

ALLSTATE CORP
Form 424B5
January 10, 2012

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**Filed Pursuant to Rule 424(b)(5)
Registration No. 333-159071**

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	Maximum Aggregate Offering Price	Amount of Registration Fee(1)(2)
5.200% Senior Notes Due 2042	\$500,000,000	\$57,300
Total	\$500,000,000	\$57,300

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933 as amended (the "Securities Act").

(2) A registration fee of \$57,300 has been paid with respect to this offering. This "Calculation of Registration Fee" table shall be deemed to update the "Calculation of Registration Fee" table in Registration Statement No. 333-159071 on Form S-3ASR.

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Prospectus Supplement to Prospectus Dated May 8, 2009

\$500,000,000

The Allstate Corporation

5.200% Senior Notes Due 2042

The Allstate Corporation will pay interest on the notes on January 15 and July 15 of each year. The first payment of interest will be made on July 15, 2012. The notes will be issued only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The Allstate Corporation may redeem some or all of the notes at any time at the redemption prices discussed under the caption "*Description of the Notes Optional redemption.*"

Investing in the notes involves risks. See a discussion of certain risks in the "Risk Factors" section of The Allstate Corporation's filings with the Securities and Exchange Commission that should be carefully considered before investing in the notes.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Note	Total
Public offering price	99.608%	\$ 498,040,000
Underwriting discount	0.875%	\$ 4,375,000
Proceeds, before expenses, to The Allstate Corporation	98.733%	\$ 493,665,000

The initial public offering price set forth above does not include accrued interest, if any. Interest on the notes will accrue from January 11, 2012 and must be paid by the purchasers if the notes are delivered after January 11, 2012.

The notes will not be listed on any securities exchange. Currently there is no public trading market for the notes.

The underwriters expect to deliver the notes through the facilities of The Depository Trust Company against payment in New York, New York on January 11, 2012.

Joint Book-Runners

J.P. Morgan

Goldman, Sachs & Co.

Barclays Capital

**Wells Fargo Securities
Morgan Stanley**

BofA Merrill Lynch

Citigroup

**Deutsche Bank Securities
UBS Investment Bank**

**BNY Mellon Capital Markets, LLC
SunTrust Robinson Humphrey**

Loop Capital Markets

**PNC Capital Markets LLC
U.S. Bancorp Investments, Inc.**

Prospectus Supplement dated January 9, 2012

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THE ALLSTATE CORPORATION

The Allstate Corporation is a holding company that conducts its business primarily through its subsidiaries Allstate Insurance Company ("AIC") and Allstate Life Insurance Company and their affiliates (collectively, including The Allstate Corporation, "*Allstate*"). Allstate is primarily engaged in the personal property and casualty insurance business and the life insurance, retirement and investment products business. Customers can access Allstate products and services such as auto insurance and homeowners insurance through more than 13,000 exclusive Allstate agencies and financial representatives in the United States and Canada. The Allstate Corporation is the largest publicly held personal lines insurer in the United States and the second largest personal property and casualty insurer in the United States based on 2010 statutory direct premiums earned. In addition, according to A.M. Best, it is the nation's 16th largest issuer of life insurance business on the basis of 2010 ordinary life insurance in force and 21st largest on the basis of 2010 statutory admitted assets.

Our main business segments include Allstate Protection and Allstate Financial. Allstate Protection principally sells private passenger auto and homeowners insurance, primarily through agencies. These products are marketed under the Allstate, Encompass® and Esurance® brand names. Allstate brand auto and homeowners insurance products are sold primarily through Allstate exclusive agencies and, to a lesser extent, through independent agencies in areas not served by exclusive agencies. Encompass brand auto and homeowners insurance products are sold through independent agencies. Esurance brand auto insurance products are sold direct to consumers online, through a call center and through select agents, including Answer Financial Inc. Allstate Financial provides life insurance, retirement and investment products and voluntary accident and health insurance products. Allstate Financial distributes its products to individuals through multiple distribution channels, including Allstate exclusive agencies and exclusive financial specialists, independent agents, and specialized structured settlement brokers. On an opportunistic basis, Allstate Financial has sold and may continue to sell funding agreements to unaffiliated trusts used to back medium-term notes.

The Allstate Corporation was incorporated in Delaware on November 5, 1992. Our executive offices are located at 2775 Sanders Road, Northbrook, Illinois 60062, and at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801. Our telephone number is (847) 402-5000.

As a holding company with no significant business operations of our own, we rely on dividends from AIC as the principal source of cash to pay dividends to our stockholders and to meet our obligations, including the payment of principal and any interest on any notes and our other debt obligations. AIC is regulated as an insurance company in Illinois. The payment of dividends by AIC is limited by Illinois insurance law to formula amounts based on statutory net income and statutory surplus, as well as the timing and amount of dividends paid in the preceding twelve months. Based on the greater of 2010 statutory net income or 10% of 2010 statutory surplus as of December 31, 2010, the maximum amount of dividends that AIC was able to pay without prior Illinois Department of Insurance approval at any point in 2011 was \$1.54 billion, less dividends paid during the preceding twelve months measured at that point in time. As of December 31, 2011, dividends paid by AIC during the preceding twelve-month period totaled \$838 million. At any point in time during 2012, the maximum amount of dividends that AIC will be able to pay without prior Illinois Department of Insurance approval will be an amount equal to the greater of 2011 statutory net income or 10% of 2011 statutory surplus as of December 31, 2011, less dividends paid during the preceding twelve months measured at that point in time.

The laws of other jurisdictions that generally govern our insurance subsidiaries contain similar limitations on the payment of dividends; however, in some jurisdictions the laws may be somewhat more restrictive.

References to "*Allstate*," "*we*," "*us*" and "*our*" in this prospectus supplement are references to The Allstate Corporation, and not to any of our subsidiaries, unless we state otherwise or the context otherwise requires.

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We estimate that the net proceeds, after expenses, from the sale of the notes will be approximately \$493 million. We expect to use the net proceeds for general corporate purposes, including to facilitate the repayment of \$350 million aggregate principal amount of our 6.125% Senior Notes due 2012 upon their maturity on February 15, 2012 and the repurchase of our common stock through open market purchases from time to time or through an accelerated repurchase program.

CAPITALIZATION

The following table sets forth our consolidated short term debt and capitalization as of September 30, 2011 and as adjusted to give effect to this offering and the repayment at maturity of \$350 million aggregate principal amount of our 6.125% Senior Notes due 2012. The following data should be read in connection with our condensed consolidated financial statements and notes, which are incorporated by reference.

	As of September 30, 2011	
	Actual	As Adjusted
	(in millions)	
Short-term debt	\$	\$
5.200% Senior Notes due 2042		500
Other long-term debt	5,907	5,557
Total debt	5,907	6,057
Common stock and additional capital paid-in	3,186	3,186
Unrealized net capital gains and losses	1,032	1,032
Unrealized foreign currency translation adjustments	49	49
Unrecognized pension and other post-retirement benefit costs	(1,135)	(1,135)
Retained income	31,704	31,704
Deferred ESOP expense	(43)	(43)
Treasury stock, at cost	(16,693)	(16,693)
Total shareholders' equity	18,100	18,100
Noncontrolling interest	29	29
Total equity	18,129	18,129
Total capitalization	\$ 24,036	\$ 24,186

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The following table sets forth selected consolidated statement of operations and financial position data and other data for the periods indicated. The financial data for each of the five years in the period ended December 31, 2010 are derived from our audited consolidated financial statements. The financial data for the nine-month periods ended September 30, 2011 and 2010 are derived from our unaudited condensed consolidated financial statements. The following amounts should be read in conjunction with the consolidated financial statements and notes thereto contained in our other filings with the Securities and Exchange Commission available as described under "Where You Can Find More Information" in the accompanying prospectus.

	As of or for the nine months ended September 30,		As of or for the year ended December 31,				
	2011 (Unaudited)	2010 (Unaudited)	2010	2009	2008	2007	2006
(Dollars in millions, except per share data)							
Consolidated statements of operations data:							
Insurance premiums and contract charges	\$ 21,005	\$ 21,152	\$ 28,125	\$ 28,152	\$ 28,862	\$ 29,099	\$ 29,333
Net investment income	2,996	3,104	4,102	4,444	5,622	6,435	6,177
Realized capital gains and losses	417	(943)	(827)	(583)	(5,090)	1,235	286
Total revenues	24,418	23,313	31,400	32,013	29,394	36,769	35,796
Benefits, claims, expenses and other	24,493	22,562	30,285	30,772	32,413	30,106	28,525
(Loss) gain on disposition of operations	(17)	12	11	7	(6)	(10)	(93)
Income tax (benefit) expense	(156)	131	198	394	(1,346)	2,017	2,185
Net income (loss)	\$ 64	\$ 632	\$ 928	\$ 854	\$ (1,679)	\$ 4,636	\$ 4,993
Per common share data:							
Net income (loss) per share basic	\$ 0.12	\$ 1.17	\$ 1.72	\$ 1.58	\$ (3.06)	\$ 7.80	\$ 7.88
Net income (loss) per share diluted	\$ 0.12	\$ 1.16	\$ 1.71	\$ 1.58	\$ (3.06)	\$ 7.76	\$ 7.83
Cash dividends declared per common share	\$ 0.63	\$ 0.60	\$ 0.80	\$ 0.80	\$ 1.64	\$ 1.52	\$ 1.40
Consolidated financial position data:							

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Investments	97,525	102,214	100,483	99,833	95,998	118,980	119,757
Total assets	126,959	132,534	130,874	132,652	134,798	156,408	157,554
Reserve for claims and claims expenses, life-contingent contract benefits and contractholder funds	78,479	82,185	81,145	84,659	90,750	94,052	93,683
Short-term debt							12
Long-term debt	5,907	5,909	5,908	5,910	5,659	5,640	4,650
Shareholders' equity	18,100	19,274	19,016	16,692	12,641	21,851	21,846
Equity	18,129	19,302	19,044	16,721	12,673	21,902	21,937
Other data:							
Ratio of earnings to fixed charges(1)(2)		1.5	1.5	1.5		3.2	3.4

- (1) For purposes of this computation, earnings consist of income from continuing operations before income tax expense and dividends on preferred securities. Fixed charges consist of interest expense, including interest credited to contractholder funds, amortization of financing costs, that portion of rental expense that is representative of the interest factor and dividends on redeemable preferred securities.
- (2) Earnings for the nine months ended September 30, 2011 were insufficient to cover fixed charges by \$92 million. Earnings for the year ended December 31, 2008 were insufficient to cover fixed charges by \$3.03 billion.

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DESCRIPTION OF THE NOTES

We have summarized provisions of the notes below. This summary supplements and replaces (if inconsistent with) the description of debt securities and the general terms and provisions of debt securities under the caption "Description of Debt Securities" in the accompanying prospectus. This summary does not purport to be complete and is qualified in its entirety by reference to the indenture referred to below.

General

The notes will be issued under an indenture, dated as of December 16, 1997, as amended by a third supplemental indenture, dated as of July 23, 1999, as amended by a sixth supplemental indenture, dated as of June 12, 2000, and as supplemented by a supplemental indenture to be dated as of January 11, 2012, with respect to the issuance of the notes, between us and U.S. Bank National Association, as trustee (successor in interest to State Street Bank and Trust Company).

The notes will initially be limited to a total principal amount of \$500,000,000. We may, without the consent of the holders of the notes, issue additional notes having the same interest rate, maturity date and other terms as described in this prospectus supplement and in the accompanying prospectus, except for the public offering price and issue date. Any additional notes, together with the notes offered by this prospectus supplement, will constitute a single series of notes under the indenture. No additional notes may be issued if an event of default under the indenture has occurred and is continuing with respect to the notes.

The notes will mature on January 15, 2042 and will bear interest at 5.200% per year. Interest on the notes will accrue from January 11, 2012. The notes provide that we will:

pay interest semi-annually on January 15 and July 15 of each year, commencing July 15, 2012;

pay interest to the person in whose name a note is registered at the close of business on January 1 or July 1 preceding the interest payment date;

compute interest on the basis of a 360-day year consisting of twelve 30-day months;

make payments on the notes at the offices of the trustee; and

either make payments by wire transfer for notes held in book-entry form or by check mailed to the address of the person entitled to the payment as it appears on the register of the notes.

In the event that any date on which interest is payable is not a business day, then payment of interest payable on that date will be made on the next business day (and without any interest or other payment in respect of any delay).

"*Business day*" means any day, other than a Saturday or Sunday, on which banks in The City of New York and Boston, Massachusetts are not required by law to close.

We will issue the notes only in fully registered form, without coupons, in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The notes will not be subject to any sinking fund.

Ranking

The notes will be our senior unsecured obligations and will rank equally in right of payment with all of our other existing and future senior unsecured and unsubordinated indebtedness. The notes will rank senior to any subordinated indebtedness.

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All existing and future liabilities of our subsidiaries will be effectively senior to the notes. Since all of our operations are conducted through subsidiaries, our cash flow and subsequent ability to service debt, including the notes, are dependent on the earnings of our subsidiaries and the distribution of those earnings, or upon loans or other payments of funds by the subsidiaries, to us. The subsidiaries

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are separate and distinct legal entities and have no obligation to pay any amount pursuant to the notes or otherwise, whether by dividends, loans or other payments. In addition, since our subsidiaries are insurance companies, their ability to pay dividends to us is subject to regulatory limitations. See "*Business Regulation*" in our Annual Report on Form 10-K for the year ended December 31, 2010, which is incorporated in this prospectus supplement by reference.

Optional redemption

The notes are redeemable, in whole or in part, at any time at a redemption price equal to the greater of:

100% of the principal amount of the notes to be redeemed; and

as determined by an Independent Investment Banker, 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 redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate, plus 35 basis points.

plus, in either of the above cases, accrued and unpaid interest thereon to the redemption date.

"*Adjusted 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)" published by the Board of Governors of the Federal Reserve System (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 United States 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, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall 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 year 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 Adjusted Treasury Rate shall be calculated on the third business day preceding the redemption date.

"*Comparable Treasury Issue*" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the securities to be redeemed that would be used, 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 securities ("*Remaining Life*").

"*Comparable Treasury Price*" means (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 five such Reference Treasury Dealer Quotations, the average of all such quotations.

"*Independent Investment Banker*" means one of the Reference Treasury Dealers appointed by us.

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"Reference Treasury Dealer" means:

each of J.P. Morgan Securities LLC, Goldman, Sachs & Co. and Barclays Capital Inc. and their respective successors; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in the United States (a "Primary Treasury Dealer"), we shall substitute therefore another Primary Treasury Dealer; and

any two other Primary Treasury Dealers selected by us.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by 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 third business day preceding such redemption date.

We will mail a notice of redemption at least 30 days but not more than 60 days before the redemption date to each holder of the notes to be redeemed. If less than all of the notes are to be redeemed, the trustee will select, by such method as it will deem fair and appropriate, including pro rata or by lot, the securities to be redeemed in whole or in part.

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.

Defeasance

The defeasance and covenant defeasance provisions of the indenture described under the caption "*Description of Debt Securities Defeasance and Covenant Defeasance*" in the accompanying prospectus will apply to the notes.

Notices

We will mail notices and communications to the holder's address shown on the register of the notes.

The trustee; paying agents and transfer agents

U.S. Bank National Association (successor in interest to State Street Bank and Trust Company) is the trustee under the indenture. The trustee and its affiliates also perform certain commercial banking services for us for which they receive customary fees. The trustee will be the paying agent and transfer agent for the notes.

Book-Entry System

The Depository Trust Company, or DTC, which we refer to along with its successors in this capacity as the depository, will act as securities depository for the notes. The notes will be issued only as fully registered securities registered in the name of Cede & Co., the depository's nominee. One or more fully registered global notes, representing the total aggregate principal amount of the notes, will be issued and will be deposited with the depository or its custodian and will bear a legend regarding the restrictions on exchanges and registration of transfer referred to below.

The laws of some jurisdictions may require that some purchasers of securities take physical delivery of securities in definitive form. These laws may impair the ability to transfer beneficial interests in the notes so long as the notes are represented by global notes.

Investors may elect to hold interests in the notes in global form through either DTC in the United States or Clearstream Banking, societe anonyme ("*Clearstream, Luxembourg*") or Euroclear

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Bank S.A./N.V. ("*Euroclear*"), if they are participants in those systems, or indirectly through organizations which are participants in those systems. Clearstream, Luxembourg and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream, Luxembourg's and Euroclear's names on the books of their respective depositaries, which in turn will hold such interests in customers' securities accounts in the depositaries' names on the books of DTC. Citibank, N.A. will act as depositary for Clearstream, Luxembourg and JPMorgan Chase Bank, N.A. will act as depositary for Euroclear (in such capacities, the "*U.S. Depositaries*").

DTC advises that it 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 Securities Exchange Act of 1934, as amended (the "*Exchange Act*"). The depositary holds securities that its participants (the "*DTC Participants*") deposit with the depositary. The depositary also facilitates the settlement among participants of securities transactions, including transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. The depositary is owned by a number of its direct participants and by the New York Stock Exchange, the American Stock Exchange, Inc., and the Financial Industry Regulatory Authority, Inc. Access to the depositary's system is also available to others, including securities brokers and dealers, banks and trust companies that clear transactions through or maintain a direct or indirect custodial relationship with a direct participant either directly, or indirectly. The rules applicable to the depositary and its participants are on file with the SEC.

Clearstream, Luxembourg advises that it is incorporated under the laws of Luxembourg as a professional depositary. Clearstream, Luxembourg holds securities for its participating organizations ("*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 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. As a professional depositary, Clearstream, Luxembourg is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector (Commission de Surveillance du Secteur Financier). Clearstream Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the underwriters. Indirect access to Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Participant, either directly or indirectly.

Distributions with respect to the 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. Depositary for Clearstream, Luxembourg.

Euroclear advises that it was created in 1968 to hold securities for participants of Euroclear ("*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. Euroclear includes various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V. (the "*Euroclear Operator*"). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator.

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Euroclear Participants include banks (including central 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 records 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 System.

We will issue the notes in definitive certificated form if the depository notifies us that it is unwilling or unable to continue as depository or the depository ceases to be a clearing agency registered under the Exchange Act, and a successor depository is not appointed by us within 90 days. In addition, beneficial interests in a global note may be exchanged for definitive certificated notes upon request by or on behalf of the depository in accordance with customary procedures following the request of a beneficial owner seeking to exercise or enforce its rights under such notes. If we determine at any time that the notes shall no longer be represented by global notes, we will inform the depository of such determination who will, in turn, notify participants of their right to withdraw their beneficial interest from the global notes, and if such participants elect to withdraw their beneficial interests, we will issue certificates in definitive form in exchange for such beneficial interests in the global notes. Any global note, or portion thereof, that is exchangeable pursuant to this paragraph will be exchangeable for note certificates, as the case may be, registered in the names directed by the depository. We expect that these instructions will be based upon directions received by the depository from its participants with respect to ownership of beneficial interests in the global notes.

As long as the depository or its nominee is the registered owner of the global notes, the depository or its nominee, as the case may be, will be considered the sole owner and holder of the global notes and all notes represented by these global notes for all purposes under the notes and the indenture governing the notes. Except in the limited circumstances referred to above, owners of beneficial interests in global notes:

will not be entitled to have the notes represented by these global notes registered in their names, and

will not be considered to be owners or holders of the global notes or any notes represented by these global notes for any purpose under the notes or the indenture governing the notes.

All payments on the notes represented by the global notes and all transfers and deliveries of related notes will be made to the depository or its nominee, as the case may be, as the holder of the securities.

Ownership of beneficial interests in the global notes will be limited to participants or persons that may hold beneficial interests through institutions that have accounts with the depository or its nominee. Ownership of beneficial interests in global notes will be shown only on, and the transfer of those ownership interests will be effected only through, records maintained by the depository or its nominee, with respect to participants' interests, or any participant, with respect to interests of persons held by the

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participant on their behalf. Payments, transfers, deliveries, exchanges and other matters relating to beneficial interests in global notes may be subject to various policies and procedures adopted by the depositary from time to time. Neither we nor the trustee will have any responsibility or liability for any aspect of the depositary's or any participant's records relating to, or for payments made on account of, beneficial interests in global notes, or for maintaining, supervising or reviewing any of the depositary's records or any participant's records relating to these beneficial ownership interests.

Although the depositary has agreed to the foregoing procedures in order to facilitate transfers of interests in the global notes among participants, the depositary is under no obligation to perform or continue to perform these procedures, and these procedures may be discontinued at any time. We will not have any responsibility for the performance by the depositary or its direct participants or indirect participants under the rules and procedures governing the depositary.

The information in this section concerning the depositary, its book-entry system, Clearstream, Luxembourg and the Euroclear System has been obtained from sources that we believe to be reliable, but we have not attempted to verify the accuracy of this information.

Global Clearance and Settlement Procedures

Initial settlement for the notes will be made in immediately available funds. Secondary market trading between DTC Participants will occur in the ordinary way in accordance with DTC rules and will be settled in immediately available funds using DTC's Same-Day Funds Settlement System. Secondary market trading between Clearstream 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, as applicable.

Cross-market transfers between persons holding directly or indirectly through DTC on the one hand, and directly or indirectly through Clearstream Participants or Euroclear Participants, on the other, will be effected through DTC in accordance with DTC rules on behalf of the relevant European international clearing system by its U.S. Depositary; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such 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. Depositary to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream Participants and Euroclear Participants may not deliver instructions directly to their respective U.S. Depositaries.

Because of time-zone differences, credits of notes received in Clearstream, Luxembourg or the Euroclear System as a result of a transaction with a DTC Participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Such credits or any transactions in such notes settled during such processing will be reported to the relevant Euroclear Participant or Clearstream Participant on such business day. Cash received in Clearstream, Luxembourg or the Euroclear System as a result of sales of the notes by or through a Clearstream Participant or a Euroclear Participant to a DTC Participant