KIMCO REALTY CORP
Form 424B5
April 24, 2007

Table of Contents

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Registration No. 333-133908

Prospectus Supplement
April 23, 2007
(To Prospectus dated May 8, 2006)

$300,000,000

5.70% Senior Notes due 2017

Interest on the notes will be payable semi-annually in arrears on May 1 and November 1 of each year, beginning on November 1, 2007. The notes will mature on May 1, 2017. We may redeem some or all of the notes at any time or from time to time before maturity at the make-whole price described under the caption Description of the Notes Optional Redemption. Under certain circumstances involving a change of control, holders may be entitled to require us to repurchase some or all of their notes at 101% of their principal amount plus accrued and unpaid interest on a date designated by us after such change of control.

The notes will be unsecured obligations and will rank equally with all of our other unsecured and unsubordinated indebtedness from time to time outstanding.

Investing in the notes involves risks. See Supplemental Risk Factors beginning on page S-6 of this prospectus supplement, Risk Factors beginning on page 5 of the accompanying prospectus, and Risk Factors beginning on page 22 of our Annual Report on Form 10-K for the year ended December 31, 2006, incorporated by reference in this prospectus supplement and the accompanying prospectus.

	Per Note	Total
Public offering price(1)	99.984%	$ 299,952,000
Underwriting discounts	0.625%	$ 1,875,000
Proceeds to Kimco (before expenses)	99.359%	$ 298,077,000

(1) Plus accrued interest, if any, from April 26, 2007, if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any other state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The notes will be ready for delivery in book-entry only form through the facilities of The Depository Trust Company, Clearstream, Luxembourg and the Euroclear System on or about April 26, 2007.

Joint Book-Running Managers

Banc of America Securities LLC **Citi** **JPMorgan** **UBS Investment Bank**

TABLE OF CONTENTS

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

You should read this prospectus supplement along with the accompanying prospectus carefully before you invest. Both documents contain important information you should consider before making your investment decision. This prospectus supplement and the accompanying prospectus contain the terms of this offering of notes. The accompanying prospectus contains information about our securities generally, some of which does not apply to the notes covered by this prospectus supplement. This prospectus supplement may add, update or change information in the accompanying prospectus. If the information in this prospectus supplement is inconsistent with any information in the accompanying prospectus, the information in this prospectus supplement will apply and will supersede the inconsistent information in the accompanying prospectus.

It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the additional information under the caption Where You Can Find More Information in this prospectus supplement.

You should rely only on the information incorporated by reference or contained in this prospectus supplement and the accompanying prospectus. Neither we nor the underwriters have authorized any other person to provide you with additional or different information. If anyone provides you with additional or different information, you should not rely on it. Neither we nor the underwriters are making an offer to sell the notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

As used in this prospectus supplement and the accompanying prospectus, all references to we, us, our, Kimco, and Company mean Kimco Realty Corporation, its majority-owned subsidiaries and other entities controlled by Kimco Realty Corporation, except where it is clear from the context that the term means only the issuer, Kimco Realty Corporation.

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the SEC). You may read and copy any materials we file with the SEC at its public reference room at 100 F Street, N.E., Washington, D.C. 20549. You may also obtain copies of this information by mail from the public reference room of the SEC, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities. Our SEC filings are also available to the public from commercial document retrieval services and at the web site maintained by the SEC at http://www.sec.gov. You may inspect information that we file with The New York Stock Exchange, as well as our SEC filings, at the offices of The New York Stock Exchange at 20 Broad Street, New York, New York 10005.

The SEC allows us to incorporate by reference certain information we file with the SEC, which means that we can disclose important information to you by referring to the other information we have filed with the SEC. The information that we incorporate by reference is considered a part of this prospectus supplement and information that we file later with the SEC prior to the termination of the offering of the notes will automatically update and supersede the information contained in this prospectus supplement. We incorporate by reference the following documents we filed with the SEC pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the Exchange Act):

our Annual Report on Form 10-K for the fiscal year ended December 31, 2006;

our Current Report on Form 8-K filed on March 21, 2007; and

our Proxy Statement filed on April 6, 2007.

We are also incorporating by reference additional documents that we may file with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement and prior to the termination of the offering of the notes. These documents include periodic reports, such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as Proxy Statements. Any statement contained in this prospectus supplement or the accompanying prospectus or in a document incorporated or deemed to be incorporated by reference herein or therein shall be deemed to be modified or superseded to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement or the accompanying prospectus.

Documents incorporated by reference are available from us without charge, excluding all exhibits unless we have specifically incorporated by reference the exhibit in this prospectus supplement and the accompanying prospectus. You may obtain documents incorporated by reference in this prospectus supplement and the accompanying prospectus by requesting them in writing or by telephone from:

Kimco Realty Corporation
3333 New Hyde Park Road
New Hyde Park, New York 11042
Attn: Bruce M. Kauderer, Corporate Secretary
(516) 869-9000

Table of Contents

FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Exchange Act. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe the Company s future plans, strategies and expectations, are generally identifiable by use of the words believe, expect, intend, anticipate, estimate, project or similar expressions. You should n forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond the Company s control and which could materially affect actual results, performances or achievements. Factors which may cause actual results to differ materially from current expectations include, but are not limited to, those listed under the caption Supplemental Risk Factors in this prospectus supplement and under Risk Factors in the accompanying prospectus and in our Annual Report on Form 10-K for the year ended December 31, 2006, incorporated by reference in this prospectus supplement and the accompanying prospectus, as well as the following possibilities: (i) general economic and local real estate conditions, (ii) the inability of major tenants to continue paying their rent obligations due to bankruptcy, insolvency or general downturn in their business, (iii) financing risks, such as the inability to obtain equity, debt, or other sources of financing on favorable terms, (iv) changes in governmental laws and regulations, (v) the level and volatility of interest rates and foreign currency exchange rates, (vi) the availability of suitable acquisition opportunities and (vii) increases in operating costs. Accordingly, there is no assurance that the Company s expectations will be realized.

We caution readers that any such statements are based on currently available operational, financial and competitive information, and they should not place undue reliance on these forward-looking statements, which reflect management s opinion only as of the date on which they were made. Except as required by law, we disclaim any obligation to review or update these forward-looking statements to reflect events or circumstances as they occur.

Table of Contents

SUMMARY

This summary highlights information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus and may not contain all of the information that is important to you. You should carefully read the entire prospectus supplement and the accompanying prospectus as well as the documents incorporated by reference in this prospectus supplement and in the accompanying prospectus before making an investment decision to purchase the notes.

Kimco Realty Corporation

Kimco Realty Corporation, a Maryland corporation, is one of the nation s largest owners and operators of neighborhood and community shopping centers. We are a self-administered real estate investment trust (REIT) and manage our properties through present management, which has owned and operated neighborhood and community shopping centers for over 45 years. We have not engaged, nor does we expect to retain, any REIT advisors in connection with the operation of our properties. As of January 31, 2007, we had interests in 1,348 properties, totaling approximately 175.4 million square feet of gross leasable area (GLA) located in 45 states, Canada, Mexico and Puerto Rico. Our ownership interests in real estate consist of our consolidated portfolio and in portfolios where we own an economic interest, such as properties in our investment management program, where we partner with institutional investors and also retain management. We believe our portfolio of neighborhood and community shopping center properties is the largest (measured by GLA) currently held by any publicly-traded REIT.

We believe that we have operated, and we intend to continue to operate, in such a manner to qualify as a REIT under the Internal Revenue Code of 1986, as amended (the Code). We are self-administered and self-managed through present management, which has owned and managed neighborhood and community shopping centers for more than 45 years. We have not engaged, nor do we expect to retain, any external advisors in connection with the operation of our properties. Our executive officers are engaged in the day-to-day management and operation of our real estate exclusively, and we administer nearly all operating functions for our properties, including leasing, legal, construction, data processing, maintenance, finance and accounting.

In order to maintain our qualification as a REIT for federal income tax purposes, we are required to distribute at least 90% of our net taxable income, excluding capital gains, each year. Dividends on any preferred stock issued by us are included as distributions for this purpose. Historically, our distributions have exceeded, and we expect that our distributions will continue to exceed, our net taxable income each year. A portion of such distributions may constitute a return of capital. As a result of the foregoing, our consolidated net worth may decline. We, however, do not believe that consolidated stockholders equity is a meaningful reflection of net real estate values.

Our executive offices are located at 3333 New Hyde Park Road, New Hyde Park, New York 11042-0020, and our telephone number is (516) 869-9000.

Table of Contents

The Offering

The following is a brief summary of certain terms of the notes. For a more complete description of the terms of the notes (including the definitions of capitalized terms), see Description of the Notes in this prospectus supplement and Description of Debt Securities in the accompanying prospectus.

Issuer	Kimco Realty Corporation
Notes offered	$300,000,000 aggregate principal amount of 5.70% senior notes due 2017
Ranking	The notes will rank equally with all of our other unsecured and unsubordinated indebtedness from time to time outstanding. The notes will not be obligations of or guaranteed by any of our subsidiaries. As a result, the notes will be structurally subordinated to all debt and other liabilities of our subsidiaries (including trade payables) to the extent of the assets of those subsidiaries, which means that creditors of our subsidiaries will be paid from their assets before holders of the notes would have any claims to those assets. At December 31, 2006, our subsidiaries had outstanding $1.3 billion of total liabilities, including $1.1 billion of debt (excluding, in each case, intercompany liabilities). The indenture under which the notes will be issued does not limit our ability or the ability of our subsidiaries to issue or incur other debt or issue preferred stock.
Interest rate	5.70% per year
Coupon step-up	If the rating on the notes from Moody s Investors Service, Inc. (Moody s) is a rating set forth in the immediately following table, the per annum interest rate on the notes will increase from that set forth on the cover page of this prospectus supplement by the percentage set forth opposite that rating:

Rating	Percentage
Ba1	.25%
Ba2	.50%
Ba3	.75%
B1 or below	1.00%

If the rating on the notes from Standard & Poor s Ratings Services, a division of McGraw-Hill, Inc. (S&P), is a rating set forth in the immediately following table, the per annum interest rate on the notes will increase from that set forth on the cover page of this prospectus supplement by the percentage set forth opposite that rating:

Rating	Percentage
BB+	.25%

BB	.50%
BB−	.75%
B+ or below	1.00%

If Moody s or S&P subsequently increases its rating to any of the threshold ratings set forth above, the per annum interest rate on the notes will be decreased such that the per annum interest rate equals the interest rate set forth on the cover page of this prospectus supplement plus the percentages set forth opposite the ratings from the tables above in effect immediately following the increase. Each adjustment required by any decrease or increase in a rating set

Table of Contents

	forth above, whether occasioned by the action of Moody s or S&P, shall be made independent of any and all other adjustments. In no event shall (1) the per annum interest rate on the notes be reduced below the interest rate set forth on the cover page of this prospectus supplement, and (2) the total increase in the per annum interest rate on the notes exceed 2.00% above the interest rate set forth on the cover page of this prospectus supplement.
Maturity	May 1, 2017
Interest payment dates	Interest on the notes will be payable semi-annually in arrears on May 1 and November 1 of each year, beginning on November 1, 2007.
Optional redemption	We may redeem all or a portion of the notes at our option at any time or from time to time at the make-whole redemption price equal to the greater of (1) 100% of the aggregate principal amount of the notes being redeemed, plus accrued and unpaid interest to, but excluding, the redemption date, and (2) the sum, as determined by an independent investment banker, of the remaining scheduled payments of principal and interest in respect of the notes being redeemed (exclusive of any interest accrued to, but excluding, the redemption date) discounted to the redemption date on a semi-annual basis at the treasury rate plus 20 basis points, plus accrued and unpaid interest to, but excluding, the redemption date. See Description of the Notes Optional Redemption in this prospectus supplement.
Change of control	If a Change of Control Triggering Event (as defined herein) occurs, we will be required to offer to purchase the notes at a price equal to 101% of their principal amount plus accrued and unpaid interest to, but excluding, the repurchase date designated by us after such Change of Control Triggering Event. See Description of the Notes Change of Control Triggering Event in this prospectus supplement.
Covenants	The indenture governing the notes will include restrictions on mergers, consolidations and transfers of all or substantially all of our assets, but will not include any financial or other similar restrictive covenants that restrict our or our subsidiaries ability to incur additional indebtedness, incur liens on our property, enter into sale and leaseback transactions, pay dividends or make other distributions or issue preferred stock. See Description of the Notes Merger, Consolidation or Sale; No Financial Covenants in this prospectus supplement.
Denominations	The notes will be issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.
Form of notes	The notes will be issued as fully registered notes (to be deposited with the depositary), represented by one or more global notes deposited with The Depository Trust Company (DTC). Investors may elect to hold interests in the global notes through any of DTC, Clearstream, Luxembourg or the

	Euroclear System.
Use of proceeds	We estimate that the net proceeds from this offering will be approximately $297.8 million. We intend to apply the net proceeds

Table of Contents

	from this offering to repay existing indebtedness and to partially fund refinancing obligations. See Use of Proceeds on page S-8 of this prospectus supplement.
Trustee	The Bank of New York.

Risk Factors

Investing in the notes involves risks. Please read the section entitled Supplemental Risk Factors beginning on page S-6 of this prospectus supplement, Risk Factors beginning on page 5 of the accompanying prospectus and Risk Factors beginning on page 22 of our Annual Report on Form 10-K for the year ended December 31, 2006, incorporated by reference in this prospectus supplement and the accompanying prospectus.

Table of Contents

Summary Consolidated and Other Financial Data

The summary consolidated and other financial data at each of the dates and for each of the years presented below were derived from our audited consolidated financial statements, which, except for the ratios of earnings to total fixed charges, have been examined and reported upon by PricewaterhouseCoopers LLP, our independent registered public accounting firm. Because the information in this table is only a summary and does not provide all of the information contained in our financial statements, including the related notes, you should read Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2006, incorporated by reference in this prospectus supplement and the accompanying prospectus.

The Company believes that the book value of its real estate assets, which reflects the historical costs of such real estate assets less accumulated depreciation, is not indicative of the current market value of its properties. Further, historical operating results are not necessarily indicative of future operating performance.

	Year ended December 31,(2)				
	2006	2005	2004	2003	2002
	(in thousands, except per share information)				
Operating Data:					
Revenues from rental property(1)	$ 593,880	$ 505,557	$ 490,901	$ 448,203	$ 399,725
Interest expense(3)	$ 172,888	$ 126,901	$ 106,239	$ 101,438	$ 83,916
Depreciation and amortization(3)	$ 141,070	$ 101,432	$ 95,398	$ 79,322	$ 64,318
Gain on sale of development properties	$ 37,276	$ 33,636	$ 16,835	$ 17,495	$ 15,880
Gain on transfer/sale of operating properties, net(3)	$ 2,460	$ 2,833	$	$ 3,177	$
Provision for income taxes	$ 16,542	$ 10,989	$ 8,320	$ 8,514	$ 12,904
Income from continuing operations	$ 345,131	$ 325,947	$ 274,110	$ 234,827	$ 225,316

	December 31,				
	2006	2005	2004	2003	2002
Balance Sheet Data:					
Real estate, before accumulated depreciation	$ 6,001,319	$ 4,560,406	$ 4,092,222	$ 4,174,664	$ 3,398,971
Total assets	$ 7,869,280	$ 5,534,636	$ 4,749,597	$ 4,641,092	$ 3,758,350
Total debt	$ 3,587,243	$ 2,691,196	$ 2,118,622	$ 2,154,948	$ 1,576,982
Total stockholders equity	$ 3,366,959	$ 2,387,214	$ 2,236,400	$ 2,135,846	$ 1,908,800
Cash flow provided by operations	$ 455,569	$ 410,797	$ 365,176	$ 308,632	$ 278,931
Cash flow used for investing activities	$ (246,221)	$ (716,015)	$ (299,597)	$ (637,636)	$ (396,655)
Cash flow provided by (used for) financing activities	$ 59,444	$ 343,271	$ (75,647)	$ 341,330	$ 59,839
Ratio of earnings to total fixed charges(4)(5)	2.8x	3.3x	3.4x	3.2x	3.3x

(1) Does not include (i) revenues from rental property relating to unconsolidated joint ventures, (ii) revenues relating to the investment in retail stores leases and (iii) revenues from properties included in discontinued operations.

(2) All years have been adjusted to reflect the impact of operating properties sold during the years ended December 31, 2006, 2005, 2004 and 2003 and properties classified as held for sale as of December 31, 2006, which are reflected in discontinued operations in our Consolidated Statements of Income.

(3) Does not include amounts reflected in discontinued operations.

(4) See Ratio of Earnings to Total Fixed Charges in this prospectus supplement for an explanation of the calculation of these ratios.

(5) Note (2) above does not apply to Ratio of Earnings to Total Fixed Charges.

Table of Contents

SUPPLEMENTAL RISK FACTORS

You should carefully consider the supplemental risks described below in addition to the risks described under Risk Factors in the accompanying prospectus and in our Annual Report on Form 10-K for the year ended December 31, 2006, incorporated by reference in this prospectus supplement and the accompanying prospectus, as well as the other information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus, before investing in the notes. You could lose part or all of your investment.

A liquid trading market for the notes may not develop or be maintained.

The notes constitute a new issue of securities for which there is no existing market. We do not intend to apply for listing of the notes on any securities exchange or for quotation of the notes in any automated dealer quotation system. We cannot provide you with any assurance regarding whether a liquid trading market for the notes will develop or be maintained, the ability of holders of the notes to sell their notes or the price at which holders may be able to sell their notes. The underwriters have advised us that they currently intend to make a market in the notes. However, the underwriters are not obligated to do so, and any market-making with respect to the notes may be discontinued at any time without notice. If a liquid trading market does not develop or is not maintained, you may be unable to resell your notes at a price that exceeds the price you paid or at all.

Changes in our credit ratings or the debt markets could adversely affect the market value of the notes.

The market value for the notes depends on many factors, including:

- our credit ratings with major credit rating agencies;
- the prevailing interest rates being paid by, or the market price for the notes issued by, other companies similar to us;
- our financial condition, liquidity, leverage, financial performance and prospects; and
- the overall condition of the financial markets.

The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Such fluctuations could have an adverse effect on the market value of the notes.

In addition, credit rating agencies continually review their ratings for the companies that they follow, including us. The credit rating agencies also evaluate our industry as a whole and may change their credit rating for us based on their overall view of our industry. A negative change in our rating could have an adverse effect on the market value of the notes.

There are no financial covenants in the indenture governing the notes.

Neither we nor any of our subsidiaries are restricted from incurring additional debt or other liabilities, including additional senior debt, under the terms of the notes. If we incur additional debt or liabilities, our ability to pay our obligations on the notes could be adversely affected. We expect that we will from time to time incur additional debt and other liabilities. In addition, there are no financial covenants in the indenture governing the notes. Accordingly, neither we nor our subsidiaries will be restricted from incurring additional indebtedness, incurring liens on our property, entering into sale and leaseback transactions, paying dividends or making other distributions or issuing preferred stock. Furthermore, you will not be protected in the event of a highly leveraged transaction, reorganization, change of control, restructuring, merger or similar transaction, any of which could adversely affect you, except to the extent described under Description of the Notes Merger, Consolidation or Sale; No Financial Covenants and Description of the Notes Change of Control Triggering Event in this prospectus supplement.

Table of Contents

The notes will not be guaranteed by any of our subsidiaries and will be structurally subordinated to the debt and other liabilities and any preferred equity of our subsidiaries, which means that creditors and preferred equity holders of our subsidiaries will be paid from their assets before holders of the notes would have any claims to those assets.

We conduct the substantial majority of our operations through subsidiaries that own a significant percentage of our consolidated assets. Consequently, our cash flow and our ability to meet our debt service obligations depend in large part upon the cash flow of our subsidiaries and the payment of funds by our subsidiaries to us in the form of loans, dividends or otherwise. Our subsidiaries are not obligated to make funds available to us for payment of our debt securities or otherwise. In addition, their ability to make any payments will depend on their earnings, the terms of their indebtedness, business and tax considerations and legal restrictions.

The notes will be obligations exclusively of Kimco Realty Corporation and will not be guaranteed by any of our subsidiaries. As a result, the notes will be structurally subordinated to all debt and other liabilities and any preferred equity of our subsidiaries (including trade payables), which means that creditors and preferred equity holders of our subsidiaries will be paid from their assets before holders of the notes would have any claims to those assets. In the event of a bankruptcy, liquidation or dissolution of a subsidiary, that subsidiary may not have sufficient assets remaining to make payments to us as a shareholder or otherwise after payment of its liabilities and any preferred equity. At December 31, 2006, our subsidiaries had outstanding $1.3 billion of total liabilities, including $1.1 billion of debt (excluding, in each case, intercompany liabilities). Our subsidiaries currently have no preferred equity outstanding. The indenture under which the notes will be issued does not limit the ability of our subsidiaries to incur unsecured or secured debt or other liabilities or to issue preferred stock. See Description of the Notes Merger, Consolidation or Sale; No Financial Covenants in this prospectus supplement.

Table of Contents

USE OF PROCEEDS

We estimate that the net proceeds from this offering will be approximately $297.8 million. We intend to apply the net proceeds from this offering to (i) repay our outstanding balance of $200 million on our $850 million U.S. line of credit, which matures in July 2008 and currently accrues interest at 5.77% per annum, and (ii) to partially fund refinancing requirements of our $250 million of bonds maturing during 2007, having a weighted average interest rate of 6.83% per annum. Certain of the lenders under our credit facility are affiliates of the underwriters and will receive their pro rata share of repayments thereunder. See Underwriting.

RATIO OF EARNINGS TO TOTAL FIXED CHARGES

The following table sets forth our ratio of earnings to total fixed charges for the periods indicated.

	Year ended December 31,				
	2006	**2005**	**2004**	**2003**	**2002**
Ratio of earnings to total fixed charges	2.8x	3.3x	3.4x	3.2x	3.3x

For purposes of determining the ratio of earnings to total fixed charges, earnings consist of income from continuing operations before income taxes and minority interest, (income) loss related to equity method investees, distributed income of equity method investees, minority interest in pre-tax (income) loss, amortization of interest capitalized and fixed charges. Total fixed charges consist of interest expense (including interest costs capitalized) and other financial charges and an interest factor attributable to rentals. The interest factor attributable to rentals consists of one-third of rental charges, which we deem to be representative of the interest factor inherent in rents.

Table of Contents

DESCRIPTION OF THE NOTES

The notes will be issued as a series of debt securities under an Indenture, dated September 1, 1993, as amended by the First Supplemental Indenture, dated August 4, 1994, and the Second Supplemental Indenture, dated April 7, 1995, which is more fully described in the accompanying prospectus, and further amended by the Third Supplemental Indenture, dated June 2, 2006, and the Fourth Supplemental Indenture, to be dated April 26, 2007, between us and The Bank of New York (as successor to IBJ Schroder Bank & Trust Company), as trustee. We refer to the Fourth Supplemental Indenture as the fourth supplemental indenture, and as used in this prospectus supplement, the term indenture refers to the Indenture, dated September 1, 1993, as amended by the First Supplemental Indenture, dated August 4, 1994, the Second Supplemental Indenture, dated April 7, 1995, the Third Supplemental Indenture, dated June 2, 2006, the Fourth Supplemental Indenture, to be dated April 26, 2007, and as further amended or supplemented from time to time. The indenture is subject to, and governed by, the Trust Indenture Act of 1939, as amended. The following description of the particular terms of the notes offered hereby supplements and, to the extent inconsistent, replaces the description of the general terms and provisions of Debt Securities set forth in the accompanying prospectus under the caption Description of Debt Securities, to which reference is hereby made. The following description does not purport to be complete and is qualified in its entirety by reference to the actual provisions of the notes and the indenture. Capitalized terms used but not defined in this prospectus supplement will have the meanings given to them in the accompanying prospectus, the notes or the indenture, as the case may be. The term debt securities, as used in this prospectus supplement, refers to all of our debt securities, including the notes, issued and issuable from time to time under the indenture.

General

The notes will be limited initially to $300 million aggregate principal amount. We may in the future, without the consent of holders, issue additional notes on the same terms and conditions and with the same CUSIP number as the notes being offered hereby. The notes and any additional notes subsequently issued under the indenture would be treated as a single series for all purposes under the indenture.

The notes will bear interest at 5.70% per year, except as otherwise provided below under Coupon Step-Up, and will mature on May 1, 2017, unless redeemed or repurchased in whole as described below. We will pay interest on the notes in U.S. dollars semi-annually in arrears on May 1 and November 1 of each year, commencing November 1, 2007, to the holders of the notes on the preceding April 15 or October 15, as the case may be. We will pay the principal of, and (to the extent applicable), interest on, each note payable upon maturity or earlier redemption or repurchase in U.S. dollars against presentation and surrender thereof at the corporate trust office of the trustee, located initially at 101 Barclay Street, New York, New York 10286.

The notes will be issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.

The notes will not be entitled to the benefit of any sinking fund.

Ranking

The notes will be our direct, unsecured obligations and will rank equally with all of our existing and future unsecured and unsubordinated obligations. However, the notes are effectively subordinated to our mortgages and other secured indebtedness to the extent of our assets securing the same and to the liabilities of our subsidiaries to the extent of the assets of those subsidiaries.

The notes will not be guaranteed by any of our subsidiaries. As a result, the notes will be structurally subordinated to all debt and other liabilities of our subsidiaries (including trade payables) to the extent of the assets of those subsidiaries, which means that creditors of our subsidiaries will be paid from their assets before holders of the notes would have any claims to those assets. In the event of a bankruptcy, liquidation or dissolution of a subsidiary, that subsidiary may not have sufficient assets remaining to make payments to us as a shareholder or otherwise after payment of its liabilities. As of December 31, 2006, our subsidiaries had

Table of Contents

outstanding $1.3 billion of total liabilities, including $1.1 billion of debt (excluding, in each case, intercompany liabilities).

Coupon Step-Up