RYDER SYSTEM INC
Form 424B2
March 02, 2010

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PROSPECTUS SUPPLEMENT **Filed Pursuant to Rule 424(b)(2)**
(To prospectus dated February 25, 2010) **Registration No. 333-165076**

Ryder System, Inc.

Medium-Term Notes
Due 9 Months or More From the Date of Issue

We may offer our medium-term notes at one or more times. The following terms may apply to particular notes being offered.

They will constitute our unsecured and unsubordinated obligations and rank equally with all of our other unsecured and unsubordinated indebtedness outstanding from time to time.

They will have maturities of nine months or more.

They may be subject to redemption at our option or repayment at the option of the holder.

They will be denominated in U.S. dollars.

They may bear interest at a fixed or floating interest rate. Certain notes issued at a discount may not bear interest. Floating interest rates may be based on any of the following formulas:

CMT Rate	Prime Rate
Commercial Paper Rate	Treasury Rate
Federal Funds Rate	Another interest rate index specified
LIBOR	in the applicable pricing supplement

They may be issued as indexed notes.
They will be issued in book-entry form only.
Interest will be paid on fixed rate notes semi-annually and at maturity.
Interest will be paid on floating rate notes on dates determined at the time of issuance.
They will be issued in minimum denominations of $1,000 and integral multiples of $1,000.

We will specify the final terms for each note, which may be different from the terms described in this prospectus supplement, in the applicable pricing supplement.

Investing in the notes involves certain risks. See Risk Factors beginning on page S-3.

	Price to Public	Agents Commissions	Proceeds to Us
Per Note	100%[1]	.125%-.750%	99.25%-99.875%

[1] Unless the pricing supplement provides otherwise, we will issue the notes at 100% of their principal amount.

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

We may sell the notes to or through one or more Agents, including the Agents listed below, as principals for resale at varying or fixed offering prices or through the Agents as agents using their reasonable efforts on our behalf. We may also sell the notes without the assistance of the Agents (whether acting as principal or as agent).

BofA Merrill Lynch
BNP PARIBAS
BNY Mellon Capital Markets, LLC
Citi
Comerica Securities
Mitsubishi UFJ Securities
Mizuho Securities USA Inc.
Morgan Keegan & Company, Inc.
Morgan Stanley
RBC Capital Markets
RBS
SunTrust Robinson Humphrey
U.S. Bancorp Investments, Inc.
Wells Fargo Securities

The date of this prospectus supplement is March 1, 2010.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. Ryder System, Inc. has not authorized anyone to provide you with information different from that contained in this prospectus supplement and the accompanying prospectus. Ryder System, Inc. is offering to sell the notes and seeking offers to buy the notes only in jurisdictions where offers and sales are permitted. The information contained in this prospectus supplement, the accompanying prospectus and any pricing supplement, as well as information filed by us with the Securities and Exchange Commission and incorporated by reference in these documents, is accurate only as of their respective dates, regardless of the time of delivery of this prospectus supplement or any sale of the notes. In this prospectus supplement, the Company, we, us and our refer to Ryder System, Inc. and not any of its subsidiaries, except where the context otherwise requires or as otherwise indicated.

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ABOUT THIS PROSPECTUS SUPPLEMENT AND THE PRICING SUPPLEMENTS

This prospectus supplement is part of a registration statement that we filed with the Securities and Exchange Commission utilizing the shelf registration process. Under the shelf process, we may sell the securities described in this prospectus supplement in one or more offerings. We intend to use this prospectus supplement, the attached prospectus and a related pricing supplement to offer our notes from time to time.

This prospectus supplement provides you with certain terms of the notes and supplements the description of the debt securities contained in the attached prospectus. If information in this prospectus supplement is inconsistent with the prospectus, this prospectus supplement will replace the inconsistent information in the prospectus.

Each time we issue notes, we will prepare a pricing supplement that will contain additional terms of the offering and the specific description of the notes being offered. The pricing supplement may also add, update or change information in this prospectus supplement or the attached prospectus, including provisions describing the calculation of interest and the method of making payments under the terms of a note. The flexibility available to us to set or negotiate individualized terms for notes means that there will be transactions, particularly with currency indexed notes, that are quite complex. Often the terms of the notes will differ from the terms described in this prospectus supplement. Any information in the pricing supplement that is inconsistent with this prospectus supplement will replace the inconsistent information in this prospectus supplement.

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RISK FACTORS

Your investment in the notes is subject to certain risks, especially if the notes involve a currency index. This prospectus supplement does not, and any pricing supplement will not, describe all of the risks of an investment in the notes. You should consult your own financial and legal advisors about the risks entailed by an investment in the notes and the suitability of your investment in the notes in light of your particular circumstances. You should also consider carefully the matters described below, as well as the Risk Factors and other factors described in the Forward-Looking Statements sections of documents incorporated by reference into the accompanying prospectus.

Risk Factors Related to the Notes

Because the notes will be unsecured, your right to receive payments may be adversely affected.

The notes that we may offer will be unsecured. If we default on the notes, or after bankruptcy, liquidation or reorganization, then, to the extent that we have granted security over our assets, the assets that secure our debts will be used to satisfy the obligations under that secured debt before we could make payment on the notes. There may only be limited assets available to make payments on the notes in the event of an acceleration of the notes.

We may choose to redeem the notes when prevailing interest rates are relatively low.

If the notes are redeemable at our option, we may choose to redeem the notes at times when prevailing interest rates are relatively low. In addition, if the notes are subject to mandatory redemption, we may be required to redeem the notes also at times when prevailing interest rates are relatively low. As a result, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the notes being redeemed. Such redemption right of ours also may adversely impact your ability to sell your notes, and/or the price at which you could sell your notes, as the redemption date approaches.

Credit ratings may not reflect all risks of an investment in the notes.

The credit ratings of our medium-term note program may not reflect the potential impact of all risks related to structure and other factors on any trading market for, or trading value of, your notes. In addition, real or anticipated changes in our credit ratings will generally affect any trading market for, or trading value of, your notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. There is no assurance that a credit rating will remain for any given period of time or that a credit rating will not be lowered or withdrawn by the relevant rating agency if, in its judgment, circumstances so warrant. In the event that a credit rating assigned to the notes or to us is subsequently lowered for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to the notes, and the market value of the notes is likely to be adversely affected.

You may not be able to sell your notes because a trading market for your notes may not develop or be maintained.

In making your evaluation of the notes, you should assume that you will be holding the notes until their maturity. The notes will not have an established trading market when issued. We may not list the notes on any securities exchange. We cannot assure you that a trading market for your notes will ever develop or be maintained. The Agents may make a market in the notes, but the Agents are not obligated to do so and they may discontinue market making activities at any time without notice, at their sole discretion. If liquidity is important to you, you should consider this before buying the notes.

Many factors affect the trading market and market value of your notes.

In addition to our credit ratings, creditworthiness, financial condition and results of operations, many other factors may affect the market value of, and trading market for, your notes. These factors include:

- the complexity and volatility of any index or formula applicable to the notes;

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- the method of calculating any principal, premium or interest to be paid on the notes;
- the time remaining to the maturity of your notes;
- the outstanding amount of your notes and other debt securities with the same terms;
- any redemption or repayment features of your notes;
- the supply of notes trading in the secondary market, if any;
- the absence of an exchange listing for the notes;
- any ratings downgrade or adverse event affecting the notes;
- market rates of interest higher or lower than rates borne by your notes; and
- the level, direction and volatility of market interest rates generally.

These factors are interrelated in complex ways. As a result, the effect of any one factor may be offset or magnified by the effect of another factor. In addition, there may be a limited number of buyers when you decide to sell your notes. This may affect the price you receive for your notes or your ability to sell your notes at all. Notes that are designed for specific investment objectives or strategies often experience a more limited trading market and more price volatility than those not so designed. You should not purchase notes unless you understand and know you can bear all of the investment risks involving the notes.

Conversion of interest rate may affect the market value of the notes.

Certain fixed/floating rate notes may bear interest at a rate that we may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Our ability to convert the interest rate will affect the secondary market and the market value of the notes since we may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If we convert from a fixed rate to a floating rate, the spread on the fixed/floating rate notes may be less favorable than the then-prevailing spreads on comparable floating rate notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other notes. If we convert from a floating rate to a fixed rate, the fixed rate may be lower than the then-prevailing floating rates on the notes.

There may be certain tax consequences of holding the notes.

Different noteholders will be treated differently depending on the terms of the notes and their own particular status and circumstances. Potential investors should consider, and consult with their own tax advisers about the U.S. federal income (as well as applicable state, local and foreign income and other) tax consequences to them of investing in, holding, and disposing of the notes. For more information, please read the section below described under the heading Material U.S. Federal Income Tax Considerations.

The notes may not be a suitable investment for all investors.

You must determine the suitability of your investment in light of your own circumstances. In particular, you should (1) have sufficient knowledge and experience to make a meaningful evaluation of the notes, the merits and risks of investing in the notes and the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus; (2) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of your particular financial situation, an investment in the notes and the impact the notes will have on the your overall investment portfolio; (3) have sufficient financial resources and liquidity to bear all of the risks of an investment in the notes; (4) understand thoroughly the terms of the notes and be familiar with the behavior of any relevant indices and financial markets; and (5) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect your investment and your ability to bear the applicable risks.

Notes are complex financial instruments. You should not invest in the notes unless you have the expertise (either alone or with a financial adviser) to evaluate how the notes will perform under changing conditions, the resulting effects on the value of the notes, and the impact this investment will have on your overall investment portfolio.

Notes indexed to interest rate, currency or other indices or formulas may have risks not associated with a conventional debt security.

If you invest in notes indexed to one or more values of currencies (including exchange rates between currencies), commodities, securities or interest rate indices, you will be subject to significant economic risks that are not associated with similar investments in a conventional fixed-rate debt security and may be subject to extraordinary tax treatment. If the interest rate of such a note is so indexed, it may result in an interest rate that is less than that payable on a conventional fixed-rate debt security issued at the same time, including the possibility that no interest will be paid, and, if the principal amount of such a note is so indexed, the principal amount payable at maturity may be less than the original purchase price of such note if allowed pursuant to the terms of such note, including the possibility that no principal will be paid. The secondary market for such notes will be affected by a number of factors, independent of our creditworthiness and the value of the applicable currency, commodity, security or interest rate index, including the volatility of, or of the price or value of, the applicable currency, commodity, security or interest rate index, the time remaining to the maturity of such notes, the amount outstanding of such notes and market interest rates. The value of the applicable currency, commodity, security or interest rate index will depend on a number of interrelated factors, including economic, financial and political events, over which we have no control. Additionally, if the formula used to determine the principal amount or interest payable with respect to such notes contains a multiple or leverage factor, the effect of any change in the applicable currency, commodity, security or interest rate index will be increased. Historical experience relating to the relevant currencies, commodities, securities or interest rate indices and their values should not be taken as an indication of future performance or values of such currencies, commodities, securities or interest rate indices during the term of any note. The particular economic and tax risks associated with the issuance of indexed notes will be set forth in the related pricing supplement.

Exchange rates and exchange controls may adversely affect your foreign currency indexed notes.

An investment in a note indexed to a currency other than U.S. dollars entails significant risks. These risks include the possibility of significant changes in rates of exchange between the U.S. dollar and such currency and the possibility of the imposition or modification of foreign exchange controls by either the United States or foreign governments, such as intervention by a country s central bank, imposition of regulatory controls or taxes, issuing a new currency to replace an existing currency or altering the exchange rate or relative exchange characteristics by the devaluation or revaluation of a currency. These risks generally depend on factors over which we have no control, such as economic and political events and the supply of and demand for the relevant currencies. In recent years, rates of exchange between the U.S. dollar and certain currencies have been highly volatile, and you should be aware that volatility may occur in the future. Depreciation of the specified currency for a note against the U.S. dollar would result in a decrease in the effective yield of such note (on a U.S. dollar basis) below its coupon rate and, in certain circumstances, could result in a loss to you on a U.S. dollar basis. There will be no adjustment or change in the terms of the currency indexed notes if exchange rates become fixed, or if any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes occur, or other developments affecting the U.S. dollar or any applicable currency occur.

TERMS OF THE NOTES

General

The following description (unless otherwise specified in a pricing supplement) of the particular terms of our Medium-Term Notes (the Notes) offered hereby supplements, and to the extent inconsistent therewith replaces, the description of the general terms of the Debt Securities set forth under the heading Description of the Debt Securities in the accompanying prospectus.

The Notes are a series of the debt securities described in the accompanying prospectus. See Description of the Debt Securities in the accompanying prospectus for additional information concerning the Notes and the indenture under which they are to be issued. Capitalized terms used but not defined below have the meanings given to them in the accompanying prospectus, and in the indenture relating to the Notes, or in the applicable pricing supplement.

The Notes are to mature on any day nine months or more from the date of issue (the Issue Date) as selected by the purchaser and agreed to by us.

We may, without the consent of the holders of Notes, reopen any tranche of Notes previously issued and create and issue additional Notes similar to previously issued Notes in all respects except for the issue date, issue price and the payment of interest accruing prior to the issue date of such additional Notes, provided that such additional Notes shall be fungible with the previously issued Notes for U.S. federal income tax purposes. Such additional Notes will be consolidated and form a single tranche with, have the same CUSIP number as and trade interchangeably with such previously issued Notes.

The Notes issued under the indenture will constitute our unsecured and unsubordinated general obligations and rank equally with all of our other unsecured and unsubordinated indebtedness outstanding from time to time.

Each Note will bear interest at either:

- a fixed rate, which may be zero in the case of certain Notes issued at an Issue Price (as defined below) representing a discount from the principal amount payable at maturity (a Zero Coupon Note), or

- a floating rate determined by reference to the interest rate basis or combination of interest rate bases (the Base Rate) or interest rate formulas specified in the applicable pricing supplement, which may be adjusted by a Spread or Spread Multiplier (each as defined below).

Interest rates offered by us with respect to the Notes may differ depending upon, among other things, the aggregate principal amount of the Notes purchased in any single transaction.

The Notes will be issued in fully registered book-entry form (Book-Entry Notes) and will be represented by one or more global Notes without coupons (each, a Global Note) deposited with the Trustee and registered in the name of a nominee of The Depository Trust Company (the Depositary) in New York, New York. Beneficial interests in Notes evidenced by a Global Note will be shown on, and transfers thereof will be effected only through, records maintained by the Depositary and its direct and indirect participants and any such beneficial interest may not be exchanged for Notes in certificated form (Certificated Notes) except in the limited circumstances described herein. See Book-Entry Notes.

The Notes will be issued in minimum denominations of $1,000 and in integral multiples of $1,000 in excess thereof.

The Notes will be denominated in, and payments of principal, premium, if any, and/or interest, if any, in respect thereof will be made in, United States dollars. References to United States dollars, U.S. dollars, U.S.$ or $ are to th lawful currency of the United States of America (the United States).

Unless otherwise specified in the applicable pricing supplement attached hereto, the Notes will be issued at 100% of their principal amount.

As used herein:

Business Day with respect to any Note means, unless otherwise specified in the applicable pricing supplement, any day, other than a Saturday or Sunday, that meets each of the following applicable requirements: the day is

(a) neither a legal holiday nor a day on which commercial banks are authorized or required by law, regulation or executive order to be closed in The City of New York; and

(b) if such Note is a LIBOR Note, a London Banking Day.

Discount Note means

(a) a Note which provides for an amount less than the stated principal amount thereof to be due and payable upon declaration of acceleration of the maturity thereof pursuant to the indenture; and

(b) any other Note that for United States Federal income tax purposes would be considered an original issue discount note.

Interest Payment Date with respect to any Note means a date (other than the Maturity Date) on which, under the terms of such Note, regularly scheduled interest shall be payable;

LIBOR Currency means the currency specified in the applicable pricing supplement as to which LIBOR shall be calculated or, if no currency is specified in the applicable pricing supplement, United States dollars;

London Banking Day means any day on which commercial banks are open for business (including dealings in the LIBOR Currency (as defined above)) in London;

Maturity Date with respect to any Note means the date on which such Note will mature, as specified thereon; and

Record Date with respect to any Interest Payment Date for any Note shall be the date (whether or not a Business Day) 15 calendar days (unless otherwise specified in the applicable pricing supplement) immediately preceding such Interest Payment Date.

All percentages resulting from any calculations will be rounded, if necessary, to the nearest one millionth of a percentage point (with five ten-millionths of a percentage point being rounded upward) and all amounts in U.S. dollars rounded to the nearest cent (with one-half cent being rounded upward).

The pricing supplement relating to each Note will describe the following terms, as applicable:

- the principal amount of each Note;
- whether such Note is a Fixed Rate Note, a Floating Rate Note, a Discount Note or a Zero Coupon Note;
- the price (expressed as a percentage of the aggregate principal amount thereof) at which such Note will be issued (the Issue Price);
- the Issue Date;
- the Maturity Date of such Note;

if such Note is a Fixed Rate Note, the rate per annum at which such Note will bear interest, if any (the Interest Rate);

if such Note is a Floating Rate Note, the Base Rate, the Initial Interest Rate, the Interest Reset Period, the Interest Reset Dates, the Interest Payment Dates, the Index Maturity, the Maximum Interest Rate and the Minimum Interest Rate, if any, and the Spread or Spread Multiplier, if any (all as defined herein), and any other terms relating to the particular method of calculating the Interest Rate for such Note;

whether such Note may be redeemed at our option or repaid at the option of the holders thereof prior to its Maturity Date, and if so, the provisions relating to such redemption or repayment;

certain special tax consequences of the purchase, ownership and disposition of certain Notes, if any; and

any other terms of such Note not inconsistent with the provisions of the indenture.

Payments on the Notes

Interest payable with respect to a Note on any Interest Payment Date will be paid to the person in whose name such Note (or one or more predecessor Notes) is registered at the close of business on the Record Date immediately preceding such Interest Payment Date, provided that interest payable on the Maturity Date will be payable to the person to whom principal shall be payable. Unless otherwise specified in the applicable pricing supplement, the first payment of interest on any Note will be made on the first Interest Payment Date succeeding the Issue Date to the person in whose name such Note (or one or more predecessor Notes) is registered at the close of business on the Record Date with respect to such Interest Payment Date; provided that if a Note is originally issued between a Record Date and an Interest Payment Date, then the first payment of interest will be made on the Interest Payment Date following the next succeeding Record Date to the registered owner on such Record Date. Any such interest not so punctually paid or duly provided for on any Interest Payment Date will forthwith cease to be payable to the person in whose name such Note (or one or more predecessor Notes) is registered at the close of business on the relevant Record Date (or, if relevant, the person entitled to payment on an applicable Maturity Date) and may either (1) be paid to the person in whose name such Note (or one or more predecessor Notes) is registered at the close of business on a special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof shall be given to the holders of Notes by mail sent to their registered addresses not less than ten days prior to such special Record Date or (2) be paid at any time in any other lawful manner.

In the limited circumstances in which Certificated Notes are issued (see Book-Entry Notes), payments of interest on Certificated Notes, other than interest payable with respect to the principal amount due on any Maturity Date with respect to a Certificated Note, will be made by check mailed to the registered holder entitled to that interest as described above. Notwithstanding the foregoing, a registered holder of not less than U.S. $10,000,000 aggregate principal amount of Certificated Notes that have the same Interest Payment Dates may, by written notice to the Trustee on or before the Record Date preceding an Interest Payment Date, arrange to have the interest payable on all such Notes, held by such holder on such Interest Payment Date, and all subsequent Interest Payment Dates until written notice to the contrary is given to the Trustee as aforesaid, made by wire transfer of immediately available funds to an account at a bank in the United States (or other bank consented to by us and the Trustee) as the holder of such Notes shall have designated, provided that such bank has appropriate facilities therefor.

The principal, premium, if any, and interest on any Certificated Note that is due at a Maturity Date will be paid in immediately available funds against presentation and surrender (by overnight delivery) of such Note at the office of the Trustee maintained for such purpose at The Bank of New York Mellon Trust Company, N.A., as Trustee, at 10161 Centurion Parkway, Jacksonville FL 32256, or such other office or agency of which the registered holders receive notice from the Trustee; provided, however, that if such payment is to be made by wire transfer, the Trustee shall have received, not less than 15 Business Days prior to such Maturity Date, appropriate wire transfer instructions therefor. Payment of the principal amount of each Note and interest thereon that is due at maturity will be made on such Maturity Date provided that the Note is surrendered to the Trustee prior to 3:00 P.M., New York City time, on such Maturity Date and the Trustee has confirmation of receipt of funds from us.

We and the Trustee and any of our or the Trustee s agents may treat the person in whose name a Note is registered at the relevant time specified above or in the Note as the owner of such Note for the purpose of receiving payments of principal, premium, if any, and interest on such Note and for all other purposes whatsoever.

Any money deposited with the Trustee and remaining unclaimed for two years after the date upon which the last payment of principal, premium, if any, and interest on any Note to which such deposit relates shall have become due and payable, shall be repaid to us by the Trustee on demand, and the holder of any Note to which such deposit related entitled to receive payment shall thereafter look only to us for the payment thereof and all liability of the Trustee with respect to such money shall thereupon cease.

In the absence of a written request from us to return unclaimed funds to us, the Trustee shall from time to time deliver all unclaimed funds to or as directed by applicable escheat authorities, as determined by the Trustee in its sole discretion, in accordance with the customary practices and procedures of the Trustee. Any unclaimed funds held by the Trustee pursuant to this and the preceding paragraph shall be held uninvested and without any liability for interest.

For a description of procedures for payment of principal, premium, if any, and interest on Book-Entry Notes represented by a Global Note, see Book-Entry Notes.

Fixed Rate Notes

Each Fixed Rate Note will bear interest from its Issue Date or from the most recent Interest Payment Date to which interest has been paid or duly provided for, as the case may be, at the annual rate stated on its face. Unless otherwise stated in the applicable pricing supplement, interest will be payable semiannually until the principal amount of the Note is paid or made available for payment or upon earlier redemption or repayment and will be computed on the basis of a 360-day year of twelve 30-day months.

Interest on Fixed Rate Notes will be payable on the Interest Payment Dates specified in the applicable pricing supplement and at the Maturity Date as to the principal amount due at such Maturity Date, unless otherwise specified in the applicable pricing supplement. Notwithstanding the foregoing, periodic payments of interest will not be made with respect to any Zero-Coupon Note.

We may change interest rates from time to time but no such change will affect any Fixed Rate Notes theretofore issued or as to which we have accepted an offer. Each payment of interest shall include interest accrued through the day preceding the Interest Payment Date or Maturity Date or date of redemption or repayment. If any Interest Payment Date or the Maturity Date or date of redemption or repayment of a Fixed Rate Note falls on a day that is not a Business Day, the payment will be made on the next Business Day as if it were made on the date payment was due, and no interest will accrue after that Interest Payment Date, Maturity Date or the date of redemption or repayment.

Floating Rate Notes

Each Floating Rate Note will bear interest from its Issue Date at a rate per annum equal to:

the Initial Interest Rate set forth in the applicable pricing supplement until the first Interest Reset Date (as defined below); and

thereafter at rates determined by reference to the Base Rate plus or minus the Spread, if any, or multiplied by the Spread Multiplier, if any (each as specified in the applicable pricing supplement), until the principal thereof is paid or payment thereof is duly provided for.

The Spread is the number of basis points (one basis point equals one-hundredth of a percentage point) specified in the applicable pricing supplement as being applicable to such Note. The Spread Multiplier is the percentage specified in the applicable pricing supplement as being applicable to such Note. Any Floating Rate Note may also have either or both of the following:

a maximum numerical interest rate limitation, or ceiling, on the rate of interest that may accrue during any interest period (the Maximum Interest Rate); and

a minimum numerical interest rate limitation, or floor, on the rate of interest that may accrue during any interest period (the Minimum Interest Rate).

In addition to any Maximum Interest Rate that may apply to any Floating Rate Note pursuant to the foregoing, the interest rate on Floating Rate Notes will in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States law of general application. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis; this limit does not apply to Floating Rate Notes in which U.S. $2,500,000 or more has been invested.

The applicable pricing supplement will designate one or more of the following Base Rates as applicable to each Floating Rate Note:

the CMT Rate (a CMT Rate Note)

- the Commercial Paper Rate (a Commercial Paper Rate Note);
- the Federal Funds Rate (a Federal Funds Rate Note)
- LIBOR (a LIBOR Note);
- the Prime Rate (a Prime Rate Note);
- the Treasury Rate (a Treasury Rate Note); or
- such other Base Rate or interest rate formula as is specified in the applicable pricing supplement.

The Spread, Spread Multiplier, Index Maturity (as defined below) and other variable terms of the Floating Rate Notes are subject to change by us from time to time, but no such change will affect any Floating Rate Note theretofore issued or as to which we have accepted an offer.

The rate of interest on each Floating Rate Note will be reset daily, weekly, monthly, quarterly, semiannually, annually or otherwise (such period being the Interest Reset Period for such Note, and the first day of each Interest Reset Period being an Interest Reset Date), as specified in the applicable pricing supplement. Unless otherwise specified in the applicable pricing supplement, the Interest Reset Date will be:

- in the case of Floating Rate Notes that reset daily, each Business Day;
- in the case of Floating Rate Notes (other than Treasury Rate Notes) that reset weekly, Wednesday of each week;
- in the case of Treasury Rate Notes that reset weekly, Tuesday of each week;
- in the case of Floating Rate Notes that reset monthly, the third Wednesday of each month;
- in the case of Floating Rate Notes that reset quarterly, the third Wednesday of March, June, September and December;
- in the case of Floating Rate Notes that reset semiannually, the third Wednesday of each of two months specified in the applicable pricing supplement; and
- in the case of Floating Rate Notes that reset annually, the third Wednesday of the month specified in the applicable pricing supplement.

If any Interest Reset Date for any Floating Rate Note would otherwise be a day that is not a Business Day, such Interest Reset Date shall be postponed to the next day that is a Business Day, except, in the case of a LIBOR Note, if such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the immediately preceding Business Day.

Interest on each Floating Rate Note will be payable monthly, quarterly, semiannually, annually or as otherwise specified in the applicable pricing supplement (the Interest Payment Period). Except as provided below or in the applicable pricing supplement, interest will be payable:

in the case of Floating Rate Notes which reset daily, weekly or monthly, on the third Wednesday of each month or on the third Wednesday of March, June, September and December;

in the case of Floating Rate Notes which reset quarterly, on the third Wednesday of March, June, September and December;

in the case of Floating Rate Notes which reset semiannually, on the third Wednesday of each of the two months specified in the applicable pricing supplement;

in the case of Floating Rate Notes which reset annually, on the third Wednesday of the month specified in the applicable pricing supplement; and

in each case, on the Maturity Date thereof.

If any Interest Payment Date for any Floating Rate Note would otherwise be a day that is not a Business Day, such Interest Payment Date shall be postponed to the next day that is a Business Day except, in the case of a LIBOR

Note, if such Business Day is in the next succeeding calendar month, such Interest Payment Date shall be the immediately preceding Business Day and no interest will accrue for the period from and after such Interest Payment Date. If the Maturity Date (or date of redemption or repayment) of any Floating Rate Note would fall on a day that is not a Business Day, the payment of interest and premium, if any, and principal may be made on the next succeeding Business Day, and no interest on such payment will accrue for the period from and after the Maturity Date (or the date of redemption or repayment).

Interest payments on each Interest Payment Date or on the Maturity Date or the date of redemption or repayment for Floating Rate Notes will include accrued interest from and including the Issue Date or from and including the last date in respect of which interest has been paid or duly provided for, as the case may be, to, but excluding, such Interest Payment Date or Maturity Date or the date of redemption or repayment.

Accrued interest will be calculated by multiplying the principal amount of a Floating Rate Note by an accrued interest factor. The accrued interest factor will be computed by adding the interest factors calculated for each day in the period for which accrued interest is being calculated. The interest factor (expressed as a decimal) for each such day will be computed by dividing the interest rate applicable to such day by 360, in the case of Commercial Paper Rate Notes, LIBOR Notes, Federal Funds Rate Notes and Prime Rate Notes, or by the actual number of days in the year in the case of Treasury Rate Notes or CMT Rate Notes. The interest rate in effect on each day will be

- if such day is an Interest Reset Date, the interest rate with respect to the Interest Determination Date (as defined below) pertaining to such Interest Reset Date, or

- if such day is not an Interest Reset Date, the interest rate with respect to the Interest Determination Date pertaining to the next preceding Interest Reset Date, subject in either case to any Maximum Interest Rate or Minimum Interest Rate limitation referred to above and to any adjustment by a Spread or Spread Multiplier referred to above.

The interest rate in effect for the period from the Issue Date to the first Interest Reset Date set forth in the applicable pricing supplement will be the Initial Interest Rate specified in the applicable pricing supplement.

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

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

- the tenth calendar day after such Interest Determination Date or, if such day is not a Business Day, the next succeeding Business Day; or the Business Day preceding the date any payment is required to be made for any period following the applicable Interest Reset Date or Maturity Date (or the date of redemption or repayment).

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

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

CMT Rate Notes

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

Unless otherwise specified in the applicable pricing supplement, the CMT Rate means, with respect to any Interest Determination Date, the rate on such date as displayed on the Designated CMT Reuters Page (as defined below) under the caption . . . Treasury Constant Maturities . . . Federal Reserve Board Release H.15 . . . Mondays Approximately 3:45 P.M., under the column for the Designated CMT Maturity Index (as defined below) for the rate on that CMT Rate Interest Determination Date displayed on Reuters Page FRBCMT, or the weekly or monthly average on Reuters Page FEDCMT, for the week that ends immediately preceding the week in which the related Rate Interest Determination Date falls, or the month that ends immediately before the month in which the relevant Rate Interest Determination Date falls, as applicable. The following procedures will be followed if the CMT Rate cannot be determined as described above:

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

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

If such information is not provided by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate for the CMT Rate Interest Determination Date will be calculated by the Calculation Agent, and will be a yield to maturity, based on the arithmetic mean of the secondary market closing offer side prices as of approximately 3:30 P.M., New York City time, on the CMT Rate Interest Determination Date reported, according to their written records, by three leading primary United States government securities dealers (each, a Reference Dealer) in The City of New York, which may include the Agents or the Calculation Agent or their affiliates, selected by the Calculation Agent after consulting with us (from five such Reference Dealers selected by the Calculation Agent after consulting with us and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)), for the most recently issued direct noncallable fixed rate obligations of the United States (Treasury Notes) with an original maturity of approximately the Designated CMT Maturity Index and a remaining term to maturity of not less than such Designated CMT Maturity Index minus one year.

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

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

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

Designated CMT Reuters Page means the display on the Reuters 3000 Xtra Service (Reuters), or any successor service, on the page designated in the applicable pricing supplement, or any other page as may replace such page on that service for the purpose of displaying Treasury Constant Maturities as reported in H.15(519), for the purpose of displaying Treasury Constant Maturities as reported in H.15(519). If no such page is specified in the applicable pricing supplement, the Designated CMT Reuters Page shall be FEDCMT, for the most recent week.

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

Commercial Paper Rate Notes

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

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

If such rate is not published by 3:00 p.m., New York City time, on the Calculation Date pertaining to such Interest Determination Date, then the Commercial Paper Rate shall be the Money Market Yield of the rate on that Interest Determination Date for commercial paper having the Index Maturity designated in the applicable pricing supplement as set forth in the daily update of the Board of Governors of the Federal Reserve System at http://www.bog.frb.fed.us/releases/h15/update or any successor site or publication (the H.15 Daily Update) paper having the Index Maturity on the face hereof.

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

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

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

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

Federal Funds Rate Notes

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

Unless otherwise specified in the applicable pricing supplement, the Federal Funds Rate means, with respect to any Interest Determination Date, the rate on that day for Federal Funds as published in H.15(519) under the heading Federal Funds (Effective) as displayed on Reuters on page FEDFUNDS1 under the heading EFFECT, or any successor service or page (Reuters Page FEDFUNDS1) The following procedures will be followed if the Federal Funds Rate cannot be determined as described above:

If the above rate does not appear on Reuters Page FEDFUNDS1or is not so published by 9:00 a.m., New York City time, on the Calculation Date pertaining to such Interest Determination Date, then the Federal Funds Rate shall be the rate on such Interest Determination Date as published in the H.15 Daily Update under the heading Federal Funds (Effective).

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

LIBOR Notes

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

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

(i) With respect to an Interest Determination Date, LIBOR shall equal the arithmetic mean of the offered rates for deposits in U.S. dollars having the Index Maturity specified in the applicable pricing supplement, commencing on the second London Banking Day immediately following such Interest Determination Date, which appear on LIBOR01 as of approximately 11:00 A.M., London time, on such Interest Determination Date, if at least two such offered rates appear on LIBOR01, provided that if LIBOR01 by its terms provides for a single rate, that single rate will be used.

Unless otherwise specified in the applicable pricing supplement, LIBOR01 will mean the display designated as page LIBOR01 on Reuters, or any successor service (or such other page as may replace the LIBOR01 page on that service for the purpose of displaying London interbank offered rates of major banks for U.S. dollars). If (i) fewer than two offered rates appear or (ii) no rate appears on LIBOR01 and LIBOR01 by its terms provides only for a single rate, LIBOR01 in respect of that Interest Determination Date will be determined as if the parties had specified the rate described in (ii) below.

(ii) If, on any Interest Determination Date, (i) fewer than two offered rates appear or (ii) no rate appears on LIBOR01 and LIBOR01 by its terms provides only for a single rate the Calculation Agent will request the principal London office of each of four major banks in the London interbank market, which may include the Agents or the

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Calculation Agent or their affiliates, as selected by the Calculation Agent (after consulting with us), to provide the Calculation Agent with its quotation of the rate offered to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that Interest Determination Date for deposits in U.S. dollars having the Index Maturity, and in a principal amount equal to an amount not less than $1,000,000 that is representative of a single transaction in such market at such time (a Representative Amount). If at least two such quotations are provided, LIBOR will be the arithmetic mean of such quotations. If fewer than two quotations are provided, LIBOR will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., New York City time, on such Interest Determination Date by three major U.S. banks, which may include the Agents or the Calculation Agent or their affiliates, selected by the Calculation Agent (after consulting with us), for loans in U.S. dollars to leading European banks having the Index Maturity designated in the applicable pricing supplement, commencing on the second London Banking Day immediately following that Interest Determination Date and in a Representative Amount, provided, however, that if fewer than three banks selected as aforesaid by the Calculation Agent are quoting as mentioned in this sentence, LIBOR for such date will be LIBOR in effect on such Interest Determination Date.

Prime Rate Notes

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

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

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

If such rate is not published prior to 3:00 p.m., New York City time, on the Calculation Date in either H.15 (519) or the H.15 Daily Update, then the Prime Rate will be determined by the Calculation Agent and will be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen USPRIME1 Page as such bank s prime rate or base lending rate as in effect for that Interest Determination Date. Reuters Screen USPRIME1 Page means the display designated as page USPRIME1 on the Reuters Monitor Money Rates Service (or such other page as may replace the USPRIME1 page on that service for the purpose of displaying prime rates or base lending rates of major United States banks).

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

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

Treasury Rate Notes

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

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

(a) the rate from the auction held on the Treasury Rate Interest Determination Date (the Auction) of direct obligations of the United States (Treasury Bills) having the Index Maturity specified in the applicable pricing supplement under the caption INVEST RATE on either the Reuters Page USAUCTION10 or Reuters Page USAUCTION11, or

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

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

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

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

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

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

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

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

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

Indexed Notes

The Notes may be issued with the principal amount payable at maturity and/or interest, if any, to be determined with reference to the price or prices, or changes in the price or prices, of specified commodities or stocks or other securities, the exchange rate of one or more specified currencies relative to an indexed currency, or such other price, exchange rate or formula as is set forth in the applicable pricing supplement and the related Note.

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Amortizing Notes

Notes may be issued providing for level or graduated amortization of principal over the term of the related Note, rather than payment of principal at the stated maturity of such Note, as specified in the applicable pricing supplement.

Reset Notes

The pricing supplement relating to each Note will indicate whether we have the option with respect to such Note to reset the interest rate, in the case of a Fixed Rate Note, or to reset the Spread and/or Spread Multiplier, in the case of a Floating Rate Note, and, if so, (1) the date or dates on which such interest rate or such Spread and/or Spread Multiplier, as the case may be, may be reset, and (2) the formula, if any, for such resetting.

We may exercise such option with respect to a Note by notifying the Trustee of such exercise at least 45 but not more than 60 calendar days prior to an optional interest reset date for such Note. If we so notify the Trustee of such exercise, the Trustee will send not later than 40 calendar days prior to such optional interest reset date, by any electronic or physical means, including facsimile transmission, email, hand delivery, overnight delivery or letter (first class, postage prepaid), to the holder of such Note a notice indicating (1) that we have elected to reset the interest rate, in the case of a Fixed Rate Note, or the Spread and/or Spread Multiplier, in the case of a Floating Rate Note, (2) such new interest rate or such new Spread and/or Spread Multiplier, as the case may be, and (3) the provisions, if any, for redemption of such Note during the period from such optional interest reset date to the next optional interest reset date or, if there is no such next optional interest reset date, to the stated maturity of such Note, including the date or dates on which or the period or periods during which and the price or prices at which such redemption may occur during such subsequent interest period.

Notwithstanding the foregoing, not later than 20 calendar days prior to an optional interest reset date for a Note, we may, at our option, revoke the interest rate, in the case of a Fixed Rate Note, or the Spread and/or Spread Multiplier, in the case of a Floating Rate Note, provided for in the reset notice and establish a higher interest rate, in the case of a Fixed Rate Note, or a Spread and/or Spread Multiplier resulting in a higher interest rate, in the case of a Floating Rate Note, for the subsequent interest period commencing on such optional interest reset date by causing the Trustee to send via facsimile transmission, hand delivery or letter (first class, postage prepaid) notice of such higher interest rate or Spread and/or Spread Multiplier resulting in a higher interest rate, as the case may be, to the holder of such Note. Such notice will be irrevocable. All Notes with respect to which the interest rate or Spread and/or Spread Multiplier is reset on an optional interest reset date to a higher interest rate or Spread and/or Spread Multiplier resulting in a higher interest rate will bear such higher interest rate, in the case of a Fixed Rate Note, or Spread and/or Spread Multiplier resulting in a higher interest rate, in the case of a Floating Rate Note, whether or not tendered for repayment as provided in the next paragraph.

If we elect prior to an optional interest reset date to reset the interest rate or the Spread and/or Spread Multiplier of a Note, the holder of such Note will have the option to elect repayment of such Note, in whole but not in part, by us on such optional interest reset date at a price equal to the principal amount thereof plus accrued and unpaid interest to but excluding such optional interest reset date. In order for a Note to be so repaid on an optional interest reset date, the holder thereof must follow the procedures set forth in the applicable pricing supplement for optional repayment, except that the period for delivery of such Note or notification to the Trustee will be at least 25 but not more than 35 calendar days prior to such optional interest reset date. A holder who has tendered a Note for repayment following receipt of a reset notice may revoke such tender for repayment by written notice to the Trustee received prior to 5:00 P.M., New York City time, on the tenth calendar day prior to such optional interest reset date.

Extension of Maturity Date

The applicable pricing supplement will indicate whether we have the option to extend the stated Maturity Date of such note for one or more periods of from one to five whole years up to but not beyond the final Maturity Date specified in such pricing supplement.

We may exercise our option to extend the stated Maturity Date with respect to a Note by notifying the Trustee of such exercise at least 45 but not more than 60 calendar days prior to the current stated Maturity Date of such Note (including, if such stated Maturity Date has previously been extended, the stated maturity as previously extended) in effect prior to the exercise of such option. If we so notify the Trustee of such exercise, the Trustee will send not later than 40 calendar days prior to the current stated Maturity Date, by any electronic or physical means, including facsimile transmission, email, hand delivery, overnight delivery or letter (first class, postage prepaid), to the holder of such Note a notice relating to such extension, indicating (1) that we have elected to extend the stated maturity of such Note, (2) the new stated Maturity Date, (3) in the case of a Fixed Rate Note, the interest rate applicable to the extension period or, in the case of a Floating Rate Note, the Spread and/or Spread Multiplier applicable to the extension period, and (4) the provisions, if any, for redemption of such Note during the extension period, including the date or dates on which or the period or periods during which and the price or prices at which such redemption may occur during the extension period. Upon the sending by the Trustee of an extension notice to the holder of a Note, the stated maturity of such Note will be extended automatically, and, except as modified by the extension notice and as described in the next two paragraphs, such Note will have the same terms as prior to the sending of such extension notice.

Notwithstanding the foregoing, not later than 20 calendar days prior to the current stated Maturity Date for a Note, we may, at our option, revoke the interest rate, in the case of a Fixed Rate Note, or the Spread and/or Spread Multiplier, in the case of a Floating Rate Note, provided for in the applicable extension notice and establish a higher interest rate, in the case of a Fixed Rate Note, or a Spread and/or Spread Multiplier resulting in a higher interest rate, in the case of a Floating Rate Note, for the extension period by causing the Trustee to send via any electronic or physical means, including facsimile transmission, email, hand delivery, overnight delivery or letter (first class, postage prepaid), notice of such higher interest rate or Spread and/or Spread Multiplier resulting in a higher interest rate, as the case may be, to the holder of such Note. Such notice will be irrevocable. All Notes with respect to which the stated maturity is extended will bear such higher interest rate, in the case of a Fixed Rate Note, or Spread and/or Spread Multiplier resulting in a higher interest rate, in the case of a Floating Rate Note, for the extension period, whether or not tendered for repayment as provided in the next paragraph.

If we extend the stated maturity of a Note (including, if such stated maturity has previously been extended, the stated maturity as previously extended), the holder of such Note will have the option to elect repayment of such Note, in whole but not in part, by us on the current stated Maturity Date (including the last day of the then current extension period, if any) at a price equal to the principal amount thereof plus accrued and unpaid interest to but excluding such date. In order for a Note to be so repaid on the current stated Maturity Date, the holder thereof must follow the procedures set forth in the applicable pricing supplement, except that the period for delivery of such Note or notification to the Trustee will be at least 25 but not more than 35 calendar days prior to the current stated Maturity Date. A holder who has tendered a Note for repayment following receipt of an extension notice may revoke such tender for repayment by written notice to the Trustee received prior to 5:00 P.M., New York City time, on the tenth calendar day prior to the current stated Maturity Date.

Renewable Notes

The applicable pricing supplement will indicate if a Note (other than an Amortizing Note) will provide the holder of such Note the opportunity to renew the Note, in accordance with the procedures described in such pricing supplement, prior to its current stated Maturity Date.

Combination of Provisions

If so specified in the applicable pricing supplement, any Note may be subject to all of the provisions, or any combination of the provisions, described above under Reset Notes, Extension of Maturity Date and Renewable Not

Book-Entry Notes

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

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

So long as the Depositary or its nominee is the registered holder of a Global Security, the Depositary or its nominee, as the case may be, will be the sole owner of the Book-Entry Notes represented thereby for all purposes under the indenture. Except as otherwise provided below, the Beneficial Owners (as defined below) of the Global Security or Securities representing Book-Entry Notes will not be entitled to receive physical delivery of Certificated Notes and will not be considered the registered holders thereof for any purpose under the indenture, and no Global Security representing Book-Entry Notes shall be exchangeable or transferable. Accordingly, each Beneficial Owner must rely on the procedures of the Depositary and, if that Beneficial Owner is not a Participant, on the procedures of the Participant through which that Beneficial Owner owns its interest in order to exercise any rights of a registered holder under the indenture. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of securities in certificated form. Such limits and laws may impair the ability to transfer beneficial interests in a Global Security representing Book-Entry Notes.

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

The following is based on information furnished by the Depositary:

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

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

Purchases of Book-Entry Notes under the Depositary s system must be made by or through Direct Participants, which will receive a credit for such Book-Entry Notes on the Depositary s records. The ownership interest of each

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actual purchaser of each Book-Entry Note represented by a Global Security (Beneficial Owner) is in turn to be recorded on the records of Direct Participants and Indirect Participants. Beneficial Owners will not receive written confirmation from the Depositary of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participants or Indirect Participants through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in a Global Security representing Book-Entry Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners of a Global Security representing Book-Entry Notes will not receive Certificated Notes representing their ownership interests therein, except in the event that use of the book-entry system for such Book-Entry Notes is discontinued.

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

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

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

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

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

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

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

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

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

Sinking Fund

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

Redemption

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

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

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

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

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

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

Repayment and Repurchase

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

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

the Note with the form entitled Option to Elect Repayment on the reverse of the Note duly completed; or a facsimile transmission or a letter from a member of a national securities exchange or the National Association of Securities Dealers, Inc. or a commercial bank or trust company in the United States of America setting forth the name of the holder of the Note, the principal amount of the Note, the principal amount of the Note to be repaid, the certificate number or a description of the tenor and terms of the Note, a statement that the option to elect repayment is being exercised thereby and a guarantee that the Note to be repaid with the form entitled Option to Elect Repayment on the reverse of the Note duly completed will be received by the Paying Agent not later than five Business Days after the date of such facsimile transmission

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or letter and such Note and form duly completed are received by the Paying Agent by such fifth Business Day.

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

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

Certain Limitations on Claims in Bankruptcy

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

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

General

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

- The discussion covers you only if you buy your Notes in the initial offering of a particular issuance of Notes.
- The discussion covers you only if you hold your Notes as a capital asset (that is, for investment purposes), and if you do not have a special tax status.
- The discussion does not cover tax consequences that depend upon your particular tax situation in addition to your ownership of Notes. We suggest that you consult your tax advisor about the consequences of holding Notes in your particular situation.
- This discussion does not address tax considerations that may be important to certain categories of investors subject to special rules including, but not limited to, financial institutions, insurance companies, tax-exempt organizations, dealers in securities, U.S. expatriates, persons who hold the Notes as part of a hedge, straddle, conversion, or other risk-reduction transaction, persons subject to alternative minimum tax, or persons who have a functional currency other than the U.S. dollar.
- The discussion is based on current law. Changes in the law may change the tax treatment of the Notes, possibly on a retroactive basis.
- The discussion does not cover state, local or foreign law.
- The discussion does not cover every type of Note that we might issue. If we intend to issue a Note of a type not described in this summary, or of a type described in this summary with terms warranting additional tax discussion, additional tax information will be provided in the pricing supplement for the Note.
- We have not requested, nor do we intend to obtain, a ruling from the Internal Revenue Service (the IRS) on the tax consequences of owning or disposing of the Notes. As a result, the IRS could disagree with portions of this discussion.

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

U.S. Holders

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

- an individual U.S. citizen or resident alien;

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

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

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

Payments of Interest

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

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

It is unconditionally payable at least once each year.

It is payable over the entire term of the Note.

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

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

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

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

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

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

Determining Amount of OID

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

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

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

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

Under a special rule, if the OID determined under the general formula is very small, it is disregarded and not treated as OID. Such disregarded OID is called *de minimis* OID. The rule applies if the amount of OID is less than the following items multiplied together: (a) .25% (1/4 of 1%), (b) the number of full years from the issue date to the maturity date of the Note, and (c) the stated redemption price at maturity.

Accrual of OID Into Income

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

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

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

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

The amount of OID includible in income by you is the sum of the daily portions of OID with respect to your Note for each day of the taxable year (or portion thereof) in which you hold the Note. The daily portion is determined by allocating to each day in an accrual period a pro rata portion of the OID allocable to that accrual period.

Accruals of OID on a Note will generally be less in the early years and more in the later years.

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

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

Notes Subject to Additional Tax Rules

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes with contingent payments;

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

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

Indexed Notes with an index tied to currencies; and

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

Premium and Discount

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

If you buy a Note in the initial offering for more than the sum of all amounts payable on the Note (other than payments of Qualified Stated Interest), the excess amount you pay will be bond premium. You can elect to use bond premium to reduce your taxable interest income from your Note. Under the election, the total premium will be allocated to interest periods, as an offset to your interest income, on a constant yield basis over the life of your Note that is, with a smaller offset in the early periods and a larger offset in the later periods. If you elect to amortize bond premium on a Note, you must reduce your adjusted tax basis in such Note by the amount of bond premium so amortized. You make this election on your tax return for the year in which you acquire the Note. However, if you make the election, it automatically applies to all debt instruments (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) with bond premium that you own during that year or that you acquire at any time thereafter, unless the IRS permits you to revoke the election. Special rules may apply if a Note is subject to a call prior to maturity at a price in excess of its stated redemption price at maturity.

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

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

Under the market discount rules, you will be required to treat any partial principal payment on, or any gain realized on the sale, exchange, retirement or other disposition of, a note as ordinary income to the extent of the lesser of the amount of such payment or realized gain or the market discount which has not previously been included in income and is treated as having accrued on the note at the time of such payment or disposition.

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

Accrual Election

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

No interest is Qualified Stated Interest.

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

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

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

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

Sale or Retirement of Notes

On your sale or retirement of your Note:

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

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

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

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

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

Information Reporting and Backup Withholding

Under the tax rules concerning information reporting to the IRS:

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

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

If you are subject to these requirements but do not comply, the intermediary must withhold 28% (increasing to a rate of 31% after 2010) of all amounts payable to you on the Notes (including principal payments). This

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is called backup withholding. If the intermediary withholds payments, you may use the withheld amount as a credit against your Federal income tax liability if you provide the required information to the IRS.

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

You should consult your own tax advisor as to your qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Tax Consequences to Non-U.S. Holders

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

an individual that is a nonresident alien;

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

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

Withholding Taxes

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

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

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

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

You are entitled to an exemption from withholding tax on interest under a tax treaty between the United States and your country of residence. To claim this exemption, you must generally complete Form W-8BEN and fill out Part II of the form to state your claim for treaty benefits. In some cases, you may instead be permitted to provide documentary evidence of your claim to the intermediary, or a qualified intermediary may already have some or all of the necessary evidence in its files.

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

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

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

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

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

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agent for the Notes the qualified intermediary generally will not be required to forward this information to the withholding agent.

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

You own 10% or more of the voting stock of the Company, are a controlled foreign corporation with respect to the Company, or are a bank making a loan in the ordinary course of its business.

In these cases, you will be exempt from withholding taxes only if you are eligible for a treaty exemption or if the interest income is effectively connected with your conduct of a trade or business in the United States, as discussed above, and you comply with the documentary requirements to claim such benefits.

Interest payments (including OID) made to you will generally be reported to the IRS and to you on Form 1042-S. However, this reporting does not apply to you if you hold your Notes directly through a qualified intermediary and the applicable procedures are complied with.

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

Sale or Retirement of Notes

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

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

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

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

U.S. Trade or Business

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

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

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

Estate Taxes

The U.S. estate tax does not apply to an individual who dies in 2010. However, it is scheduled to apply to an individual who dies in 2011 or thereafter. The U.S. may enact legislation that reinstates the estate tax in 2010, including a provision that makes the estate tax retroactive to an individual who dies on or after January 1, 2010. We suggest that you consult with your tax advisor regarding the applicability of the U.S. estate tax.

The following discussion applies to periods after 2010.

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

Information Reporting and Backup Withholding

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

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

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

PLAN OF DISTRIBUTION

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

	Price to Public	Agents Commissions	Proceeds to Us
Per Note	100%[(1)]	.125%-.750%	99.25%-99.875%

(1) Unless the pricing supplement provides otherwise, we will issue the notes at 100% of their principal amount.

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

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

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

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

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

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

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

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Prospectus

RYDER SYSTEM, INC.

Debt Securities
Common Stock
Preferred Stock
Depositary Shares
Warrants
Stock Purchase Contracts
Stock Purchase Units

We, Ryder System, Inc., may offer from time to time, debt securities, shares of common stock, shares of preferred stock, depositary shares, warrants, stock purchase contracts and stock purchase units in one or more series, in amounts, at prices and on terms to be determined at the time of offering.

When we offer securities pursuant to this prospectus, we will deliver to you this prospectus as well as a prospectus supplement setting forth the specific terms of the securities being offered. We urge you to read carefully this prospectus and the accompanying prospectus supplement before you make your investment decision. This prospectus may not be used to consummate sales of securities unless accompanied by a prospectus supplement.

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

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

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

Investing in our securities involves risk. See Risk Factors on page 1 of this prospectus. You should carefully review the risks and uncertainties described under the heading Risk Factors contained in the applicable prospectus supplement, and under similar headings in the other documents that are incorporated by reference into this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission 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 date of this prospectus is February 25, 2010.

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ABOUT THIS PROSPECTUS

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

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

RYDER SYSTEM, INC.

We operate in three reportable business segments: (1) Fleet Management Solutions, which provides full service leasing, contract maintenance, contract-related maintenance and commercial rental of trucks, tractors and trailers to customers principally in the U.S., Canada and the U.K.; (2) Supply Chain Solutions, which provides comprehensive supply chain solutions including distribution and transportation services throughout North America and Asia; and (3) Dedicated Contract Carriage, which provides vehicles and drivers as part of a dedicated transportation solution in the U.S. Our customers range from small businesses to large international enterprises. These customers operate in a wide variety of industries, the most significant of which include automotive, electronics, transportation, grocery, lumber and wood products, food service and home furnishings.

We were incorporated in Florida in 1955. Our principal executive offices are located at 11690 NW 105th Street, Miami, Florida 33178-1103. Our telephone number is (305) 500-3726.

RISK FACTORS

Investing in our securities involves risks. Potential investors are urged to read and consider the risk factors relating to an investment in our company described in our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q filed with the SEC and incorporated by reference in this prospectus. The risks and uncertainties described in those documents are not the only ones facing our company. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also affect our business operations. A prospectus supplement applicable to each type or series of securities we offer will also contain a discussion of any material risks applicable to the particular type of securities we are offering under that prospectus supplement. Before making an investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference in this prospectus and any prospectus supplement.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

our expectations as to anticipated revenue and earnings trends and future economic conditions specifically, earnings per share, operating revenue, used vehicle sales results, contract revenue declines, non-renewal of automotive contracts, commercial rental growth and freight volume projections;

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the economic and business impact of our strategy to continue supply chain operations in the U.S., Canada, Mexico and Asia markets and discontinue supply chain operations in South America and Europe, and our workforce reductions;

the anticipated pre-tax annual savings from our global cost savings initiatives;

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

impact of losses from conditional obligations arising from guarantees;

number of vehicles no longer earning revenue in inventory, and the size of our commercial rental fleet, for 2010;

estimates of free cash flow and capital expenditures for 2010;

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

our ability to fund all of our operations for the foreseeable future through internally generated funds and outside funding sources;

our expected level of use of outside funding sources;

the anticipated impact of fuel price fluctuations;

our expectations as to future pension expense and contributions, the impact of pension legislation, as well as the effect of the freeze of our pension plans on our benefit funding requirements;

our expectations relating to withdrawal liability and funding levels of multi-employer plans;

the status of our unrecognized tax benefits for 2009 related to U.S. federal, state and foreign tax positions and the impact of recent state tax law changes;

the anticipated deferral of tax gains on disposal of eligible revenue earning equipment pursuant to our vehicle like-kind exchange program;

our expectations regarding the completion and ultimate outcome of certain tax audits;

the anticipated effects of our decision to resume our share repurchase program;

the ultimate disposition of legal proceedings and estimated environmental liabilities;

our expectations relating to compliance with new regulatory requirements; and

our expectations regarding the effect of the adoption of recent accounting pronouncements.

These statements, as well as other forward-looking statements contained in this prospectus and the documents incorporated by reference in this prospectus, are based on our current plans and expectations and are subject to risks, uncertainties and assumptions. We caution readers that certain important factors could cause actual results and events to differ significantly from those expressed in any forward-looking statements. These factors include, among others, the following:

- our ability to obtain adequate profit margins for our services, including the potential impact of sudden or unusual changes in fuel prices and our ability to manage our cost structure and unexpected volume declines;
- the impact of challenging economic and market conditions on lease sales, the commercial rental market or the sale of used vehicles and our ability to maintain current pricing levels;

- changes in financial, tax or regulatory requirements with which we or our customers must comply, including regulations regarding vehicle emissions and changes that would limit our customers ability to commit to long-term vehicle leases;

- increased debt costs that we may incur resulting from volatile financial markets or a decrease in our credit ratings;

- our ability to successfully compete, attract new customers and retain existing customers, including key customers in the Supply Chain Solutions (SCS) business segment;

- automotive plant shutdowns, shift eliminations, labor strikes or work stoppages affecting our or our customers business operations;

- the financial condition of our customers and any unexpected reserves or write-offs due to the deterioration of the credit worthiness or bankruptcy of our customers;

- the resale market for used vehicles, our ability to properly maintain our vehicle inventory and other factors that could adversely affect the residual value of our vehicles;

- unfavorable market conditions affecting the timing and impact of share repurchases;

- our ability to achieve planned synergies and customer retention levels from acquisitions;

- our ability to adequately estimate reserves and accruals, particularly with respect to pension, taxes and insurance; and changes in obligations relating to multi-employer plans; and

- new accounting pronouncements, rules or interpretations and the adequacy of accounting estimates.

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

USE OF PROCEEDS

Unless otherwise specified in the applicable prospectus supplement, we intend to use the net proceeds from the sale of the securities offered by this prospectus for general corporate purposes, which may include the repayment of indebtedness, working capital, capital expenditures, acquisitions and the repurchase of shares of our equity securities. Pending use for these purposes, we may invest proceeds from the sale of the securities in short-term marketable securities.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the ratio of earnings to fixed charges for the company for each of the years in the five-year period ended December 31, 2009. For purposes of computing the ratio of earnings to fixed charges, fixed charges consist of interest expense and other financial charges plus interest capitalized and that portion (one third) of rental expense considered to be interest. Earnings are computed by adding amortization of capitalized interest and fixed charges, less capitalized interest, to earnings from continuing operations before income taxes and cumulative effect of changes in accounting principles. Because we had no shares of preferred stock outstanding during any of the periods presented or as of the date of this prospectus, we do not separately present the ratio of earnings to combined fixed charges and preferred stock dividends.

2009	**2008**	**2007**	**2006**	**2005**
1.70x	2.86x	2.81x	2.94x	3.00x

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DESCRIPTION OF THE DEBT SECURITIES

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

The debt securities will be issued from time to time under the Indenture dated as of October 3, 2003 between us and The Bank of New York Mellon Trust Company, N.A., as trustee. The indenture is subject to and governed by the Trust Indenture Act of 1939, as amended.

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

General

The indenture does not limit the amount of debt securities that we may issue. We may issue the debt securities without limit as to aggregate principal amount, in one or more series, in each case as established from time to time in or pursuant to authority granted by a resolution of our Board of Directors or as established in one or more supplemental indentures.

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

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

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

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

- the title of such debt securities;
- the principal amount of such debt securities;

if it is a series of debt securities, the total amount authorized and the amount outstanding as of the most recent practicable date;

the initial public offering price;

the currency of payment;

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

the rate or rates, if any, (which may be zero) at which such debt securities will bear interest or the method for calculating such rate, if any, including, if applicable, any remarketing or similar procedure;

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the date or dates from which such interest will accrue, the date or dates on which such interest will be payable, if any, and the record date for the interest payable on any interest payment date;

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

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

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

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

any provisions for the remarketing of the debt securities;

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

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

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

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

whether such debt securities will be convertible into shares of common stock and/or exchangeable for other securities, whether or not issued by us and, if so, the terms and conditions upon which such debt securities will be convertible or exchangeable;

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

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

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

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

Transfer and Exchange

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

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

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

Certain Definitions

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

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

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

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

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

Indebtedness means all indebtedness other than Subordinated Indebtedness of the company or its Restricted Subsidiaries for borrowed money or leasing obligations which have been created, incurred or assumed as reflected on the Consolidated balance sheet of the company and its Restricted Subsidiaries, and any indebtedness of other parties guaranteed by the company or its Restricted Subsidiaries, without duplication.

Intercompany Indebtedness means any Indebtedness owed directly between the company and/or its Restricted Subsidiaries.

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

Net Tangible Assets means the total amounts of assets as reflected on the Consolidated balance sheet of the company and its Restricted Subsidiaries, after appropriate deduction for minority interests, less: (a) all goodwill, operating rights, patents, trade-names, unamortized debt expense and other intangibles, (b) amounts invested in, advanced to, or equity in Unrestricted Subsidiaries and (c) unamortized debt discount.

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

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

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Restricted Subsidiary means any Subsidiary other than an Unrestricted Subsidiary.

Secured Indebtedness means Indebtedness secured by a pledge of, or mortgage, lien or security interest on, or title to any property, as well as any unsecured Indebtedness of any Restricted Subsidiary other than a Foreign Financing Subsidiary.

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

Certain Covenants

Limitation on Secured Indebtedness.

Unless otherwise provided in the prospectus supplement, we will not, and will not permit any Restricted Subsidiary, to create, incur or assume any Secured Indebtedness unless the debt securities then outstanding are equally and ratably secured, with the following exceptions:

Secured Indebtedness existing at the date of the indenture,

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

After-Acquired Indebtedness,

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

Indebtedness deemed to be Secured Indebtedness by virtue of certain liens or charges which are not yet due or are payable without penalty or of which the amount, applicability or validity is being contested in good faith by appropriate proceedings and for which we or a Restricted Subsidiary will have set aside on our or its books reserves which we or it deems to be adequate,

Industrial revenue bond Indebtedness,

Real Property Indebtedness,

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

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

Limitation on Investments in Unrestricted Subsidiaries.

The company will not, and will not permit any Restricted Subsidiary to, make any investment in, or transfer any assets to, an Unrestricted Subsidiary if immediately thereafter the company would be in breach or in default in the performance of any covenant or warranty of the company contained in the indenture. (Section 4.07)

Limitation on Permitting Restricted Subsidiaries to Become Unrestricted Subsidiaries and Unrestricted Subsidiaries to Become Restricted Subsidiaries.

The company will not permit any Restricted Subsidiary to become an Unrestricted Subsidiary unless immediately thereafter such subsidiary will not own, directly or indirectly, any capital stock of any Restricted Subsidiary. The company will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary unless immediately thereafter: (a) no shares of the capital stock of such subsidiary shall be owned or held by any Unrestricted Subsidiary; and (b) the company would not be prohibited from issuing any additional Secured Indebtedness by the provisions described above under Limitation on Secured Indebtedness. (Section 4.08)

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Limitation on Consolidations and Mergers.

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

Events of Default and Remedies

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

- default for 30 days in the payment of interest thereon,
- default in the payment of principal thereof,
- default in performance by us of any other agreement with respect thereto which continues for 60 days after written notice, and
- certain events of bankruptcy, insolvency or reorganization. (Section 6.01.)

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

Holders of debt securities may not enforce the indenture except in the case of the failure of the trustee, for 60 days, to act after notice of an event of default and a request to enforce the indenture by the holders of 25% in aggregate principal amount of the series of debt securities affected thereby and an offer of indemnity satisfactory to the trustee. (Section 6.06.) This provision will not prevent any holder of a debt security from enforcing payment of the principal of and interest on such debt security at the respective due dates thereof. (Section 6.07.) The holders of a majority in aggregate principal amount of the debt securities of any series then outstanding may direct the manner of conducting any proceedings for any remedy or trust power available to the trustee. The trustee, however, may refuse to follow any direction that conflicts with law or the indenture, is unduly prejudicial to holders of other debt securities or would involve the trustee in personal liability. (Section 6.05.)

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

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

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

Satisfaction and Discharge

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

Modification and Waiver

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

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

Payment and Paying Agents

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

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

Global Securities

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

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

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

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

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

We expect that the depositary for debt securities of a series, upon receipt of any payment of principal of, premium, if any, or interest, if any, on permanent global securities, will immediately credit participants accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such global securities as shown on the records of such depositary. We also expect that payments by participants to owners of beneficial interests in such global security held through such participants will be governed by standing instructions and customary practices.

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

Absence of Certain Covenants

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

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Regarding the Trustee

The Bank of New York Mellon Trust Company, N.A. is the trustee under the indenture. The Bank of New York Mellon Trust Company, N.A. and its affiliates also act as depositary for funds of, makes loans to, acts as trustee and performs certain other services for, us and certain of our subsidiaries and affiliates in the normal course of our business.

Notices

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

Governing Law

The indenture and the debt securities will be governed by the laws of the State of New York.

DESCRIPTION OF THE COMMON STOCK

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

As of the date of this prospectus, we were authorized to issue up to 400,000,000 shares of common stock, $0.50 par value per share. As of January 31, 2010, 53,414,572 shares of our common stock were issued and outstanding. Our common stock is listed on the New York Stock Exchange, under the symbol R.

Any shares of common stock sold pursuant to this prospectus, when issued, will be fully paid and non-assessable.

Dividend Rights

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

Liquidation Rights

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

Voting Righ