20% or more of the total voting power in an election of directors.

These statutory provisions may prevent takeover attempts that might result in a premium over the market price for our common stock.

### **Limitation of Liability and Indemnification**

Under Section 607.0831 of the FBCA, a director is not personally liable for monetary damages to the corporation or any other person for any statement, vote, decision or failure to act unless the director breached or failed to perform his duties as a director and the director's breach of, or failure to perform, those duties constitutes:

a violation of the criminal law, unless the director had reasonable cause to believe his conduct was lawful or had no reasonable cause to believe his conduct was unlawful;

a transaction from which the director derived an improper personal benefit, either directly or indirectly;

an unlawful distribution;

in a proceeding by or in the right of the corporation to procure a judgment in its favor or by or in the right of a shareholder, conscious disregard for the best interest of the corporation or willful misconduct; or

in a proceeding by or in the right of someone other than the corporation or a shareholder, recklessness or an act or omission which was committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety or property.

A corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation against any liability asserted against him and incurred by him in his capacity or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the FBCA.

Our restated articles of incorporation and bylaws provide that we shall, to the fullest extent permitted by applicable law, indemnify any present or former director, officer, employee or agent.

### **Transfer Agent and Registrar**

The transfer agent and registrar for our common stock is Computershare Investor Services, LLC.





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**DESCRIPTION OF THE WARRANTS**

The following is a description of the general terms and provisions that may apply to our warrants. The particular terms of any warrants offered hereby will be described in the prospectus supplement relating to the warrants which may add, update or change the terms described in this prospectus. To review the terms of any warrants offered by this prospectus, you must review both this prospectus and the relevant prospectus supplement.

We may issue warrants for the purchase of debt securities, common stock, preferred stock or depositary shares. The warrants may be issued independently or together with any other securities covered by this prospectus and may be attached to or separate from such securities. Each series of warrants will be issued under a separate warrant agreement to be entered into between us and a warrant agent specified in the applicable prospectus supplement. The warrant agent will act solely as our agent in connection with the warrants of such series and will not assume any obligation or relationship of agency or trust for or with any holders of the warrants.

The prospectus supplement will specify the material terms of the warrants, including a description of any other securities sold together with the warrants, and the applicable warrant agreements, including one or more of the following:

the title of the warrants;

the aggregate number of warrants offered;

the price or prices at which the warrants will be issued;

the currency or currencies, including composite currencies, in which the prices of the warrants may be payable;

the designation, number and terms of the debt securities, common stock, preferred stock, depositary shares or other securities, including rights to receive payment in cash or securities based on the value, rate or price of one or more specified commodities, currencies or indices, purchasable upon exercise of the warrants and procedures by which those numbers may be adjusted; the exercise price of the warrants and the currency or currencies, including composite currencies, in which such price is payable;

the dates or periods during which the warrants are exercisable;

the designation and terms of any securities with which the warrants are issued as a unit;

if the warrants are issued as a unit with another security, the date on and after which the warrants and the other security will be separately transferable;

if the exercise price is not payable in U.S. dollars, the foreign currency, currency unit or composite currency in which the exercise price is denominated;

any minimum or maximum amount of warrants that may be exercised at any one time;

any terms relating to the modification of the warrants; and

any other terms of the warrants, including terms, procedures and limitations relating to the transferability, exchange, exercise or redemption of the warrants.

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**DESCRIPTION OF THE STOCK PURCHASE CONTRACTS AND STOCK PURCHASE UNITS**

The following is a description of the general terms and provisions that may apply to our stock purchase contracts and stock purchase units. The prospectus supplement describing the terms of any stock purchase contracts or stock purchase units offered by this prospectus may add, update or change the terms described in this prospectus. To review the terms of any stock purchase contracts or stock purchase units offered by this prospectus, you must review both this prospectus and the relevant prospectus supplement.

We may issue stock purchase contracts obligating holders to purchase from us, and us to sell to the holders, a specified number of shares of our common stock at a future date or dates. The stock purchase contracts may be issued separately or as part of stock purchase units consisting of a stock purchase contract and an underlying debt or preferred security covered by this prospectus, U.S. Treasury security or other U.S. government or agency obligation. The holder of the unit may be required to pledge the debt, preferred security, U.S. Treasury security or other U.S. government or agency obligation to secure its obligations under the stock purchase contract.

The prospectus supplement will specify the material terms of the stock purchase contracts, the stock purchase units and any applicable pledge or depository arrangements, including one or more of the following:

the stated amount that a holder will be obligated to pay under the stock purchase contract in order to purchase our common stock;

the settlement date or dates on which the holder will be obligated to purchase shares of our common stock. The prospectus supplement will specify whether the occurrence of any events may cause the settlement date to occur on an earlier date and the terms on which any early settlement would occur;

the events, if any, that will cause our obligations and the obligations of the holder under the stock purchase contract to terminate;

the settlement rate, which is a number that, when multiplied by the stated amount of a stock purchase contract, determines the number of shares of our common stock that we will be obligated to sell and a holder will be obligated to purchase under that stock purchase contract upon payment of the stated amount of that stock purchase contract. The settlement rate may be determined by the application of a formula specified in the prospectus supplement. If a formula is specified, it may be based on the market price of our common stock over a specified period or it may be based on some other reference statistic;

whether the stock purchase contracts will be issued separately or as part of stock purchase units consisting of a stock purchase contract and an underlying debt or preferred security with an aggregate principal amount or liquidation amount equal to the stated amount;

the type of underlying security, if any, that is pledged by the holder to secure its obligations under a stock purchase contract. Underlying securities may be debt securities, preferred securities, U.S. Treasury securities or other securities;

the terms of the pledge arrangement relating to any underlying securities, including the terms on which distributions or payments of interest and principal on any underlying securities will be retained by a collateral agent, delivered to us or be distributed to the holder; and

the amount of the contract fee, if any, that may be payable by us to the holder or by the holder to us, the date or dates on which the contract fee will be payable and the extent to which we or the holder, as applicable, may defer payment of the contract fee on those payment dates.

The descriptions of the stock purchase contracts, stock purchase units and any applicable pledge or depository arrangements in this prospectus and in any prospectus supplement are summaries of the material provisions of the

applicable agreements. These descriptions do not restate those agreements in their entirety. We urge you to read the applicable agreements because they, and not the summaries, define your rights as holders of the stock purchase contracts or stock purchase units.

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**PLAN OF DISTRIBUTION**

We may sell the securities:

through underwriters or dealers;

through agents;

directly to purchasers; or

through a combination of any such methods of sale.

We will describe in a prospectus supplement the particular terms of the offering of the securities, including the following:

the names of any underwriters or dealers;

the purchase price and the proceeds we will receive from the sale (which may be the market price prevailing at the time of sale, a price related to the prevailing market price or a negotiated price);

any underwriting discounts and other items constituting underwriters' compensation;

any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers;

any over-allotment options granted to the underwriters; and

any other information we think is important.

If securities are sold through an underwritten offering, we will execute an underwriting agreement with an underwriter or underwriters. The underwriters will use this prospectus and the prospectus supplement to sell the securities. The underwriting agreement will provide that the obligations of the underwriters are subject to specified conditions precedent and that the underwriters will be obligated to purchase all the securities if any are purchased.

In connection with the sale of securities, underwriters may be considered to have received compensation from us in the form of underwriting discounts or commissions. They may also receive commissions from purchasers of securities for whom they may act as agent. Underwriters may sell securities to or through dealers. These dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters, and they may also receive commissions from the purchasers for whom they may act as agent.

If we use a dealer in the sale of the securities, we will sell the securities to the dealer, as principal. The dealer may then resell these securities to the public at varying prices to be determined by the dealer at the time of resale. The prospectus supplement will name these dealers and the terms of these arrangements. In addition, the dealers may sell the securities to other dealers. The terms under which securities may be sold by a dealer to another dealer will be described in the applicable prospectus supplement.

Underwriters, dealers and agents participating in the distribution of the securities may be deemed to be underwriters under the Securities Act. Also any discounts and commissions received by them and any profit realized by them on resale of the securities may be deemed to be underwriting discounts and commissions under the Securities Act. Underwriters, dealers and agents may be entitled under agreements with us to indemnification against and contribution toward certain civil liabilities, including liabilities under the Securities Act, and to reimbursement by us for various expenses.

In order to facilitate the offering of the securities, any underwriters or agents, as the case may be, involved in the offering of such securities may engage in transactions that stabilize, maintain or otherwise affect the price of such securities. Specifically, the underwriters or agents, as the case may be, may overallocate in connection with the offering, creating a short position in such securities for their own account. In addition, to cover overallocations or to stabilize the price of such securities, the underwriters or agents, as the case may be, may bid for, and purchase, such securities

in the open market. Finally, in any offering of such securities

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through a syndicate of underwriters, the underwriting syndicate may reclaim selling concessions allotted to an underwriter or a dealer for distributing such securities in the offering if the syndicate repurchases previously distributed securities in transactions to cover syndicate short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the securities above independent market levels. The underwriters or agents, as the case may be, are not required to engage in these activities, and may end any of these activities at any time.

We may offer and sell the securities directly to institutional investors or others. These parties may be deemed to be underwriters under the Securities Act with respect to their resales. The prospectus supplement will include the terms of these transactions.

Any common stock sold pursuant to this prospectus will be listed on the NYSE, subject to official notice of issuance. Any other securities sold pursuant to this prospectus may or may not be listed on a national securities exchange or a foreign securities exchange. The securities may not have an established trading market. No assurances can be given that there will be a market for any of the securities.

Agents, underwriters and dealers may be customers of, engage in transactions with or perform services for, us and our subsidiaries in the ordinary course of business.

**EXPERTS**

The consolidated financial statements and schedule of Ryder System, Inc. and subsidiaries as of December 31, 2004 and 2003, and for each of the years in the three-year period ended December 31, 2004, and management's assessment of the effectiveness of internal controls over financial reporting as of December 31, 2004, have been incorporated by reference herein and in the registration statement in reliance upon the reports of KPMG LLP, independent registered public accounting firm incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing. The audit report covering the December 31, 2004 financial statements refers to a change in method of accounting for variable interest entities and method of accounting for asset retirement obligations in 2003 and method of accounting for goodwill and other intangible assets in 2002.

**LEGAL OPINIONS**

Unless otherwise specified in the prospectus supplement accompanying this prospectus, certain legal matters relating to the securities to be offered hereby will be passed upon for us by Flora R. Perez, Esq., Assistant General Counsel of our company, and for the underwriters, if any, by Cravath, Swaine & Moore LLP, Worldwide Plaza, 825 Eighth Avenue, New York, New York 10019. Ms. Perez is a full-time employee of our company, and owns, and holds options to purchase, shares of our common stock.

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**\$800,000,000**

**Ryder System, Inc.  
Medium-Term Notes**

Prospectus Supplement  
December 13, 2005

**Banc of America Securities LLC**

**BNP Paribas**

**Citigroup**

**Dresdner Kleinwort Wasserstein**

**JPMorgan**

**KBC Financial Products USA Inc.**

**Morgan Stanley**

**RBC Capital Markets**

**RBS Greenwich Capital**

**SunTrust Robinson Humphrey**

**Wachovia Securities**