ENTERGY CORP /DE/
Form 424B1
December 16, 2005
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Registration No. 333-130107

P R O S P E C T U S

10,000,000 Equity Units

(Initially Consisting of 10,000,000 Corporate Units)

ENTERGY CORPORATION

7.625% Equity Units

Entergy Corporation is offering 7.625% Equity Units in this offering.

Each Equity Unit will have a stated amount of $50 and will consist of a purchase contract issued by us and, initially, a 1/20, or 5%, undivided beneficial ownership interest in a $1,000 principal amount senior note initially due February 17, 2011, issued by us, which we refer to as a Corporate Unit.

- The purchase contract will obligate you to purchase from us, no later than February 17, 2009 for a price of $50 in cash, between 0.5705 and 0.7074 shares of our common stock, subject to anti-dilution adjustments, depending on the average closing price of our common stock over the 20-trading day period ending on the third trading day prior to such date.
- We will pay you quarterly contract adjustment payments at a rate of 1.875% per year of the stated amount of $50 per Equity Unit, or $0.9375 per year, as described in this prospectus.
- The senior notes will initially bear interest at a rate of 5.75% per year, payable, initially, quarterly. The senior notes will be remarketed as described in this prospectus. In connection with this remarketing the interest rate on the senior notes will be reset and thereafter interest will be payable semi-annually at the reset rate.
- You can create Treasury Units from Corporate Units by substituting Treasury securities for your undivided beneficial ownership interest in the senior notes or the applicable ownership interest in the Treasury portfolio comprising a part of the Corporate Units, and you can recreate Corporate Units by substituting your undivided beneficial ownership interest in the senior notes or the applicable ownership interest in the Treasury portfolio for the Treasury securities comprising a part of the Treasury Units, in each case, subject to certain conditions described in this prospectus.
- Your ownership interest in the senior notes, the applicable ownership interest in the Treasury portfolio or the Treasury securities, as the case may be, will be pledged to us to secure your obligation under the related purchase contract.
- If there is a successful optional remarketing of the senior notes as described in this prospectus, and you hold Corporate Units, your applicable ownership interest in the Treasury portfolio purchased with the proceeds from the remarketing will be used to satisfy your payment obligations under the purchase contract.
- If there is a successful final remarketing of the senior notes as described in this prospectus, and you hold Corporate Units, the proceeds from the remarketing will be used to satisfy your payment obligations under the purchase contract, unless you have elected to settle with separate cash.
- The Equity Units are initially being offered only in integral multiples of 20 Corporate Units.

Our common stock is listed and traded on the New York Stock Exchange under the symbol ETR. The reported last sale price of our common stock on the New York Stock Exchange on December 14, 2005 was $70.68 per share. We have applied for listing of the Corporate Units on the

New York Stock Exchange under the symbol ETRPrA . We expect trading of the Corporate Units on the New York Stock Exchange to begin on or about December 20, 2005. Prior to this offering, there has been no public market for the Corporate Units.

Investing in our Corporate Units involves risks. See Risk Factors beginning on page 22 of this prospectus.

	Per Corporate Unit	Total
Price to public	$ 50.00	$ 500,000,000
Underwriting discounts and commissions	$ 1.50	$ 15,000,000
Proceeds to us	$ 48.50	$ 485,000,000

The initial public offering price set forth above does not include accumulated contract adjustment payments and accrued interest, if any. Contract adjustment payments on the purchase contracts and interest attributable to the undivided beneficial ownership interests in the senior notes will accrue for purchasers in this offering from December 20, 2005.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the Corporate Units to purchasers through the facilities of The Depository Trust Company on December 20, 2005.

Joint Book-running Managers

Citigroup **Morgan Stanley** **JPMorgan**

BNP PARIBAS **LaSalle Capital Markets** **Lehman Brothers**

Barclays Capital
Credit Suisse First Boston
BNY Capital Markets, Inc.
KeyBanc Capital Markets
Calyon Securities (USA) Inc.
Wachovia Securities

HVB Capital Markets, Inc.
SG Corporate & Investment Banking
Morgan Keegan & Company, Inc.
Wedbush Morgan Securities Inc.

Prospectus dated December 14, 2005.

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You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone else to provide you with different information. You should not assume that the information contained in this prospectus or the documents incorporated by reference is accurate as of any date other than as of the date of this prospectus or the date the documents incorporated by reference were filed with the SEC. We are not making an offer of these securities in any state where the offer is not permitted.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere, or incorporated by reference, in this prospectus. As a result, it does not contain all of the information that you should consider before investing in the Corporate Units. You should read the entire prospectus, including the documents incorporated by reference, which are described under Where You Can Find More Information in this prospectus. This prospectus contains or incorporates forward-looking statements. Forward-looking statements should be read with the cautionary statements and important factors included in this prospectus under Forward-Looking Statements.

Entergy Corporation

We are an integrated energy company engaged primarily in electric power production and retail electric distribution operations. Our subsidiaries own and operate power plants with approximately 30,000 MW of electric generating capacity, and we are the second-largest nuclear power generator in the United States. The domestic utility companies deliver electricity to 2.7 million utility customers in Arkansas, Louisiana, Mississippi, and Texas as of December 31, 2004. Our subsidiaries generated annual revenues of over $10 billion in 2004 and had approximately 14,400 employees as of December 31, 2004. Our principal executive offices are temporarily located at 500 Clinton Center Drive, Clinton, Mississippi 39056 and our telephone number is (504) 576-4000.

We operate primarily through three business segments: U.S. Utility, Non-Utility Nuclear, and Energy Commodity Services.

U.S. Utility generates, transmits, distributes, and sells electric power in a four-state service territory that includes portions of Arkansas, Mississippi, Texas, and Louisiana, including the City of New Orleans; and operates a small natural gas distribution business.

Non-Utility Nuclear owns and operates five nuclear power plants located in the northeastern United States and sells the electric power produced by those plants to wholesale customers. This business also provides services to other nuclear power plant owners.

Energy Commodity Services includes our non-nuclear wholesale assets business. The non-nuclear wholesale assets business sells to wholesale customers the electric power produced by power plants that it owns while it focuses on improving performance and exploring sales or restructuring opportunities for its power plants. Such opportunities are evaluated consistent with our market-based point-of-view. The non-nuclear wholesale assets business terminated new greenfield power development activity in 2002. Prior to 2005, this segment included Entergy-Koch, L.P. (Entergy-Koch), which engaged in two major businesses: energy commodity marketing and trading through Entergy-Koch Trading, and gas transportation and storage through Gulf South Pipeline. Entergy-Koch sold both of these businesses in the fourth quarter of 2004, and Entergy-Koch is no longer an operating entity. We received $862 million of cash distributions in 2004 from Entergy-Koch after the business sales, and we ultimately expect to receive total net cash distributions exceeding $1 billion, comprised of the after-tax cash from the distributions of the sales proceeds and the eventual liquidation of Entergy-Koch. We currently expect that we will receive the remaining cash distributions in 2006, and expect that the net cash distributions will exceed our equity investment in Entergy-Koch. We expect to record a $60 million net-of-tax gain when the remainder of the proceeds are received in 2006.

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The following shows the principal subsidiaries and affiliates within our business segments. Companies that file reports and other information with the SEC under the Securities Exchange Act of 1934 are identified in bold-faced type.

In addition to the domestic utility companies included as a part of the U.S. Utility segment, we also own System Energy Resources, which owns and leases an aggregate 90% undivided interest in Unit 1 of Grand Gulf Electric Steam Generating Station. System Energy sells all of the capacity and energy from its interest in Grand Gulf 1 at wholesale to its only customers, our subsidiaries, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans.

Entergy Services provides management, administrative, accounting, legal, engineering and other services primarily to the domestic utility companies and System Energy. Entergy Operations provides nuclear management, operations and maintenance services under contract for our regulated nuclear facilities, subject to owner oversight. Entergy Arkansas, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans own 35%, 33%, 19% and 13%, respectively, of System Fuels, which implements and manages certain programs to procure, deliver and store fuel supplies for those companies.

In addition to our three primary operating segments, our Competitive Retail Services business markets and sells electricity, thermal energy, and related services in competitive markets, primarily the ERCOT region in Texas, where it has over 105,000 customers. Competitive Retail Services contributed approximately 5% of our revenue in 2004, but does not currently have significant levels of net income or loss, or total assets, and we report this business as part of all other in our segment disclosures.

We aspire to achieve industry-leading total shareholder returns by leveraging the scale and expertise inherent in our core nuclear and utility operations. Our scope includes electricity generation, transmission and distribution as well as natural gas transportation and distribution. We focus on operational excellence with an emphasis on safety, reliability, customer service, sustainability, cost efficiency and risk management. We also focus on portfolio management to make periodic buy, build, hold, or sell decisions based upon our analytically-derived points of view which are continuously updated as market conditions evolve.

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In this prospectus, references to Entergy , we , our and us refer to Entergy Corporation and, unless the context otherwise indicates, do not include our subsidiaries, and references to domestic utility companies refer to our subsidiaries, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans.

Recent Developments

In August and September 2005, Hurricane Katrina and Hurricane Rita caused catastrophic damage in Louisiana, Mississippi and Texas to portions of the service territories of Entergy New Orleans, Entergy Louisiana, Entergy Mississippi and Entergy Gulf States. The storms and flooding resulted in widespread power outages, significant damage to distribution, transmission, generation, and gas infrastructure, and the loss of sales and customers due to mandatory evacuations and the destruction of homes and businesses. Total restoration costs for the repair and/or replacement of the electric and gas facilities of Entergy New Orleans, Entergy Louisiana, Entergy Mississippi and Entergy Gulf States damaged by Hurricanes Katrina and Rita and business continuity costs are estimated to be in the range of $1.1 billion to $1.4 billion. The cost estimates do not include other potential incremental losses, such as the inability to recover fixed costs scheduled for recovery through base rates, which base rate revenue was not recovered due to a loss of anticipated sales. Entergy and the domestic utility companies are pursuing a broad range of initiatives to recover storm restoration and business continuity costs and incremental losses. Initiatives include (1) obtaining reimbursement of certain costs covered by insurance, (2) obtaining assistance through federal legislation for Hurricane Rita as well as Hurricane Katrina, and (3) pursuing recovery through existing or new rate mechanisms regulated by the Federal Energy Regulatory Commission (FERC) and local regulatory bodies.

The temporary power outages associated with the hurricanes in the affected service territory caused the sales volume and receivable collections of Entergy Gulf States, Entergy Louisiana and Entergy New Orleans to be lower than normal during those outages. Revenues are expected to continue to be affected for a period of time that cannot yet be estimated as a result of the 36,000 customers at Entergy Louisiana and 87,000 customers at Entergy New Orleans that are unable to accept electric and gas service and as a result of changes in load patterns that could occur, including the effect of residential customers who can accept electric and gas service not permanently returning to their homes. As reported in our Annual Report on Form 10-K for the fiscal year ended December 31, 2004, Entergy Louisiana had 662,000 electric customers and Entergy New Orleans had 189,000 electric customers and 145,000 gas customers. Restoration for many of the customers who are unable to accept service will follow major repairs or reconstruction of customer facilities, and will be contingent on validation by local authorities of habitability and electrical safety of customers structures. Annual non-fuel revenues associated with customers who are currently unable to accept electric and gas service are estimated to be $171 million. Our estimate of the revenue impact of the extended outages and load pattern changes is subject to change, however, because of a range of uncertainties, in particular the timing of when individual customers will return to service.

Because of the effects of Hurricane Katrina, on September 23, 2005, Entergy New Orleans filed a voluntary petition in the United States Bankruptcy Court for the Eastern District of Louisiana seeking reorganization relief under the provisions of Chapter 11 of the United States Bankruptcy Code (Case No. 05-17697).

We are in the process of implementing an approximate $2.5 billion financing plan in order to provide adequate liquidity and capital resources while storm restoration cost recovery is pursued and to provide additional financial support against the potential occurrence of other unexpected events. In addition, this plan is intended to provide adequate liquidity and capital resources to support the Non-Utility Nuclear and the Competitive Retail Services businesses. This plan includes (1) a new Entergy revolving credit facility with capacity of up to $1.5 billion that we entered into on December 7, 2005 (this facility supplements our existing five year $2 billion revolving credit facility); (2) the issuance and sale of the Equity Units being offered by this

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prospectus; and (3) $150 million of first mortgage bonds issued by Entergy Louisiana on October 21, 2005 and $350 million of first mortgage bonds issued by Entergy Gulf States on December 8, 2005. In addition to this financing plan, we plan to provide funding of $300 million to Entergy Gulf States.

The Offering

What are Equity Units?

The Equity Units offered by us will initially consist of 10,000,000 Corporate Units, each with a stated amount of $50. You can create Treasury Units from Corporate Units in the manner described below under How can I create Treasury Units from Corporate Units? .

What are the components of a Corporate Unit?

Each Corporate Unit initially consists of a purchase contract and a 1/20, or 5%, undivided beneficial ownership interest in $1,000 principal amount of our senior notes initially due February 17, 2011. The undivided beneficial ownership interest in senior notes corresponds to $50 principal amount of our senior notes. The senior notes will be issued in minimum denominations of $1,000 and integral multiples of $1,000, except in certain limited circumstances. Your undivided beneficial ownership interest in senior notes comprising part of each Corporate Unit is owned by you, but it will be initially pledged to us through the collateral agent to secure your obligation under the related purchase contract. Upon a successful optional remarketing described below under What is an optional remarketing? , or if a special event redemption occurs described below under When may the senior notes be redeemed? prior to the earlier of the date of a successful remarketing and the purchase contract settlement date, the senior notes comprising part of the Corporate Units will be replaced by the Treasury portfolio described below under What is the Treasury portfolio? , and the applicable ownership interest in the Treasury portfolio will then be pledged to us through the collateral agent to secure your obligation under the related purchase contract.

What is a purchase contract?

Each purchase contract that is a component of an Equity Unit obligates you to purchase, and obligates us to sell, on February 17, 2009, which we refer to as the purchase contract settlement date, for $50 in cash, a number of newly issued shares of our common stock equal to the settlement rate. The settlement rate will be calculated, subject to adjustment under the circumstances set forth in Description of the Purchase Contracts Anti-Dilution Adjustments, as follows:

- if the applicable market value of our common stock is greater than or equal to $87.64 (subject to adjustment), which we refer to as the threshold appreciation price, the settlement rate will be 0.5705 shares of our common stock;

- if the applicable market value of our common stock is less than the threshold appreciation price but greater than $70.68 (subject to adjustment), which we refer to as the reference price, the settlement rate will be a number of shares of our common stock equal to $50 divided by the applicable market value, rounded to the nearest ten thousandth of a share; and if the applicable market value of our common stock is less than or equal to the reference price, the settlement rate will be 0.7074 shares of our common stock.

Applicable market value means the average of the closing price per share of our common stock on each of the twenty consecutive trading days ending on the third trading day immediately preceding the purchase contract settlement date. The reference price equals the last reported sale price of our common stock on the New York Stock Exchange on December 14, 2005. The threshold appreciation price represents a 24% premium over the reference price.

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We will not issue any fractional shares of our common stock upon settlement of a purchase contract. Instead of a fractional share, you will receive an amount of cash equal to this fraction multiplied by the applicable market value.

You may satisfy your obligation to purchase our common stock pursuant to the purchase contracts as described under How can I satisfy my obligation under the purchase contracts? below.

Can I settle the purchase contract early?

Subject to an optional remarketing as described below under What is an optional remarketing? , you can settle a purchase contract at any time on or after March 1, 2006 and prior to the second business day immediately preceding the first day of the final remarketing period referred to under What is a final remarketing? , in the case of Corporate Units (unless a special event redemption or a successful optional remarketing has occurred), and at any time on or after March 1, 2006 and prior to the second business day immediately preceding the purchase contract settlement date, in the case of Treasury Units or Corporate Units after the occurrence of a special event redemption or a successful optional remarketing, by paying $50 cash, in which case 0.5705 shares of our common stock will be issued to you pursuant to the purchase contract (subject to adjustment as described below under Description of the Purchase Contracts Anti-Dilution Adjustments). In addition, subject to an optional remarketing as described below under What is an optional remarketing? , if we are involved in a merger in which at least 30% of the consideration for our common stock consists of cash or cash equivalents, on or after March 1, 2006, you will have the right to settle a purchase contract early at the settlement rate in effect immediately prior to the closing of that merger. You may only elect early settlement in integral multiples of 20 Corporate Units and 20 Treasury Units. If the Treasury portfolio has replaced the senior notes as a component of the Corporate Units, holders of Corporate Units may settle early on or prior to the second business day immediately preceding the purchase contract settlement date only in integral multiples of 32,000 Corporate Units. See Description of the Purchase Contracts Early Settlement and Early Settlement Upon Cash Merger.

Your early settlement right is subject to the condition that, if required under the U.S. federal securities laws, we have a registration statement under the Securities Act of 1933 in effect and an available prospectus covering the shares of common stock and other securities, if any, deliverable upon settlement of a purchase contract. We have agreed that, if required by U.S. federal securities laws, we will use our commercially reasonable efforts to have a registration statement in effect and to provide a prospectus covering those shares of common stock or other securities to be delivered in respect of the purchase contracts being settled, subject to certain exceptions.

What is a Treasury Unit?

A Treasury Unit is an Equity Unit created from a Corporate Unit and consists of a purchase contract and a 1/20, or 5%, undivided beneficial ownership interest in a zero-coupon U.S. Treasury security with a principal amount of $1,000 that matures on February 15, 2009 (payable on the purchase contract settlement date) (CUSIP No. 912820JW8) which we refer to as a Treasury security. The ownership interest in the Treasury security that is a component of a Treasury Unit will be owned by you, but will be pledged to us through the collateral agent to secure your obligation under the related purchase contract.

How can I create Treasury Units from Corporate Units?

Subject to an optional remarketing as described below under What is an optional remarketing? , each holder of Corporate Units will have the right, at any time on or prior to the second business day immediately preceding the first day of the final remarketing period referred to below under What is a final remarketing? , to substitute for the related undivided beneficial ownership interest in senior notes or applicable ownership interests in the Treasury portfolio, as the case may be, held by the collateral agent, Treasury securities with a total principal amount at maturity equal to the aggregate principal amount of the senior notes underlying the undivided

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beneficial ownership interests in senior notes for which substitution is being made. Because Treasury securities and the senior notes are issued in minimum denominations of $1,000, holders of Corporate Units may make this substitution only in integral multiples of 20 Corporate Units. If the Treasury portfolio has replaced the senior notes as a component of the Corporate Units as a result of a special event redemption, holders of Corporate Units may substitute Treasury securities for the applicable ownership interests in the Treasury portfolio only in integral multiples of 32,000 Corporate Units. Each of these substitutions will create Treasury Units, and the senior notes underlying the undivided beneficial ownership interest in senior notes, or the applicable ownership interests in the Treasury portfolio, will be released to the holder and such senior notes will be separately tradable from the Treasury Units. If the Treasury portfolio has replaced the senior notes as a component of the Corporate Units as a result of a successful optional remarketing, holders of Corporate Units may not create Treasury Units by substituting Treasury securities for the applicable ownership interests in the Treasury portfolio.

How can I recreate Corporate Units from Treasury Units?

Subject to an optional remarketing as described below under What is an optional remarketing? , each holder of Treasury Units will have the right, at any time on or prior to the second business day immediately preceding the first day of the final remarketing period referred to below under What is a final remarketing? , to substitute for the related Treasury securities held by the collateral agent, senior notes or applicable ownership interests in the Treasury portfolio, as the case may be, having a principal amount equal to the aggregate principal amount at stated maturity of the Treasury securities for which substitution is being made. Because Treasury securities and the senior notes are issued in minimum denominations of $1,000, holders of Treasury Units may make these substitutions only in integral multiples of 20 Treasury Units. If the Treasury portfolio has replaced the senior notes as a component of the Corporate Units as a result of a special event redemption, holders of Treasury Units may substitute applicable ownership interests in the Treasury portfolio for Treasury securities only in integral multiples of 32,000 Treasury Units. Each of these substitutions will recreate Corporate Units and the applicable Treasury securities will be released to the holder and will be separately tradable from the Corporate Units. If the Treasury portfolio has replaced the senior notes as a component of the Corporate Units as a result of a successful optional remarketing, holders of Treasury Units may not recreate Corporate Units by substituting the applicable ownership interests in the Treasury portfolio for Treasury securities.

What payments am I entitled to as a holder of Corporate Units?

Holders of Corporate Units will be entitled to receive quarterly cash distributions consisting of their pro rata share of interest payments on the senior notes, equivalent to the rate of 5.75% per year on the undivided beneficial ownership interest in senior notes (or distributions on the applicable ownership interests in the Treasury portfolio if the senior notes have been replaced by the Treasury portfolio) and contract adjustment payments payable by us at the rate of 1.875% per year on the stated amount of $50 per Corporate Unit until the earliest of the purchase contract settlement date, the early settlement date (in the case of a cash merger early settlement) and the most recent quarterly payment date on or before any early settlement of the related purchase contracts (in the case of early settlement other than upon a cash merger). Our obligations with respect to the contract adjustment payments will be subordinated and junior in right of payment to our obligations under any of our senior indebtedness.

What payments will I be entitled to if I convert my Corporate Units to Treasury Units?

Holders of Treasury Units will be entitled to receive quarterly contract adjustment payments payable by us at the rate of 1.875% per year on the stated amount of $50 per Treasury Unit. There will be no distributions in respect of the Treasury securities that are a component of the Treasury Units but the holders of the Treasury Units will continue to receive the scheduled quarterly interest payments on the senior notes that were released to them when they created the Treasury Units as long as they continue to hold such senior notes.

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Do you have the option to defer current payments?

No, we do not have the right to defer the payment of contract adjustment payments in respect of the Corporate Units or the Treasury Units or the payment of interest on the senior notes.

What are the payment dates for the Corporate Units and Treasury Units?

The payments described above in respect of the Equity Units will be payable quarterly in arrears on February 17, May 17, August 17 and November 17 of each year, commencing February 17, 2006. We will make these payments to the person in whose name the Equity Unit is registered at the close of business on the first day of the month in which the payment date falls.

What is remarketing?

We refer to each of an optional remarketing and a final remarketing as a remarketing, whereby the senior notes that are a component of the Corporate Units and any separate senior notes whose holders have decided to participate in the remarketing will be remarketed, at our option, as described below under What is an optional remarketing? or, if no optional remarketing has occurred, in a final remarketing as described below under What is a final remarketing? .

What is an optional remarketing?

Unless a special event redemption or a termination event has occurred, we may elect, at our option, to remarket the senior notes on a date or dates selected by us between November 3, 2008 and November 13, 2008 (the second business day immediately preceding the November 17, 2008 interest payment date) or (unless a successful optional remarketing has occurred) between December 1, 2008 and December 11, 2008 (each of which we refer to as an optional remarketing date), whereby the aggregate principal amount of the senior notes that are a part of Corporate Units and any separate senior notes whose holders have decided to participate in the remarketing will be remarketed. We refer to each of these periods as an optional remarketing period and a remarketing on an optional remarketing date as an optional remarketing. If we elect the senior notes to be remarketed on an optional remarketing date, the remarketing agent will use its reasonable efforts to obtain a price for the senior notes to be remarketed that results in proceeds of at least 100% of the purchase price for the Treasury portfolio described below under What is the Treasury portfolio? (including, in the case of an optional remarketing occurring between December 1, 2008 and December 11, 2008, accrued and unpaid interest (prior to any reset of the interest rate) to the remarketing settlement date). We will issue a press release and request that the depositary notify its participants holding Corporate Units, Treasury Units and senior notes of our election to conduct an optional remarketing no later than 15 days prior to each optional remarketing period during which an optional remarketing will be attempted.

Following a successful optional remarketing of the senior notes on an optional remarketing date, the remarketing agent will purchase the Treasury portfolio at the Treasury portfolio purchase price, and deduct such price from the proceeds of the optional remarketing. Any remaining proceeds will be remitted by the remarketing agent for the benefit of the holders. We will separately pay a fee to the remarketing agent for its services as remarketing agent. Corporate Unit holders will not be responsible for the payment of any remarketing fee in connection with the remarketing.

The Corporate Unit holder s applicable ownership interest in the Treasury portfolio will be substituted for the holder s applicable ownership interest in the senior notes as a component of the Corporate Units and will be pledged to us through the collateral agent to secure the Corporate Unit holder s obligation under the related purchase contract. On the purchase contract settlement date, a portion of the proceeds from the Treasury portfolio equal to $50 will automatically be applied to satisfy the Corporate Unit holder s obligation to purchase common

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stock under the purchase contract and proceeds from the Treasury portfolio equal to the interest payment (assuming no reset of the interest rate) that would have been attributable to the applicable ownership interests in senior notes on February 17, 2009 will be paid to the Corporate Unit holders.

If we elect to conduct an optional remarketing on an optional remarketing date:

- you may not settle a purchase contract that is part of a Corporate Unit early during the period beginning the second business day immediately prior to the first day of the optional remarketing period until after the third business day following the last day of the optional remarketing period;
- you may not create Treasury Units during that same period; and
- you may not recreate Corporate Units from Treasury Units during that same period.

If we elect to conduct an optional remarketing on an optional remarketing date, and such remarketing is successful:

- settlement of the remarketed senior notes will occur on November 17, 2008 (in the case of an optional remarketing occurring between November 3, 2008 and November 13, 2008) or the third business day following the date of such successful optional remarketing (in the case of an optional remarketing occurring between December 1, 2008 and December 11, 2008);
- the interest rate on the senior notes will be reset on the reset effective date, which will be the settlement date of such successful optional remarketing;
- your Corporate Units will consist of a purchase contract and the applicable ownership interest in the Treasury portfolio, as described above; and
- you may not create Treasury Units or recreate Corporate Units from Treasury Units.

If we do not elect to conduct an optional remarketing during either optional remarketing period, or no optional remarketing succeeds for any reason, the senior notes will continue to be a component of the Corporate Units and the remarketing agent will use its reasonable efforts to remarket the senior notes on the final remarketing date as described below.

What is a final remarketing?

Unless the Treasury portfolio has replaced the senior notes as a component of the Corporate Units as a result of a successful optional remarketing or a special event redemption, or a termination event has occurred, remarketing of the senior notes will be attempted on a date or dates selected by us (each of which we refer to as a final remarketing date) between February 2, 2009 and February 11, 2009 (the third business day immediately preceding the purchase contract settlement date), whereby the aggregate principal amount of the senior notes that are a part of

Corporate Units and any separate senior notes whose holders have decided to participate in the remarketing will be remarketed. We refer to such period as the final remarketing period and a remarketing on a final remarketing date as the final remarketing. The remarketing agent will use its reasonable efforts to obtain a price for the senior notes to be remarketed that results in proceeds of at least 100% of the aggregate principal amount of such senior notes. We will issue a press release and request that the depositary notify its participants holding Corporate Units, Treasury Units and senior notes of the final remarketing no later than January 15, 2009.

Upon a successful final remarketing, the portion of the proceeds equal to the total principal amount of the senior notes underlying the Corporate Units will automatically be applied to satisfy in full the Corporate Unit holders obligations to purchase common stock under the related purchase contracts. If any proceeds remain after this application, the remarketing agent will remit such proceeds for the benefit of the holders. We will separately pay a fee to the remarketing agent for its services as remarketing agent. Corporate Unit holders whose senior notes are remarketed will not be responsible for the payment of any remarketing fee in connection with the remarketing.

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Upon a successful final remarketing, settlement of the remarketed senior notes will occur on February 17, 2009 and the interest rate on the senior notes will be reset on such remarketing settlement date.

What happens if the senior notes are not successfully remarketed?

Unless the Treasury portfolio has replaced the senior notes as a component of the Corporate Units as a result of a successful optional remarketing or a special event redemption, if (1) despite using its reasonable efforts, the remarketing agent cannot remarket the senior notes in a final remarketing on or prior to February 11, 2009 (the third business day immediately preceding the purchase contract settlement date) at a price equal to or greater than 100% of the aggregate principal amount of the senior notes remarketed, or (2) the final remarketing has not occurred because a condition precedent to the remarketing has not been fulfilled, in each case resulting in a failed final remarketing, holders of all senior notes will have the right to put their senior notes to us for an amount equal to the principal amount of their senior notes, plus accrued and unpaid interest, on the purchase contract settlement date. A holder of Corporate Units will be deemed to have automatically exercised this put right with respect to the senior notes underlying such Corporate Units unless, prior to 5:00 p.m., New York City time, on the second business day immediately prior to the purchase contract settlement date, the holder provides written notice of an intention to settle the related purchase contracts with separate cash and on or prior to the business day immediately preceding the purchase contract settlement date delivers to the collateral agent $50 in cash per purchase contract. This settlement with separate cash may only be effected in integral multiples of 20 Corporate Units. Unless a holder of Corporate Units has settled the related purchase contracts with separate cash on or prior to the purchase contract settlement date, the holder will be deemed to have elected to apply a portion of the proceeds of the put price equal to the principal amount of the senior notes against such holder s obligations to us under the related purchase contracts, thereby satisfying such obligations in full, and we will deliver to the holder our common stock pursuant to the related purchase contracts.

Do I have to participate in a remarketing?

You may elect not to participate in any remarketing and to retain the senior notes underlying the undivided beneficial ownership interests in senior notes comprising part of your Corporate Units by (1) creating Treasury Units at any time on or prior to the second business day immediately prior to the first day of the final remarketing period (or, if we elect an optional remarketing, the optional remarketing period), (2) settling the related purchase contracts early at any time on or prior to the second business day immediately prior to the first day of the final remarketing period (or, if we elect an optional remarketing, the optional remarketing period), or (3) in the case of a final remarketing, notifying the purchase contract agent of your intention to pay cash to satisfy your obligation under the related purchase contracts on or prior to the second business day immediately prior to the first day of the final remarketing period, and delivering the cash payment required under the purchase contracts to the collateral agent on or prior to the business day immediately prior to the first day of the final remarketing period. You can only elect to satisfy your obligation in cash in increments of 20 Corporate Units. See Description of the Purchase Contracts Notice to Settle with Cash.

If I am holding a senior note as a separate security from the Corporate Units, can I still participate in a remarketing of the senior notes?

If you hold senior notes separately you may elect, in the manner described in this prospectus, to have your senior notes remarketed by the remarketing agent along with the senior notes underlying the Corporate Units. See Description of the Senior Notes Remarketing of Senior Notes that are not Included in Corporate Units at the Option of the Holder. You may also participate in any remarketing by recreating Corporate Units from your Treasury Units at any time on or prior to the second business day immediately prior to the first day of the final remarketing period (or, if we elect an optional remarketing, the applicable optional remarketing period).

How can I satisfy my obligation under the purchase contracts?

You may satisfy your obligations under the purchase contracts as follows:

- in the case of the Corporate Units, through the automatic application of the portion of the proceeds of the final remarketing of the senior notes equal to the principal amount of the senior notes underlying the Corporate Units, as described under What is a final remarketing? above;
- through the automatic application of the proceeds of the Treasury securities, in the case of Treasury Units, or the proceeds from the Treasury portfolio equal to the principal amount of the senior notes in the case of Corporate Units if the Treasury portfolio has replaced the senior notes as a component of the Corporate Units;
- through early cash settlement as described under Can I settle the purchase contract early? above;
- in the case of Corporate Units, through cash settlement as described under Do I have to participate in a remarketing? above; or
- in the case of Corporate Units, if the senior notes are not successfully remarketed, through exercise of the put right or the delivery of separate cash as described under What happens if the senior notes are not successfully remarketed? above.

In addition, the purchase contract and pledge agreement that governs the Corporate Units and the Treasury Units provides that your obligations under the purchase contracts will be terminated without any further action upon the termination of the purchase contracts as a result of our bankruptcy, insolvency or reorganization.

If you settle a purchase contract early (other than as a result of a cash merger early settlement), or if your purchase contract is terminated as a result of our bankruptcy, insolvency or reorganization, you will have no right to receive any accrued but unpaid contract adjustment payments.

What interest payments will I receive on the senior notes or on the undivided beneficial ownership interests in senior notes?

The senior notes will bear interest initially at the rate of 5.75% per year from the original issuance date to but excluding the purchase contract settlement date or, if earlier, a remarketing settlement date, initially payable quarterly in arrears on February 17, May 17, August 17 and November 17 of each year, commencing February 17, 2006, until the purchase contract settlement date or, if earlier, a remarketing settlement date. On and after the purchase contract settlement date, or, if earlier, a remarketing settlement date, interest on each senior note will be payable semi-annually in arrears on February 17 and August 17 of each year, commencing August 17, 2009, at the reset interest rate or, if the interest rate has not been reset, at the rate of 5.75% per year. Interest will be payable to the person in whose name the senior note is registered at the close of business on the first day of the month in which the interest payment date falls.

When will the interest rate on the senior notes be reset and what is the reset rate?

Unless a special event redemption has occurred, the interest rate on the senior notes will be reset in connection with a successful remarketing as described above under What is an optional remarketing? and What is a final remarketing? , respectively. The reset rate will be the interest rate determined by the remarketing agent as the rate the senior notes should bear in order for the aggregate principal amount of senior notes remarketed to have an aggregate market value on the remarketing date of at least 100% of the treasury portfolio purchase price plus the separate senior notes purchase price, if any, in the case of an optional remarketing (and including accrued and unpaid interest, in the case of an optional remarketing occurring between December 1, 2008 and December 11, 2008 (assuming no reset of the interest rate) to the remarketing settlement date), or the aggregate principal amount of such senior notes, in the case of a final remarketing. In either case, the

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reset rate may be higher or lower than the initial interest rate of the senior notes depending on the results of the remarketing and market conditions at that time. The interest rate on the senior notes will not be reset if there is not a successful remarketing and the senior notes will continue to bear interest at the initial interest rate. The reset rate may not exceed the maximum rate, if any, permitted by applicable law.

Can the maturity date of the senior notes change?

In connection with any successful remarketing, we may elect to extend the maturity date of the senior notes to any semi-annual interest payment date that is on or prior to February 17, 2019.

When may the senior notes be redeemed?

The senior notes are redeemable at our option, in whole but not in part, upon the occurrence and continuation of a tax event or an accounting event at any time prior to the earlier of the date of a successful remarketing and the purchase contract settlement date, as described in this prospectus under Description of the Senior Notes Optional Redemption Special Event. Following any such redemption of the senior notes, which we refer to as a special event redemption, the redemption price for the senior notes that are a component of the Corporate Units will be paid to the collateral agent who will use a portion of the redemption price to purchase the Treasury portfolio described below and remit any remaining proceeds to the holders. Thereafter, the applicable ownership interests in the Treasury portfolio will replace the senior notes as a component of the Corporate Units and will be pledged to us through the collateral agent. Holders of senior notes that are not a component of the Corporate Units will receive directly the redemption price paid in such special event redemption.

In addition, in connection with any successful remarketing, we may elect, in the event we elect to extend the maturity date of the senior notes as described above under Can the maturity date of the senior notes change? , to add further redemption dates of the senior notes whereby we may, at our option, redeem the senior notes at a price equal to 100% of the principal amount of senior notes to be redeemed plus accrued and unpaid interest to the redemption date. Any such redemption date will not be earlier than February 17, 2011.

What is the Treasury portfolio?

Upon a successful optional remarketing or if a special event redemption as described under Description of the Senior Notes Optional Redemption Special Event occurs prior to the earlier of the date of a successful remarketing and the purchase contract settlement date, the senior notes will be replaced by the Treasury portfolio. The Treasury portfolio is a portfolio of U.S. Treasury securities consisting of:

- U.S. Treasury securities (or principal or interest strips thereof) that mature on February 15, 2009 in an aggregate amount equal to the principal amount of the senior notes included in Corporate Units, and

- U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to the business day immediately preceding each scheduled interest payment date after the date of the special event redemption or the successful optional remarketing, as the case may be, and on or prior to the purchase contract settlement date, in an aggregate amount at maturity equal to the aggregate interest payment (assuming no reset of the interest rate) that would have been due on such scheduled interest payment date on the principal amount of the senior notes included in the Corporate Units.

What is the ranking of the senior notes?

The senior notes will be our direct, unsecured general obligations and will rank equally with all of our other unsecured and unsubordinated debt. After giving effect to the issuance and sale of the senior notes (which are initially components of the Corporate Units) and the application of the estimated net proceeds therefrom, as of

September 30, 2005, we would have had approximately $1.695 billion of outstanding debt that would have ranked equally with the senior notes. The senior notes will not be obligations of or guaranteed by any of our subsidiaries. As a result, the senior notes will be structurally subordinated to all debt and other liabilities of our subsidiaries, which means that creditors and preferred stockholders of our subsidiaries will be paid from their assets before holders of the senior notes would have any claims to those assets. Except in limited circumstances, the indenture under which the senior notes will be issued will not limit our ability, or the ability of our subsidiaries, to issue or incur other debt or liabilities (secured or unsecured) or issue preferred stock. As a holding company, we depend on the ability of our subsidiaries to transfer funds to us to meet our obligations, including our obligations to pay interest on the senior notes. See Risk Factors Risk Factors Relating to the Equity Units We are a holding company and, therefore, the senior notes and the contract adjustment payments will be effectively subordinated to the debt and preferred stock of our subsidiaries and Description of the Senior Notes Ranking.

What are the principal United States federal income tax consequences related to Equity Units and senior notes?

Although the Internal Revenue Service (the IRS) has issued a Revenue Ruling addressing the treatment of units similar to the Equity Units, no statutory, judicial or administrative authority directly addresses the treatment of the Equity Units or instruments substantially identical to the Equity Units for U.S. federal income tax purposes. No assurance can be given that the conclusions in the Revenue Ruling would apply to the Equity Units.

An owner of Equity Units will be treated as owning an undivided beneficial interest in the purchase contract and the senior notes, the applicable ownership interests in the Treasury portfolio or Treasury securities constituting the Equity Unit, and by purchasing the Equity Units you will be deemed to have agreed to treat the purchase contracts and senior notes, the applicable ownership interests in the Treasury portfolio or Treasury securities in that manner for all tax purposes. In addition, you will be deemed to have agreed to allocate all of the purchase price paid for Equity Units to your undivided interest in senior notes, which will establish your initial tax basis in your interest in each purchase contract as $0.00 and your initial tax basis in your undivided interest in senior notes as $50.00. Because of the manner in which the interest rate on the senior notes is reset we believe that the senior notes should be classified as contingent payment debt instruments subject to the noncontingent bond method for accruing original issue discount, as set forth in the applicable Treasury Regulations. The effects of such method will be (1) to require you, regardless of your usual method of tax accounting, to use an accrual method with respect to the senior notes, (2) to require you to accrue interest income in excess of interest payments actually received for all accrual periods beginning before the earlier of the reset effective date and February 17, 2009 and (3) generally to result in ordinary rather than capital treatment of any gain or loss on the sale, exchange, or other disposition of the senior notes.

If the Treasury portfolio has replaced the senior notes as a component of the Corporate Units as a result of a successful optional remarketing or a special event redemption, a beneficial owner of Corporate Units will generally be required to include in gross income its allocable share of original issue discount on the applicable ownership interests in the Treasury portfolio as it accrues on a constant yield to maturity basis, or acquisition discount on the applicable ownership interests in the Treasury portfolio, or, in the case of a special event redemption, any interest payments made with respect to the applicable ownership interests in the Treasury portfolio. We intend to report contract adjustment payments as income to you, but you may want to consult your tax advisor concerning possible alternative characterizations. For additional information, see Certain United States Federal Income Tax Consequences.

The Offering Explanatory Diagrams

The following diagrams illustrate some of the key features of the purchase contracts, undivided beneficial ownership interests in senior notes, Corporate Units and Treasury Units as well as the transformation of Corporate Units into Treasury Units and senior notes.

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The following diagrams assume that the senior notes are successfully remarketed in a final remarketing, there has not been a special event redemption and the interest rate on the senior notes is reset on the reset effective date.

Purchase Contract

Corporate Units and Treasury Units both include a purchase contract under which the holder agrees to purchase shares of our common stock on the purchase contract settlement date. In addition, these purchase contracts include unsecured, subordinated contract adjustment payments as shown in the diagrams on the following pages.

Notes:

(1) The reference price equals the last reported sale price of our common stock on the New York Stock Exchange on December 14, 2005.
(2) The threshold appreciation price represents a 24% premium over the reference price.
(3) The applicable market value means the average of the closing price per share of our common stock on each of the twenty consecutive trading days ending on the third trading day immediately preceding the purchase contract settlement date.

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Corporate Units

A Corporate Unit consists of two components as described below:

Purchase Contract	Ownership Interest in a Senior Note
(Owed to Holder) Common Stock + Contract Adjustment Payment 1.875% per annum paid quarterly	(Owed to Holder) Interest 5.75% per annum paid quarterly[(1)] (at reset rate from February 17, 2009 paid semi-annually)
(Owed to Us)	(Owed to Holder)
$50 at Settlement (February 17, 2009)	$50 at Maturity[(2)] (February 17, 2011)[(3)]

Notes:

(1) Each owner of an undivided beneficial ownership interest in senior notes will be entitled to 1/20, or 5%, of each interest payment paid in respect of a $1,000 principal amount senior note.
(2) Senior notes will be issued in minimum denominations of $1,000, except in limited circumstances. Each undivided beneficial ownership interest in senior notes represents a 1/20, or 5%, undivided beneficial ownership interest in a $1,000 principal amount senior note.
(3) Unless the maturity date is extended as described under Description of the Senior Notes Interest Rate Reset and Extended Maturity Date.

The holder of a Corporate Unit owns the undivided beneficial ownership interest in senior notes that forms a part of the Corporate Unit but will pledge it to us through the collateral agent to secure its obligation under the related purchase contract.

If the Treasury portfolio has replaced the senior notes as a result of a successful optional remarketing or a special event redemption prior to the purchase contract settlement date, the applicable ownership interests in the Treasury portfolio will replace the senior notes as a component of the Corporate Unit. Unless the purchase contract is terminated as a result of our bankruptcy, insolvency or reorganization or the holder creates a Treasury Unit, the proceeds from the applicable ownership interest in the Treasury portfolio will be used to satisfy the holder s obligation under the related purchase contract.

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Treasury Units

A Treasury Unit consists of two components as described below:

Purchase Contract	Treasury Security[1]
(Owed to Holder)	
Common Stock	
+	
Contract Adjustment Payment	
1.875% per annum	
paid quarterly	