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ANDERSONS INC  
Form 424B5  
January 02, 2004

File Pursuant To Rule 424(b) (5)  
Registration No. 333-103996

[THE ANDERSONS LOGO]

PROSPECTUS

\$ 8,000,000 6% TEN-YEAR DEBENTURES  
\$12,000,000 5% FIVE-YEAR DEBENTURES  
(\$1,000 MINIMUM INVESTMENT)

The Andersons, Inc.  
480 West Dussel Drive  
Maumee, Ohio 43537  
(419) 891-5050

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TERMS OF DEBENTURES

- Debentures will be issued the first of the month following our receipt of payment. Interest begins to accrue on that day.
- Interest will be paid to you annually on the anniversary of the date issued.
- We may redeem debentures at any time by paying you principal plus accrued interest.
- No sinking fund will be provided; these debentures are not secured.

TERMS OF SALE

- There is no established trading market for the debentures.
- We will sell debentures continuously until they are all sold or the offering is terminated.
- There are no underwriters or commissions to be paid. We are selling directly to you.
- We will receive all proceeds from the sale of debentures. We expect the expenses of this offering to approximate \$46,000.

YOU SHOULD CAREFULLY CONSIDER THE RISK FACTORS IDENTIFIED THAT WE HAVE LISTED BEGINNING ON PAGE 4.

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

The date of this Prospectus is December 31, 2003

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C.

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20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC maintains an internet site at <http://www.sec.gov> that contains reports, proxy and information statements, and other information, regarding issuers that file documents with the SEC electronically.

The SEC allows us to "incorporate by reference" the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and later information that we file with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 until we sell all of the debentures.

- Annual Report on Form 10-K/A for the year ended December 31, 2002, as amended.
- Quarterly Report on Form 10-Q/A for the quarter ended March 31, 2003, as amended
- Quarterly report on Form 10-Q for the quarter ended June 30, 2003
- Quarterly report on Form 10-Q/A for the quarter ended September 30, 2003, as amended.

This prospectus is part of a registration statement on Form S-3 that we filed with the SEC.

Any person, including any beneficial owner, may request a copy of these filings, at no cost, by contacting us at:

Investor Relations  
Gary Smith  
Vice President, Finance & Treasurer  
The Andersons, Inc.  
480 West Dussel Drive  
Maumee, Ohio 43537  
(419) 891-6417  
email:gary\_smith@andersonsinc.com

You should rely only on the information incorporated by reference or provided in this prospectus or any supplement. We have not authorized anyone else to provide you with different information. We are not making an offer of these debentures in any state where the offer is not permitted. You should not assume that the information in this prospectus is accurate as of any date other than the date on the front of this document. We undertake no obligation to update any of the information in this Prospectus, except as provided by law.

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### SUMMARY

This page summarizes important points about us and about the debentures that we are selling. It is important that you read the more detailed information about the debentures that we are offering included later in the document and the information about us that we are incorporating by reference.

#### THE ANDERSONS, INC.

We are engaged in several businesses including agriculture, processing, rail car leasing and retail. Our Agriculture Group operates grain elevators, merchandises grain and distributes agricultural fertilizer. Our Processing Group produces lawn fertilizer and corncob products. Our Rail Group buys, sells, manages, leases and repairs railcars and our Retail Group operates six large home centers, a mower sales and service shop and a distribution center. We have been in existence since 1947 and have sold debentures under similar terms to this offering for many years. Our principal administrative offices are located at 480 West Dussel Drive, Maumee, Ohio 43537. Our telephone number is (419) 893-5050.

#### OUR OFFER

SECURITIES	\$ 8,000,000 principal amount 6% Ten-Year Debentures. \$12,000,000 principal amount 5% Five-Year Debentures. Offered directly by the Company. \$1,000 minimum principal investment.
REDEMPTION	Redeemable at maturity or at the option of the Company.
USE OF PROCEEDS	Payment of current maturities of long-term debt with the remainder added to working capital or used for general corporate purposes.

#### RATIO OF EARNINGS TO FIXED CHARGES

	Nine months ended September 30		Year ended D	
	2003	2002	2002	2001
Ratio of earnings to fixed charges	1.85	2.12	2.19	1.79

#### SUMMARY FINANCIAL INFORMATION

(In thousands, except for per share data)

Nine months ended  
September 30

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	2003	2002 (as restated)	2001 (as restated)
Sales and merchandising revenues	\$ 803,828	\$ 721,430	\$ 1,071,000
Income before income taxes	7,492	11,226	11,226
Cumulative effect of change in accounting principle	--	3,480	--
Net income	4,963	11,859	11,859
Per share data:			
Basic earnings per share	0.70	1.62	1.62
Diluted earnings per share	0.68	1.58	1.58
Dividends paid	0.21	0.195	0.195

	As of September 30 2003	2002 (as restated)	2001 (as restated)
Working capital	\$ 82,626	\$ 80,851	\$ 80,851
Total assets	409,509	416,825	416,825
Long-term debt	83,241	84,961	84,961
Shareholders' equity	108,890	105,261	105,261

The 2002 results have been restated to reflect the adoption of EITF Topic D-96, "Accounting for Management Fees Based on a Formula." See the Company's 2002 Annual Report on Form 10K/A, as amended, for further discussion.

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RISK FACTORS

Following are factors that we believe you should consider before making an investment decision.

RISKS RELATING TO OUR BUSINESS

OUR BUSINESS CAN BE ADVERSELY AFFECTED BY SEASONALITY AND WEATHER CONDITIONS

Many of our operations are dependent on weather conditions. The success of our Agriculture Group is highly dependent on the weather in the eastern corn belt (Ohio, Michigan, Indiana and Illinois), primarily during the spring planting season through the summer (wheat) and fall (corn and soybean) harvests. The Processing Group manufactures and distributes lawn fertilizer for home and professional use and its sales are highly seasonal with the majority occurring in the first and second quarter. Poor weather conditions during the spring adversely affect consumer purchases of do-it-yourself lawn care products. The Retail Group's business is also highly seasonal with a majority of sales generated in the second and fourth quarters.

OUR BUSINESS IS AFFECTED BY THE SUPPLY AND DEMAND OF COMMODITIES, AND ADVERSE PRICE MOVEMENTS CAN DEPRESS OUR RESULTS OF OPERATIONS

Our Agriculture Group buys, sells and holds inventories of various commodities, some of which are readily traded on commodity futures exchanges. Our Processing Group uses some of these same commodities as base raw materials

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in its lawn fertilizer. Changes in the supply and demand of these commodities can affect the value of inventories that we hold as well as the price of raw materials for our Processing Group. We hedge the majority of our grain inventory positions including purchase and sale contracts, however, we are unable to hedge 100% of the price risk of each transaction due to timing, availability of hedge contracts and third party credit risk. We generally do not hedge non-grain commodities.

### CHANGES IN GOVERNMENT POLICY CAN ADVERSELY AFFECT OUR BUSINESS

Agricultural production and trade flows are significantly affected by government actions. Examples of government policies include tariffs, duties, subsidies, import and export restrictions and outright embargos. Changes in government policies and producer supports may impact the amount and type of grains planted, which in turn, may impact our ability to buy grain in our market region. Because a portion of our grain sales are to exporters, the imposition of export restrictions could limit our sales opportunities.

Our Processing Group manufactures lawn fertilizers and control products using potentially hazardous materials. Regulations about the use and registration of these materials have in the past and may in the future require us to adjust the raw material content of our products and make formulation changes.

Changes in existing and future government policies may restrict our ability to do business and/or cause our financial results to suffer.

### WE HANDLE POTENTIALLY HAZARDOUS MATERIALS, AND ENVIRONMENTAL RISKS RELATED TO THOSE MATERIALS CAN INCREASE THE COST OF OPERATING OUR BUSINESSES

We handle potentially hazardous materials in several of our businesses. Our operations are regulated by environmental laws and regulations, including those governing the labeling, use, storage, discharge and disposal of hazardous materials. Because we use and handle hazardous substances in our business, changes in environmental requirements or an unanticipated significant adverse environmental event could have a material adverse effect on our business. In addition, changes to environmental regulations may require us to modify our existing plant and processing facilities and could significantly increase the cost of those operations.

### RISKS RELATING TO THE DEBENTURES

#### YOU MAY NOT BE ABLE TO SELL YOUR DEBENTURES BECAUSE OF AN ABSENCE OF A PUBLIC MARKET FOR THEM

We don't intend to list these Debentures on any national securities exchange. We don't expect any trading market to develop. Because of this, we can't provide assurance that any market will develop for the Debentures. If you want to sell your Debentures, a willing buyer may not be found and as a result, you may not be able to get an attractive price if you are able to sell at all.

#### CHANGES IN INTEREST RATES CAN DEPRESS THE VALUE OF YOUR DEBENTURES

Because the interest rates on the Debentures are fixed, an increase in general interest rates would negatively impact the value of the Debentures and consequently any market that may develop.

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OTHER CREDITORS HAVE SENIOR RIGHTS TO OUR ASSETS THAN THE HOLDERS OF DEBENTURES

Our Debenture obligations are subordinate and junior in right of payment to all of our senior indebtedness. The Debentures are of equal rank with other debenture bonds of the Company due through 2013 at interest rates ranging from 5.5% to 8.5%. We are able to incur additional indebtedness or issue other securities that would be senior to the Debentures. See Description of Debentures for further discussion about the Debentures

WE CAN REDEEM THE DEBENTURES AT ANY TIME, WHICH MAY HAVE ADVERSE IMPLICATIONS FOR YOUR PORTFOLIO

You may redeem the Debentures on their maturity date for the principal amount plus accrued interest. We hold the option to call the Debentures at any time, paying principal plus interest at the date that they are called. To the extent you are relying on the Debentures to fulfill a particular role in your portfolio, this could cause your portfolio to become imbalanced. Although we don't plan to call these debentures before their maturity, we do have the right to do so and could do so at any time. You, as a holder of Debentures, don't have the option to require us to purchase your Debentures.

YOU WILL NOT HAVE THE BENEFIT OF A THIRD PARTY CREDIT RATING IN EVALUATING AN INVESTMENT IN THE DEBENTURES

The Debentures have not been rated by an independent rating organization. We don't plan to seek an independent rating at this time.

### USE OF PROCEEDS

The offering is not underwritten and we don't know how many of the Debentures will sell or when they will be sold. The proceeds we receive from the sale of the Debentures (after deducting our expenses) will be used first for the payment of current maturities of long-term debt as scheduled. Following are our current maturities as of September 30, 2003 (in thousands):

Debenture bonds due 2003, interest rates from 6.3% to 7.5%	\$2,916
Notes payable, due quarterly with balance due in 2008, interest rate 6.95%	1,268
Acquisition liability	810
Note payable, variable rate (2.46% at September 30, 2003), payable quarterly with balance due in 2005	394
Note payable, due quarterly with balance due in 2017, interest rate 6.5%	772
Note payable, due quarterly with balance due in 2016, interest rate 7.0%	428
Other	395
	-----
	\$6,983
	=====

There is no time limit to this offering, and we plan to continue the sale of the Debentures indefinitely or until they are completely sold. We are not requiring a minimum sale of Debentures under this offering, and if the amount sold does not cover our current maturities, we will fund those payments either through cash provided by operations or with borrowings on our short-term line of credit.

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Our secondary use for proceeds will be to add to working capital. Increases in working capital will allow us to reduce our short-term borrowings.

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### CAPITALIZATION

Following are the details (in thousands) of our consolidated capitalization as of September 30, 2003. We haven't included the effect of the receipt of any proceeds from this offering of Debentures, since the amount of proceeds and when the proceeds will be received is uncertain.

Long-term debt:	
Notes payable	\$ 46,821
Debenture bonds	24,019
Industrial development revenue bonds	7,750
Capital lease obligation	3,208
Acquisition liability	1,302
Other	141
	-----
Total long-term debt	83,241
Shareholders' equity:	
Common shares	84
Additional paid-in capital	66,893
Treasury shares	(13,317)
Other	(697)
Retained earnings	55,927
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Total shareholders' equity	108,890
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Total capitalization	\$192,131
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See Notes 7, 8, and 11 to our restated Consolidated Financial Statements as of December 31, 2002 for additional information as to the lines of credit, long-term debt and leases and related commitments.

### DESCRIPTION OF DEBENTURES

The Debentures we are offering are to be issued under an Indenture between us and Fifth Third Bank, as Trustee (the "Trustee"). The original Indenture agreement was dated as of October 1, 1985, and has been supplemented by a Seventeenth Supplemental Indenture, dated as of August 14, 1997. The Seventeenth Supplemental Indenture was created to authorize a new series of debentures that were registered and issued from 1997 to the present. We confirmed our liability for the interest and principal payment of these debentures as well as compliance with the original Indenture. Except for the rate of interest and years to maturity, the terms and conditions of the Debentures, including all debentures previously issued under the Indenture, are identical. Following are summaries of certain provisions of the Indenture that are not complete definitions. Please refer to the Seventeenth Supplemental Indenture a copy of which was filed as an exhibit to our 1999 Annual Report on Form 10-K or the original Indenture as previously filed. If particular Sections or defined terms of the Indenture are referred to in this Prospectus, we intend that such Sections or defined terms shall be incorporated by reference from the

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original Indenture documents.

### GENERAL

The Indenture does not limit the principal amount of the Debentures, either in the aggregate or as to any series. The Debentures will be unsecured direct obligations of the Company and any successor entities.

We may not merge or consolidate or sell substantially all of our assets as an entirety unless the successor entity expressly assumes the payment of principal and interest on all outstanding Debentures

Although we have no present plans, understandings or arrangements, we may issue unsecured debt in the future. This new unsecured debt may have terms that would be senior to the Debentures. If we become subject to any insolvency or bankruptcy proceedings, or any other receivership, liquidation, reorganization or similar proceedings, the holders of any such senior debt as well as holders of any of our secured debt would be entitled to receive payment in full before the holders of the Debentures are entitled to receive any payment of principal or interest on the Debentures. The Indenture contains no restriction against our issuance of additional indebtedness, including unsecured debt senior to the Debentures, or secured debt. The Debentures are of equal rank with other debenture bonds of the Company due through 2013 at interest rates ranging from 5.5% to 8.5%. See Note 8 of the Notes to our restated Consolidated Financial Statements as of December 31, 2002 for more information about our secured borrowings.

The Indenture contains no minimum working capital, current ratio or other such requirements, or any protective provisions in the event of a highly leveraged transaction. No such transactions are contemplated.

We will issue Debentures on the first of the following month after we receive payment for the Debentures. The Debentures we are offering will be due in either five years or ten years from their Original Issue Date. This maturity date is subject to our right to redeem the Debentures at any time by paying the holder the principal amount plus accrued interest to the date of redemption (Section 1101). The Debentures will bear interest at the annual rate shown on the front cover of this Prospectus. The interest payment will be made annually to the holder of record at the close of business

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on the fifteenth day of the month preceding the Interest Payment Date and will first occur one year from the Original Issue Date. (Section 301) Principal and interest will be payable, and the Debentures will be transferable, at the office of the Trustee, Fifth Third Bank, Corporate Trust Services, Mail Drop 1090D2, 38 Fountain Square Plaza, Cincinnati, Ohio, 45263. We may, however, make any payment of interest or principal by check mailed to the address of the holder of record as it appears on the Debenture Register. (Sections 301 and 307)

The Debentures will be issued only in fully registered form without coupons in denominations of \$1,000 or any multiple of \$1,000. (Section 302) No service charge will be made for any transfer or exchange of Debentures, but we may require payment of an amount sufficient to cover any tax or other governmental charge payable in connection with a transfer or exchange. (Section 305)

We may issue Debentures in series from time to time with an aggregate principal amount as is authorized by our Board of Directors. (Section 311) The Debentures do not provide for any sinking fund. At September 30, 2003, we had

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outstanding Debentures with a principal amount of \$26.9 million.

### MODIFICATION AND WAIVER

We can't modify the Indenture without the approval of the holders of 66 2/3 % of the principal amount of all outstanding debentures that would be affected by the modification. Specifically, the following modifications need support of 66 2/3% of holders:

- A change to the stated maturity date of the principal of any Debenture;
- A change to the stated payment date of interest;
- A reduction of the principal amount of any Debenture;
- A reduction of the interest paid on any Debenture;
- A change to the place or currency of payment of principal or interest on any Debenture;
- A limitation on the right to institute suit for the enforcement of any payment on or with respect to any Debenture;
- A reduction of the above-stated percentage of holders of Debentures necessary to modify or amend the Indenture; or
- A modification of the foregoing requirements or reduction of the percentage of outstanding Debentures necessary to waive any past default to less than a majority.

Holders of a majority of the principal amount of the outstanding Debentures may waive compliance by the Company with certain restrictions. (Sections 902 and 513)

### EVENTS OF DEFAULT

The following are events of default:

- failure to pay principal when due;
- failure to pay any interest when due, continued for 30 days;
- failure to perform any other indenture covenant of the Company, continued for 60 days after written notice; and
- certain events in bankruptcy, insolvency or reorganization.

If we don't make payments of principal or interest, the Trustee must provide you with a notice of default. For any other event of default, the Trustee is not required to send notice to you if it considers withholding the notice to be in your best interest. (Section 501 and 602)

If an event of default happens and is not cured, either the Trustee or the holders of 25% or more of the principal amount of the Debentures may accelerate the maturity of all outstanding Debentures.

Holders of a majority of the principal amount of the outstanding Debentures may waive a default that would normally result in acceleration of the Debentures, but only if all defaults have been remedied and all payments due have been made. (Sections 502 and 513)

You have the unconditional right to receive the payment of principal and interest when due and to institute suit for the enforcement of such payment. (Section 508)

### THE TRUSTEE

Except for its duties in the case of default as described previously, the Trustee is not required to exercise any of its rights or powers under the Indenture at the request, order or direction of any holders, unless such holders have offered to the Trustee reasonable indemnity. (Section 603) Subject to such provisions for indemnification, the holders of a majority in principal amount of the outstanding Debentures may determine the time, method and place of

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conducting proceedings for any remedy available to the Trustee, or of exercising any trust or power conferred upon the Trustee. (Section 512)

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We are required to furnish to the Trustee an annual statement on our performance or fulfillment of covenants, agreements or conditions in the Indenture and the absence of events of default. (Section 1004)

### PLAN OF DISTRIBUTION

This offering of Debentures is not underwritten. We are selling the Debentures directly to you without any intermediaries. There is no time limit to this offering and we plan to continue the sale of the Debentures indefinitely or until they are completely sold. We can't be sure of the amount of Debentures that we may ultimately sell. We are selling the Debentures for our own account and are not paying commissions to anyone.

### LEGAL OPINIONS

Beverly J. McBride, our Vice President, General Counsel and Secretary has issued an opinion regarding certain legal matters and matters with respect to Ohio law. She owns 44,000 of our common shares and has the option to purchase 3,200 additional common shares (1,940 of the options are exercisable).

### EXPERTS

The financial statements and schedule incorporated in this Prospectus by reference to the Annual Report on Form 10-K/A for the year ended December 31, 2002 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in accounting and auditing.

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You should rely only on the information contained in or incorporated by reference in this prospectus. We have authorized no one to provide you with different information.

We are not making an offer of these securities in any location where the offer is not permitted.

You should not assume that the information in this prospectus, including information incorporated by reference, is accurate as of any date other than the date on the front of the prospectus.

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### SUBSCRIPTION AGREEMENT FOR 6% TEN-YEAR DEBENTURES AND 5% FIVE-YEAR DEBENTURES OF THE ANDERSONS, INC.

(I) (We) hereby subscribe for:



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Make check payable to: The Andersons, Inc.  
Mail to: The Andersons, Inc., Assistant Treasurer,  
PO Box 119, Maumee, Ohio 43537

YOU ARE REQUIRED TO COMPLETE THE W-9 FORM  
SIDE OF THIS SUBSCRIPTION.

W-9 FORM  
IMPORTANT TAX INFORMATION

We ask that you complete this substitute form W-9, sign in the space provided, and return it, with the subscription agreement to:

The Andersons, Inc.  
PO Box 119  
Maumee, Ohio 43537

A) Is your name and address correct on the preceding subscription form?  
\_\_\_\_\_ Yes \_\_\_\_\_ No  
(If No, please correct it on the subscription agreement.)

B) Taxpayer Identification Number (TIN). - Enter your TIN in the space provided below:

Employer Identification Number \_\_\_\_\_ - \_\_\_\_\_

-OR-

Social Security Number \_\_\_\_\_ - \_\_\_\_\_

C) Please check the appropriate box:  Individual / Sole Proprietor  
 Corporation  
 Partnership  Other \_\_\_\_\_

D) Certification: Under penalties of perjury, I certify that:

- 1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

Certification instructions: You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.

Signature: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_