SNAP-ON Inc
Form 424B5
February 20, 2009

Table of Contents

Filed pursuant to Rule 424(b)(5)
Registration No. 333-139863

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Maximum Aggregate Offering Price	Amount of Registration Fee(1)(2)
Debt Securities	$ 299,576,000	$ 11,774

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

(2) Paid herewith.

PROSPECTUS SUPPLEMENT

(To Prospectus Dated January 9, 2007)

$300,000,000
Snap-on Incorporated

$100,000,000 5.850% Notes due 2014
$200,000,000 6.700% Notes due 2019

The notes due 2014 will mature on March 1, 2014, and the notes due 2019 will mature on March 1, 2019. We may redeem the notes in whole or in part at any time at the applicable redemption prices as described beginning on page S-10. Interest on the notes due 2014 will accrue at the rate of 5.850% per year, and interest on the notes due 2019 will accrue at the rate of 6.700% per year. Interest on the notes will be payable semiannually on March 1 and September 1 of each year, beginning on September 1, 2009.

The notes will be our senior unsecured obligations and will rank equally with all of our other unsecured and unsubordinated indebtedness.

See Risk Factors beginning on page S-5 for a discussion of certain risk factors that prospective investors should consider before investing in our notes.

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

	Public Offering Price(1)	Underwriting Discount	Proceeds to Snap-on (Before Expenses)
Per note due 2014	99.912%	0.600%	99.312%
Per note due 2019	99.832%	0.650%	99.182%
Total	$299,576,000	$1,900,000	$297,676,000

(1) Plus accrued interest from February 24, 2009, if settlement occurs after such date.

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

The notes are expected to be delivered in book-entry only form through the facilities of The Depository Trust Company on or about February 24, 2009.

Active Bookrunners

Citi **J.P. Morgan**

Passive Bookrunners

Mizuho Securities USA Inc. **UBS Investment Bank**

Co-Managers

Barclays Capital	**BBVA Securities**	**Credit Suisse**
Fifth Third Securities, Inc.	**RBC Capital Markets**	**Robert W. Baird & Co.**
SOCIETE GENERALE	**The Williams Capital Group, L.P.**	**U.S. Bancorp Investments, Inc.**

February 19, 2009

TABLE OF CONTENTS

You should rely only on the information contained in this prospectus supplement, the accompanying prospectus and the documents we have incorporated by reference. Neither we nor the underwriters have authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we nor the underwriters are making an offer to sell the notes in any state which does not permit their offer or sale. You should not assume that the information provided in this prospectus supplement or the accompanying prospectus, or the information we have previously filed with the Securities and Exchange Commission that we incorporate by reference, is accurate as of any date other than the respective dates of those documents in which such information is contained. If information in this prospectus supplement updates information in the accompanying prospectus, this prospectus supplement will apply and will supersede that information in the prospectus.

For purposes of this prospectus supplement and the accompanying prospectus, unless otherwise specified or the context otherwise indicates, references to Snap-on, us, we, our, ours, or the company are to Snap-on Incorpor including, as appropriate, its subsidiaries.

Table of Contents

FORWARD-LOOKING STATEMENTS

Statements in this prospectus supplement and the accompanying prospectus that are not historical facts, including statements (1) that include the words expects, plans, targets, estimates, believes, anticipates, or similar words reference Snap-on or our management; (2) that are specifically identified as forward-looking; or (3) that describe Snap-on s or our management s future outlook, plans, estimates, objectives or goals, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We caution the reader that any forward-looking statements included in this prospectus supplement and the accompanying prospectus that are based upon assumptions and estimates were developed by management in good faith and are subject to risks, uncertainties or other factors that could cause (and in some cases have caused) actual results to differ materially from those described in any such statement. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results or regarded as a representation by us or our management that the projected results will be achieved. For those forward-looking statements, we caution the reader that numerous important factors, such as the risk factors in this prospectus supplement and in our Annual Report on Form 10-K for the fiscal year ended January 3, 2009, all of which are incorporated herein by reference, could affect our actual results and could cause our actual consolidated results to differ materially from those expressed in any forward-looking statement made by, or on behalf of, Snap-on. We disclaim any responsibility to update any forward-looking statements.

Table of Contents

SUMMARY

This summary provides an overview of Snap-on Incorporated and its subsidiaries and certain key aspects of the offering. This summary is not complete and does not contain all of the information you should consider before purchasing our notes. Before purchasing our notes, you should read carefully all of the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, including Risk Factors and our consolidated financial statements and related notes.

The Company

Snap-on Incorporated, which has been in existence for more than 88 years, is a leading global innovator, manufacturer and marketer of tools, diagnostics, equipment, software and service solutions for professional users under various brands and trade names.

Our products and services include hand and power tools, tool storage, diagnostics software, information and management systems, shop equipment and other solutions for vehicle dealerships and repair centers, as well as customers in industry, government, agriculture, aviation and natural resources. We also derive income from various financing programs to facilitate the sales of our products.

We market our products and brands through multiple distribution sales channels in approximately 130 countries. Our largest geographic markets include the United States, Australia, Canada, China, France, Germany, Italy, Japan, the Netherlands, Spain, Sweden and the United Kingdom. We also reach our customers through our franchisee, company-direct, distributor and Internet channels. We originated the mobile van tool distribution channel in the automotive repair market.

Our business segments are based on the organization structure used by management for making operating and investment decisions and for assessing performance. Our reportable business segments include: (1) the Commercial & Industrial Group; (2) the Snap-on Tools Group; (3) the Diagnostics & Information Group; and (4) Financial Services. The Commercial & Industrial Group consists of the business operations providing tools and equipment products and equipment repair services to a broad range of industrial and commercial customers worldwide through direct, distributor and other non-franchised distribution channels. The Snap-on Tools Group consists of our business operations serving the worldwide franchised van channel. The Diagnostics & Information Group consists of the business operations providing diagnostics equipment, vehicle service information, business management systems, electronic parts catalogs, and other solutions for vehicle service to customers in the worldwide vehicle service and repair marketplace. Financial Services consists of the business operations of Snap-on Credit LLC, a consolidated, 50%-owned joint venture between Snap-on and The CIT Group, Inc., and our wholly-owned finance subsidiaries in those international markets where we have franchise operations.

Our headquarters are located at 2801 80th Street, Kenosha, Wisconsin 53143, and our telephone number is (262) 656-5200.

Summary Historical Consolidated Financial Information

Our annual historical information is derived from our audited consolidated financial statements as of and for each of the five fiscal years identified below. This information is only a summary and should be read in conjunction with the consolidated financial statements included in our Annual Report on Form 10-K for the year ended January 3, 2009 which has been incorporated by reference into this prospectus supplement and the accompanying prospectus, as well as other information that has been filed with the Securities and Exchange Commission. The historical results included below are not necessarily indicative of our future performance.

Table of Contents

	For the Fiscal Year Ended				
	2008	2007	2006	2005	2004
			(In millions)		
Net sales	$ 2,853.3	$ 2,841.2	$ 2,455.1	$ 2,281.0	$ 2,311.6
Total revenues(1)	2,934.7	2,904.2	2,504.1	2,334.6	2,389.7
Gross profit	1,284.6	1,266.6	1,079.8	1,011.2	1,003.2
Net earnings from continuing operations	236.7	189.2	97.9	88.2	79.5
Net earnings	236.7	181.2	100.1	92.9	81.7
Cash and cash equivalents	115.8	93.0	63.4	170.4	150.0
Total assets	2,710.3	2,765.1	2,654.5	2,008.4	2,290.1
Long-term debt	503.4	502.0	505.6	201.7	203.2
Total shareholders equity	1,186.5	1,280.1	1,076.3	962.2	1,110.7

(1) Defined as Net sales plus Financial services revenue.

Ratio of Earnings to Fixed Charges

The ratio of earnings to fixed charges for each of the periods indicated is as follows:

	Fiscal Year Ended				
	2008	2007	2006	2005	2004
Ratio of earnings to fixed charges(1)	11.0	7.0	7.6	7.2	5.9

(1) For the purposes of computing this ratio, (a) earnings consists of earnings before income taxes, equity earnings and minority interests, adjusted for the distributed income of equity investees, and (b) fixed charges consists of interest on debt and the estimated interest portion of rents.

Table of Contents

The Offering

Issuer	Snap-on Incorporated.
Notes Offered	\$100,000,000 aggregate principal amount of 5.850% Notes Due 2014. \$200,000,000 aggregate principal amount of 6.700% Notes Due 2019.
Maturity	The notes due 2014 will mature on March 1, 2014, and the notes due 2019 will mature on March 1, 2019.
Interest	The notes due 2014 will bear interest at 5.850% per annum, payable semiannually in arrears, and the notes due 2019 will bear interest at 6.700% per annum, payable semiannually in arrears.
Interest Payment Dates	March 1 and September 1 of each year, beginning on September 1, 2009.
Ranking	The notes will be our senior unsecured obligations and will rank equally with all of our other existing and future unsecured and unsubordinated indebtedness. See Description of the Notes General.
Optional Redemption	We may redeem the notes, in whole or in part, at any time at the make-whole redemption price described under Description of the Notes Optional Redemption.
Change of Control	Upon the occurrence of a change of control repurchase event (as defined under Description of the Notes Change of Control Repurchase Event), unless we have exercised our right to redeem the notes, each holder of the notes will have the right to require us to repurchase all or a portion of such holder s notes at a repurchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of repurchase, subject to the rights of holders of the notes on the relevant record date to receive interest due on the relevant interest payment date.
Covenants	The indenture under which the notes will be issued contains limitations on, among other things, our ability to: incur debt secured by certain liens; engage in certain sale and lease-back transactions; transfer principal properties to specified subsidiaries; and the ability to consolidate or merge with or into, or sell substantially all of our assets to, another person. These covenants are, however, subject to important exceptions. See Description of Debt Securities Covenants Applicable to Senior Debt Securities in the accompanying prospectus.

Use of Proceeds	We will use the net proceeds that we receive from the sale of the notes for general corporate purposes.
Minimum Denominations	The notes will be issued and may be transferred only in minimum denominations of $1,000 and integral multiples of $1,000 in excess thereof.

Table of Contents

Form	The notes are being issued in fully registered form and each series of notes will be represented by one or more global notes deposited with The Depository Trust Company (DTC) or its nominee and registered in book-entry form in the name of Cede & Co., DTC s nominee. Beneficial interests in the global notes will be shown on, and transfers will only be made through, the records maintained by DTC and its participants.
Further Issues	We may from time to time, without notice to or the consent of the holders of the notes, create and issue additional debt securities under the indenture ranking equally and ratably with the notes in all respects (other than the payment of interest accruing prior to the issue date of such additional debt securities or except for the first payment of interest following the issue date of such additional debt securities).
Governing Law	New York.
Trustee	U.S. Bank National Association.
Risk Factors	For a discussion of factors you should carefully consider before deciding to invest in the notes, see Risk Factors beginning on page S-5 of this prospectus supplement and in our Annual Report on Form 10-K for the year ended January 3, 2009 filed with the Securities and Exchange Commission and incorporated by reference into this prospectus supplement and the accompanying prospectus.

For additional information regarding the notes, see Description of the Notes.

Table of Contents

RISK FACTORS

You should carefully consider the following risk factors, as well as the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment in our notes. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known or that we currently believe to be immaterial may also adversely affect us.

Risks Related to Our Businesses

For a discussion of risks relating to Snap-on Incorporated s businesses, see Risk Factors in our Annual Report on Form 10-K for the fiscal year ended January 3, 2009 and our other filings with the Securities and Exchange Commission that are incorporated by reference into this prospectus supplement and the accompanying prospectus.

Risks Related to the Notes

Our financial performance and other factors could adversely impact our ability to make payments on the notes.

Our ability to make scheduled payments with respect to our indebtedness, including the notes, will depend on our financial and operating performance, which, in turn, is subject to prevailing economic conditions and to financial, business and other factors beyond our control.

An increase in market interest rates could result in a decrease in the value of the notes.

In general, as market interest rates rise, notes bearing interest at a fixed rate generally decline in value because the premium, if any, over market interest rates will decline. Consequently, if you purchase the notes and market interest rates increase, the market value of your notes may decline. We cannot predict the future level of market interest rates.

Ratings of the notes may not reflect all risks of an investment in the notes.

The notes will initially be rated by two nationally recognized statistical rating organizations. The ratings of our notes will primarily reflect our financial strength and will change in accordance with the rating of our financial strength. Any rating is not a recommendation to purchase, sell or hold any particular security, including the notes. These ratings do not comment as to market price or suitability for a particular investor. In addition, ratings at any time may be lowered or withdrawn in their entirety. The ratings of the notes may not reflect the potential impact of all risks related to structure and other factors on any trading market for, or trading value of, the notes.

We may not have sufficient cash to repurchase the notes upon the occurrence of a change of control repurchase event.

As described under Description of the Notes Change of Control Repurchase Event, we will be required to offer to repurchase all of the notes upon the occurrence of a change of control repurchase event. We may not, however, have sufficient cash at that time or have the ability to arrange necessary financing on acceptable terms to repurchase the notes under such circumstances. If we are unable to repurchase the notes upon the occurrence of a change of control repurchase event, it would result in an event of default under the indenture.

There may be no public trading market for the notes.

A market for the notes may not develop or, if one does develop, it may not be maintained. If a market develops, the notes could trade at prices that may be higher or lower than the initial offering price or the price at which you purchased the notes, depending on many factors, including prevailing interest rates, our financial performance, the amount of indebtedness we have outstanding, the market for similar securities, the

Table of Contents

redemption (if any) and repayment features of the notes to be sold and the time remaining to maturity of your notes. We have not applied and do not intend to apply for listing of the notes on any securities exchange or any automated quotation system. If an active market for the notes fails to develop or be sustained, the trading price and liquidity of the notes could be adversely affected.

The notes do not restrict our ability to incur additional debt or prohibit us from taking other action that could negatively impact holders of the notes.

We are not restricted under the terms of the indenture or the notes from incurring additional indebtedness. The indenture, among other things, limits our ability to secure additional debt without also securing the notes, to enter into sale and leaseback transactions and to transfer certain of our assets to unrestricted subsidiaries. However, these limitations are subject to numerous exceptions. See Description of Debt Securities Covenants Applicable to Senior Debt Securities in the accompanying prospectus. In addition, the notes do not require us to achieve or maintain any minimum financial results relating to our financial position or results of operations. Our ability to recapitalize, incur additional debt, secure existing or future debt or take a number of other actions that are not limited by the terms of the indenture and the notes could have the effect of diminishing our ability to make payments on the notes when due.

Effective subordination of the notes may reduce amounts available for payment of the notes.

We conduct a significant portion of our operations through our subsidiaries. As a result, our ability to service our debt, including our obligations under the notes and other obligations, is partially dependent upon the earnings of our subsidiaries and the distribution of those earnings or the payment of funds to us in the form of dividends, loans or advances and through repayment of loans or advances from us. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due on the notes or to make funds available to us, whether in the form of dividends, distributions, loans or other payments. In addition, any payment of dividends, distributions, loans or advances to us by our subsidiaries depend upon the earnings of those subsidiaries, are subject to various business considerations and may be subject to contractual or statutory restrictions.

Holders of the notes will be effectively subordinated to the indebtedness and other liabilities of our subsidiaries, including trade creditors. As of January 3, 2009, our subsidiaries had indebtedness in the aggregate totaling $12.3 million. In the event of a default by a subsidiary under any credit arrangement or other indebtedness, its creditors could accelerate such subsidiary s debt prior to such subsidiary distributing to us amounts that we could have used to make payments on the notes.

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

Table of Contents

USE OF PROCEEDS

We will use the net proceeds that we receive from the sale of the notes, which will be approximately $297,276,000, after deducting underwriting discounts and the offering expenses payable by us, for general corporate purposes.

Table of Contents

CAPITALIZATION

The following table sets forth our consolidated capitalization as of January 3, 2009:

on an actual basis; and

as adjusted to give effect to the sale of the notes in this offering and the application of the estimated net proceeds of this offering as described under Use of Proceeds.

You should read the information in this table together with Use of Proceeds and Management s Discussion and Analysis of Financial Condition and Results of Operations, along with our financial statements and related notes, included elsewhere or incorporated by reference into this prospectus supplement and the accompanying prospectus.

	Actual (unaudited)	As Adjusted (unaudited)
	(in millions)	
Short-term debt	$ 12.0	$ 12.0
Long-term debt:		
Long-term debt	503.4	503.4
5.850% notes due 2014 offered hereby		100.0
6.700% notes due 2019 offered hereby		200.0
Total debt	515.4	815.4
Common stockholders equity		
Common stock authorized 250,000,000 shares, $1 par value; issued 67,197,346 shares	67.2	67.2
Additional paid-in capital	155.5	155.5
Retained earnings	1,463.7	1,463.7
Accumulated other comprehensive income (loss)	(106.5)	(106.5)
Treasury stock at cost	(393.4)	(393.4)
Total shareholders equity	1,186.5	1,186.5
Total capitalization(1)	$ 1,701.9	$ 2,001.9

(1) Defined as Total debt plus Total shareholders equity.

Table of Contents

DESCRIPTION OF THE NOTES

We have summarized the material terms and conditions of the notes below. This summary supplements and, to the extent inconsistent with, replaces the description of the general terms and conditions of the debt securities under the caption Description of Debt Securities in the accompanying prospectus. This summary of provisions of the indenture does not purport to be complete and is subject to all of the provisions of the indenture. You should read the indenture and the notes, copies of which are available from us upon request.

Capitalized terms used and not defined in this section of this prospectus supplement have the meanings specified in the indenture. References to Snap-on, us, we, our, ours or the company in this section are to Snap-on Incorpo (parent company only) and not its consolidated subsidiaries.

General

We will issue each series of the notes as a separate series of debt securities under the indenture dated as of January 8, 2007 between us and U.S. Bank National Association, as trustee. This indenture is further described in the accompanying prospectus.

We are initially offering the notes due 2014 in an aggregate principal amount of $100,000,000, and the notes due 2019 in an aggregate principal amount of $200,000,000. The notes due 2014 will bear interest at a rate of 5.850% per annum, and the notes due 2019 will bear interest at a rate of 6.700% per annum. The notes due 2014 will mature on March 1, 2014, and the notes due 2019 will mature on March 1, 2019, in each case, unless redeemed prior to that date. See Interest below.

We may redeem the notes at any time at our option as described under Optional Redemption.

The notes will be our senior unsecured obligations and will rank equally with all of our other existing and future unsecured and unsubordinated indebtedness. The notes will effectively rank junior in right of payment to any secured indebtedness that we may incur in the future to the extent of the assets securing such indebtedness.

A significant amount of our consolidated assets is held by our subsidiaries. Any right we may have to receive assets of any of our subsidiaries upon their liquidation or reorganization (and the consequent right of the holders of the notes to participate in those assets) will be effectively subordinated to the claims of such subsidiary s creditors, including trade creditors. See Risk Factors Effective subordination of the notes may reduce amounts available for payment of the notes.

We will issue the notes only in fully registered form, without coupons, in denominations of $1,000 and integral multiples of $1,000 in excess thereof.

The notes will not have the benefit of any sinking fund.

We may, subject to compliance with applicable law, at any time, purchase notes in the open market or otherwise.

Interest

The notes due 2014 will bear interest at a rate of 5.850% per annum, and the notes due 2019 will bear interest at a rate of 6.700% per annum. Interest will accrue on the notes from the most recent interest payment date to or for which interest has been paid or duly provided (or if no interest has been paid or duly provided for, from the issue date of the notes), payable semiannually in arrears on March 1 and September 1 of each year, beginning on September 1, 2009. Interest will be paid to the person in whose name the notes are registered at the close of business on the February 15 and August 15 (whether or not that date is a business day), as the case may be, immediately preceding such interest payment date). We will compute interest on the basis of a 360-day year consisting of twelve 30-day months. We will make payments on the notes at the offices of the trustee 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 in the notes register.

Table of Contents

If any interest payment date or maturity or redemption date falls on a day that is not a business day, then the payment will be made on the next business day without additional interest and with the same effect as if it were made on the originally scheduled date.

Optional Redemption

All or a portion of the notes may be redeemed at our option at any time or from time to time. The redemption price for the notes to be redeemed on any redemption date will be equal to the greater of the following amounts:

- 100% of the principal amount of the notes being redeemed on the redemption date; and

- the sum of the present values of the remaining scheduled payments of principal and interest on the notes being redeemed on that redemption date (not including any portion of any payments of interest accrued to the redemption date), discounted to the redemption date on a semiannual basis at the Treasury Rate (as defined below), plus 50 basis points, in the case of the notes due 2014, and 50 basis points, in the case of the notes due 2019,

plus, in each case, accrued and unpaid interest on the notes being redeemed to the redemption date.

Notwithstanding the foregoing, installments of interest payable on the notes being redeemed that are due and payable on interest payment dates falling on a redemption date will be payable on the interest payment date to the registered holders as of the close of business on the relevant record date according to the notes and the indenture. The redemption price will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

We will mail notice of any redemption at least 30 days but not more than 60 days prior to the redemption date to each registered holder of the notes. Once notice of redemption is mailed, the notes will become due and payable on the redemption date and at the applicable redemption price, plus accrued and unpaid interest, if any, to the redemption date.

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

Comparable Treasury Issue means the U.S. Treasury security selected by the Reference Treasury Dealer as having a maturity comparable to the remaining term of the 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 notes.

Comparable Treasury Price means, with respect to any redemption date, (A) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, (B) if the trustee obtains fewer than three such Reference Treasury Dealer Quotations, the average of all such Quotations, or (C) if only one Reference Treasury Dealer Quotation is received, such Quotation.

Reference Treasury Dealer means (A) each of Citigroup Global Markets Inc., J.P. Morgan Securities Inc., Mizuho Securities USA Inc. and UBS Securities LLC (or their respective affiliates which are Primary Treasury Dealers) 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 will substitute therefor another Primary Treasury Dealer; and (B) any other Primary Treasury Dealer(s) selected by us.

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

Table of Contents

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

On and after the redemption date, interest will cease to accrue on the notes or any portion of the notes called for redemption (unless we default in the payment of the redemption price and accrued interest). On or before the redemption date, we will deposit with a paying agent (or the trustee) money sufficient to pay the redemption price of and accrued interest on the notes to be redeemed on that date. If less than all of the notes are to be redeemed, the notes to be redeemed shall be selected by lot by DTC, in the case of notes represented by a global security, or by the trustee by a method the trustee deems to be fair and appropriate, in the case of notes that are not represented by a global security.

The above optional redemption provisions relating to the notes replace and supersede the optional redemption provisions in the accompanying prospectus.

Change of Control Repurchase Event

If a change of control repurchase event occurs, unless we have exercised our right to redeem all of the notes as described above, we will make an offer to each holder of the notes to repurchase in cash all or any part (equal to $1,000 and any integral multiple of $1,000 in excess thereof) of that holder s notes at a repurchase price equal to 101% of the aggregate principal amount of notes repurchased plus any accrued and unpaid interest on the notes repurchased to, but not including, the date of repurchase. Within 30 days following any change of control repurchase event or, at our option, prior to any change of control, but after the public announcement of the transaction that constitutes or may constitute the change of control, we will mail a notice to each holder, with a copy to the trustee, describing the transaction or transactions that constitute or may constitute the change of control repurchase event and offering to repurchase the notes on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date on which such notice is mailed or, if the notice is mailed prior to the change of control, at least 30 days, but no more than 60 days, from the date on which the change of control repurchase event occurs. The notice, if mailed prior to the date of consummation of the change of control, will state that the offer to repurchase is conditioned on the change of control repurchase event occurring on or prior to the payment date specified in the notice.

We will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations under the Exchange Act to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a change of control repurchase event. To the extent that the provisions of any securities laws or regulations conflict with the change of control repurchase event provisions of the notes, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the change of control repurchase event provisions of the notes by virtue of such conflict.

On the change of control repurchase event payment date, we will, to the extent lawful:

(1) accept for payment all notes or portions of notes properly tendered pursuant to our offer;

(2) deposit with the paying agent an amount equal to the aggregate purchase price in respect of all notes or portions of notes properly tendered; and

(3) deliver or cause to be delivered to the trustee the notes properly accepted, together with an officers   certificate stating the aggregate principal amount of notes being repurchased by us.

The paying agent will promptly mail to each holder of notes properly tendered the purchase price for the notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new note equal in principal amount to any unpurchased portion of any notes surrendered; *provided* that each new note will be in a principal amount of $1,000 or any integral multiple of $1,000 in excess thereof.