EMC CORP
Form 424B5
June 05, 2013
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CALCULATION OF REGISTRATION FEE

Title of each class of securities offered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee(1)
1.875% Notes due 2018	$2,500,000,000	99.943%	$2,498,575,000	$340,805.63
2.650% Notes due 2020	$2,000,000,000	99.760%	$1,995,200,000	$272,145.28
3.375% Notes due 2023	$1,000,000,000	99.925%	$ 999,250,000	$136,297.70

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended, and relates to the Registration Statement on Form S-3 (File No. 333-186953) filed by the Registrant on February 28, 2013.

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Filed Pursuant to Rule 424(b)(5)

File No. 333-188933

PROSPECTUS SUPPLEMENT

(To Prospectus dated May 30, 2013)

$5,500,000,000

EMC Corporation

$2,500,000,000 1.875% Notes due 2018

$2,000,000,000 2.650% Notes due 2020

$1,000,000,000 3.375% Notes due 2023

The 1.875% notes due 2018, which we refer to as the 2018 notes, will mature on June 1, 2018, the 2.650% notes due 2020, which we refer to as the 2020 notes, will mature on June 1, 2020 and the 3.375% notes due 2023, which we refer to as the 2023 notes, will mature on June 1, 2023. We refer to the 2018 notes, the 2020 notes and the 2023 notes collectively as the notes.

We will pay interest on the notes on June 1 and December 1 of each year, beginning December 1, 2013.

We may redeem the notes of each series in whole or in part at any time or from time to time at the redemption prices described under Description of Notes Optional Redemption.

The notes will be unsecured obligations of ours and rank equally with our existing and future unsecured senior indebtedness. The notes will be issued only in registered book-entry form and in denominations of $2,000 and integral multiples of $1,000 thereafter. The notes will not be listed on any securities exchange. Currently, there are no public markets for the notes.

Investing in the notes involves risk. Please read Risk Factors beginning on page S-4 of this prospectus supplement, in our Annual Report on Form 10-K for the year ended December 31, 2012 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2013, which are incorporated by reference into this prospectus supplement and the accompanying prospectus.

Neither the Securities and Exchange Commission nor any 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.

	Per 2018 note	Total	Per 2020 note	Total	Per 2023 note	Total
Public offering price(1)	99.943%	$ 2,498,575,000	99.760%	$ 1,995,200,000	99.925%	$ 999,250,000
Underwriting discounts	0.500%	$ 12,500,000	0.575%	$ 11,500,000	0.600%	$ 6,000,000
Proceeds, before expenses, to EMC Corporation(1)	99.443%	$ 2,486,075,000	99.185%	$ 1,983,700,000	99.325%	$ 993,250,000

(1) Plus accrued interest, if any, from June 6, 2013.

The notes will be ready for delivery in book-entry form on or about June 6, 2013, only through the facilities of The Depository Trust Company for the accounts of its participants, which may include Clearstream Banking, *société anonyme*, and Euroclear Bank S.A./N.V., as operator of the Euroclear System, against payment in New York, New York.

Joint Book-Running Managers

BofA Merrill Lynch **Citigroup** **J.P. Morgan**

Barclays **Deutsche Bank Securities** **Goldman, Sachs & Co.** **Morgan Stanley**

RBS **UBS Investment Bank** **Wells Fargo Securities**

Senior Co-Managers

BMO Capital Markets **BNP PARIBAS** **BNY Mellon Capital Markets, LLC**
Credit Suisse **HSBC** **ING** **PNC Capital Markets LLC**
SOCIETE GENERALE **US Bancorp**

Junior Co-Managers

Banca IMI **Evercore Partners** **Jefferies** **KeyBanc Capital Markets**
Lloyds Securities **Mitsubishi UFJ Securities** **Mizuho Securities**
Needham & Company **Raymond James** **RBC Capital Markets**
Santander **SMBC Nikko** **The Williams Capital Group, L.P.**

The date of this prospectus supplement is June 3, 2013.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first is this prospectus supplement, which describes the specific terms of this offering, the notes and matters relating to us and our financial performance and condition. The second part is the accompanying prospectus dated May 30, 2013, which is part of our Registration Statement on Form S-3. The accompanying prospectus provides a more general description of the terms and conditions of the various debt securities we may offer under our Registration Statement, some of which does not apply to this offering. If the description of this offering and the notes varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

In various places in this prospectus supplement and the accompanying prospectus, we refer you to sections of other documents for additional information by indicating the caption heading of the other sections. All cross references in this prospectus supplement are to captions contained in this prospectus supplement and not in the accompanying prospectus, unless otherwise indicated.

You should carefully read this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in their entirety. They contain information that you should consider when making your investment decision.

We have not, and the underwriters have not, authorized any other person, including any dealer, salesperson or other individual, to provide you with any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Our business, financial condition, results of operations and prospects may have changed since those dates.

This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which they relate or an offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus supplement and the accompanying prospectus nor any sale made hereunder or thereunder shall, under any circumstances, create any implication that there has been no change in our affairs since the date hereof or that the information contained in any document incorporated by reference herein or therein is correct as of any time subsequent to the date of such document.

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FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein or therein contain forward-looking statements, within the meaning of the federal securities laws, about our business and prospects. The forward-looking statements do not include the potential impact of any mergers, acquisitions, divestitures, securities offerings or business combinations that may be announced or closed after the date hereof. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words believes, plans, intends, expects, goals and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. Our future results may differ materially from our past results and from those projected in the forward-looking statements due to various uncertainties and risks, including those described in the Risk Factors section of this prospectus supplement, in Item 1A of Part I (Risk Factors) of our Annual Reports on Form 10-K and in Item 1A of Part II (Risk Factors) of our Quarterly Reports on Form 10-Q, and in other information contained in our publicly available Securities and Exchange Commission (SEC) filings and press releases. The forward-looking statements speak only as of the date such statements were first made and undue reliance should not be placed on these statements. Except to the extent required by federal securities laws, we disclaim any obligation to update any forward-looking statements after the date hereof.

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SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus. It does not contain all of the information that you should consider before making an investment decision. We urge you to read carefully the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, including the historical financial statements and notes to those financial statements. Please read Risk Factors in this prospectus supplement, our Annual Report on Form 10-K for the year ended December 31, 2012 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 for more information about important risks that you should consider before investing in the notes. Except as otherwise indicated, all references in this prospectus supplement to EMC, we, our and us refer to EMC Corporation and its consolidated subsidiaries.

EMC Corporation

Our mission is to lead people and organizations on the journey to hybrid Cloud Computing. Cloud Computing offers a dramatically more efficient computing model that helps transform information technology from a cost center to a value-driver. We support a broad range of customers around the world, in every major industry, in the public and private sectors, and of sizes ranging from the Fortune Global 500 to small-sized businesses.

We manage our business in two broad categories: EMC Information Infrastructure and VMware Virtual Infrastructure. As data centers move to a Cloud Computing model, managing information will be central to their operations. EMC Information Infrastructure provides a foundation for organizations to store, manage, protect, analyze and secure their vast and ever-increasing quantities of information, improve business agility, lower cost of ownership and enhance their competitive advantage within traditional data centers, virtual data centers and cloud-based information technology infrastructures. Infrastructure for Cloud Computing is much more agile and efficient this is achieved though virtualization. VMware Virtual Infrastructure, which is represented by EMC s majority equity stake in VMware, Inc., is the leader in virtualization infrastructure solutions.

EMC was incorporated in Massachusetts in 1979. Our principal executive offices are located at 176 South Street, Hopkinton, Massachusetts 01748, and our telephone number is (508) 435-1000.

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The Offering

Issuer	EMC Corporation
Securities Offered	$2,500,000,000 aggregate principal amount of 1.875% notes due 2018.
	$2,000,000,000 aggregate principal amount of 2.650% notes due 2020.
	$1,000,000,000 aggregate principal amount of 3.375% notes due 2023.
Maturity Dates	2018 notes June 1, 2018.
	2020 notes June 1, 2020.
	2023 notes June 1, 2023.
Interest Rates	2018 notes 1.875% per year.
	2020 notes 2.650% per year.
	2023 notes 3.375% per year.
Interest Payment Dates	Interest will be paid on the notes on June 1 and December 1 of each year, beginning on December 1, 2013.
	Interest on the notes will accrue from June 6, 2013.
Use of Proceeds	We estimate that the net proceeds from this offering will be approximately $5,458,286,000, after deducting underwriting discounts and estimated offering expenses. We intend to use the net proceeds from this offering for repayment of all of our outstanding 1.75% convertible senior notes due 2013 (the existing convertible notes), which will mature on December 1, 2013, and for general corporate purposes, including stock repurchases, working capital needs and other business opportunities for us or any of our subsidiaries. See Use of Proceeds.
Optional Redemption	We may redeem the notes of each series for cash in whole, at any time, or in part, from time to time, prior to maturity, at the respective redemption prices described under

Description of Notes Optional Redemption.

Covenants	We will issue the notes under an indenture with Wells Fargo Bank, National Association, as trustee. The indenture includes certain covenants, including limitations on our ability to:

create liens on our assets; and

merge or consolidate with another entity.

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	These covenants are subject to a number of important exceptions, limitations and qualifications that are described under Description of Notes Certain Covenants in this prospectus supplement, under Consolidation, Merger or Sale in the accompanying prospectus and in the indenture.
Ranking	The notes will be our unsecured senior obligations and will rank equally with all our existing and future unsecured and unsubordinated indebtedness from time to time outstanding.
	The indenture does not limit the amount of debt we may incur.
Additional Issues	We may create and issue additional notes with the same terms (except for the issue date, the public offering price and, under certain circumstances, the first interest payment date) as one or more series of the notes so that such additional notes shall be consolidated and form a single series with the notes of the corresponding series.
Listing	The notes are new issues of securities with no established trading market. The notes are not, and are not expected to be, listed on any national securities exchange or included in any automated dealer quotation system.
Denominations	The notes will be issued in minimum denominations of $2,000 and any integral multiple of $1,000 in excess thereof.
Risk Factors	You should consider carefully all the information set forth and incorporated by reference in this prospectus supplement and the accompanying prospectus and, in particular, you should evaluate the specific factors set forth under the heading Risk Factors beginning on page S-4 of this prospectus supplement, in our Annual Report on Form 10-K for the year ended December 31, 2012 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2013, as well as the other information contained or incorporated herein by reference, before investing in any of the notes offered hereby.
Pro Forma Ratio of Earnings to Fixed Charges	Our pro forma ratio of earnings to fixed charges, after giving effect to this offering, would have been 20.22x for the three months ended March 31, 2013 and 27.03x for the twelve months ended December 31, 2012.

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RISK FACTORS

Investing in the notes involves risks. Before making a decision to invest in the notes, you should carefully consider the risks related to the notes set forth below, as well as the risk factors related to our business and operations described in Part I, Item 1A of our most recent Annual Report on Form 10-K under the heading Risk Factors and in Part II, Item 1A of our most recent Quarterly Report on Form 10-Q under the heading Risk Factors, which are incorporated by reference in this prospectus supplement and the accompanying prospectus. See Where You Can Find More Information in this prospectus supplement and the accompanying prospectus.

Risks Related to the Notes

The notes will be effectively subordinated to the indebtedness and other liabilities of our subsidiaries.

A significant portion of our operations are conducted through our subsidiaries. None of our subsidiaries is a guarantor of the notes. As a result, our right to receive assets upon the liquidation or recapitalization of any of our subsidiaries, and your consequent right to benefit from our receipt of those assets, will be subject to the claims of such subsidiary s creditors. Accordingly, the notes are effectively subordinated to all indebtedness and other liabilities, including trade payables, of our subsidiaries. Even if we were recognized as a creditor of one or more of our subsidiaries, our claims would still be effectively subordinated to any security interests in or other liens on the assets of any such subsidiary and to any indebtedness or other liabilities of any such subsidiary senior to our claims.

In addition, we derive a significant portion of our revenues from our subsidiaries. As a result, our cash flow and our ability to service our debt and other obligations, including the notes, will depend on the results of operations of our subsidiaries and upon the ability of our subsidiaries to provide us with cash to pay amounts due on our obligations, including the notes. Our subsidiaries are separate and distinct legal entities and have no obligation to make payments on the notes or to make funds available to us for that purpose. In addition, dividends, loans or other distributions from our subsidiaries to us are dependent upon results of operations of our subsidiaries, may be subject to contractual and other restrictions, may be subject to tax or other laws limiting our ability to repatriate funds from foreign subsidiaries and may be subject to other business considerations.

The notes will be unsecured and therefore will be effectively subordinated to any secured indebtedness we may incur.

The notes will not be secured by any of our assets. As a result, the notes will be effectively subordinated to any secured debt we or our subsidiaries may incur to the extent of the value of the assets securing such debt. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of any of our secured debt and the secured debt of our subsidiaries may assert rights against the assets pledged to secure that debt in order to receive full payment of their debt before the assets may be used to pay other creditors, including the holders of the notes. As of the date of this prospectus supplement, we had no secured indebtedness outstanding.

The indenture governing the notes only provides limited protection against significant corporate events and other actions we may take that could adversely impact your investment in the notes.

The indenture governing the notes contains only limited protections for holders of the notes. The indenture for the notes also does not require us to repurchase the notes in the event of a change in control. As a result of the foregoing, when evaluating the terms of the notes, you should be aware that the terms of the indenture and the notes do not restrict our ability to engage in, or to otherwise be a party to, a variety of corporate transactions, circumstances and events that could have an adverse impact on your investment in the notes. In addition, the indenture does not contain financial covenants or restrictions on debt incurrence. Finally, the covenants in the indenture restricting our ability to create liens on our assets and merge or consolidate with another entity are subject to a number of important exceptions, limitations and qualifications that are described under Description of Notes Certain Covenants in this prospectus supplement, under Consolidation, Merger or Sale in the accompanying prospectus and in the indenture.

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Active trading markets for the notes may not develop.

The notes are new issues of securities with no established trading markets. We do not intend to apply for listing of the notes on any securities exchange. We cannot assure you trading markets for the notes will develop or of the ability of holders of the notes to sell their notes or of the prices at which holders may be able to sell their notes. The underwriters have advised us that they currently intend to make a market in each series of the notes. However, the underwriters are not obligated to do so, and any market-making with respect to the notes may be discontinued, in their sole discretion, at any time without notice. If no active trading markets develop, you may be unable to resell the notes at any price or at their fair market value.

If trading markets do develop, changes in our ratings or the financial markets could adversely affect the market prices of the notes.

The market prices of the notes will depend on many factors, including, but not limited to, the ratings on our debt securities assigned by rating agencies, the time remaining until maturity of the notes, our results of operations, financial condition and prospects and the 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, which could have an adverse effect on the market prices of the notes.

Rating agencies continually review the ratings they have assigned to companies and debt securities. Negative changes in the ratings assigned to us or our debt securities could have an adverse effect on the market prices of the notes.

Our credit ratings may not reflect all risks of your investments in the notes and may be revised or withdrawn.

Our credit ratings are an assessment by rating agencies of our ability to pay our debts when due. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the notes. These credit ratings may not reflect the potential impact of risks relating to the structure or marketing of the notes. Agency ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization.

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USE OF PROCEEDS

We estimate that the net proceeds from this offering will be approximately $5,458,286,000, after deducting underwriting discounts and estimated offering expenses. We intend to use the net proceeds from this offering for repayment of all of the existing convertible notes, which will mature on December 1, 2013, and for general corporate purposes, including stock repurchases, working capital needs and other business opportunities for us or any of our subsidiaries. As of March 31, 2013, $1,695 million aggregate principal amount of the existing convertible notes were outstanding. If the existing convertible notes are converted prior to maturity, we will be required under the terms of the existing convertible notes to pay cash up to the principal amount of such existing convertible notes and will have the option to settle any conversion value in excess of the principal amount with cash, shares of our common stock, or a combination thereof. To the extent we determine to pay any such excess in cash, we could use an additional portion of the net proceeds from this offering.

We may temporarily invest funds that are not immediately needed for these purposes in short-term and/or medium-term investments, including, but not limited to, marketable securities.

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization on a consolidated basis as of March 31, 2013. We have presented our capitalization on both an actual and an as adjusted basis to reflect the sale of the notes and the application of the net proceeds from the sale of the notes (including repayment at maturity of the existing convertible notes, assuming none of the existing convertible notes are converted prior to maturity). See Use of Proceeds. You should read this table in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and our historical financial statements and notes to those financial statements, in each case that are incorporated by reference in this prospectus supplement and the accompanying prospectus.

	At March 31, 2013	
	Actual	As Adjusted
	(unaudited, in thousands, except par value)	
Cash and cash equivalents(1)	$ 5,304,305	$ 9,067,582
Convertible debt	1,695,009	
Long-term debt:		
1.875% notes due 2018		2,500,000
2.650% notes due 2020		2,000,000
3.375% notes due 2023		1,000,000
Total long-term debt		5,500,000
Total debt	$ 1,695,009	$ 5,500,000
Shareholders equity:		
Preferred stock, par value $0.01; authorized 25,000 shares; none outstanding		
Common stock, par value $0.01; authorized 6,000,000 shares; issued and outstanding 2,100,840(1)	21,009	21,009
Additional paid-in capital	3,448,386	3,448,386
Retained earnings	19,433,284	19,433,284
Accumulated other comprehensive loss, net	(241,971)	(241,971)
Total EMC Corporation s shareholders equity	22,660,708	22,660,708
Non-controlling interest in VMware, Inc.	1,178,258	1,178,258
Total shareholders equity	$ 23,838,966	$ 23,838,966
Total capitalization	$ 25,533,975	$ 29,338,966

(1) If any existing convertible notes are converted prior to maturity, we will be required under the terms of the existing convertible notes to pay cash up to the principal amount of such existing convertible notes and will have the option to settle any conversion value in excess of the principal amount with cash, shares of our common stock, or a combination thereof. To the extent we determine to pay any such excess in cash, we could use an additional portion of the net proceeds from this offering, and to the extent we determine to pay any such excess in shares of our common stock, additional shares of our common stock would be outstanding.

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DESCRIPTION OF NOTES

This description of the notes being offered hereby supplements and, to the extent it is inconsistent, replaces, the description of the general provisions of the notes and the indenture in the accompanying prospectus. The notes will be Senior Debt Securities, as that term is used in the accompanying prospectus.

The following statements relating to the notes and the Indenture are summaries of certain provisions thereof and are subject to, and qualified in their entirety by reference to, the detailed provisions of the form of each series of notes, the Indenture and any supplemental indenture, officer s certificate or similar document related to such series of notes. Certain provisions of the Indenture are summarized in the accompanying prospectus. We encourage you to read the summaries of the notes and the Indenture in both this prospectus supplement and the accompanying prospectus, as well as the form of each series of notes and the Indenture and any supplemental indenture, officer s certificate or similar document related to such series of notes.

For purposes of this description, references to *we*, *our* and *us* refer only to EMC Corporation and not to its subsidiaries.

General

The 2018 notes, the 2020 notes and the 2023 notes will each be issued as a separate series of debt securities under the indenture (the *Indenture*) between us and Wells Fargo Bank, National Association, as trustee. You may request a copy of the Indenture and the form of each series of notes from the trustee.

We will issue the notes in fully registered book-entry form without coupons and in denominations of $2,000 and integral multiples of $1,000 thereafter. We do not intend to apply for the listing of the notes on a national securities exchange or for quotation of the notes on any automated dealer quotation system.

The notes will be our senior unsecured obligations and will rank equally with each other and with all of our other senior unsecured and unsubordinated indebtedness from time to time outstanding. However, the notes will be structurally subordinated to any indebtedness of our subsidiaries and will be effectively subordinated to any secured indebtedness to the extent of the value of the assets securing such indebtedness.

We may, without the consent of any holders of the notes, create and issue additional notes with the same terms (except for the issue date, the public offering price and, under certain circumstances, the first interest payment date) as one or more series of the notes. The additional notes will form a single series with the outstanding notes of the corresponding series; provided that if such additional notes are not fungible with the notes of the applicable series offered hereby for U.S. federal income tax purposes, such additional notes will have a separate CUSIP number. No additional notes may be issued if an event of default has occurred and is continuing with respect to such series of notes.

The 2018 notes will mature on June 1, 2018, the 2020 notes will mature on June 1, 2020 and the 2023 notes will mature on June 1, 2023. The 2018 notes will bear interest at 1.875% per annum, the 2020 notes will bear interest at 2.650% per annum and the 2023 notes will bear interest at 3.375% per annum. We will pay interest on the notes semi-annually in arrears on June 1 and December 1 of each year, beginning on December 1, 2013, to the persons in whose name the notes are registered at the close of business on the immediately preceding May 15 or November 15 (whether or not such record date is a business day). Interest on the notes will be computed on the basis of a 360-day year composed of twelve 30-day months. If an interest payment date for the notes falls on a day that is not a business day, we will make the payment on the next business day, but we will not be liable for any additional interest as a result of the delay in payment.

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Payments of principal, premium if any, and interest to owners of book-entry interests (as described below) are expected to be made in accordance with the procedures of The Depository Trust Company (*DTC*) and its participants in effect from time to time.

Optional Redemption

The 2018 notes are redeemable at our option, in whole at any time or in part from time to time, the 2020 notes are redeemable at our option, in whole at any time or in part from time to time, and the 2023 notes are redeemable at our option, in whole at any time or in part from time to time, prior to March 1, 2023, in each case for cash, at a redemption price equal to the greater of:

(1) 100% of the principal amount of the notes to be redeemed; or

(2) an amount determined by the Quotation Agent equal to the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued to the date of redemption), discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate, plus 15 basis points with respect to the 2018 notes, 20 basis points with respect to the 2020 notes and 20 basis points with respect to the 2023 notes,

plus, in each case, accrued and unpaid interest, if any, thereon to, but not including, the date of redemption.

In addition, on or after March 1, 2023 (3 months prior to the maturity date of the 2023 notes), the 2023 notes are redeemable at our option, in whole at any time or in part from time to time, for cash, at a redemption price equal to 100% of the principal amount of such 2023 notes, plus accrued and unpaid interest to, but not including, the redemption date.

The principal amount of any note remaining outstanding after a redemption in part shall be $2,000 or a higher integral multiple of $1,000. Notwithstanding the foregoing, installments of interest on notes that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered holders as of the close of business on the relevant record date.

Comparable Treasury Issue means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the notes of the applicable series to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such series of notes.

Comparable Treasury Price means, with respect to any redemption date, (1) the average of four Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (2) if the trustee is provided fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

Quotation Agent means the Reference Treasury Dealer appointed by us to act as the Quotation Agent from time to time.

Reference Treasury Dealer means (1) Citigroup Global Markets Inc., J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated and their respective successors; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a *Primary Treasury Dealer*), we will substitute therefor another Primary Treasury Dealer, and (2) any other Primary Treasury Dealers selected by us.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by us, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by such

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Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

Treasury Rate means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price on such redemption date.

Notice of any redemption will be mailed (or, in the case of notes held in book-entry form, be transmitted electronically) at least 30 days but not more than 60 days before the redemption date to each registered holder of the notes to be redeemed, except that redemption notices may be delivered more than 60 days prior to a redemption if the notice is issued in connection with a legal or covenant defeasance of the notes or a satisfaction and discharge of the Indenture as described under Description of Debt Securities Discharge, Defeasance and Covenant Defeasance in the accompanying prospectus. Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the notes or portions thereof called for redemption. If less than all of the notes of a series are to be redeemed, the notes of such series to be redeemed will be selected by the trustee by lot or another method the trustee deems to be fair and appropriate in accordance with DTC procedures.

Certain Covenants

Limitation on Liens

Neither we nor any of our domestic wholly owned subsidiaries will create or incur any mortgage, pledge, security interest or lien (each, a *Lien*) on any Principal Property, whether now owned or hereafter acquired, in order to secure any Indebtedness, without effectively providing that the notes shall be secured by a lien ranking equal to and ratably with (or, at our option, senior to) such secured Indebtedness until such time as such Indebtedness is no longer secured by such Lien, except:

Liens existing on the closing date of the offering of the notes;

Liens created or incurred after the closing date of the offering of the notes created in favor of the holders of the notes;

Liens in favor of us or one of our domestic wholly owned subsidiaries;

(a) Liens given to secure (or to secure Indebtedness incurred or guaranteed by us or any of our domestic wholly owned subsidiaries for the purpose of financing) the payment of all or any portion of the purchase price for the acquisition (including acquisition through merger or consolidation or the acquisition of a Person directly or indirectly owning such property) of any replacement for the Principal Property, including capital lease or purchase money transactions in connection with any such acquisition, or all or any portion of the cost of refurbishment, improvement, expansion, renovation, development or construction of any Principal Property; *provided* that with respect to this clause (a), the Liens shall be given prior to, at the time of or within 12 months after such acquisition, or completion of such refurbishment, improvement, expansion, renovation, development or construction, or the full operation of such Principal Property, whichever is latest, and shall attach solely to such Principal Property (including any refurbishments, improvements, expansions, renovations, development or construction thereof or then or thereafter placed thereon) and any proceeds thereof; and (b) Liens existing on all or any portion of any replacement for the Principal Property at the time of acquisition thereof (including acquisition through merger or consolidation or the acquisition of a Person then directly or indirectly owning such property) whether or not such existing Liens were given to secure (or to secure Indebtedness incurred or guaranteed by us or any of our domestic wholly owned subsidiaries for the purpose of financing) the payment of the purchase price of such property;

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Liens on any Principal Property in favor of the United States of America or any state thereof, or in favor of any other country, or any political subdivision, department, agency or instrumentality thereof to secure progress or other payments pursuant to any contract or statute or to secure Indebtedness incurred or guaranteed for the purpose of financing all or any portion of the cost of acquiring, refurbishing, improving, expanding, renovating, developing or constructing such Principal Property, including Liens incurred in connection with pollution control, industrial revenue or similar financing;

certain statutory or legislative Liens or other similar Liens (including pledges or deposits) arising in the ordinary course of our or any domestic wholly owned subsidiary s business, or certain Liens arising out of government contracts;

Liens in connection with legal proceedings, including certain Liens arising out of judgments or awards;

Liens for certain taxes or assessments, landlord s Liens and Liens and charges incidental to the conduct of the business or the ownership of our assets or those of a domestic wholly owned subsidiary, which were not incurred in connection with the borrowing of money and which do not, in our opinion, materially impair the use of such assets in the operation of our business or that of such domestic wholly owned subsidiary or the value of such assets for the purposes thereof;