

ENTERGY CORP /DE/
Form S-1
December 02, 2005

As filed with the Securities and Exchange Commission on December 2, 2005.

Registration No. 333-_____

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

ENTERGY CORPORATION

(Exact name of registrant as specified in charter)

Delaware

72-1229752

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

500 Clinton Center Drive
Clinton, Mississippi 39056
(Temporary executive offices)
(504) 576-4000

(Address, including zip code, and telephone number, including area
code, of registrant's principal executive offices)

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Approximate date of commencement of proposed sale to the public

: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. []

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Amount (1)(2)	Amount of Registration Fee
Equity Units	\$500,000,000	\$53,500
Senior Notes initially due February 17, 2011 (3)		
Common Stock, \$0.01 par value per share (4)	\$500,000,000	\$53,500
Purchase contracts (5)		
Total	\$1,000,000,000	\$107,000

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) promulgated under the Securities Act of 1933.

- (2) Exclusive of accumulated contract adjustment payments and accrued interest, if any.
- (3) The senior notes are offered as a component of the Equity Units for no additional consideration.
- (4) Shares of common stock to be issued to the holders of Equity Units upon settlement of the purchase contracts. The actual number of shares of common stock to be issued will not be determined until the date of settlement of the related Equity Units.
- (5) The purchase contracts are offered as a component of the Equity Units for no additional consideration.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become

effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PROSPECTUS

Subject to Completion,
Dated December 2, 2005

Equity Units
(Initially Consisting of Corporate Units)

ENTERGY CORPORATION

% Equity Units

Entergy Corporation is offering % 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 and 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 % per year of the stated amount of \$50 per Equity Unit, or \$ per year, as described in this prospectus.
- The senior notes will initially bear interest at a rate of % 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.

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- 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 November 30, 2005 was \$70.00 per share.

Investing in our Corporate Units involves risks. See "Risk Factors" beginning on page 27 of this prospectus.

	<u>Per Corporate Unit</u>	<u>Total</u>
Price to public	\$ 50.00	\$
Underwriting discounts and commissions	\$	\$
Proceeds to us	\$	\$

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 _____, _____.

To the extent that the underwriters sell more than _____ Corporate Units, within 13 days from the date of this prospectus, the underwriters have the option to purchase up to an additional _____ Corporate Units from us, at the price to public less underwriting discounts and commissions.

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 _____, _____.

Citigroup

Prospectus dated _____, _____

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.

TABLE OF CONTENTS

Prospectus Summary	1
Risk Factors	27
Ratio of Earnings to Fixed Charges	45
Forward-Looking Statements	46
Where You Can Find More Information	48
Use of Proceeds	49
Common Stock Price Range and Dividends	49
Accounting Treatment	50
Description of the Equity Units	50
Description of the Purchase Contracts	55
Certain Provisions of the Purchase Contracts and the Purchase Contract and Pledge Agreement	72
Description of the Senior Notes	78
Description of the Common Stock	96
Certain United States Federal Income Tax Consequences	98
ERISA Considerations	110
Underwriting	112
Experts	114
Legal Matters	115

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." Except as otherwise indicated, all information in this prospectus assumes no exercise of the underwriters' option to purchase additional Corporate Units.

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.

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.

Entergy Corporation

U. S. Utility

Non-Utility Nuclear

Energy Commodity Services

-**Entergy Arkansas, Inc.** -Entergy Nuclear Operations, Inc.

Entergy-Koch
(50% ownership)

Non-Nuclear Wholesale Assets

-**Entergy Gulf States, Inc.** -Entergy Nuclear Finance, Inc. -**Entergy Louisiana, Inc.** -Entergy Nuclear Generation Co.
(Pilgrim) -Entergy Power Development Corp. -**Entergy Mississippi, Inc.** -Entergy Nuclear FitzPatrick LLC -Entergy Asset Management, Inc.
-**Entergy New Orleans, Inc.** -Entergy Nuclear Indian Point 2, LLC -Entergy Power, Inc. -**System Energy Resources, Inc.** -Entergy Nuclear Indian
Point 3, LLC -Entergy Operations, Inc. -Entergy Nuclear Vermont Yankee, LLC -Entergy Services, Inc. -Entergy Nuclear, Inc. -System Fuels,
Inc. -Entergy Nuclear Fuels Company -Entergy Nuclear Nebraska LLC

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.

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 (which would supplement our existing five year \$2 billion revolving credit facility); (2) the issuance and sale of the Equity Units being offered by this prospectus; and (3) the issuance and sale of up to \$500 million of new debt at Entergy Gulf States and Entergy Louisiana, including \$150 million of first mortgage bonds issued by Entergy Louisiana on October 21, 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 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 \$ ____ (subject to adjustment), which we refer to as the "threshold appreciation price," the settlement rate will be ____ shares of our common stock;
- if the applicable market value of our common stock is less than the threshold appreciation price but greater than \$ ____ (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 ____ 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 _____, 200_. The threshold appreciation price represents a ____ % appreciation over the reference price.

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, 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, by paying \$50 cash, in which case _____ 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 _____ 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 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 _____ 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 Corporate 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 % 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 % 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 % 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.

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 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 depository 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 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 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 depository 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.

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 on 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 % 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 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 % 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, 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 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 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 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 and the application of the net proceeds therefrom, as of September 30, 2005, we would have had approximately \$ 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. 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 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 \$ and your initial tax basis in your undivided interest in senior notes as \$. 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, to (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.

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 , 2005.

(2) The "threshold appreciation price" represents a % appreciation 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.

Corporate Units

A Corporate Unit consists of two components as described below:

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

Treasury Units

A Treasury Unit consists of two components as described below:

Purchase Contract (Owed to Holder) Common Stock + Contract Adjustment Payment % per annum paid quarterly	Treasury Security ⁽¹⁾ (Owed to Holder) \$50 at Maturity (February 15, 2009)
(Owed to Us) \$50 at Settlement (February 17, 2009)	

Notes:

(1) The holder of a Treasury Unit owns the ownership interest in the Treasury security that forms a part of the Treasury Unit but will pledge it to us through the collateral agent to secure its obligation under the related purchase contract. Unless the purchase contract is terminated as a result of our bankruptcy, insolvency or reorganization or the holder recreates a Corporate Unit, the proceeds from the Treasury security will be used to satisfy the holder's obligation under the related purchase contract.

The Senior Notes

Senior notes have the terms described below⁽¹⁾:

Senior Note

(Owed to Holder)
Interest

% per annum
paid quarterly

(at reset rate from
February 17, 2009
paid semi-annually)

(Owed to Holder)

\$1,000 at Maturity
(February 17, 2011)⁽²⁾

Notes:

(1) Unless the Treasury portfolio has replaced the senior notes as a component of the Corporate Units, Treasury Units may only be created with integral multiples of 20 Corporate Units. As a result, the creation of 20 Treasury Units will release \$1,000 principal amount of the senior notes held by the collateral agent.

(2) Unless the maturity date is extended as described under "Description of the Senior Notes - Interest Rate Reset and Extended Maturity Date."

Transforming Corporate Units into Treasury Units and Senior Notes

- Because the senior notes and the Treasury securities are issued in minimum denominations of \$1,000, holders of Corporate Units may only create Treasury Units in integral multiples of 20 Corporate Units.
- To create 20 Treasury Units, a holder separates 20 Corporate Units into their two components - 20 purchase contracts and a senior note - and then combines the purchase contracts with a Treasury security that matures on the day immediately preceding the purchase contract settlement date.
- The senior note, which is no longer a component of Corporate Units and has a principal amount of \$1,000, is released to the holder and is tradable as a separate security.
- A holder owns the Treasury security that forms a part of the Treasury Units but will pledge it to us through the collateral agent to secure its obligation under the related purchase contract.
- The Treasury security together with the 20 purchase contracts constitute 20 Treasury Units.

1/20
Ownership
Interest in
Senior Note ⁽¹⁾
₍₂₎

Purchase
Contract

1/20
Ownership
Interest in
Treasury
Security

1/20
Ownership
Interest in
Senior Note ⁽¹⁾
₍₂₎

corresponding portion of each interest payment payable in respect of, a \$1,000 principal amount senior note.

(2) Senior notes will be issued in minimum denominations of \$1,000 and integral multiples thereof, except in limited circumstances.

Illustrative Remarketing Timeline

The following timeline is for illustrative purposes only and is not definitive. The dates in this timeline are based on the time periods set forth in the purchase contract and pledge agreement and the remarketing agreement. These dates are subject to change based on changes in the number of business and/or trading days for the relevant periods.

Date	Event
No later than October 19, 2008 (15 days prior to the first day of the first optional remarketing period)	We will issue a press release and request that the depository notify its participants holding Corporate Units, Treasury Units and separate senior notes as to whether we elect to conduct an optional remarketing between November 3, 2008 and November 13, 2008. If we elect to conduct an optional remarketing, we will give notice to holders of Corporate Units, Treasury Units and separate senior notes as to the date or dates and procedures to be followed in the optional remarketing.
October 30, 2008 (2 business days prior to the first day of the first optional remarketing period)	<p>If we elect to conduct an optional remarketing between November 3, 2008 and November 13, 2008, October 30, 2008 will be the:</p> <ul style="list-style-type: none"> • last day prior to the optional remarketing to create Treasury Units from Corporate Units and recreate Corporate Units from Treasury Units (holders may once again be able to create and recreate units after November 17, 2008 if such optional remarketing fails for any reason). • last day prior to the optional remarketing for holders of Corporate Units to settle the related purchase contracts early (holders may once again be able to early settle after November 17, 2008). • last day for holders of separate senior notes to give notice of their election to participate in the optional remarketing.
November 3, 2008 to November 13, 2008	<p>Optional remarketing period:</p> <ul style="list-style-type: none"> • if a failed optional remarketing occurs, we will issue a press release. • if a successful optional remarketing occurs, the remarketing agent will purchase the Treasury portfolio.
November 17, 2008	Remarketing settlement date for the senior notes successfully remarketed during the first optional remarketing period irrespective of the optional remarketing date.
No later than November 16, 2008 (15 days prior to the first	We will issue a press release and request that the depository notify its participants holding Corporate Units, Treasury Units and separate senior notes as to whether we elect to conduct an optional remarketing between

<p>day of the second optional remarketing period)</p>	<p>December 1, 2008 and December 11, 2008. If we elect to conduct an optional remarketing, we will give notice to holders of Corporate Units, Treasury Units and separate senior notes as to the date or dates and procedures to be followed in the optional remarketing.</p>
<p>November 26, 2008 (2 business days prior to the first day of the second optional remarketing period)</p>	<p>If we elect to conduct an optional remarketing between December 1, 2008 and December 11, 2008, November 26, 2008 will be the:</p> <ul style="list-style-type: none"> • last day prior to the optional remarketing to create Treasury Units from Corporate Units and recreate Corporate Units from Treasury Units (holders may once again be able to create and recreate units after December 16, 2008 if such optional remarketing fails for any reason). • last day prior to the optional remarketing for holders of Corporate Units to settle the related purchase contracts early (holders may once again be able to early settle after December 16, 2008). • last day for holders of separate senior notes to give notice of their election to participate in the optional remarketing.
<p>December 1, 2008 to December 11, 2008</p>	<p>Optional remarketing period:</p> <ul style="list-style-type: none"> • if a failed optional remarketing occurs, we will issue a press release. • if a successful optional remarketing occurs, the remarketing agent will purchase the Treasury portfolio.
<p>Three business days after optional remarketing date during the second optional remarketing period</p>	<p>Remarketing settlement date for the senior notes successfully remarketed during the second optional remarketing period.</p>
<p>No later than January 15, 2009 (15 days prior to the first day of the final remarketing period)</p>	<p>Unless there was a successful optional remarketing, we will issue a press release and request that the depository to notify its participants holding Corporate Units, Treasury Units and separate senior notes as to the date or dates and procedures to be followed in the final remarketing.</p>
<p>January 29, 2009 (2 business days prior to the first day of the final remarketing period)</p>	<ul style="list-style-type: none"> • Last day to create Treasury Units from Corporate Units and recreate Corporate Units from Treasury Units. • Last day for holders of separate senior notes to give notice of their election to participate in the final remarketing. • Last day for holders of Corporate Units to give notice of desire to settle the related purchase contracts with separate cash. • Last day for holders of Corporate Units or Treasury Units to settle the related purchase contracts early.
<p>January 30, 2009 (1 business day prior to the</p>	<p>Last day for holders of Corporate Units who have elected to settle the related purchase contracts with separate cash to pay the purchase price.</p>

first day of the final remarketing period)

February 2, 2009 to February 11, 2009 (final remarketing period)

We will attempt a final remarketing at the dates selected by us if we have not elected to conduct an optional remarketing on an optional remarketing date or each optional remarketing conducted fails for any reason.

February 17, 2009

Purchase contract settlement date and remarketing settlement date in connection with a successful final remarketing of the senior notes irrespective of final remarketing date.

Selected Consolidated Financial Information

The selected consolidated financial information set forth below has been derived from (1) our consolidated financial statements for the three-year period ended December 31, 2004, which have been audited by Deloitte & Touche LLP, our independent registered public accountants, and incorporated by reference in this prospectus from our Annual Report on Form 10-K for the fiscal year ended December 31, 2004, and (2) our unaudited consolidated financial statements as of September 30, 2005 and for the nine months ended September 30, 2005, incorporated by reference in this prospectus from our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005. This information is qualified in its entirety by, and should be read in conjunction with, our consolidated financial statements, including the notes thereto, and "Management's Financial Discussion and Analysis" for Entergy Corporation and Subsidiaries and the other information incorporated by reference in this prospectus. See "Where You Can Find More Information" in this prospectus.

	For the Twelve Months Ended			
	September 30,		December 31,	
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
	(Dollars in Thousands)			
Income Statement Data				
(1):				
Operating Revenues:				
Domestic electric	\$ 8,126,874	\$7,932,577	\$7,397,175	\$6,646,414
Natural gas	104,637	208,499	186,176	125,353
Competitive businesses	2,141,592	1,982,648	1,611,569	1,533,268
Total Operating Revenues	10,373,103	10,123,724	9,194,920	8,305,035
Operating Income	1,673,618	1,653,564	1,484,555	1,141,721
Interest Expense (net)	470,541	479,023	506,326	572,464
Net Income	988,289	933,049	950,467	623,072

As of September 30, 2005

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	<u>Actual</u>		<u>As Adjusted (2)</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
	<u>(Dollars in Thousands)</u>			
Balance Sheet Data (1):				
Subsidiary Notes Payable	\$ 40,041	0.2%	\$ 40,041	%
<u>Long-Term Debt:</u>				
Subsidiary First Mortgage Bonds	4,375,286	26.1	4,375,286	
Governmental Bonds secured by Subsidiary First Mortgage Bonds	188,700	1.1	188,700	
Governmental Bonds not secured by Subsidiary First Mortgage Bonds	827,335	4.9	827,335	
Senior Notes of Entergy Corporation	805,000	4.8	805,000	
Senior Notes initially due February 17, 2011 offered by this prospectus	--		--	
Five-Year Revolving Credit Facility (3)	1,070,000	6.4		
Other Long-Term Debt (4)(5)	1,214,731	7.3	1,214,731	
Total Long-Term Debt	8,481,052	50.6		
Subsidiary Preferred Stock (with sinking fund)	13,950	0.1	13,950	
Subsidiary Preferred Stock (without sinking fund)	346,466	2.1	346,466	
<u>Shareholders' Equity:</u>				
Common Stock and Paid-in Capital	4,842,292	28.9		
Retained Earnings	5,450,218	32.6	5,450,218	
Accumulated Other Comprehensive Loss	(265,877)	(1.5)	(265,877)	
Less - Treasury Stock	2,168,035	13.0	2,168,035	
Total Shareholders' Equity	7,858,598	47.0		
Total Capitalization	\$16,740,107	100.0%	\$	100.0%

(1) The data presented includes the effect of the deconsolidation of Entergy New Orleans effective January 1, 2005.

(2) Adjusted to reflect the issuance and sale of the Equity Units and the application of the estimated net proceeds therefrom. See "Use of Proceeds."

(3) In addition, as of September 30, 2005, letters of credit totaling \$209 million had been issued against this facility.

(4) Primarily includes the long-term debt of our Non-Utility Nuclear subsidiaries and sale-leaseback obligations of Entergy Louisiana and System Energy. Also includes currently maturing long-term debt of \$100.3 million.

(5) In addition, as of September 30, 2005, we had approximately \$330.3 million of obligations under capital leases (approximately \$135 million of which are current liabilities).

Risk Factors

You should carefully consider all of the information contained or incorporated by reference in this prospectus as well as the specific factors under "Risk Factors" beginning on the next page.

RISK FACTORS

In considering whether to purchase the Corporate Units, you should carefully consider all the information we have included or incorporated by reference in this prospectus. In particular, you should carefully consider the risk factors described below, as well as the factors listed in "Forward-Looking Statements" in this prospectus. Because a Corporate Unit consists of a purchase contract to acquire shares of our common stock and a senior note issued by us, you are making an investment decision with regard to our common stock and senior notes, as well as the Corporate Units. You should carefully review the information in this prospectus about all of these securities.

Risk Factors Relating to Entergy Corporation

Our results of operations, financial condition and liquidity could be materially and adversely affected if the domestic utility companies fail to recover, or experience delays in recovering, storm restoration costs incurred as a result of Hurricane Katrina and Hurricane Rita or as a result of continued lost revenue from these two hurricanes.

Hurricanes Katrina and 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. As a result of these two hurricanes, these subsidiaries have recorded accruals for the estimated storm restoration costs for the repair and/or replacement of their electric and gas facilities damaged by Hurricanes Katrina and Rita and business continuity costs, which are currently 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. As of September 30, 2005, the domestic utility companies, including Entergy New Orleans, recorded an increase totaling \$585.5 million in construction work in progress and \$514.5 million in other regulatory assets, with a corresponding increase of \$1.1 billion in accounts payable. In accordance with Entergy's accounting policies, and based on historic treatment of such costs in the service territories of the domestic utility companies and communications with local regulators, the domestic utility companies recorded these assets because management believes that recovery through some form of regulatory mechanism is probable. Entergy and the domestic utility companies are pursuing a broad range of initiatives to recover storm restoration costs. 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 FERC and local regulatory bodies. Because the domestic utility companies have not gone through the regulatory process regarding these storm costs, however, there is an element of risk regarding recovery, and we are unable to predict with certainty the degree of success the domestic utility companies may have in their recovery initiatives, the amount of restoration costs and incremental losses they may ultimately recover, or the timing of such recovery.

The temporary power outages associated with the hurricanes in the affected service territories 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 approximately 36,000 customers at Entergy Louisiana and approximately 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 of 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.

The consequences of Hurricanes Katrina and Rita have negatively affected the liquidity of Entergy and the domestic utility companies. The occurrence of one or more contingencies could put further pressure on the adequacy of the liquidity and capital resources of Entergy and the domestic utility companies, which could materially and adversely affect the financial condition and results of operations of Entergy and the domestic utility companies, Entergy's corporate credit ratings and the credit ratings of the domestic utility companies.

In addition to storm restoration costs and the lost customer revenue discussed in the preceding risk factor, Hurricanes Katrina and Rita affected the liquidity position of our U.S. Utility and our Non-Utility Nuclear businesses in several ways. The bankruptcy of Entergy New Orleans caused fuel and power suppliers to increase their scrutiny of the other domestic utility companies with the concern that one of them could suffer similar impacts, particularly after Hurricane Rita. As a result, some suppliers began requiring accelerated payments and decreasing credit lines. The hurricanes damaged certain gas supply lines, resulting in a decrease in the number of potential suppliers. Finally, the hurricanes exacerbated a market run up in natural gas and power prices, resulting in (i) an increase in the accounts payable to suppliers of our U.S. Utility business, which consumed available supplier credit lines more quickly, and (ii) an increase in the credit support that our Non-Utility Nuclear business was required to post to its wholesale counterparties in the Northeast.

At the same time, the continued rapid increase in natural gas prices has resulted in increased working capital requirements for the domestic utility companies while waiting for existing regulatory fuel and purchased power recovery mechanisms to catch up. In certain instances unrelated to the hurricanes, some of the domestic utility companies have agreed to defer the recovery of fuel and purchased power costs beyond the existing recovery period. As of September 30, 2005, the domestic utility companies, including Entergy New Orleans, had approximately \$594.8 million of deferred fuel costs. Although each domestic utility company expects to recover all of its fuel and purchased power costs through established (or potentially modified) regulatory recovery mechanisms, high natural gas prices and the effect of the current cumulative deferred fuel balance will continue to have a negative effect on the liquidity position of our U.S. Utility business.

Some of the agreements to sell the power produced by our Non-Utility Nuclear power plants and the wholesale supply agreements entered into by our Competitive Retail Services business contain provisions that require an Entergy subsidiary to provide collateral to secure its obligations under the agreements. The Entergy subsidiary may be required to provide collateral based upon the difference between the current market and contracted power prices in the regions where the Non-Utility Nuclear and Competitive Retail Services businesses sell power. The primary form of the collateral to satisfy these requirements has been an Entergy guarantee. Cash and letters of credit are also acceptable forms of collateral. At September 30, 2005, based on power prices at that time, we had in place as collateral \$1.681 billion of Entergy guarantees, including \$206.3 million of which support letters of credit. The assurance requirement associated with our Non-Utility Nuclear business is estimated to increase by an amount up to \$425 million if gas

prices increase \$1 per MMBtu **in both the short- and long-term markets.**

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 (which would supplement our existing five-year \$2 billion revolving credit facility); (2) the issuance and sale of the Equity Units being offered by this prospectus; and (3) the issuance and sale of up to \$500 million of new debt at Entergy Gulf States and Entergy Louisiana, including \$150 million of first mortgage bonds issued by Entergy Louisiana on October 21, 2005. In addition to this financing plan, we plan to provide funding of \$300 million to Entergy Gulf States.

Under normal circumstances, our business is capital intensive, and we are dependent upon our ability to access capital at rates and on terms we determine to be reasonable. The hurricanes and the resulting consequences on our business have placed even greater importance on our ability to access the capital markets to support our increased liquidity needs. The occurrence of one or more contingencies, including higher than estimated storm restoration costs, lower than expected insurance recovery with respect to storm restoration costs, or a delay in such recovery, a delay in the recovery of storm restoration costs, a greater than expected increase in natural gas prices, an increase in credit support requirements relating to our Non-Utility Nuclear and Competitive Retail Services businesses, an acceleration of payments or decreased credit lines in respect of fuel or power supply to the domestic utility companies, less cash flow from operations than expected, or other unknown events (such as future storms) could cause our financing needs to increase, which may result in an increase in our leverage. Material leverage increases could negatively affect our access to the capital markets as well as our ratings and/or the ratings of our domestic utility companies. Additional equity financing could result in dilution for our existing stockholders and could adversely affect the trading price of the Equity Units being offered by this prospectus.

The consequences of the hurricanes on our financial condition, and the related uncertainty associated with storm restoration cost recovery, together with other factors, such as the bankruptcy filing of Entergy New Orleans, have negatively impacted our credit profile and the credit profile of the domestic utility companies. Following Hurricane Katrina, Standard & Poor's Ratings Services placed us and the domestic utility companies on credit watch with negative implications and Moody's Investors Service, Inc. placed the debt ratings of Entergy Gulf States on review for possible downgrade. After the Entergy New Orleans bankruptcy filing, Moody's Investors Service, Inc. and Standard & Poor's Ratings Services downgraded the senior secured debt ratings of Entergy New Orleans to Caa1 and D, respectively. If one or more rating agencies were to downgrade our corporate issuer rating or the senior secured debt ratings of any of the other domestic utility companies, particularly to below investment grade, our borrowing costs could increase, which could negatively affect our financial condition, results of operations and liquidity. We would also likely be required to pay a higher interest rate in future financings, and our potential pool of investors and funding sources could decrease. In addition, adverse ratings actions could prompt fuel and power suppliers of the domestic utility companies to require accelerated payments or to reduce or eliminate credit lines. Lastly, in the event of a decrease in our credit rating to below investment grade, we may be required to replace in a short period of time the Entergy guarantees relating to the Non-Utility Nuclear and Competitive Retail Services businesses with cash or letters of credit under some of the agreements.

Our investment in Entergy New Orleans is at risk.

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 own 100 percent of the common stock of Entergy New Orleans, have continued to supply operating management, and have provided debtor-in-possession financing to Entergy New Orleans and, accordingly, believe these factors represent significant influence over Entergy New Orleans. However, uncertainties surrounding the nature, timing, and specifics of the

bankruptcy proceedings have caused us to deconsolidate Entergy New Orleans and reflect Entergy New Orleans' financial results under the equity method of accounting retroactive to January 1, 2005. Because we own all of the common stock of Entergy New Orleans, this change will not affect the amount of net income we record resulting from Entergy New Orleans' operations for any current or prior period, but will result in Entergy New Orleans' net income for 2005 being presented as "Equity in earnings (loss) of unconsolidated equity affiliates" rather than its results being included in each individual income statement line item, as is the case for periods prior to 2005. We reviewed the value of our equity investment of \$169.2 million in Entergy New Orleans at September 30, 2005 to determine if an impairment had occurred as a result of the storm, the flood, the power outages, estimated restoration costs and changes in customer load. With respect to the value of our investment as of September 30, 2005, we determined that no impairment had occurred because management believes that cost recovery is probable. We continue to assess the carrying value of our investment in Entergy New Orleans as developments occur in Entergy New Orleans' recovery efforts. Because Entergy New Orleans has not gone through the regulatory process regarding storm costs and losses, however, there is an element of risk regarding recovery, and we are unable to predict with certainty the degree of success Entergy New Orleans may have in its recovery initiatives, the amount of restoration costs and incremental losses it may ultimately recover, or the timing of such recovery, or the return of customer load to New Orleans to support any such cost recovery. As of September 30, 2005, our equity investment in Entergy New Orleans represents 1.81% of our total equity investments in our subsidiaries as a whole. In addition to our equity investment in Entergy New Orleans, as of September 30, 2005, Entergy New Orleans owes our subsidiaries a total of \$67 million in prepetition accounts payable. The repayment of these accounts payable is also subject to the risks inherent in Entergy New Orleans' recovery efforts.

On September 26, 2005, Entergy New Orleans, as borrower, and Entergy, as lender, entered into the Debtor-in-Possession ("DIP") credit agreement, a debtor-in-possession credit facility to provide funding to Entergy New Orleans during its business restoration efforts. The credit facility provides for up to \$200 million in loans on an interim basis pending final bankruptcy court approval of the DIP credit agreement and the receipt of other required regulatory approvals. These funds were requested to enable Entergy New Orleans to meet its near-term obligations, including employee wages and benefits and payments under power purchase and gas supply agreements, and to continue its existing efforts to repair and restore the facilities needed to serve its electric and gas customers. As of December 1, 2005, \$100 million was outstanding under the credit facility. Management currently expects the remainder of the bankruptcy court authorized funding level to be sufficient to fund Entergy New Orleans' operations at least through the first quarter of 2006, although the decision to lend under the DIP credit agreement is at our sole discretion. There has not been a decision as to whether to provide additional debt financing to Entergy New Orleans beyond the amount that is authorized by the DIP credit agreement. Please refer to our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005 for a further description of the DIP credit agreement, including the security and priority status afforded to us as the lender. The repayment of advances made under the DIP credit agreement is subject to the risks inherent in Entergy New Orleans' recovery efforts. Since Entergy is unable to predict with certainty the degree of success Entergy New Orleans will have in its cost recovery initiatives, Entergy's equity investment in Entergy New Orleans, Entergy's subsidiaries' pre-petition accounts receivables from Entergy New Orleans and Entergy's advances to Entergy New Orleans under the DIP credit agreement are at risk.

The electric and gas rates that the domestic utility companies and System Energy are allowed to charge their customers are largely determined outside their control by the actions of regulators.

The rates that the domestic utility companies and System Energy charge for their services are an important item influencing the financial condition, results of operations and liquidity of Entergy and the domestic utility companies. The domestic utility companies are heavily regulated, and the electric and gas rates that the domestic utility companies and System Energy are allowed to charge their customers are determined, in large part, outside of their control by governmental organizations, including the Arkansas Public Service Commission (the "APSC"), the City Council of the City of New Orleans (the "City Council"), the Louisiana Public Service Commission (the "LPSC"), the Mississippi Public Service Commission (the "MPSC"), the PUCT, and the FERC. Decisions made by these regulators could have a material impact on the results of operations, financial condition and liquidity of Entergy and the domestic utility

companies.

The domestic utility companies and System Energy are routinely involved in proceedings, including general rate cases and those relating to various other aspects of their rates. The Louisiana operations of Entergy Gulf States, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans are currently operating under formula rate plans. These formula rate plans permit annual adjustments of rates on a prospective basis depending on whether earnings for the prior year are above or below a pre-determined bandwidth range. The timing of the next rate case filing at Entergy Arkansas will depend on the completion of the steam generator and reactor vessel head replacement which is currently underway at ANO Unit 1 and the outcome of the System Agreement proceeding described below. As a result of Texas legislation enacted in June 2005, Entergy Gulf States may not file a general base rate case in Texas before June 30, 2007, with rates effective no earlier than June 30, 2008. The new law does, however, allow Entergy Gulf States to seek the annual recovery of certain incremental purchased power capacity costs not in excess of five percent of its annual base rate revenues and certain transition to competition costs. Entergy Gulf States has not had a base rate increase in Texas since 1991. The inability to file a general base rate case in Texas before June 30, 2007 could affect the profit margin of Entergy Gulf States and its ability to earn its authorized return or recover from its customers costs associated with investment in generation, transmission and distribution facilities.

The domestic utility companies' fuel costs also are recovered from customers, subject to regulatory scrutiny. This regulatory risk represents the domestic utility companies' largest potential exposure to price changes in the commodity markets. On occasion, when the level of the fuel and purchased power costs rise very dramatically, some of the domestic utility companies might agree to defer recovery of a portion of that month's fuel and purchased power costs for recovery at a later date, which could increase the near-term working capital requirements of the domestic utility companies. In addition, from time to time, the domestic utility companies' regulators may initiate proceedings to investigate the adequacy and operation of the fuel recovery clauses of the domestic utility companies as well as their fuel and purchased power purchasing practices. In early October 2005, the APSC initiated an investigation into Entergy Arkansas' interim energy cost rate. The investigation seeks to determine Entergy Arkansas' (1) prudence of gas contracting, portfolio, and hedging practices, (2) wholesale purchases during the period, (3) management of the coal inventory at its coal generation plants, and (4) response to the contractual failure of the railroads to provide coal deliveries. The APSC established a procedural schedule with testimony from Entergy Arkansas, the APSC Staff, and intervenors culminating in a public hearing in May 2006.

The domestic utility companies have historically engaged in the coordinated planning, construction and operation of generating and transmission facilities under the terms of an agreement called the System Agreement. The LPSC and the City Council commenced a proceeding in 2001 at the FERC that requests amendments to the System Agreement, particularly in the area of production cost equalization. Pursuant to an agreement in principle approved by the City Council, the City Council has withdrawn as a complainant from the FERC System Agreement proceeding. The LPSC also alleges that certain provisions of the System Agreement increase costs paid by the ratepayers in their jurisdictions. On June 1, 2005, the FERC issued a decision in the System Agreement litigation. The FERC decision concluded, among other things, that:

- The System Agreement no longer roughly equalizes production costs among the domestic utility companies.
- In order to reach rough production cost equalization, the FERC will impose a bandwidth remedy allowing for a maximum spread of 22 percent (expressed by the FERC as +/- 11%) between the total annual production costs of the highest cost and lowest cost domestic utility companies.
- When calculating the production costs for this purpose, output from the Vidalia hydroelectric power plant will not reflect the actual Vidalia price for that year but will be priced at that year's average price as determined under a rate schedule (MSS-3), reducing the amount of Vidalia costs reflected in the comparison of the domestic utility companies' total production costs.
- The remedy ordered by FERC calls for no refunds and would be effective based on the calendar year 2006 production costs with the first potential reallocation payments, if required, expected to be made in 2007.

The FERC's June 2005 order would reallocate production costs of the domestic utility companies whose relative total production costs expressed as a percentage of Entergy System average production costs are outside an upper or lower bandwidth. This would be accomplished by payments from domestic utility companies whose production costs are below Entergy System average production costs to domestic utility companies whose production costs are above Entergy System average production costs. An assessment of the potential effects of the FERC's June 2005 order requires assumptions regarding the future total production cost of each domestic utility company, which assumptions include the mix of solid fuel and gas-fired generation available to each company and the costs of natural gas and purchased power. Various pending motions for rehearing and clarification of the FERC's June 2005 order were filed by parties to the proceeding, including the LPSC, the APSC, the MPSC, and the City Council, and by Entergy Services, Inc., on behalf of the domestic utility companies. We believe that any changes in the allocation of production costs resulting from the FERC's June 2005 order and related retail proceedings should result in similar rate changes for retail customers. The timing of recovery of these costs in rates could be the subject of additional proceedings before the retail regulators of the domestic utility companies. Although the outcome and timing of the FERC and other proceedings cannot be predicted at this time, we do not believe that the ultimate resolution of these proceedings will have a material effect on our financial condition or results of operations.

Delays and uncertainty relating to the start of retail open access in Texas for Entergy Gulf States, the implementation of recent legislation in Texas and adverse decisions in related regulatory proceedings at the PUCT could have a material adverse effect on Entergy Gulf States' and our financial condition, results of operations and liquidity.

Unlike other areas of the United States, retail open access and the separation of traditionally integrated public utilities into distinct distribution, transmission, generation and various types of retail marketing businesses either has not been acted upon by the state and local regulators of the domestic utility companies, or has been significantly delayed. Only in the Texas portion of Entergy Gulf States' service territory has there been significant retail open access activity, but implementation for Entergy Gulf States has been delayed.

In 1999, the Texas legislature enacted a law providing for competition through retail open access in the electric utility industry in Texas. With retail open access, generation and retail electric sales will become competitive businesses, but transmission and distribution operations will continue to be regulated. The law provided for retail open access by most investor-owned electric utilities in Texas commencing January 1, 2002; however, the PUCT delayed retail open access in Entergy Gulf States' Texas service territory due to concerns about whether the market was ready for retail open access. As required by law, Entergy Gulf States has made numerous filings with the PUCT detailing its plans in furtherance of the Texas law and retail open access in its Texas service territory. The resulting PUCT orders have continued to delay retail open access in Entergy Gulf States' Texas service territory, as well as its ability to raise rates, reconcile fuel costs, earn its authorized return, recover transition costs related to its efforts toward retail open access or recover from its customers costs associated with investment in generation, transmission and distribution facilities. Entergy Gulf States has not had a base rate increase in Texas since 1991.

In June 2005, a Texas law was enacted which provides that:

- Entergy Gulf States is authorized by the legislation to proceed with a jurisdictional separation into two vertically integrated utilities, one subject solely to the retail jurisdiction of the LPSC and one subject solely to the retail jurisdiction of the PUCT;
- the portions of all prior PUCT orders requiring Entergy Gulf States to comply with any provisions of Texas law governing transition to retail competition are void;
- Entergy Gulf States must file a plan by January 1, 2006, identifying the power region(s) to be considered for certification and the steps and schedule to achieve certification;
- Entergy Gulf States must file a transition to competition plan no later than January 1, 2007, that would address how Entergy Gulf States intends to mitigate market power and achieve full customer choice, including potential construction of additional transmission facilities, generation auctions, generation capacity divestiture, reinstatement of a customer choice pilot project, establishment of a price to beat, and other

measures;

- Entergy Gulf States' rates are subject to cost-of-service regulation until retail customer choice is implemented;
- Entergy Gulf States may not file a general base rate case in Texas before June 30, 2007, with rates effective no earlier than June 30, 2008, but may seek before then the annual recovery of certain incremental purchased power capacity costs, adjusted for load growth, not in excess of five percent of its annual base rate revenues; and
- Entergy Gulf States may recover over a period not to exceed 15 years reasonable and necessary transition to competition costs incurred before the effective date of the legislation and not previously recovered, with appropriate carrying charges.

In July 2005, Entergy Gulf States filed with the PUCT a request for implementation of an incremental purchased power capacity recovery rider, consistent with the recently passed Texas legislation discussed above. The rider requests \$23.1 million annually in incremental revenues on a Texas retail basis which represents the incremental purchased power capacity costs, including Entergy Gulf States' obligation to purchase power from Entergy Louisiana's recently acquired Perryville plant, over what is already in Entergy Gulf States' base rates. Entergy Gulf States reached an initial agreement with the parties that cost recovery and cost reconciliation would begin on September 1, 2005. The parties have agreed that Entergy Gulf States will implement the rider after approval by the PUCT which could be up to 185 days from the date of filing but will reconcile and recover incremental purchased capacity costs incurred beginning September 1, 2005. The September 1, 2005 agreed upon date for the beginning of the cost recovery and cost reconciliation as well as the requested amount and the processes for implementing the rider are subject to PUCT action and approval. If approved by the PUCT, the rider would be subject to semi-annual modifications and reconciliation in conjunction with Entergy Gulf States' fuel reconciliation proceedings. A further non-unanimous settlement was reached with most of the parties that allows for the rider to be implemented effective December 1, 2005 and the collection of \$18 million annually. The settlement also provides for a fuel reconciliation to be filed by Entergy Gulf States by May 15, 2006 that will resolve the remaining issues in the case with the exception of the amount of purchased power in current base rates and the costs to which load growth is attributed, both of which were settled. The hearing with respect to the non-unanimous settlement, which was opposed by the Office of Public Utility Counsel, was conducted on October 19, 2005 before the ALJs. On November 17, 2005, the ALJs issued a proposal for decision recommending that the PUCT approve the non-unanimous settlement. The PUCT is scheduled to consider this matter on December 15, 2005.

As authorized by the Texas legislation discussed above, in August 2005, Entergy Gulf States filed with the PUCT an application for recovery of its transition to competition costs. Entergy Gulf States requested recovery of \$189 million in transition to competition costs through implementation of a 15-year rider to be effective no later than March 1, 2006. The \$189 million represents transition to competition costs Entergy Gulf States incurred from June 1, 1999 through June 17, 2005 in preparing for competition in its Texas service area, including attendant AFUDC and all carrying costs projected to be incurred on the transition to competition costs through February 28, 2006. In November 2005, a unanimous stipulation was entered into among Entergy Gulf States, the PUCT staff, and others pursuant to which the parties agreed that Entergy Gulf States should be authorized by the ALJs to implement interim rates that would allow it to recover \$1.5 million per month in transition to competition costs, with such interim rates to be effective on March 1, 2006. Pursuant to the stipulation, the interim rates would be subject to refund or surcharge to the extent that the rates ultimately established by the PUCT differ from the interim rates. The stipulation is expected to be submitted to the ALJs for approval by early December 2005. The matter of final rates to address transition to competition costs has been set for hearing beginning in February 2006, with a PUCT decision expected during the third quarter of 2006.

Extended delay and uncertainty with respect to the start of retail open access in Texas (including uncertainty as to the ultimate form of Entergy Gulf States' related business separation plan, particularly in conjunction with any jurisdictional separation of Entergy Gulf States as described below), the implementation of the Texas legislation, including implementation of purchased power capacity and transition cost recovery riders, and adverse decisions in proceedings at the PUCT (whether related to the Texas legislation or otherwise), could have a material adverse effect

on Entergy Gulf States' and our financial condition, results of operations, and liquidity.

The proposed jurisdictional separation of Entergy Gulf States into two separate vertically integrated utilities could, depending on the structure and terms of the separation, have a material adverse effect on the financial condition, results of operations and liquidity of Entergy Gulf States.

Pending developments at the federal level and in Texas and other states, the LPSC and the Louisiana legislature have generally deferred pursuing retail open access in Louisiana. As a result, pursuit of Entergy Gulf States' business separation plan mandated by Texas law in connection with retail open access in its Texas service territory has been complicated by it having retail operations in Louisiana subject to the jurisdiction of the LPSC. During the course of Entergy Gulf States' retail open access proceedings with the PUCT, the LPSC has been holding independent proceedings concerning the proposed separation of the business of Entergy Gulf States. Unlike Entergy Gulf States' plan filed with the PUCT to separate its Texas generation, transmission, distribution, and retail electric functions into separate companies, the investigation most recently initiated in the LPSC proceedings is evaluating a jurisdictional separation of Entergy Gulf States into a Louisiana company and a Texas company regulated solely by the LPSC and the PUCT, respectively. In a status conference held in September 2004 before an administrative law judge, the LPSC staff asserted that uncertainty with respect to retail open access in Texas should not control whether or when the LPSC should require the jurisdictional separation of Entergy Gulf States and recommended that an investigation concerning the proposed jurisdictional separation proceed. Entergy Gulf States submitted a preliminary methodology developed by it for the jurisdictional separation of the company if its regulators should determine that a jurisdictional separation is in the public interest. Although it contains many components that are similar to those set forth in its business separation plan filed with the PUCT, Entergy Gulf States' preliminary methodology filed with the LPSC provides for the separation of the company into a Louisiana vertically integrated utility company and a Texas vertically integrated utility company, as is envisioned by the new Texas law described above, rather than the separation of its Texas generation, transmission, distribution, and retail electric functions into separate companies, as is envisioned in the plan filed with the PUCT. A hearing before the LPSC scheduled for late June 2005 has been postponed. In September 2005, Entergy Gulf States and the LPSC staff filed a joint motion to continue without date the procedural schedule in this matter due to Hurricane Katrina. Approvals of the FERC, the SEC, the PUCT, and the Nuclear Regulatory Commission, or the NRC, may also be required for certain matters before Entergy Gulf States may implement any jurisdictional separation of the company.

Any jurisdictional separation of Entergy Gulf States resulting from the LPSC proceedings would affect Entergy Gulf States' financial condition, results of operations and liquidity, particularly in conjunction with any additional restructuring of the company that may be ordered by the PUCT with respect to a jurisdictional separation or upon the implementation of retail open access in Texas. Depending on the structure and terms of the separation, such a separation could have a material adverse effect on Entergy Gulf States.

The nuclear power generation plants owned by our Non-Utility Nuclear business will be exposed to price risk to the extent they must compete for the sale of energy and capacity.

The sale of capacity and energy from the power generation plants owned by our Non-Utility Nuclear business, unless otherwise contracted, is subject to the fluctuation of market power prices. Our Non-Utility Nuclear business has entered into PPAs and other contracts to sell the power produced by its power plants at prices established in the PPAs. The following is a summary of the amount of the Non-Utility Nuclear business' output that is sold forward as of September 30, 2005 under physical or financial contracts (2005 represents the remainder of the year):

	2005	2006	2007	2008	2009
Non-Utility Nuclear					
:					

Percent of planned generation sold forward:

Unit-contingent	36%	34%	32%	25%	18%
Unit-contingent with availability guarantees	55%	53%	39%	25%	5%
Firm liquidated damages	5 %	4%	2%	0%	0%
Total	96%	91%	73%	50%	23%
Planned generation (TWh)	9	35	34	34	35
Average contracted price per MWh	\$39	\$41	\$42	\$45	\$47

There is no retail rate recovery for the power produced at these generating plants. Entergy's Non-Utility Nuclear business is pursuing opportunities to extend existing PPAs and to enter into new PPAs with other parties for portions of its unsold planned generation. To the extent that the electricity generated by these plants is not under contract to be sold, the revenues and results of operations of Entergy's Non-Utility Nuclear business, and whether it recovers its investment and operating costs from these plants, will generally depend on the market prices that can be obtained for energy and capacity.

Among the factors that could affect market prices for electricity and fuel, all of which are beyond our control to a significant degree, are:

- prevailing market prices for coal, oil, natural gas and other fuels used in electric generation plants, including associated transportation costs, and supplies of such commodities,
- liquidity in the general wholesale electricity market,
- the actions of external parties, such as the FERC, that may impose price limitations and other mechanisms to address some of the volatility in the energy markets,
- weather conditions impacting demand for electricity or availability of hydroelectric power or fuel supplies,
- the rate of growth in demand for electricity as a result of population changes, regional economic conditions and the implementation of conservation programs,
- union and labor relations,
- natural disasters, wars, embargoes and other catastrophic events and
- changes in federal and state energy and environmental laws and regulations.

We face uncertainty with respect to the domestic utility companies' independent coordinator of transmission proposal at the FERC and the outcome of other related FERC and state and local regulatory proceedings relating to transmission.

In 2000, the FERC issued an order encouraging utilities to voluntarily place their transmission facilities under the control of independent regional transmission organizations ("RTOs") by December 15, 2001. Delays in implementing the FERC order have occurred due to a variety of reasons, including the fact that utility companies, other stakeholders, and federal and state regulators continue to work to resolve various issues related to the establishment of such RTOs.

In April 2004, the domestic utility companies filed a proposal with the FERC to commit voluntarily to retain an independent coordinator of transmission ("ICT") to oversee the granting of transmission or interconnection service on their transmission system, to implement a transmission pricing structure that ensures that their retail native load customers are required to pay for only those upgrades necessary to reliably serve their needs, and to have the ICT serve as the security coordinator for the Entergy region. Assuming applicable regulatory support and approvals can be obtained, the domestic utility companies proposed to contract with the ICT to oversee the granting of transmission service on their system as well as the implementation of the proposed weekly procurement process. The proposal was structured to not transfer control of the domestic utility companies' transmission system to the ICT, but rather to vest with the ICT broad oversight authority over transmission planning and operations. See our Annual Report on Form

10-K for the fiscal year ended December 31, 2004 for a discussion of the petition for declaratory order that the domestic utility companies filed with the FERC in January 2005 regarding this proposal.

On March 22, 2005, the FERC issued a declaratory order concluding that: (1) because the Southwest Power Pool ("SPP") was the only entity identified as potentially being selected as the ICT and because the SPP is already a "public utility," there was no need to rule on the question of whether the functions of the ICT, alone, would serve to make the ICT a "public utility;" (2) Entergy will continue to be the "transmission provider" for transmission service across the system and that "the presence of SPP as the ICT will not change the existing balance of jurisdiction between [the FERC] and Entergy's retail regulators;" and (3) the FERC is prepared to grant the domestic utility companies' proposed transmission pricing proposal on a two-year experimental basis, subject to certain enhancement and monitoring and reporting conditions. The enhancements referred to by the FERC involve more fully specifying the responsibilities and duties of the ICT, including defining the ICT's role in the preparation of various transmission expansion plans and the performance of studies related to the granting of transmission or interconnection service. Before the ICT proposal can be implemented, however, the domestic utility companies are required to submit further filings with the FERC regarding the modifications and clarifications to the ICT proposal.

On May 12, 2005 the FERC issued an order clarifying certain aspects of its March 22 order. In the May 12 order, the FERC indicated that (1) the domestic utility companies are to work with the ICT and their stakeholders to develop procedures by which the ICT will calculate available flowgate capacities; (2) the domestic utility companies must specifically define the transmission rights that a customer that pays for supplemental upgrades will receive for such payments; (3) the FERC will review the ICT's contract to ensure that the ICT can perform its functions in an independent manner even if SPP is chosen as the ICT; and (4) the initial two-year period will start once the ICT becomes operational.

On May 27, 2005, the domestic utility companies filed the enhanced ICT proposal with the FERC. We believe that the filing is consistent with the FERC guidance received in both the FERC's March 22, 2005 and May 12, 2005 orders on the ICT. Among other things, the enhanced ICT filing states that the ICT will (1) grant or deny transmission service on the domestic utility companies' transmission system; (2) administer the domestic utility companies' OASIS node for purposes of processing and evaluating transmission service requests and ensuring compliance with the domestic utility companies' obligation to post transmission-related information; (3) develop a base plan for the domestic utility companies' transmission system that will result in the ICT making the determination on whether something should be rolled into the domestic utility companies' transmission rates or directly assigned to the customer requesting or causing an upgrade to be constructed; (4) serve as the reliability coordinator for the Entergy transmission system; and (5) oversee the operation of the weekly procurement process. The enhanced ICT proposal clarifies the rights that customers receive when they fund a supplemental upgrade and also contains a detailed methodology describing the process by which the ICT will evaluate interconnection-related investments already made on the Entergy System for purposes of determining the future allocation of the uncredited portion of these investments.

In March 2004, the APSC initiated a proceeding to review the domestic utility companies' proposal and compare the benefits of such a proposal to the alternative of the domestic utility companies joining the SPP RTO. The APSC sought comments from all interested parties on this issue. Various parties, including the APSC General Staff, filed comments opposing the ICT proposal. A public hearing has not been scheduled by the APSC at this time, although Entergy Arkansas has responded to various APSC data requests. In May 2004, Entergy Mississippi filed a petition for review with the MPSC requesting MPSC support for the ICT proposal. A hearing in that proceeding was held in August 2004. Additionally, Entergy Louisiana and Entergy Gulf States have filed an application with the LPSC requesting that the LPSC find that the ICT proposal is a prudent and appropriate course of action.

On December 17, 2004, the FERC issued an order initiating a hearing and investigation concerning the justness and reasonableness of the available flowgate capacity ("AFC") methodology, the methodology used to evaluate short-term transmission service requests under the domestic utility companies' open access transmission tariff, and establishing a refund effective date. On March 22, 2005, the FERC issued an order contemporaneously with the ICT declaratory

order discussed above that holds the AFC hearing in abeyance pending action on Entergy's upcoming ICT filing. The order holding the hearing in abeyance further indicated that it would cancel the hearing when the ICT begins to perform its functions. On April 8, 2005 several intervenors filed Emergency Motions for Interim Relief and Expedited Commission Action requesting that, during the interim period before the implementation of the ICT, the FERC (1) institute an audit process to examine and modify the current AFC process; and (2) require SPP to become involved in the AFC stakeholder process and order certain modifications to the stakeholder process. The audit process being proposed by the intervenors would not involve an independent auditor, but instead would be an investigation performed by a representative from the intervenors, Entergy, and possibly SPP. On April 25, 2005, the domestic utility companies filed their response to the emergency motion urging the FERC to reject the intervenors' request for the "audit" because the type of investigation proposed by the intervenors would be neither independent nor fair and would only distract from the implementation of the ICT. Instead, the domestic utility companies proposed that the ICT conduct an independent review of the AFC process and procedures as part of its transition to assuming the identified ICT responsibilities, including the calculation of the AFCs. The domestic utility companies further indicated that they would welcome SPP's participation in the current stakeholder process. On April 21, 2005, the intervenors filed a separate request for rehearing arguing that the FERC must allow the AFC hearing to proceed in parallel with the establishment of the ICT.

The domestic utility companies face uncertainties with respect to whether their regulators will approve their enhanced ICT proposal and the outcome of the AFC proceedings at the FERC. An adverse outcome in these matters could affect our financial condition, results of operations and liquidity.

Ownership and operation of nuclear facilities creates business, financial and waste disposal risks.

The domestic utility companies, System Energy, and our Non-Utility Nuclear subsidiaries own and operate ten nuclear power generating units and the shutdown Indian Point 1 nuclear reactor. The domestic utility companies, System Energy, and our Non-Utility Nuclear subsidiaries are, therefore, subject to the risks arising from owning and operating nuclear generating facilities. These include risks from the use, storage, handling, and disposal of high-level and low-level radioactive materials, limitations on the amounts and types of insurance commercially available for losses in connection with nuclear operations, the costs of securing the facilities against possible terrorist attacks, unscheduled outages due to equipment and other problems, and technological and financial uncertainties related to adhering to environmental law requirements associated with plant operations, as well as the decommissioning of nuclear plants at the end of their licensed lives, including the sufficiency of funds in decommissioning trusts. The domestic utility companies, System Energy, and our Non-Utility Nuclear subsidiaries maintain decommissioning trusts and external insurance coverage to minimize the financial exposure to some of these risks; however, it is possible that losses could exceed the amount of their insurance coverage. In the event of an unanticipated early shut-down of any of the nuclear plants owned and operated by the domestic utility companies, System Energy, and/or our Non-Utility Nuclear subsidiaries, Entergy may be required to provide additional funds or credit support to satisfy regulatory requirements for decommissioning.

The NRC has broad authority under federal law to impose licensing and safety-related requirements for the operation of nuclear generating facilities. A major incident at a nuclear facility anywhere in the world could cause the NRC to limit or prohibit the operation or licensing of any domestic nuclear generating unit. In the event of noncompliance, the NRC has the authority to impose fines or shut down a unit, or both, depending upon its assessment of the severity of the situation, until compliance is achieved. Although we have no reason to anticipate a serious nuclear incident at any of the nuclear generating units owned and operated by our subsidiaries, if an incident did occur, it could materially and adversely affect our business, financial position, results of operations and liquidity.

In addition, concerns are being expressed in public forums about the safety of nuclear generating units and nuclear fuel, in particular in the northeastern United States, which is where the Non-Utility Nuclear generating units are located. These concerns have led to, and are expected to continue to lead to, various proposals to federal regulators as well as governing bodies in some localities where our subsidiaries own nuclear generating units for legislative and

regulatory changes that could lead to the shut-down of nuclear units, denial of license extension applications, municipalization of nuclear units, restrictions on nuclear units as a result of unavailability of sites for spent nuclear fuel disposal, or other adverse effects on owning and operating nuclear generating units. We vigorously respond to these concerns and proposals. However, if any of the proposals relating to legislative and regulatory changes becomes effective, it could have a material adverse effect on our results of operations, financial condition and liquidity.

The litigation environment in the states in which certain Entergy subsidiaries operate poses a significant risk to those businesses.

We and our subsidiaries are involved in the ordinary course of business in a number of lawsuits involving employment, ratepayer, and injuries and damages issues, among other matters. States in which the domestic utility companies operate, in particular Louisiana, Mississippi and Texas, have proven to be unusually litigious environments. Judges and juries in these states have demonstrated a willingness to grant large verdicts, including punitive damages, to plaintiffs in personal injury, property damage, and business tort cases. We and our subsidiaries use legal and appropriate means to contest litigation threatened or filed against us, but the litigation environment in these states poses a significant business risk.

Risk Factors Relating to the Equity Units

You will bear the entire risk of a decline in the price of our common stock.

Although as a holder of an Equity Unit you will have a beneficial ownership interest in the related senior note, Treasury portfolio or Treasury securities, as the case may be, you do have an obligation to buy shares of our common stock pursuant to the purchase contract that is a part of the Equity Unit. On the purchase contract settlement date, unless the purchase contracts are terminated due to our bankruptcy, insolvency or reorganization or are settled early, (1) in the case of Corporate Units where there has been no successful optional remarketing, unless you pay cash to satisfy your obligation under the purchase contract, either the proceeds derived from the successful final remarketing of the senior notes or, if no successful final remarketing has occurred, the put price paid upon the automatic put of the senior notes, (2) in the case of Corporate Units where there has been a successful optional remarketing, the proceeds from the Treasury portfolio when paid at maturity, or (3) in the case of Treasury Units, the proceeds of the related Treasury securities when paid at maturity, will in each case automatically be used to purchase a specified number of shares of our common stock on your behalf.

The number of shares of our common stock that you will receive upon the settlement of a purchase contract is not fixed but instead will depend on 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, which we refer to as the applicable market value. There can be no assurance that the market value of common stock received by you on the purchase contract settlement date will be equal to or greater than the effective price per share paid by you for our common stock on the date of issuance of the Equity Units. If the applicable market value of the common stock is less than the reference price of \$, the market value of the common stock issued to you pursuant to each purchase contract on the purchase contract settlement date (assuming that the market value is the same as the applicable market value of the common stock) will be less than the effective price per share paid by you for the common stock. Accordingly, you assume the risk that the market value of our common stock may decline, and that the decline could be substantial.

You will receive only a portion of any appreciation in our common stock price.

Your opportunity for equity appreciation afforded by investing in the Equity Units is less than your opportunity for equity appreciation if you invested directly in our common stock. The opportunity is less because the market value of the common stock to be received by you pursuant to the purchase contract on the purchase contract settlement date (assuming that the market value is the same as the applicable market value of the common stock) will only exceed the

price per share paid by you for our common stock on the purchase contract settlement date if the applicable market value of the common stock exceeds the threshold appreciation price of approximately \$ (which represents an appreciation of % over the reference price of \$). If the applicable market value of our common stock exceeds the reference price but falls below the threshold appreciation price, you will realize no equity appreciation of the common stock for the period during which you own the purchase contract. Furthermore, if the applicable market value of our common stock equals or exceeds the threshold appreciation price, you would receive on the purchase contract settlement date only approximately % of the value of the shares of common stock you could have purchased with \$50 at the time of this offering.

The trading price of our common stock and the general level of interest rates and our credit quality will directly affect the trading price for the Corporate Units and Treasury Units.

It is impossible to predict whether the price of our common stock or interest rates will rise or fall. Our operating results and prospects, as well as economic, financial and other factors, will affect trading prices of our common stock. In addition, market conditions can affect the capital markets generally, thereby affecting the price of our common stock. These conditions may include the level of, and fluctuations in, the trading prices of stocks generally and sales of substantial amounts of our common stock in the market after the offering of the Corporate Units or the perception that those sales could occur. Fluctuations in interest rates may give rise to arbitrage opportunities based upon changes in the relative value of our common stock underlying the purchase contracts and of the other components of the Corporate Units and Treasury Units. The arbitrage could, in turn, affect the trading prices of the Corporate Units and Treasury Units and our common stock.

You may suffer dilution of our common stock issuable upon settlement of your purchase contract.

The number of shares of our common stock issuable upon settlement of your purchase contract is subject to adjustment only for stock splits and combinations, stock dividends and specified other transactions that significantly modify our capital structure. See "Description of the Purchase Contracts - Anti-Dilution Adjustments." The number of shares of our common stock issuable upon settlement of each purchase contract is not subject to adjustment for other events, such as certain employee stock option grants or offerings of common stock for cash, or in connection with acquisitions or other transactions that may adversely affect the price of our common stock. There can be no assurance that an event that adversely affects the value of the Equity Units, but does not result in an adjustment to the settlement rate, will not occur. The terms of the Equity Units do not restrict our ability to offer common stock in the future or to engage in other transactions that could dilute our common stock. We have no obligation to consider the interests of the holders of the Equity Units in engaging in any such offering or transaction. If we issue additional shares of common stock, those issuances may materially and adversely affect the price of our common stock and, because of the relationship of the number of shares holders are to receive on the purchase contract settlement date to the price of our common stock, those issuances may adversely affect the trading price of the Equity Units.

You will have no rights as a common stockholder but will be subject to all changes with respect to our common stock.

Until you acquire shares of our common stock upon settlement of your purchase contract, you will have no rights with respect to our common stock, including voting rights, rights to respond to tender offers and rights to receive any dividends or other distributions on our common stock, but you will be subject to all changes affecting our common stock. Upon settlement of your purchase contract, you will be entitled to exercise the rights of a holder of common stock only as to actions for which the record date occurs after the settlement date.

Your rights to the pledged securities will be subject to our security interest and may be affected by a bankruptcy proceeding.

Although you will have a beneficial ownership interest in the related senior notes or Treasury securities or the Treasury portfolio, as applicable, those interests will be pledged to us through the collateral agent to secure your

obligations under the related purchase contracts. Thus, your rights to the pledged securities will be subject to our security interest. In addition, notwithstanding the automatic termination of the purchase contracts, in the event that we become the subject of a case under the U.S. Bankruptcy Code, the delivery of the pledged securities to you may be delayed by the imposition of the automatic stay under Section 362 of the Bankruptcy Code, or other relief sought by the collateral agent, the purchase contract agent or another party asserting an interest in the pledged securities. Moreover, claims arising out of the senior notes will be subject to the equitable jurisdiction and powers of the bankruptcy court. For example, although we do not believe such an argument would prevail, following the termination of the purchase contracts, a party in interest in the bankruptcy proceeding might argue that the holders of senior notes should be treated as equity holders, rather than creditors, in the bankruptcy proceeding.

The secondary market for the Corporate Units, the Treasury Units and the senior notes may be illiquid; the Corporate Units will not be listed on any stock exchange.

We are unable to predict how the Corporate Units, the Treasury Units and the senior notes will trade in the secondary market or whether that market will be liquid or illiquid. There is currently no secondary market for the Corporate Units, the Treasury Units and the senior notes. We have no obligation or current intention to apply for any listing of the Corporate Units, Treasury Units or the senior notes on any stock exchange. We have been advised by the representative that the underwriters presently intend to make a market for the Corporate Units; however, they are not obligated to do so and any market making may be discontinued at any time without notice. There can be no assurance as to the liquidity of any market that may develop for the Corporate Units, the Treasury Units or the senior notes, your ability to sell such securities or whether a trading market, if it develops, will continue. In addition, in the event that sufficient numbers of Corporate Units are converted to Treasury Units, the liquidity of Corporate Units could be adversely affected.

We may redeem the senior notes upon the occurrence of a special event.

We have the option to redeem the senior notes on not less than 30 days prior written notice, in whole but not in part, at any time before the earlier of the date of a successful remarketing of the senior notes underlying the Corporate Units and the purchase contract settlement date if a special event occurs and continues under the circumstances described in this prospectus. See "Description of the Senior Notes - Optional Redemption - Special Event." If we redeem the senior notes, we will pay a redemption price in cash as described in this prospectus to the holders of any separate senior notes, and, with respect to senior notes underlying Corporate Units, we will distribute the redemption price to the collateral agent, who in turn will purchase the Treasury portfolio on your behalf, and will remit the remainder of the redemption price, if any, to you as the holder. The Treasury portfolio will be substituted for the senior notes as collateral to secure your obligations under the purchase contracts related to the Corporate Units. If your senior notes are not components of Corporate Units, you, rather than the collateral agent, will receive the related redemption payment. There can be no assurance as to the effect on the market price for the Corporate Units if we substitute the Treasury portfolio as collateral in place of any senior notes so redeemed. A special event redemption will be a taxable event to the holders of the senior notes. In addition to the foregoing, we may, in connection with a successful remarketing and an election to extend the maturity date of the senior notes, add additional redemption dates to the senior notes which would apply regardless of the occurrence of a special event. In no case will an additional redemption date be added which falls before February 17, 2011.

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.

We are a holding company and derive substantially all of our income from our operating subsidiaries. As a result, our cash flows and consequent ability to service our debt, including the senior notes and the contract adjustment payments, are dependent upon the earnings of our subsidiaries and distribution of those earnings to us and other payments or distributions of funds by our subsidiaries to us, including payments of principal and interest under intercompany indebtedness. Our operating subsidiaries are separate and distinct legal entities and will have no

obligation, contingent or otherwise, to pay any dividends or make any other distributions (except for payments required pursuant to the terms of intercompany indebtedness) to us or to otherwise pay amounts due with respect to the senior notes or the contract adjustment payments or to make specific funds available for such payments. Prior to making dividend payments or other distributions to us, our subsidiaries have financial obligations, as well as contractual or statutory limitations on distributions that must be satisfied, including those relating to debt service, preferred stock dividends and other trade creditor obligations. Provisions within the articles of incorporation or pertinent indentures and various other agreements relating to the long-term debt and preferred stock of certain of our subsidiaries restrict the payment of cash dividends or other distributions on their common and preferred stock. As of September 30, 2005, Entergy Arkansas and Entergy Mississippi had restricted retained earnings unavailable for distribution to us of \$396.4 million and \$68.5 million, respectively. In addition, because Entergy New Orleans has 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, Entergy New Orleans' retained earnings as of September 30, 2005 of \$99.2 million are currently unavailable for distribution to us. Until the effective date of its repeal, the Public Utility Holding Company Act of 1935, or PUHCA, provides that, without approval of the SEC, the unrestricted, undistributed retained earnings of any subsidiary of ours are not available for distribution to our common stockholders until such earnings are made available to us through the declaration of dividends by such subsidiaries. Our subsidiaries are also prohibited under PUHCA from making loans or advances to us without approval of the SEC until the effective date of PUHCA's repeal. Repeal of PUHCA will be effective February 8, 2006.

Because we are a holding company and conduct substantially all of our operations through subsidiaries, holders of the senior notes will generally have a position junior to the claims of creditors of our subsidiaries and preferred stockholders of our subsidiaries. As of September 30, 2005, our subsidiaries had approximately \$6.7 billion aggregate principal amount of debt outstanding and \$334 million aggregate liquidation preference of preferred stock outstanding. In addition, 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.

Our indenture does not limit the amount of debt that we or our subsidiaries may issue or incur.

The senior notes will be issued as a new series of unsecured debt securities under an indenture between us and Deutsche Bank Trust Company Americas, as trustee, and will rank equally and ratably in right of payment with all of our other unsecured and unsubordinated debt. After giving effect to the issuance and sale of the senior notes, and the application of the net proceeds therefrom, as of September 30, 2005, we would have had approximately \$ billion of indebtedness outstanding that would have ranked equally with the senior notes. In addition, we have been granted authority by the SEC to issue up to \$3 billion of guarantees for the benefit of our non-utility subsidiaries and we expect to have such guarantees outstanding from time to time in various aggregate amounts. Except in limited circumstances, the indenture does not limit our ability or the ability of our subsidiaries to issue or incur debt or other liabilities.

The allocation of the purchase price for U.S. federal income tax purposes may not be followed by the IRS.

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. As a result, the United States federal income tax consequences of the purchase, ownership and disposition of Equity Units are not entirely clear.

We and you will agree to treat your acquisition of an Equity Unit as an acquisition of the undivided beneficial interest in the senior note and the purchase contract that, combined, constitute such Equity Unit. The purchase price of each Equity Unit will be allocated between the two components in proportion to their respective fair market values at the

time of purchase. Such allocation will establish your initial federal income tax basis in the senior note and the purchase contract. We will report the fair market value of each undivided beneficial interest in a senior note as \$ and the fair market value of each purchase contract as \$. This allocation generally will be binding on you, but not the IRS. Any allocation of basis by the IRS to the purchase contract may affect the timing or amount of your income, gain or loss on the senior notes or purchase contracts and may affect the tax basis in common stock received under a purchase contract. For additional information, see "Certain United States Federal Income Tax Consequences."

You may have to pay taxes with respect to distributions on our common stock that you do not receive.

The number of shares of common stock that you are entitled to receive on the purchase contract settlement date or as a result of early settlement of a purchase contract is subject to adjustment for certain events arising from stock splits and combinations, stock dividends, certain cash dividends and certain other actions by us that modify our capital structure. See "Description of the Purchase Contracts - Anti-Dilution Adjustments." If the settlement rate is adjusted as a result of a distribution that is taxable to our common stock holders, you could be required to include an amount in income for U.S. federal income tax purposes, notwithstanding the fact that you do not actually receive such distribution. In addition, non-U.S. holders of Equity Units may, in certain circumstances, be deemed to have received a distribution subject to U.S. federal withholding tax requirements. See "Certain United States Federal Income Tax Consequences - U.S. Holders - Purchase Contracts - Adjustment to Settlement Rate" and " - Non-U.S. Holders - United States Federal Withholding Tax."

You will be required to accrue original issue discount on the senior notes for United States federal income tax purposes.

Because of the manner in which the interest rate on the senior notes is reset, the senior notes should be classified as contingent payment debt instruments subject to the "noncontingent bond method" for accruing original issue discount for United States federal income tax purposes. As a result, you will be required to accrue original issue discount on the senior notes or the applicable ownership interests in senior notes that are a component of the Corporate Units in your gross income on a constant yield-to-maturity basis, regardless of your usual method of tax accounting. For all accrual periods beginning before the earlier of the reset effective date and February 17, 2009, the original issue discount that accrues on the senior notes will exceed the stated interest payments on the senior notes. In addition, gain recognized on the senior notes during certain periods will be treated as ordinary income for U.S. federal income tax purposes. See "Certain United States Federal Income Tax Consequences-U.S. Holders-Senior Notes."

You may not be able to exercise your right to settle a purchase contract prior to the purchase contract settlement date unless a registration statement under the Securities Act of 1933 is in effect and a prospectus is available covering the shares of common stock deliverable upon early settlement of a purchase contract. You will not be able to exercise your early settlement right, in any case, until March 1, 2006.

The early settlement right under the purchase contracts 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. Although we have agreed to use our commercially reasonable efforts to have such a registration statement in effect and to provide a prospectus if so required under the U.S. federal securities laws, any failure or inability to maintain an effective registration statement or to have available a prospectus covering the common stock, including as a result of pending corporate events or announcements that prevent the delivery of a current prospectus, may prevent or delay an early settlement. In addition, you will not be able to exercise your early settlement right (either generally or in connection with a cash merger) until March 1, 2006.

RATIO OF EARNINGS TO FIXED CHARGES

The following table shows our ratio of earnings to fixed charges for the periods indicated:

Twelve Months Ended September 30,		Year Ended December 31,			
2005	2004	2003	2002	2001	2000
3.34	3.28	2.58	2.02	2.17	2.36

As defined by Item 503(d) of Regulation S-K of the SEC, "Earnings" represent the aggregate of (a) income before the cumulative effect of an accounting change and before undistributed income of equity investees, (b) taxes based on income, (c) investment tax credit adjustments - net and (d) fixed charges, less preferred security dividend requirements of consolidated subsidiaries and capitalized interest. "Fixed Charges" as defined by Item 503(d) of Regulation S-K of the SEC include interest (whether expensed or capitalized), related amortization, estimated interest applicable to rentals charged to operating expenses, and preferred security dividend requirements of consolidated subsidiaries.

FORWARD-LOOKING STATEMENTS

In this prospectus and from time to time, we make statements concerning our expectations, beliefs, plans, objectives, goals, strategies, and future events or performance. Such statements are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Although we believe that these forward-looking statements and the underlying assumptions are reasonable, we cannot provide assurance that they will prove correct. Except to the extent required by the federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Forward-looking statements involve a number of risks and uncertainties, and there are factors that could cause actual results to differ materially from those expressed or implied in the statements. Some of those factors (in addition to others described elsewhere in this prospectus and in subsequent securities filings) include:

- resolution of pending and future rate cases and negotiations, including various performance-based rate discussions and implementation of new Texas legislation, and other regulatory proceedings, including those related to our System Agreement and our utility supply plan;
- our ability to manage our operation and maintenance costs;
- the performance of our generating plants, and particularly the capacity factors at our nuclear generating facilities;
- prices for power generated by our unregulated generating facilities, the ability to hedge, sell power forward or otherwise reduce the market price risk associated with those facilities, including the Non-Utility Nuclear plants, the ability to meet credit support requirements, and the prices and availability of power we must purchase for our utility customers;
- our ability to develop and execute on a point of view regarding prices of electricity, natural gas, and other energy-related commodities;
- changes in the financial markets, particularly those affecting the availability of capital and our ability to refinance existing debt, execute our share repurchase program, and fund investments and acquisitions;
- actions of rating agencies, including changes in the ratings of debt and preferred stock, changes in general corporate ratings, and changes in the rating agencies' ratings criteria;
- changes in inflation, interest rates, and foreign currency exchange rates;
- our ability to purchase and sell assets at attractive prices and on other attractive terms;
- volatility and changes in markets for electricity, natural gas, uranium, and other energy-related commodities;
- changes in utility regulation, including the beginning or end of retail and wholesale competition, the ability to recover net utility assets and other potential stranded costs, the establishment of a regional transmission organization that includes our utility service territory, and the application of market power criteria by the FERC;

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- changes in regulation of nuclear generating facilities and nuclear materials and fuel, including possible shutdown of nuclear generating facilities, particularly those in the northeastern United States;
- uncertainty regarding the establishment of interim or permanent sites for spent nuclear fuel storage and disposal;
- resolution of pending or future applications for license extensions or modifications of nuclear generating facilities;
- changes in law resulting from the new federal energy legislation, including the effects of PUHCA repeal;
- changes in environmental, tax, and other laws, including requirements for reduced emissions of sulfur, nitrogen, carbon, mercury, and other substances;
- the economic climate, and particularly growth in our service territory;
- variations in weather and the occurrence of hurricanes and other storms and disasters, including uncertainties associated with efforts to remediate the effects of Hurricanes Katrina and Rita and recovery of costs associated with restoration including our ability to obtain financial assistance from governmental authorities in connection with these storms;
- the outcome of the Chapter 11 bankruptcy proceeding of Entergy New Orleans, and the impact, if any, of this proceeding on other Entergy companies;
- the potential effects of threatened or actual terrorism and war;
- the effects of our strategies to reduce tax payments;
- the effects of litigation and government investigations;
- changes in accounting standards, corporate governance, and securities law requirements; and
- our ability to attract and retain talented management and directors.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form S-1 with the SEC under the Securities Act of 1933. This prospectus is part of the registration statement, but the registration statement also contains or incorporates by reference additional information and exhibits. We are subject to the informational requirements of the Securities Exchange Act of 1934 and, therefore, we are required to file annual, quarterly and current reports, proxy statements and other information with the SEC. Our filings are available to the public on the Internet at the SEC's home page located at <http://www.sec.gov> or you may read and copy any document at the SEC's public reference room located at 100 F Street, N.E., Washington, D.C. 20549. Call the SEC at 1-800-732-0330 for more information about the public reference room and how to request documents.

The SEC allows us to "incorporate by reference" the information filed by us with the SEC, which means we can refer you to important information without restating it in this prospectus. The information incorporated by reference is an important part of this prospectus. We incorporate by reference the documents listed below:

1. Our Annual Report on Form 10-K for the fiscal year ended December 31, 2004;
2. Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2005, June 30, 2005 and September 30, 2005;
3. Our Current Reports on Form 8-K dated May 18, 2005 (filed May 19, 2005), dated May 13, 2005 (filed May 19, 2005), dated May 25, 2005 (filed June 1, 2005), dated June 1, 2005 (filed June 14, 2005), dated July 28, 2005 (filed August 3, 2005), dated September 6, 2005 (filed September 6, 2005), dated September 20, 2005 (filed September 20, 2005), dated September 22, 2005 (filed September 28, 2005), dated September 28, 2005 (filed October 4, 2005), dated October 19, 2005 (filed October 19, 2005), and dated October 28, 2005 (filed November 2, 2005); and
4. Our definitive proxy statement dated March 13, 2005, filed on March 25, 2005 in connection with our 2005 annual meeting of stockholders.

We will provide to each person, including any beneficial owner, to whom a prospectus is delivered, a copy of any or all of the reports or documents that have been incorporated by reference in this prospectus but not delivered with the prospectus. You may access a copy of any or all of these filings, free of charge, at our web site <http://www.entergy.com> or by writing or telephoning us at the following address:

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Clinton, Mississippi 39056
(601) 339-2363

You may also direct your requests via e-mail to cscreen@entergy.com.

You should rely only on the information incorporated by reference or provided in this prospectus. We have not, and the underwriters have not, authorized anyone else to provide you with different information about us or the securities. We are not, and the underwriters are not, making an offer of the securities in any state where the offer is not permitted. You should not assume that the information in this prospectus is accurate as of any other date than the date on the front of this document or that the documents incorporated by reference in this prospectus are accurate as of any date other than the date those documents were filed with the SEC. Our business, financial condition, results of operations and prospects may have changed since those dates.

USE OF PROCEEDS

The net proceeds from the sale of the Corporate Units in this offering are estimated to be approximately \$ _____ million (approximately \$ _____ million if the underwriters fully exercise their over-allotment option to purchase additional Corporate Units), after deducting the underwriting discounts and commissions and estimated offering expenses. We will use these net proceeds to repay debt incurred under our \$2 billion five-year revolving credit facility which expires in May 2010. At _____, 2005, we had approximately \$ _____ billion of debt outstanding under this facility (including letters of credit issued against this facility) and the debt had a weighted average interest rate of _____ %.

COMMON STOCK PRICE RANGE AND DIVIDENDS

The shares of our common stock are listed on the New York Stock Exchange, the Chicago Stock Exchange, and the Pacific Stock Exchange under the ticker symbol ETR.

The following table sets forth the range of intra-day high and low sale prices, as reported on the NYSE Composite Tape, and the cash dividends declared on our common stock for the periods indicated:

	Price Range	High	Low	Dividends
2003	First Quarter	\$ 49.55	\$42.26	\$0.35

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	Second Quarter	\$ 54.38	\$45.90	\$0.35
	Third Quarter	\$ 54.99	\$47.75	\$0.45
	Fourth Quarter	\$ 57.24	\$51.06	\$0.45
2004	First Quarter	\$ 60.20	\$56.01	\$0.45
	Second Quarter	\$ 59.92	\$50.64	\$0.45
	Third Quarter	\$ 61.98	\$54.43	\$0.45
	Fourth Quarter	\$ 68.67	\$60.08	\$0.54
2005	First Quarter	\$ 72.00	\$64.48	\$0.54
	Second Quarter	\$ 76.60	\$69.35	\$0.54
	Third Quarter	\$ 79.22	\$70.52	\$0.54
	Fourth Quarter (through November 30, 2005)	\$ 75.99	\$67.16	

On November 30, 2005, the reported last sale price of our common stock on the New York Stock Exchange was \$70.00 per share.

As of November 14, 2005, we had 49,569 stockholders of record and 207,479,783 shares of common stock outstanding.

Declarations of dividends on our common stock are made at the discretion of our Board of Directors. Among other things, the Board evaluates the level of our common stock dividends based upon our earnings, financial strength, and future investment opportunities.

ACCOUNTING TREATMENT

The net proceeds from the sale of the Corporate Units will be allocated between the purchase contracts and the senior notes in our financial statements based on the underlying fair value of each instrument at the time of issuance. The present value of the Corporate Units contract adjustment payments will be initially recorded as a reduction to common stockholders' equity (common stock and paid-in capital), with an offsetting credit to liabilities. This liability is accreted over three years by interest charges to the income statement based on a constant rate calculation. Subsequent contract adjustment payments will reduce this liability.

The purchase contracts are forward transactions in our common stock. Upon settlement of each purchase contract, we will receive \$50 pursuant to that purchase contract and will issue the requisite number of shares of our common stock. The \$50 we receive will be credited to common stockholders' equity (common stock and paid-in capital).

Before the issuance of shares of our common stock upon settlement of the purchase contracts, the purchase contracts will be reflected in our diluted earnings per share calculations using the treasury stock method. Under this method, the number of shares of our common stock used in calculating diluted earnings per share, based on the settlement formula applied at the end of each reporting period, is deemed to be increased by the excess, if any, of the number of shares that would be issued upon settlement of the purchase contracts less the number of shares that could be purchased by us in the market, at the average market price during the period, using the proceeds receivable upon settlement. Consequently, we anticipate there will be no dilutive effect on our earnings per share except during periods when the average market price of our common stock is above the threshold appreciation price of \$.

DESCRIPTION OF THE EQUITY UNITS

The following is a summary of some of the terms of the Equity Units. This summary together with the summary of the terms of the purchase contracts, the purchase contract and pledge agreement and the senior notes set forth under the captions "Description of the Purchase Contracts," "Certain Provisions of the Purchase Contracts and the Purchase Contract and Pledge Agreement," "Description of the Senior Notes" and "Description of the Common Stock" in this prospectus contains a description of all of the material terms of the Equity Units but is not complete, and we refer you to th