

Merck & Co., Inc.  
Form 424B5  
March 05, 2019  
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**The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is unlawful or not permitted.**

**Subject to Completion, Dated March 5, 2019**

**Preliminary Prospectus Supplement**

**(To Prospectus dated March 29, 2018)**

\$

**Merck & Co., Inc.**

\$	% Notes due 20
\$	% Notes due 20
\$	% Notes due 20
\$	% Notes due 20

We are offering \$ aggregate principal amount of our % Notes due 20 (the 20 notes ), \$ aggregate principal amount of our % Notes due 20 (the 20 notes ), \$ aggregate principal amount of our % Notes due 20 (the 20 notes ) and \$ aggregate principal amount of our % Notes due 20 (the 20 notes ). We refer to the 20 notes, the 20 notes, the 20 notes and the 20 notes collectively as the notes.

Interest on the notes is payable on and of each year, beginning on , 2019. The 20 notes will mature on , 20 , the 20 notes will mature on , 20 , the 20 notes will mature on , 20 and the 20 notes will mature on , 20 .

We may redeem some or all of the notes of each series at any time at the applicable redemption price set forth in this prospectus supplement under the caption Description of the Notes Optional Redemption.

The notes will be our unsecured senior debt 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 convertible or exchangeable.

**Investing in the notes involves risks. See Risk Factors beginning on page S-2 of this prospectus supplement and in the documents incorporated by reference in 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.**

	Public Offering Price <sup>(1)</sup>	Underwriting Discount	Proceeds, Before Expenses, to Us <sup>(1)</sup>
Per 20 note	%	%	%
Total	\$	\$	\$
Per 20 note	%	%	%
Total	\$	\$	\$
Per 20 note	%	%	%
Total	\$	\$	\$
Per 20 note	%	%	%
Total	\$	\$	\$

(1) Plus accrued interest from , 2019, if settlement occurs after that date.

Interest on the notes will accrue from , 2019. The notes will not be listed on any securities exchange or automated dealer quotation system. Currently, there is no public market for the notes.

We expect that delivery of the notes will be made to investors in book-entry form only through the facilities of The Depository Trust Company and its participants, including Clearstream Banking S.A. and Euroclear Bank S.A./N.V., on or about , 2019.

*Joint Book-Running Managers*

**Goldman Sachs & Co. LLC**

**J.P. Morgan  
March , 2019**

**Morgan Stanley**

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**We have not, and the underwriters have not, authorized anyone to provide you with any information other than that contained or incorporated by reference in this prospectus supplement, any related free writing prospectus prepared by us or 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. If the information varies between this prospectus supplement and the accompanying prospectus, the information in this prospectus supplement supersedes the information in the accompanying prospectus. We are not making an offer of these securities in any jurisdiction where the offer or sale is not permitted. Neither the delivery of this prospectus supplement, any related free writing prospectus or the accompanying prospectus, nor any sale made hereunder and thereunder, shall under any circumstances create any implication that there has been no change in our affairs since the date of this prospectus supplement, any related free writing prospectus or the accompanying prospectus, regardless of the time of delivery of such document or any sale of the securities offered hereby and thereby, or that the information contained or incorporated by reference herein or therein is correct as of any time subsequent to the date of such information. Unless the context requires otherwise, references to the prospectus in this prospectus supplement and the accompanying prospectus mean both this prospectus supplement and the accompanying prospectus combined.**

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**MERCK**

We are a global health care company that delivers innovative health solutions through our prescription medicines, vaccines, biologic therapies and animal health products. Our operations are principally managed on a products basis and include four operating segments, which are the Pharmaceutical, Animal Health, Healthcare Services and Alliances segments.

The Pharmaceutical segment includes human health pharmaceutical and vaccine products. Human health pharmaceutical products consist of therapeutic and preventive agents, generally sold by prescription, for the treatment of human disorders. We sell these human health pharmaceutical products primarily to drug wholesalers and retailers, hospitals, government agencies and managed health care providers such as health maintenance organizations, pharmacy benefit managers and other institutions. Human health vaccine products consist of preventive pediatric, adolescent and adult vaccines, primarily administered at physician offices. We sell these human health vaccines primarily to physicians, wholesalers, physician distributors and government entities.

The Animal Health segment discovers, develops, manufactures and markets animal health products, including pharmaceutical and vaccine products, for the prevention, treatment and control of disease in all major livestock and companion animal species, which we sell to veterinarians, distributors and animal producers.

The Healthcare Services segment provides services and solutions that focus on engagement, health analytics and clinical services to improve the value of care delivered to patients.

The Alliances segment primarily includes results from our relationship with AstraZeneca LP related to sales of Nexium and Prilosec, which concluded in 2018.

We were incorporated in New Jersey in 1970 and maintain our principal offices in Kenilworth, New Jersey. Our address is 2000 Galloping Hill Road, Kenilworth, New Jersey 07033, and our telephone number is (908) 740-4000. Our website is located at [www.merck.com](http://www.merck.com). Information available on, or accessible through, our website is not incorporated into this prospectus supplement or the accompanying prospectus by reference and should not be considered a part of this prospectus supplement or the accompanying prospectus.

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**RISK FACTORS**

*Before acquiring any of the notes, you should carefully consider the following risk factors and the risk factors and assumptions related to us identified or described in our Annual Report on Form 10-K for the year ended December 31, 2018 incorporated by reference herein, and all other information contained or incorporated by reference into this prospectus supplement and the accompanying prospectus. The occurrence of any one or more of the foregoing or following risks could materially adversely affect your investment in the notes or our business, financial condition, results of operations or prospects.*

***The notes are obligations exclusively of Merck and not of our subsidiaries, and payment to holders of the notes will be structurally subordinated to the liabilities of our subsidiaries.***

The notes are not guaranteed by any of our subsidiaries and therefore the notes will be structurally subordinated to all existing and future secured and unsecured indebtedness and other liabilities of our subsidiaries. The indebtedness of our subsidiaries totaled \$1.7 billion as of December 31, 2018, substantially all of which we have guaranteed. The notes will be structurally subordinated to our subsidiaries' obligations with respect to that indebtedness, and our guarantee of that indebtedness will rank *pari passu* with the notes. In addition, our obligations under the notes will be structurally subordinated to guarantees by our subsidiaries of our indebtedness. As of December 31, 2018, certain of our subsidiaries also guaranteed \$1.0 billion aggregate principal amount of our existing indebtedness. The terms of the notes and the indenture do not preclude our subsidiaries from incurring debt or other liabilities or providing guarantees that will be structurally senior to the notes.

***The notes are our unsecured obligations and will be effectively junior to secured indebtedness that we may incur or issue.***

The notes will be unsecured obligations. Holders of any secured debt that we may incur or issue may foreclose on the assets securing such debt, reducing the cash flow from the foreclosed property available for payment of unsecured debt, including the notes. Holders of our secured debt also would have priority over unsecured creditors in the event of our bankruptcy, liquidation or similar proceeding. In the event of our bankruptcy, liquidation or similar proceeding, holders of our secured debt would be entitled to proceed against their collateral, and the assets securing that collateral may not be available for payment of unsecured debt, including the notes. As a result, the notes will be effectively junior to any secured debt that we may incur or issue, to the extent of the value of the assets securing such debt.

***Active trading markets for the notes may not develop, which could limit their market prices or your ability to sell them.***

The notes are new issues of debt securities for which there currently are no trading markets. As a result, we cannot provide any assurance that any markets will develop for the notes or that you will be able to sell your notes. We have no plans to list the notes on any securities exchange or to arrange for quotation on any automated dealer quotation system. If any of the notes are traded after their initial issuance, they may trade at discounts from their initial offering prices depending on prevailing interest rates, the markets for similar securities, general economic conditions, our financial condition, performance and prospects and other factors. The underwriters have advised us that they intend to make a market in each series of notes, but they are not obligated to do so. The underwriters may discontinue any market-making in the notes at any time at their sole discretion. Accordingly, we cannot assure you that a liquid trading market will develop for the notes of any series, that you will be able to sell your notes at a particular time or that the prices you receive when you sell will be favorable. To the extent active trading markets do not develop, the liquidity and trading prices for the notes may be harmed. Accordingly, you may be required to bear the financial risk of an investment in the notes for an indefinite period of time.



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**FORWARD-LOOKING STATEMENTS**

This prospectus supplement and the accompanying prospectus and any documents we incorporate by reference herein or therein and oral statements made from time to time by us may contain so called forward-looking statements (within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act), all of which are based on management's current expectations and are subject to risks and uncertainties which may cause results to differ materially from those set forth in the statements. All statements that do not relate strictly to historical or current facts are forward-looking statements. One can generally identify these forward-looking statements by their use of words such as anticipates, expects, plans, will, estimates, forecasts, projects and other words of similar meaning, or negative variations of any of the foregoing. Forward-looking statements include statements about our growth strategy, future financial results, new product development, pending or upcoming product approvals, product potential and development programs. One must carefully consider any such statement and should understand that many factors could cause actual results to differ materially from our forward-looking statements. These factors include assumptions and a broad variety of other known and unknown risks and uncertainties. No forward-looking statement can be guaranteed. We do not assume the obligation to update any forward-looking statement. We caution you not to place undue reliance on these forward-looking statements. Although it is not possible to predict or identify all such factors, important factors that could cause actual results to differ materially from those in the forward-looking statements include the following:

Competition from generic and/or biosimilar products as our products lose patent protection.

Increased brand competition in therapeutic areas important to our long-term business performance.

The difficulties and uncertainties inherent in new product development. The outcome of the lengthy and complex process of new product development is inherently uncertain. A drug candidate can fail at any stage of the process and one or more late-stage product candidates could fail to receive regulatory approval. New product candidates may appear promising in development but fail to reach the market because of efficacy or safety concerns, the inability to obtain necessary regulatory approvals, the difficulty or excessive cost to manufacture and/or the infringement of patents or intellectual property rights of others. Furthermore, the sales of new products may prove to be disappointing and fail to reach anticipated levels.

Pricing pressures, both in the United States and abroad, including rules and practices of managed care groups, judicial decisions and governmental laws and regulations related to Medicare, Medicaid and health care reform, pharmaceutical reimbursement and pricing in general.

Changes in government laws and regulations, including laws governing intellectual property and the enforcement thereof affecting our business.

Efficacy or safety concerns with respect to marketed products, whether or not scientifically justified, leading to product recalls, withdrawals or declining sales.



Significant changes in customer relationships or changes in the behavior and spending patterns of purchasers of health care products and services, including delaying medical procedures, rationing prescription medications, reducing the frequency of physician visits and foregoing health care insurance coverage.

Legal factors, including product liability claims, antitrust litigation and governmental investigations, including tax disputes, environmental concerns and patent disputes with branded and generic competitors, any of which could preclude commercialization of products or negatively affect the profitability of existing products.

Cyber-attacks on our information technology systems, which could disrupt our operations.

Lost market opportunity resulting from delays and uncertainties in the approval process of the U.S. Food and Drug Administration and foreign regulatory authorities.

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Increased focus on privacy issues in countries around the world, including the United States and the European Union. The legislative and regulatory landscape for privacy and data protection continues to evolve, and there has been an increasing amount of focus on privacy and data protection issues with the potential to affect directly our business, including recently enacted laws in a majority of states in the United States requiring security breach notification.

Changes in tax laws, including changes related to the taxation of foreign earnings.

Changes in accounting pronouncements promulgated by standard-setting or regulatory bodies, including the Financial Accounting Standards Board and the U.S. Securities and Exchange Commission (the SEC), that are adverse to us.

Economic factors over which we have no control, including changes in inflation, interest rates and foreign currency exchange rates.

This list should not be considered an exhaustive statement of all potential risks and uncertainties. See Risk Factors above as well as the risk factors described in the documents incorporated herein by reference.

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**USE OF PROCEEDS**

The net proceeds of the offering after giving effect to the underwriting discounts and other offering expenses are estimated to be approximately \$ . We intend to use the net proceeds of the offering for general corporate purposes, including without limitation the repayment of outstanding commercial paper borrowings and other indebtedness with upcoming maturities.

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The following table sets forth the consolidated capitalization of Merck and its subsidiaries at December 31, 2018 on a historical basis and as adjusted to reflect the issuance and sale of the notes.

	<b>December 31, 2018</b>	
	<b>Actual</b>	<b>As Adjusted</b>
	<b>(in millions)</b>	
<b>Short Term Debt:</b>		
Loans payable and current portion of long-term debt <sup>(1)</sup>	\$ 5,308	\$
<b>Long-Term Debt:</b>		
Long-term debt <sup>(2)(3)</sup>	19,806	
% Notes due 20 offered hereby		
% Notes due 20 offered hereby		
% Notes due 20 offered hereby		
% Notes due 20 offered hereby		
<b>Total debt</b>	<b>\$ 25,114</b>	<b>\$</b>
<b>Equity:</b>		
Total Merck & Co., Inc. stockholders equity	\$ 26,701	\$
Noncontrolling Interests	181	
<b>Total equity</b>	<b>26,882</b>	
<b>Total capitalization</b>	<b>\$ 51,996</b>	<b>\$</b>

- (1) Loans payable at December 31, 2018 included \$5.1 billion of commercial paper borrowings.
- (2) Long-term debt at December 31, 2018 consisted of notes and debentures with maturities ranging from 2020 to 2045. In addition, \$6.0 billion was available for borrowing under our five-year credit facility maturing in June 2023.
- (3) Long-term debt includes \$18.3 billion of Merck & Co., Inc. debt. The balance of long-term debt was issued by our subsidiaries. Long-term debt at December 31, 2018 does not include the \$ of notes offered hereby.

**Table of Contents****DESCRIPTION OF THE NOTES**

The following description of the particular terms of the 20 notes, the 20 notes, the 20 notes and the 20 notes offered hereby supplements the general description of debt securities set forth in the accompanying prospectus under Description of Debt Securities We May Offer. References to the notes refer to the 20 notes, the 20 notes, the 20 notes and the 20 notes, collectively. We qualify the description of the notes by reference to the indenture as described below. The 20 notes, the 20 notes, the 20 notes and the 20 notes will each be issued as a separate series of debt securities under the indenture.

The 20 notes will initially be limited to \$	aggregate principal amount and will mature on	, 20 .
The 20 notes will initially be limited to \$	aggregate principal amount and will mature on	, 20 .
The 20 notes will initially be limited to \$	aggregate principal amount and will mature on	, 20 .
The 20 notes will initially be limited to \$	aggregate principal amount and will mature on	, 20 .

The notes are unsecured and will rank equally with all our other unsecured and unsubordinated indebtedness from time to time outstanding. The notes will not be guaranteed by any of our subsidiaries and will therefore be structurally subordinated to all liabilities of our subsidiaries from time to time outstanding, including any guarantees provided by our subsidiaries. As of December 31, 2018, the indebtedness of our subsidiaries totaled \$1.7 billion and certain of our subsidiaries also guaranteed \$1.0 billion aggregate principal amount of our indebtedness.

We will issue the notes under the indenture, dated as of January 6, 2010 (the base indenture ) between us and U.S. Bank Trust National Association, as trustee (the trustee ), as supplemented with respect to each series of notes by an officers certificate establishing the terms thereof. In this description of the notes, the term indenture refers to the base indenture as supplemented separately by the officers certificate for each series of notes. The terms of the notes of each series include those stated in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, as amended.

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

The full defeasance and covenant defeasance provisions of the indenture described under Description of Debt Securities We May Offer Defeasance in the accompanying prospectus will apply to the notes.

**Interest**

The notes will bear interest from , 2019.

The 20 notes will bear interest at a rate of % per annum, the 20 notes will bear interest at a rate of % per annum, the 20 notes will bear interest at a rate of % per annum and the 20 notes will bear interest at a rate of % per annum. Interest on the notes will be payable semi-annually in arrears on and of each year, commencing on , 2019, to the person in whose name such notes were registered at the close of business on the preceding or , as the case may be. Interest on the notes will be computed on the basis of a 360-day year composed of twelve 30-day months. If any payment date for the notes 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. With respect to the notes, by business day, we mean any Monday, Tuesday, Wednesday, Thursday or Friday which is not a day when banking institutions in the place of payment are authorized or obligated by law or executive order to be closed.

**Optional Redemption**

We may, at our option, redeem some or all of the 20 notes, the 20 notes, the 20 notes or the 20 notes prior to the applicable Par Call Date (as defined below) at any time or from time to time, at a redemption price equal to the greater of (i) 100% of the principal amount of the notes to be redeemed or (ii) the sum of the

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present values of the Remaining Scheduled Payments (as defined below) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at a rate equal to the Reinvestment Rate (as defined below) plus \_\_\_\_\_ basis points with respect to the 20 \_\_\_\_\_ notes, the Reinvestment Rate plus \_\_\_\_\_ basis points with respect to the 20 \_\_\_\_\_ notes, the Reinvestment Rate plus \_\_\_\_\_ basis points with respect to the 20 \_\_\_\_\_ notes and the Reinvestment Rate plus \_\_\_\_\_ basis points with respect to the 20 \_\_\_\_\_ notes, plus, in each case, any interest accrued but not paid to the date of redemption.

We may redeem the 20 \_\_\_\_\_ notes, the 20 \_\_\_\_\_ notes, the 20 \_\_\_\_\_ notes or the 20 \_\_\_\_\_ notes, on or after the Par Call Date, in whole, or from time to time in part, at a redemption price equal to 100% of the principal amount of the 20 \_\_\_\_\_ notes, the 20 \_\_\_\_\_ notes, the 20 \_\_\_\_\_ notes or the 20 \_\_\_\_\_ notes, as applicable, plus any interest accrued but not paid to the date of redemption.

Notice of redemption will be provided on at least 30 days \_\_\_\_\_, but no more than 60 days \_\_\_\_\_, prior notice to the holders of that series of notes. The principal amount of a note remaining outstanding after a redemption in part shall be \$2,000 or an integral multiple of \$1,000 in excess thereof.

The term Par Call Date means \_\_\_\_\_, \_\_\_\_\_, the date that is \_\_\_\_\_ months prior to the maturity of the 20 \_\_\_\_\_ notes, \_\_\_\_\_, \_\_\_\_\_, the date that is \_\_\_\_\_ months prior to the maturity of the 20 \_\_\_\_\_ notes, \_\_\_\_\_, \_\_\_\_\_, the date that is \_\_\_\_\_ months prior to the maturity of the 20 \_\_\_\_\_ notes and \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, the date that is \_\_\_\_\_ months prior to the maturity of the 20 \_\_\_\_\_ notes.

The Reinvestment Rate means, as determined on the third business day preceding the date the notice of redemption is provided, the arithmetic mean of the yields under the respective heading Week Ending \_\_\_\_\_ published in the most recent Statistical Release (as defined below) under the caption Treasury Constant Maturities \_\_\_\_\_ for the maturity, rounded to the nearest month, corresponding to the remaining life to the applicable Par Call Date, as of the payment date of the principal being redeemed or paid. If no maturity exactly corresponds to such remaining life to the applicable Par Call Date, yields for the two published maturities most closely corresponding to such remaining life to the applicable Par Call Date shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For the purpose of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination shall be used. If the format or content of the Statistical Release changes in a manner that precludes determination of the treasury yield in the above manner, then the treasury yield shall be determined in the manner that most closely approximates the above manner, as reasonably determined by us in consultation with the trustee.

Remaining Scheduled Payments means, with respect to each 20 \_\_\_\_\_ note, 20 \_\_\_\_\_ note, 20 \_\_\_\_\_ note and 20 \_\_\_\_\_ note to be redeemed, the remaining scheduled payments of principal and interest that would be due after the related redemption date but for the redemption if such series of notes matured on the applicable Par Call Date. If the redemption date is not an interest payment date with respect to a note, the amount of the next succeeding scheduled interest payment on the note will be reduced by the amount of interest accrued on the note to the redemption date.

Statistical Release means the statistical release designated H.15 (519) or any successor publication which is published weekly by the Federal Reserve System and which reports yields on actively traded United States government securities adjusted to constant maturities, or, if such statistical release is not published at the time of any determination, then such other reasonably comparable index which shall be designated by us.

If fewer than all of the notes of any series are to be redeemed, the trustee will select the particular notes or portions thereof for redemption from the outstanding notes not previously called, pro rata or by lot, or in such other manner as

we will direct.

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.

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We may, without the consent of holders of any series of notes offered by this prospectus supplement, issue additional notes having the same ranking and the same interest rate, maturity and other terms as the notes of that series. Any additional notes of any series, together with the outstanding notes of the applicable series, will constitute a single series of notes under the indenture. No additional notes may be issued if an event of default has occurred and is continuing with respect to the applicable series of notes. Additional notes cannot be issued under the same CUSIP number unless the additional notes and original notes are fungible for U.S. federal income tax purposes.

**Book-Entry System**

Upon issuance, the notes of each series will be represented by one or more global notes. Each global note will be deposited with, or on behalf of, The Depository Trust Company, as depository, and registered in the name of a nominee of the depository.

Investors may elect to hold interests in the global notes held by the depository through Clearstream Banking, S.A. ( Clearstream, Luxembourg ) or Euroclear Bank S.A./N.V., as operator of the Euroclear System (the Euroclear operator ) if they are participants of such systems, or indirectly through organizations that are participants in such systems. Clearstream, Luxembourg and the Euroclear operator will hold interests on behalf of their participants through customers' securities accounts in Clearstream, Luxembourg's and the Euroclear operator's names on the books of their respective depositories, which in turn will hold such interests in customers' securities accounts in the depositories' names on the books of the depository. Citibank, N.A. will act as depository for Clearstream, Luxembourg, and JPMorgan Chase Bank will act as depository for the Euroclear operator (in such capacities, the U.S. depositories. ) Because holders will acquire, hold and transfer security entitlements with respect to the notes through accounts with DTC and its participants, including Clearstream, Luxembourg, the Euroclear operator and their participants, a beneficial holder's rights with respect to the notes will be subject to the laws (including Article 8 of the Uniform Commercial Code) and contractual provisions governing a holder's relationship with its securities intermediary and the relationship between its securities intermediary and each other securities intermediary and between it and us, as the issuer. Except as set forth below, the global notes may be transferred, in whole and not in part, only to another nominee of the depository or to a successor of the depository or its nominee.

Ownership of beneficial interests in a global note will be limited to institutions that have accounts with the depository or its nominee or persons that may hold interests through participants. We have been advised by the depository that upon receipt of any payment of principal of, or interest on, a global note, the depository will credit, on its book-entry registration and transfer system, accounts of participants 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. Ownership of beneficial interests by participants in the global note will be evidenced only by, and the transfer of that ownership interest will be effected only through, records maintained by the depository or its nominee. Ownership of beneficial interests in the global note by persons that hold through participants will be evidenced only by, and the transfer of that ownership interest within such participant will be effected only through, records maintained by participants. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in definitive form. These laws may impair the ability to transfer beneficial interests in the global note.

Payment of principal of, and interest on, any global note registered in the name of or held by the depository or its nominee will be made to the depository or its nominee, as the case may be, as the registered owner of the global note. Payments by participants to owners of beneficial interests in a global note held through the participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in street name, and will be the sole responsibility of the participants. None of us, the trustee, the

underwriters, nor any agent of ours or the trustee will have any

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responsibility or liability for any aspects of the depository's records or any participant's records relating to, or payments made on account of, beneficial ownership interests in a global note or for maintaining, supervising or reviewing any of the depository's records or any participant's records relating to the beneficial ownership interests.

No global note may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository.

No global note may be exchanged in whole or in part for notes registered, and no transfer of a global note in whole or in part may be registered, in the name of any person other than the depository or any nominee of the depository unless (i) the depository has notified us that it is unwilling or unable to continue as depository for such global note or has ceased to be qualified to act as such as required by the indenture, (ii) there has occurred and is continuing an event of default with respect to the notes or (iii) we determine in our sole discretion at any time that the global note shall be so exchangeable.

Any global note that is exchangeable pursuant to the preceding sentence shall be exchangeable in whole for separate notes in registered form of any authorized denomination and of like tenor and aggregate principal amount. These notes shall be registered in the name or names of such person or persons as the depository instructs the trustee. We expect that these instructions would be based upon directions received by the depository from its participants with respect to ownership of beneficial interests in such global note.

As long as the depository, or its nominee, is the registered holder of a note, the depository or such nominee, as the case may be, will be considered the sole owner and holder of such global note for all purposes under the notes and the indenture. Except in the limited circumstances referred to above, owners of beneficial interests in a global note will not be entitled to have such global note registered in their names, will not receive or be entitled to receive physical delivery of notes in exchange therefor and will not be considered to be the owners or holders of such global note for any purpose under the notes or the indenture. Accordingly, each person owning a beneficial interest in the global note must rely on the procedures of the participant through which such person owns its interest to exercise any rights of a holder under the indenture.

The indenture provides that the depository, as a holder, may appoint agents and otherwise authorize participants to give or take any request, demand, authorization, direction, notice, consent, waiver, or other action which a holder is entitled to give or take under the indenture.

The depository has advised us as follows: the depository is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. The depository was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions, such as transfers and pledges, among its participants in these securities through electronic computerized book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. The depository's participants include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations, some of whom (and/or their representatives) own the depository. Access to the depository's book-entry system is also 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.

Clearstream, Luxembourg advises that it is a limited liability company organized under Luxembourg law.

Clearstream, Luxembourg holds securities for its participating organizations ( Clearstream, Luxembourg participants ) and facilitates the clearance and settlement of securities transactions between Clearstream, Luxembourg participants

through electronic book-entry transfers between their accounts, thereby eliminating the need for physical movement of securities. Clearstream, Luxembourg provides to Clearstream, Luxembourg

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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 securities markets in several countries through established depository and custodial relationships. Clearstream, Luxembourg is registered as a bank in Luxembourg, and as such is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector (Commission de Surveillance du Secteur Financier). Clearstream, Luxembourg participants are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Clearstream, Luxembourg's U.S. customers are limited to securities brokers and dealers and banks. Indirect access to Clearstream, Luxembourg is also available to other institutions such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream, Luxembourg customer. Clearstream, Luxembourg has established an electronic bridge with the Euroclear operator to facilitate settlement of trades between Clearstream, Luxembourg and the Euroclear operator.

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

The Euroclear operator advises that the Euroclear System was created in 1968 to hold securities for its participants ( Euroclear participants ) and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. The Euroclear System is operated by Euroclear Bank S.A./N.V. (the Euroclear operator ) under contract with Euroclear Clearance Systems S.C., a Belgian cooperative corporation. The Euroclear operator is regulated and examined by the Belgian Banking and Finance Commission and the National Bank of Belgium. All operations are conducted by the Euroclear operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear operator, not the cooperative. The cooperative establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks, securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

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 the Euroclear System, withdrawals of securities and cash from the Euroclear System, and receipts of payments with respect to securities in the Euroclear System. All securities in the Euroclear System 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 with respect to the notes held beneficially through the Euroclear System 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 the Euroclear operator.

Title to book-entry interests in the notes will pass by book-entry registration of the transfer within the records of Clearstream, Luxembourg, the Euroclear operator or the depository, as the case may be, in accordance with their respective procedures. Book-entry interests in the notes may be transferred within Clearstream, Luxembourg and within the Euroclear System and between Clearstream, Luxembourg and the Euroclear System in accordance with procedures established for these purposes by Clearstream, Luxembourg and the Euroclear operator. Book-entry interests in the notes may be transferred within the depository in accordance with procedures established for this

purpose by the depository. Transfers of book-entry interests in the notes among Clearstream, Luxembourg and the Euroclear operator and the depository may be effected in accordance with procedures established for this purpose by Clearstream, Luxembourg, the Euroclear operator and the depository.

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Secondary market trading between Clearstream, Luxembourg participants and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream, Luxembourg and the Euroclear System and will be settled using the procedures applicable to conventional Eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through the depository on the one hand, and directly or indirectly through Clearstream, Luxembourg participants or Euroclear participants, on the other, will be effected through the depository in accordance with the depository's rules on behalf of the relevant European international clearing system by its U.S. depository; however, these cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in the clearing system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system 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 interests in the notes to or receiving interests in the notes from the depository, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to the depository. Clearstream, Luxembourg participants and Euroclear participants may not deliver instructions directly to their respective U.S. depositories.

Because of time-zone differences, credits of interests in the notes received in Clearstream, Luxembourg or the Euroclear system as a result of a transaction with a depository participant will be made during subsequent securities settlement processing and dated the business day following the depository settlement date. Credits of interests or any transactions involving interests in the notes received in Clearstream, Luxembourg or the Euroclear System as a result of a transaction with a depository participant and settled during subsequent securities settlement processing will be reported to the relevant Clearstream, Luxembourg participants or Euroclear participants on the business day following the depository settlement date. Cash received in Clearstream, Luxembourg or the Euroclear System as a result of sales of interests in the notes by or through a Clearstream, Luxembourg customer or a Euroclear participant to a depository participant will be received with value on the depository settlement date but will be available in the relevant Clearstream, Luxembourg or Euroclear cash account only as of the business day following settlement in the depository.

Although the depository, Clearstream, Luxembourg and the Euroclear operator have agreed to the foregoing procedures in order to facilitate transfers of interests in the notes among participants of the depository, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or continue to perform the foregoing procedures and these procedures may be changed or discontinued at any time.

## **Governing Law**

The indenture and the notes will be governed by, and construed and enforced in accordance with, the laws of the State of New York applicable to agreements made or instruments entered into and performed in New York State.

## **Open Market Purchases**

We may at any time and from time to time purchase notes in the open market or otherwise.

## **The Trustee, Paying Agent and Security Registrar**

U.S. Bank Trust National Association is the trustee, paying agent and security registrar with respect to the notes. U.S. Bank Trust National Association currently serves as the trustee with respect to certain of our other outstanding debt securities.





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**CERTAIN U.S. FEDERAL TAX CONSEQUENCES**

The following summary describes certain U.S. federal income tax consequences and, in the case of a non-U.S. Holder (as defined below), certain U.S. federal estate tax consequences, of purchasing, owning and disposing of the notes. This summary does not discuss all of the aspects of U.S. federal income and estate taxation that may be relevant to you in light of your particular investment or other circumstances. This summary applies to you only if you are a beneficial owner of a note that holds the note as a capital asset (generally, investment property), and you acquire the note for cash in this offering for a price equal to the issue price of the notes of the applicable series (i.e., the first price at which a substantial amount of the notes of the applicable series is sold for money to investors, other than to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). In addition, this summary does not address special U.S. federal income or estate tax rules that may be applicable to certain categories of beneficial owners of notes, such as:

dealers in securities or currencies;

traders in securities;

U.S. Holders (as defined below) whose functional currency is not the U.S. dollar;

persons holding notes as part of a conversion, constructive sale, wash sale or other integrated transaction or a hedge, straddle or synthetic security;

persons subject to the alternative minimum tax;

U.S. expatriates;

banks and other financial institutions;

insurance companies;

controlled foreign corporations, passive foreign investment companies, real estate investment trusts and regulated investment companies and shareholders of such corporations;

entities that are tax-exempt for U.S. federal income tax purposes and retirement plans, individual retirement accounts and tax-deferred accounts; and

pass-through entities, including partnerships and entities and arrangements classified as partnerships for U.S. federal tax purposes, and beneficial owners of pass-through entities.

In the case of an entity or arrangement classified as a partnership for U.S. federal tax purposes, the U.S. federal income tax treatment of a partner in the partnership generally will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. If you are a partnership considering purchasing notes, or a partner in such a partnership, you should consult your own tax advisor regarding the U.S. federal income and estate tax consequences of purchasing, owning and disposing of the notes.

This summary is based on U.S. federal income and estate tax law, including the Internal Revenue Code of 1986, as amended (the Internal Revenue Code ), Treasury regulations, administrative rulings and judicial authorities, all as in effect or in existence as of the date of this prospectus supplement. Subsequent developments in U.S. federal income and estate tax law, including changes in law or differing interpretations, which may be applied retroactively, could have a material effect on the U.S. federal income and estate tax consequences of purchasing, owning and disposing of notes as set forth in this summary. We cannot assure you that the Internal Revenue Service (the IRS ) will not challenge one or more of the tax consequences described in this summary, and we have not obtained, nor do we intend to obtain, any ruling from the IRS or opinion of counsel with respect to the tax consequences of the purchase, ownership or disposition of the notes. In addition, this summary does not discuss any U.S. federal tax consequences other than U.S. federal income tax consequences (and, in the case of non-U.S. Holders, U.S. federal estate tax consequences), such as gift tax consequences or the Medicare tax on certain investment income, or any U.S. state or local income or non-U.S. income or other tax consequences.

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U.S. Holders that use an accrual method of accounting for U.S. federal income tax purposes generally are required to include certain amounts in income no later than the time such amounts are reflected on certain applicable financial statements. The application of this rule may require the accrual of income earlier than would be the case under the general U.S. federal income tax rules described below, although it is not clear to what types of income this rule applies. If you are a U.S. Holder that uses an accrual method of accounting for U.S. federal income tax purposes, you should consult with your tax advisor regarding the potential applicability of this rule to your particular situation.

**Before you purchase notes, you should consult your own tax advisor regarding the particular U.S. federal, state and local and non-U.S. income and other tax consequences of acquiring, owning and disposing of the notes that may be applicable to you.**

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

The following summary applies to you only if you are a U.S. Holder (as defined below). A U.S. Holder is a beneficial owner of a note or notes that is for U.S. federal income tax purposes:

an individual citizen or resident of the United States;

a corporation (or other entity classified as a corporation for these purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

an estate, the income of which is subject to U.S. federal income taxation regardless of the source of that income; or

a trust, if (1) a U.S. court is able to exercise primary supervision over the trust's administration and one or more United States persons (within the meaning of the Internal Revenue Code) have the authority to control all of the trust's substantial decisions, or (2) the trust has a valid election in effect under applicable Treasury regulations to be treated as a United States person.

### ***Payments of Stated Interest***

Stated interest on your notes will be taxed as ordinary interest income. In addition: