

APACHE CORP  
Form 424B2  
September 29, 2008

**Table of Contents**

<i>Title of Each Class of Securities Offered</i> Notes	<i>Maximum Aggregate Offering Price</i> \$ 800,000,000	<i>Amount of Registration Fee<sup>(1)</sup></i> \$ 31,440
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<sup>(1)</sup> Calculated in accordance with Rule 457(r) of the Securities Act of 1933.

Filed Pursuant to Rule 424(b)(2)  
Registration No. 333-141867

PROSPECTUS SUPPLEMENT  
(To Prospectus Dated April 4, 2007)

\$800,000,000

**Apache Corporation**

\$400,000,000 6.00% Notes due 2013  
\$400,000,000 6.90% Notes due 2018

We are offering \$400,000,000 aggregate principal amount of 6.00% notes due 2013 and \$400,000,000 aggregate principal amount of 6.90% notes due 2018. Interest on the notes will be paid semi-annually in arrears on March 15 and September 15 of each year, beginning on March 15, 2009. The 6.00% notes due 2013 will mature on September 15, 2013 and the 6.90% notes due 2018 will mature on September 15, 2018. We may redeem some or all of each series of the notes at any time or from time to time at the redemption prices calculated as described in this prospectus supplement under **Description of Notes** **Optional Redemption**. The notes do not have the benefit of any sinking fund.

The notes will be our general unsecured senior obligations and will rank equally with all of our other unsecured senior indebtedness from time to time outstanding. The notes will be issued only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The notes will not be listed on any securities exchange.

**Investing in the notes involves risks. See **Risk Factors** on page S-3 of this prospectus supplement.**

	Per 2013 Note	Total	Per 2018 Note	Total
Public Offering Price <sup>(1)</sup>	99.476%	\$ 397,904,000	99.593%	\$ 398,372,000

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Underwriting Discount	0.600%	\$ 2,400,000	0.650%	\$ 2,600,000
Proceeds to Apache (before expenses)	98.876%	\$ 395,504,000	98.943%	\$ 395,772,000

(1) Plus accrued interest, if any, from October 1, 2008, if settlement occurs after that date.

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 accurate or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the notes in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, *société anonyme*, and Euroclear Bank S.A./N.V., against payment in New York, New York on or about October 1, 2008.

*Joint Book-Running Managers*

**Goldman, Sachs & Co.**

**J.P. Morgan**

*Co-Managers*

**Banc of America Securities LLC**

**Citi**

September 26, 2008

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**TABLE OF CONTENTS**

	<b>Page</b>
<b>Prospectus Supplement</b>	
<u>About This Prospectus Supplement</u>	S-1
<u>Documents Incorporated by Reference</u>	S-1
<u>Cautionary Statements Regarding Forward-Looking Statements</u>	S-2
<u>Risk Factors</u>	S-3
<u>Use of Proceeds</u>	S-3
<u>Capitalization</u>	S-4
<u>Description of Notes</u>	S-5
<u>Material United States Federal Income Tax Considerations</u>	S-10
<u>Underwriting</u>	S-14
<u>Legal Matters</u>	S-16
<u>Experts</u>	S-16
<b>Prospectus</b>	
About This Prospectus	i
Cautionary Statements Regarding Forward-Looking Statements	ii
Where You Can Find More Information	ii
Incorporation by Reference	iii
Apache Corporation	1
Apache Finance Australia Pty Ltd	1
Apache Finance Canada Corporation	1
Apache Finance Canada II Corporation	1
Use of Proceeds	1
Description of Apache Corporation Capital Stock	2
Description of Depositary Shares	8
Description of Apache Corporation Debt Securities	11
Description of Common Stock Purchase Contracts and Units	24
Description of Apache Australia, Apache Canada and Apache Canada II Debt Securities and Apache Guarantee	25
Book-Entry Securities	45
Plan of Distribution	47
Investment in Apache Corporation by Employee Benefit Plans	48
Legal Matters	49
Experts	49

**Table of Contents**

**ABOUT THIS PROSPECTUS SUPPLEMENT**

**You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information. We are not, and the underwriters are not, making an offer to sell the notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate as of the date on the front of this prospectus supplement only. Our business, financial condition, results of operations and prospects may have changed since that date.**

*In this prospectus supplement, unless the context indicates otherwise, the terms Apache, we, us, Company and our refer to Apache Corporation and its subsidiaries. In this prospectus supplement, we refer to the 6.00% notes due 2013 as the 2013 notes and the 6.90% notes due 2018 as the 2018 notes, and together as the notes.*

**Our name, logo and other trademarks mentioned in this prospectus supplement are the property of their respective owners.**

**DOCUMENTS INCORPORATED BY REFERENCE**

We have incorporated by reference in this prospectus supplement and the accompanying prospectus certain documents that we file with the SEC. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. This information incorporated by reference is a part of this prospectus supplement and the accompanying prospectus, unless we provide you with different information in this prospectus supplement or the accompanying prospectus or the information is modified or superseded by a subsequently filed document. Any information referred to in this way is considered part of this prospectus supplement and the accompanying prospectus from the date we file that document.

Any reports filed by us pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 on or after the date of this prospectus supplement and before the completion of the offering of the notes will be deemed to be incorporated by reference into this prospectus supplement and the accompanying prospectus (other than information in such future filings deemed to have been furnished and not filed in accordance with SEC rules) and will automatically update, where applicable, and supersede any information contained in this prospectus supplement or the accompanying prospectus or incorporated by reference into this prospectus supplement and the accompanying prospectus.

This prospectus supplement and the accompanying prospectus incorporate the documents listed below that we have previously filed with the SEC (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules). They contain important information about us, our business and our financial condition.

**Apache SEC Filings**

**Period or Date Filed**

Annual Report on Form 10-K

Year ended December 31, 2007

Quarterly Reports on Form 10-Q

Quarters ended March 31, 2008 and June 30, 2008

You can obtain any of the documents incorporated by reference in this prospectus supplement and the accompanying prospectus from us or from the SEC through the SEC's web site at [www.sec.gov](http://www.sec.gov). Documents incorporated by reference are available from us without charge, excluding any exhibits to those documents unless we specifically incorporated by reference the exhibit in this prospectus supplement and the accompanying prospectus. You can obtain these documents from us by requesting them in writing or by telephone at the following address or number:

**Apache Corporation**  
**2000 Post Oak Boulevard**  
**Houston, Texas 77056**  
**Telephone: (713) 296-6000**

S-1

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**Table of Contents**

**CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus contain statements that constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, or the Exchange Act.

These statements relate to future events or our future financial performance, which involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. In some cases, you can identify forward looking statements by terminology such as expect, anticipate, estimate, intend, may, will, would, should, predict, potential, plans, believe or the negative of these terms or similar terminology.

These statements are only predictions. Actual events or results may differ materially because of market conditions in our markets or other factors. Moreover, we do not, nor does any other person, assume responsibility for the accuracy and completeness of those statements. Unless otherwise required by applicable securities laws, we disclaim any intention or obligation to update any of the forward-looking statements after the date of this prospectus supplement. All of the forward-looking statements are qualified in their entirety by reference to the factors discussed under Risk Factors in our annual report on Form 10-K for the fiscal year ended December 31, 2007 and under Management's Discussion and Analysis of Results of Operations and Financial Condition in our annual report on Form 10-K for the fiscal year ended December 31, 2007 and our quarterly report on Form 10-Q for the fiscal quarter ended June 30, 2008 (incorporated by reference in this prospectus supplement and the accompanying prospectus) and similar sections in any subsequent filings that we incorporate by reference in this prospectus supplement and the accompanying prospectus, which describe risks and factors that could cause results to differ materially from those projected in those forward-looking statements.

Those risk factors may not be exhaustive. We operate in a continually changing business environment, and new risk factors emerge from time to time. We cannot predict these new risk factors, nor can we assess the impact, if any, of these new risk factors on our businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results.

**Table of Contents**

**RISK FACTORS**

An investment in the notes is subject to numerous risks, including those described under Item 1A, Risk Factors, of our annual report on Form 10-K for the year ended December 31, 2007, which is incorporated by reference in this prospectus supplement and the accompanying prospectus. Before making an investment decision, you should carefully consider these risks, as well as other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. These risks could materially affect our ability to meet obligations under the notes. You could lose all or part of your investment in and expected return on the notes.

**USE OF PROCEEDS**

The net proceeds from this offering are expected to be approximately \$790 million, after deducting the underwriting discounts and our estimated offering expenses. Apache intends to use the net proceeds from the sale of the notes for general corporate purposes.

S-3

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**Table of Contents****CAPITALIZATION**

The following table sets forth our consolidated unaudited cash and cash equivalents and our capitalization as of June 30, 2008 on an actual basis and on an as adjusted basis to give effect to the sale of the notes offered hereby and the application of those net proceeds as described under Use of Proceeds. You should read this table in conjunction with our consolidated financial statements and the related notes incorporated by reference in this prospectus supplement and the accompanying prospectus.

	<b>As of June 30, 2008</b>	
	<b>Actual</b>	<b>As Adjusted</b>
	<b>(unaudited)</b>	
	<b>(in thousands)</b>	
Cash and cash equivalents	\$ 1,008,442	\$ 1,798,758
Total debt (including current portion):		
Existing notes and debentures	4,012,068	4,012,068
Revolving credit facility and commercial paper		
Notes offered hereby		796,276
Other existing indebtedness	33,860	33,860
Total debt (including current portion)	4,045,928	4,842,204
Total shareholders' equity	16,514,469	16,514,469
Total capitalization	\$ 20,560,397	\$ 21,356,673

**Table of Contents**

**DESCRIPTION OF NOTES**

Apache will issue the notes under the senior indenture dated as of February 15, 1996, as supplemented on November 5, 1996, between us and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A., as successor-in-interest to JPMorgan Chase Bank, N.A., formerly known as The Chase Manhattan Bank), as trustee. The following description and the description of our debt securities in the accompanying prospectus is a summary of the material provisions of the notes and the senior indenture. These descriptions do not restate the senior indenture in its entirety. We urge you to read the senior indenture because it, and not this description, defines your rights as holders of the notes. We have filed a copy of the senior indenture as an exhibit to the registration statement, which includes the accompanying prospectus.

This description of the notes in this prospectus supplement, to the extent it is inconsistent, replaces the description of the general provisions of the debt securities and the senior indenture in the accompanying prospectus. The notes are senior debt securities as that term is used in the accompanying prospectus.

With certain exceptions and pursuant to certain requirements set forth in the senior indenture, we may discharge our obligations under the senior indenture with respect to each series of notes as described under Description of Apache Corporation Debt Securities Discharge, Defeasance and Covenant Defeasance beginning on page 20 in the accompanying prospectus.

**Principal, Maturity and Interest**

The notes will be senior unsecured obligations of Apache.

Apache is offering \$400,000,000 initial aggregate principal amount of 6.00% notes due 2013 and \$400,000,000 initial aggregate principal amount of 6.90% notes due 2018. The 2013 notes will mature on September 15, 2013 and the 2018 notes will mature on September 15, 2018.

We may issue and sell additional notes of each series in the future without the consent of the holders of that series. Any additional notes of either series, together with the outstanding notes of that series, will constitute a single series of notes under the senior indenture.

Interest on the 2013 notes will accrue at the rate of 6.00% per year and interest on the 2018 notes will accrue at the rate of 6.90% per year. Interest on the notes will be paid semi-annually in arrears on March 15 and September 15 of each year, beginning on March 15, 2009. We will make each interest payment to the person in whose name the notes are registered at the close of business on the immediately preceding March 1 or September 1, as the case may be, whether or not that date is a business day. Business day means any day other than a Saturday, Sunday or other day on which banking institutions in The City of New York are authorized or obligated by law, regulation or executive order to close.

Interest on the notes of each series will accrue from October 1, 2008, or from the most recent interest payment date to which interest has been paid or duly provided for, and will be computed on the basis of a 360-day year comprised of twelve 30-day months.

If any interest payment date, maturity date or redemption date of the notes of a series falls on a day that is not a business day, the related payment will be made on the next business day and, unless we default on the payment, no interest will accrue for the period from and after the interest payment date, maturity date or redemption date.

We do not intend to list either series of notes on any securities exchange or automated quotation system.

The notes will be issued in book-entry form without coupons only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

If a change in control, as defined in the accompanying prospectus, occurs, each holder of notes may elect to require us to repurchase the holder's notes. If a holder makes this election, we must

S-5

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**Table of Contents**

purchase the holder's notes for their principal amount plus accrued interest to the purchase date. See "Description of Apache Corporation Debt Securities - We are Obligated to Purchase Debt Securities upon a Change in Control" beginning on page 20 in the accompanying prospectus.

**Optional Redemption**

The notes of each series may be redeemed in whole at any time or in part from time to time, at our option, at a redemption price equal to the greater of:

100% of the principal amount of the notes then outstanding to be redeemed; or

the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed (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 applicable treasury rate plus 50 basis points, in the case of the 2013 notes, and at the applicable treasury rate plus 50 basis points, in the case of the 2018 notes;

plus, in each case, accrued and unpaid interest on the principal amount of the notes of that series being redeemed to the redemption date.

*Treasury rate* means, with respect to any redemption date:

the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the comparable treasury issue (if no maturity is within three months before or after the remaining life (as defined below), yields for the two published maturities most closely corresponding to the comparable treasury issue will be determined and the treasury rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month); or

if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the comparable treasury issue, calculated using a price for the comparable treasury issue (expressed as a percentage of its principal amount) equal to the comparable treasury price for such redemption date.

The treasury rate will be calculated on the third business day next preceding the date fixed for redemption (the calculation date).

*Comparable treasury issue* means the U.S. Treasury security selected by an independent investment banker as having a maturity comparable to the remaining term (remaining life) of the series of notes 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 five reference treasury dealer quotations for such redemption date, after excluding the highest and lowest reference treasury dealer quotations, or (2) if the independent investment banker obtains fewer than four such reference treasury dealer quotations, the average of all such quotations.

*Independent investment banker* means either Goldman, Sachs & Co. or J.P. Morgan Securities Inc., or their respective successors, as specified by us, or, if those firms are unwilling or unable to select the comparable treasury issue, an independent investment banking institution of national standing appointed by us.

## **Table of Contents**

*Reference treasury dealer* means each of (1) Goldman, Sachs & Co. and J.P. Morgan Securities Inc., and their respective successors, provided, however, that if either of the foregoing shall cease to be a primary U.S. government securities dealer in the United States (a primary treasury dealer), we will substitute therefor another primary treasury dealer and (2) any three other primary treasury dealers selected by us after consultation with the independent investment banker.

*Reference treasury dealer quotations* means, with respect to each reference treasury dealer and any redemption date, the average, as determined by the independent investment banker, 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 independent investment banker at 5:00 p.m., New York City time, on the calculation date.

We will mail a notice of redemption to each holder of notes of the series to be redeemed by first-class mail at least 30 and not more than 60 days prior to the date fixed for redemption. Unless we default on payment of the redemption price, interest will cease to accrue on the notes or portions thereof called for redemption. If fewer than all of the notes of a series are to be redeemed, the trustee will select, not more than 60 days prior to the redemption date, the particular notes or portions thereof for redemption from the outstanding notes of that series not previously called by such method as the trustee deems fair and appropriate.

## **Book-Entry; Delivery and Form**

Each series of notes will be issued in the form of one or more global notes, or the Global Notes, registered in the name of The Depository Trust Company or its nominee, as described below and under Description of Apache Corporation Debt Securities Global Securities beginning on page 16 and Book-Entry Securities beginning on page 45, both in the accompanying prospectus. The Global Notes will be deposited upon issuance with The Depository Trust Company, New York, New York, or the Depository, and registered in the name of a nominee of the Depository in the form of a global certificate. All interests in the Global Notes will be subject to the operations and procedures of the Depository, Euroclear Bank S.A./N.V., or Euroclear, and Clearstream Banking, *société anonyme*, or Clearstream, Luxembourg. Beneficial interests in the Global Notes must be held in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

The Depository has advised us that pursuant to procedures established by it (i) upon the issuance of the Global Notes, the Depository or its custodian will credit, on its internal system, the principal amount at maturity of the individual beneficial interests represented by such Global Notes to the respective accounts of persons who have accounts with such Depository and (ii) ownership of beneficial interests in the Global Notes will be shown on, and the transfer of such ownership will be effected only through, records maintained by the Depository or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants). Ownership of beneficial interests in the Global Notes will be limited to persons who have accounts with the Depository, or participants, or persons who hold interests through participants. Holders may hold their interests in the Global Notes directly through the Depository if they are participants in such system, or indirectly through organizations that are participants in such system.

So long as the Depository, or its nominee, is the registered owner or holder of the notes, the Depository or such nominee, as the case may be, will be considered the sole owner or holder of the notes represented by such Global Notes for all purposes under the senior indenture governing the notes. No beneficial owner of an interest in the Global Notes will be able to transfer that interest except in accordance with the Depository's procedures, in addition to those provided for under the senior indenture with respect to the notes.

Payments of the principal of, premium, if any, and interest on, the Global Notes will be made to the Depository or its nominee, as the case may be, as the registered owner of the Global Notes. None of Apache, the trustee or any paying

agent under the senior indenture governing the notes will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interest.

S-7

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**Table of Contents**

The Depository has advised us that its present practice is, upon receipt of any payment of principal, premium, if any, and interest on the Global Notes, to credit immediately participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Notes as shown on the records of the Depository. Payments by participants to owners of beneficial interests in the Global Notes held through such participants will be governed by standing instructions and customary practice, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

Transfers between participants in the Depository will be effected in the ordinary way through the Depository's same-day funds system in accordance with the Depository's rules and will be settled in same-day funds. If a holder requires physical delivery of a certificated security for any reason, including to sell notes to persons in states which require physical delivery of the notes, or to pledge such securities, such holder must transfer its interest in a Global Note, in accordance with the normal procedures of the Depository and with the procedures set forth in the senior indenture governing the notes.

The Depository has advised us that it will take any action permitted to be taken by a holder of notes, including the presentation of notes for exchange as described below, only at the direction of one or more participants to whose account the Depository's interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of notes as to which such participant or participants has or have given such direction. However, in an event of default under the senior indenture governing the notes has occurred and is continuing, the Depository will exchange the Global Notes for certificated securities, which it will distribute to its participants.

The Depository has advised us as follows: the Depository is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a clearing corporation within the meaning of the Uniform Commercial Code and a Clearing Agency registered pursuant to the provisions of Section 17A of the Exchange Act. The Depository was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations and certain other organizations. Indirect access to the Depository system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly, or indirect participants.

Although the Depository has agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants of the Depository, it is under no obligation to perform such procedures, and such procedures may be discontinued at any time. Neither we nor the trustee will have any responsibility for the performance by the Depository or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Clearstream, Luxembourg and Euroclear hold interests on behalf of their participating organizations through customers' securities accounts in Clearstream, Luxembourg's and Euroclear's names on the books of their respective depositaries, which hold those interests in customers' securities accounts in the depositaries' names on the books of the Depository. At the present time, Citibank, N.A. acts as U.S. depository for Clearstream, Luxembourg and JPMorgan Chase Bank, N.A. acts as U.S. depository for Euroclear (the U.S. Depositaries). Except as set forth below, the Global Notes may be transferred, in whole but not in part, only to another nominee of the Depository or to a successor of the Depository or its nominee.

Clearstream, Luxembourg holds securities for its participating organizations, or Clearstream Participants, and facilitates the clearance and settlement of securities transactions between Clearstream Participants through electronic



book-entry changes in accounts of Clearstream Participants, thereby eliminating the need for physical movement of certificates. Clearstream, Luxembourg provides

S-8

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**Table of Contents**

to Clearstream Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg interfaces with domestic markets in several countries.

Clearstream, Luxembourg is registered as a bank in Luxembourg, and as such is subject to regulation by the Commission de Surveillance du Secteur Financier and the Banque Centrale du Luxembourg, which supervise and oversee the activities of Luxembourg banks. Clearstream Participants are world-wide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations, and may include the underwriters or their affiliates. Indirect access to Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with a Clearstream Participant. Clearstream, Luxembourg has established an electronic bridge with Euroclear as the operator of the Euroclear System (the Euroclear Operator ) in Brussels to facilitate settlement of trades between Clearstream, Luxembourg and the Euroclear Operator.

Distributions with respect to either series of notes held beneficially through Clearstream, Luxembourg will be credited to cash accounts of Clearstream Participants in accordance with its rules and procedures, to the extent received by the U.S. Depository for Clearstream, Luxembourg.

Euroclear holds securities and book-entry interests in securities for participating organizations, or Euroclear Participants, and facilitates the clearance and settlement of securities transactions between Euroclear Participants, and between Euroclear Participants and participants of certain other securities intermediaries through electronic book-entry changes in accounts of such participants or other securities intermediaries. Euroclear provides Euroclear Participants, among other things, with safekeeping, administration, clearance and settlement, securities lending and borrowing, and related services. Euroclear Participants are investment banks, securities brokers and dealers, banks, central banks, supranationals, custodians, investment managers, corporations, trust companies and certain other organizations, and may include the underwriters or their affiliates. Non-participants in Euroclear may hold and transfer beneficial interests in a Global Note through accounts with a participant in the Euroclear System or any other securities intermediary that holds a book-entry interest in a Global Note through one or more securities intermediaries standing between such other securities intermediary and Euroclear.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the Terms and Conditions ). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants, and has no record of or relationship with persons holding through Euroclear Participants.

Distributions of the notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Terms and Conditions, to the extent received by the U.S. Depository for Euroclear.

Transfers between Euroclear Participants and Clearstream Participants will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Cross-market transfers between Direct Participants in the Depository, on the one hand, and Euroclear Participants or Clearstream Participants, on the other hand, will be effected through the Depository in accordance with the Depository's rules on behalf of Euroclear or Clearstream, Luxembourg, as the case may be, by its U.S. Depository; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, Luxembourg, as the case may be, by the counterparty in such system in accordance with the rules and procedures and

within the established

S-9

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**Table of Contents**

deadlines (European time) of such system. Euroclear or Clearstream, Luxembourg, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its U.S. Depository to take action to effect final settlement on its behalf by delivering or receiving interests in the Global Notes in the Depository, and making or receiving payment in accordance with normal procedures for same-day fund settlement applicable to the Depository. Euroclear Participants and Clearstream Participants may not deliver instructions directly to their respective U.S. Depositories.

Due to time zone differences, the securities accounts of a Euroclear Participant or Clearstream Participant purchasing an interest in a Global Note from a Direct Participant in the Depository will be credited, and any such crediting will be reported to the relevant Euroclear Participant or Clearstream Participant, during the securities settlement processing day (which must be a business day for Euroclear or Clearstream, Luxembourg) immediately following the settlement date of the Depository. Cash received in Euroclear or Clearstream, Luxembourg as a result of sales of interests in a Global Note by or through a Euroclear Participant or Clearstream Participant to a Direct Participant in the Depository will be received with value on the settlement date of the Depository but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account only as of the business day for Euroclear or Clearstream, Luxembourg following the Depository's settlement date.

The information in this section concerning the Depository, Euroclear and Clearstream, Luxembourg and their book-entry systems has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy of that information.

Although Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures to facilitate transfers of interests in the Global Notes among Euroclear Participants and Clearstream Participants, they are under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. None of us, any of the underwriters or the trustee will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective Participants of their respective obligations under the rules and procedures governing their operations.

**MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS**

The following describes the material U.S. federal income tax consequences of the ownership and disposition of the notes by holders who purchase notes at their original issuance. This discussion is not a complete discussion of all the potential tax consequences that may be relevant to you. This discussion is based upon the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as in effect on the date of this document, and all of which are subject to change, possibly on a retroactive basis. For purposes of this discussion, you are a U.S. holder if you are a beneficial owner of notes and you are a United States person for U.S. federal income tax purposes or a non-U.S. holder if you are a beneficial owner of notes who is an individual, corporation, trust or estate that is not a United States person for U.S. federal income tax purposes. A United States person is:

an individual citizen or resident of the United States;

a corporation or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in the United States or under the laws of the United States or of any state thereof or the District of Columbia;

an estate whose income is subject to U.S. federal income taxation regardless of its source; or

a trust if a U.S. court is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust or a trust that has a valid election in effect under applicable regulations to be treated as a United States person.

S-10

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## **Table of Contents**

If a partnership or other entity or arrangement treated as a partnership for U.S. federal income tax purposes holds the notes, the tax treatment of a partner will generally depend on the status of the partner and on the activities of the partnership. We urge partners of partnerships holding notes to consult their tax advisors.

This discussion only applies to holders who hold the notes as capital assets. The tax treatment of holders of the notes may vary depending upon their particular situations. Certain holders, including insurance companies, tax exempt organizations, financial institutions, investors in pass-through entities, expatriates, taxpayers subject to the alternative minimum tax, broker-dealers and persons holding the notes as part of a straddle, hedge or conversion transaction, may be subject to special rules not discussed below. This discussion does not address any estate, gift, foreign, state or local taxes. We urge you to consult your own tax advisors regarding the particular U.S. federal income tax consequences to you of holding and disposing of notes, any tax consequences that may arise under the laws of any relevant foreign, state, local, or other taxing jurisdiction or under any applicable tax treaty, as well as possible effects of changes in federal or other tax laws.

### **U.S. Holders**

The following is a summary of the material U.S. federal income tax consequences that will apply to you if you are a U.S. holder of the notes.

*Payments of Interest.* Payments of stated interest on a note will generally be taxable to you as ordinary income at the time received or accrued, depending on your method of accounting for U.S. federal income tax purposes.

*Sale, Exchange or Other Taxable Disposition of the Notes.* Upon a sale, exchange or other taxable disposition of a note, you generally will recognize gain or loss equal to the difference between the amount received upon the sale or other disposition (less any amount attributable to accrued interest which will be taxable as ordinary income, if not previously taken into gross income) and your adjusted tax basis in the note at that time.

Gain or loss realized on the sale or other disposition of a note generally will be capital gain or loss, and will be long-term capital gain or loss if, at the time of sale or other disposition, the note has been held for more than one year. Under current law, long-term capital gains of certain non-corporate holders are generally taxed at lower rates than items of ordinary income. The deductibility of capital losses is subject to limitations.

*Backup Withholding and Information Reporting.* In general, information reporting will apply to certain payments of principal and interest on the notes and to the proceeds from the sale or other disposition of a note paid to you unless you are an exempt recipient. Additionally, a backup withholding tax (currently at a rate of 28%) will apply to such payments if you fail to provide a correct taxpayer identification number or certification of exempt status or fail to report full dividend and interest income or otherwise fail to comply with applicable requirements of the backup withholding rules.

If backup withholding applies to you, the amounts withheld may be refunded to you or credited against your U.S. federal income tax liability, as long as you timely provide certain information to the Internal Revenue Service or IRS.

### **Non-U.S. Holders**

The following is a summary of the material U.S. federal income tax consequences that will apply to you if you are a non-U.S. holder of the notes.

*Payments of Interest.* Any payment of interest on the notes that is not effectively connected with the conduct of a trade or business in the United States to a non-U.S. holder will not be subject to

S-11

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**Table of Contents**

U.S. federal income tax and withholding of U.S. federal income tax will not be required on that payment if you:

do not actually or constructively own 10% or more of the total combined voting power of all classes of our stock,

are not a controlled foreign corporation that is related to us, and

certify to us, our payment agent, or the person who would otherwise be required to withhold U.S. tax, on IRS Form W-8BEN or applicable substitute form, under penalties of perjury, that you are not a United States person and provide your name and address.

If you do not satisfy the preceding requirements, your interest on a note would generally be subject to a 30% U.S. withholding tax unless you provide a properly executed IRS Form W-8BEN (or applicable substitute form) claiming an exemption from, or reduction of, withholding under the benefits of a tax treaty.

If you are engaged in a trade or business in the United States, and if interest on a note is effectively connected with the conduct of that trade or business and, if an applicable tax treaty applies, is attributable to a permanent establishment you maintain in the United States, you will be exempt from U.S. withholding tax if specific certification requirements are met but will be subject to regular U.S. federal income tax on the interest in the same manner as if you were a United States person. You can generally meet the certification requirements if you provide to us, our payment agent or the person who would otherwise be required to withhold U.S. tax, a properly completed and executed IRS Form W-8ECI or applicable substitute form. If you are eligible for the benefits of a tax treaty between the United States and your country of residence, any effectively connected income or gain will be subject to U.S. federal income tax only if it is also attributable to a permanent establishment you maintain in the United States. In addition to regular U.S. federal income tax, if you are a foreign corporation, you may be subject to a U.S. branch profits tax at a 30% rate, although an applicable tax treaty may provide for a lower rate.

*Gain on Disposition.* You generally will not be subject to U.S. federal income tax on any gain realized on a sale, redemption, exchange or other taxable disposition of a note unless:

the gain is effectively connected with your conduct of a trade or business within the United States and, if an applicable tax treaty applies, is attributable to a permanent establishment you maintain in the United States; or

you are an individual who has been present in the United States for 183 or more days in the taxable year of the disposition and certain other requirements are met.

A non-U.S. holder described in the first bullet point above generally will be subject to U.S. federal income tax on the net gain derived from the sale in the same manner as a United States person, and in addition, a non-U.S. holder that is a foreign corporation may be subject to a branch profits tax at a 30% rate or a lower rate if so specified by an applicable income tax treaty. A non-U.S. holder described in the second bullet point above will be subject to a flat 30% U.S. federal income tax on the gain derived from the sale, which may be offset by certain U.S. source capital losses.

*Information reporting and backup withholding.* Payments to you of interest on a note, and amounts withheld from such payments, if any, generally will be required to be reported to the IRS and to you. U.S. backup withholding generally will not apply to payments of interest on the notes by us or our paying agent to you if you certify as to your non-U.S. status under penalties of perjury or otherwise establish an exemption, provided that neither we nor our paying agent has actual knowledge or reason to know that you are a United States person or that the conditions of any other exemptions are not in fact satisfied.



The payment of the proceeds of the disposition of notes (including redemption or retirement) to or through the United States office of a United States or foreign broker will be subject to information

S-12

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**Table of Contents**

reporting and backup withholding unless you properly certify under penalties of perjury as to your non-U.S. status and specific other conditions are met or you otherwise establish an exemption. The proceeds of a disposition effected outside the United States by you of notes to or through a foreign office of a broker generally will not be subject to backup withholding or information reporting. However, if that broker is a United States person, a controlled foreign corporation for U.S. tax purposes, a foreign person that derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the United States, or a foreign partnership that is engaged in the conduct of a trade or business in the United States or that has one or more partners that are United States persons who in the aggregate hold more than 50% of the income or capital interests in the partnership, information reporting requirements will apply unless that broker has documentary evidence in its files of your non-U.S. status and has no actual knowledge to the contrary or unless you otherwise establish an exemption.

We urge you to consult your own tax advisor regarding the application of information reporting and backup withholding to your particular situation, the availability of an exemption therefrom, and the procedure for obtaining such an exemption, if available. Any amounts withheld from a payment to you under the backup withholding rules will be allowed as a credit against your U.S. federal income tax liability and may entitle you to a refund, provided you furnish the required information in a timely manner to the IRS.

**Table of Contents****UNDERWRITING**

We and the underwriters for the offering named below have entered into an underwriting agreement and a terms agreement with respect to the notes. Subject to certain conditions, each underwriter has severally agreed to purchase the principal amount of each series of notes indicated in the following table.

<b>Underwriters</b>	<b>Principal Amount of 2013 Notes</b>	<b>Principal Amount of 2018 Notes</b>
Goldman, Sachs & Co.	\$ 120,000,000	\$ 120,000,000
J.P. Morgan Securities Inc.	120,000,000	120,000,000
Banc of America Securities LLC	80,000,000	80,000,000
Citigroup Global Markets Inc.	80,000,000	80,000,000
Total	\$ 400,000,000	