MILLENNIUM CHEMICALS INC
Form S-4/A
December 15, 2003
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AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON DECEMBER 15, 2003

Registration No. 333-106132

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Amendment No. 1

to

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

MILLENNIUM AMERICA INC.

(EXACT NAME OF CO-REGISTRANT ISSUER AS SPECIFIED IN ITS CHARTER)

MILLENNIUM CHEMICALS INC.

(EXACT NAME OF CO-REGISTRANT GUARANTOR AS SPECIFIED IN ITS CHARTER)

DELAWARE	**2816**
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	**(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBERS)**
98-004579	**22-3436215**

(I.R.S. EMPLOYER IDENTIFICATION NO.)	(I.R.S. EMPLOYER IDENTIFICATION NO.)
MILLENNIUM AMERICA INC. **20 WIGHT AVENUE, SUITE 100** **HUNT VALLEY, MARYLAND 21030** **(410) 229-4400**	**MILLENNIUM CHEMICALS INC.** **20 WIGHT AVENUE, SUITE 100** **HUNT VALLEY, MARYLAND 21030** **(410) 229-4400**

(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF CO-REGISTRANTS PRINCIPAL EXECUTIVE OFFICES)

C. WILLIAM CARMEAN, ESQ.

SENIOR VICE PRESIDENT GENERAL COUNSEL AND SECRETARY

MILLENNIUM CHEMICALS INC.

20 WIGHT AVENUE, SUITE 100

HUNT VALLEY, MARYLAND 21030

(410) 229-4400

(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPY TO:

STEPHEN H. COOPER, ESQ.

WEIL, GOTSHAL & MANGES LLP

767 FIFTH AVENUE

NEW YORK, NEW YORK 10153

(212) 310-8000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED EXCHANGE OFFER: As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

THE CO-REGISTRANTS HEREBY AMEND THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE CO-REGISTRANTS SHALL FILE A FURTHER AMENDMENT WHICH SHALL SPECIFICALLY STATE THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933, AS AMENDED, OR UNTIL THE

REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

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THE INFORMATION IN THIS PRELIMINARY PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SEC IS EFFECTIVE. THIS PRELIMINARY PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

(SUBJECT TO COMPLETION, DATED DECEMBER 15, 2003)

PROSPECTUS

[MILLENNIUM LOGO]

MILLENNIUM AMERICA INC.

$100,000,000

OFFER TO EXCHANGE ALL OUTSTANDING

UNREGISTERED 9 1/4% SENIOR NOTES DUE 2008

FOR

9 1/4% SENIOR NOTES DUE 2008

WHICH HAVE BEEN REGISTERED UNDER THE

SECURITIES ACT OF 1933

We are offering to exchange all of our outstanding unregistered 9 1/4% Senior Notes due 2008 for new notes with substantially identical terms which have been registered under the Securities Act of 1933, as amended, and will not bear any legend restricting their transfer. The exchange notes offered hereby will represent the same debt as the outstanding unregistered notes, will be fully and unconditionally guaranteed by our parent Millennium Chemicals Inc., and will be issued under the same indenture as the outstanding unregistered notes.

In this prospectus, the exchange notes offered hereby will be called exchange notes, unless otherwise indicated.

The principal features of the exchange offer are as follows:

Expires 5:00 p.m., New York City time, on , 2003, unless extended.

We will exchange all outstanding unregistered notes that are validly tendered and not validly withdrawn prior to the expiration date of the exchange offer.

You may withdraw tendered outstanding unregistered notes at any time prior to the expiration of the exchange offer.

The exchange of outstanding unregistered notes for exchange notes offered hereby pursuant to the exchange offer will be a tax-free event for United States federal income tax purposes.

We will not receive any proceeds from the exchange offer.

We do not intend to apply for listing of the exchange notes on any securities exchange or automated quotation system.

The exchange notes will bear the same CUSIP number, and will be interchangeable with, our outstanding registered 9 1/4% Senior Notes due 2008.

INVESTING IN THE EXCHANGE NOTES INVOLVES RISKS THAT ARE DESCRIBED IN THE RISK FACTORS SECTION BEGINNING ON PAGE 11 OF THIS PROSPECTUS.

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

THE DATE OF THIS PROSPECTUS IS , 2003.

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This prospectus incorporates important business and financial information about Millennium Chemicals and Millennium America that is not included or delivered with this prospectus. This information is available without charge to you upon written or oral request. Requests should be made to: Millennium Chemicals Inc., 20 Wight Avenue, Suite 100, Hunt Valley, Maryland, 21030, telephone: (410) 229-4400, Attention: Corporate Secretary.

TO OBTAIN TIMELY DELIVERY OF THOSE MATERIALS, YOU MUST REQUEST THE INFORMATION NO LATER THAN , 2003, WHICH IS FIVE BUSINESS DAYS BEFORE THE EXPIRATION DATE OF THE EXCHANGE OFFER.

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SUMMARY

This section highlights some of the information contained or incorporated by reference in this prospectus. Because this is only a summary, it may not include all the information that is important to you. To understand this exchange offer, you should read the entire prospectus, especially Risk Factors, and the documents incorporated by reference before making a decision. Unless the context requires otherwise, in this prospectus the terms we, us and our refer to Millennium America together with its consolidated subsidiaries, and the term Millennium Chemicals refers to Millennium Chemicals Inc., the indirect parent of Millennium America and the guarantor of the outstanding registered and unregistered notes and the exchange notes offered hereby, and its consolidated subsidiaries.

MILLENNIUM CHEMICALS INC.

Millennium Chemicals is a major international chemical company, with leading market positions in a broad range of commodity, industrial, performance and specialty chemicals.

Millennium Chemicals has three business segments: Titanium Dioxide and Related Products; Acetyls; and Specialty Chemicals. Millennium Chemicals also owns a 29.5% interest in Equistar Chemicals, LP, a joint venture owned by Millennium Chemicals and Lyondell Chemical Company. Millennium Chemicals accounts for its interest in Equistar as an equity investment.

Millennium Chemicals has leading market positions in the United States and the world:

- Through Millennium Chemicals Titanium Dioxide and Related Products business segment, it is the second-largest producer of titanium dioxide, or TiO_2, in the world, with manufacturing facilities in the United States, the United Kingdom, France, Brazil and Australia. It is also the largest merchant seller of titanium tetrachloride, or $TiCl_4$, in North America and Europe and a producer of zirconia, silica gel and cadmium-based pigments;

- Through Millennium Chemicals Acetyls business segment, it is the second-largest producer of vinyl acetate monomer, or VAM, and acetic acid in North America and, through our 85% interest in La Porte Methanol Company LP (La Porte Methanol Company), a partner in a U.S. producer of methanol;

- Through Millennium Chemicals Specialty Chemicals business segment, it is a leading producer of terpene-based fragrance and flavor chemicals; and

- Through Millennium Chemicals 29.5% interest in Equistar, it is a partner in the second-largest producer of ethylene and the third-largest producer of polyethylene in North America, and a leading producer of performance polymers, oxygenated chemicals, aromatics and specialty petrochemicals.

References to Millennium Chemicals and Equistar s market positions, with the exception of Millennium Chemicals market position in the Specialty Chemicals business segment, are based on estimates of their respective production capacities, as compared to the production capacities of other industry participants. The reference to Millennium Chemicals market position with respect to the Specialty Chemicals business segment is based on sales volumes of the Specialty Chemicals business segment, as compared to the estimated sales volumes of its competitors.

Estimates of the production capacities of Millennium Chemicals and Equistar are based upon engineering assessments by Millennium Chemicals and Equistar, respectively, and estimates of the production capacities (and sales volumes) of other industry participants are based on publicly available information from a variety of industry sources. Actual production may vary depending on a number of factors including feedstocks, product mix, unscheduled maintenance and demand.

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Millennium Chemicals common stock trades on the New York Stock Exchange under the ticker symbol MCH.

Millennium Chemicals is incorporated in Delaware, the address of its principal executive offices is 20 Wight Avenue, Suite 100, Hunt Valley, Maryland 21030 and its telephone number at that address is (410) 229-4400.

MILLENNIUM AMERICA INC.

We are an indirect wholly owned subsidiary of Millennium Chemicals. We are a holding company for all of Millennium Chemicals operating subsidiaries other than its operations in the United Kingdom, France, Brazil and Australia. We are the issuer of the 7% Senior Notes due November 15, 2006, the 7.625% Senior Debentures due November 15, 2026 and the outstanding registered and unregistered 9 1/4% Senior Notes due 2008 and the principal borrower under Millennium Chemicals bank credit agreement. All of our public indebtedness is fully and unconditionally guaranteed by Millennium Chemicals.

We are incorporated in Delaware, and the address of our principal executive offices is 20 Wight Avenue, Suite 100, Hunt Valley, Maryland 21030. Our telephone number at that address is (410) 229-4400.

Broker-dealers receiving exchange notes for their own accounts in the exchange offer must deliver a prospectus in any resale of the exchange notes. By delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with the resales of exchange notes received in exchange for outstanding unregistered notes where such outstanding unregistered notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. Millennium America has agreed that, for a period of 180 days after the expiration date, it will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

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THE OFFERING

We previously issued $375,000,000 aggregate principal amount of 9 1/4% Senior Notes due 2008. On April 25, 2003, we completed the offering of an additional $100 million aggregate principal amount of 9 1/4% Senior Notes due 2008 under the same indenture in a transaction that was exempt from registration under the Securities Act. We used the gross proceeds of $109 million from the April 2003 note offering to repay $85 million of outstanding indebtedness under the revolving credit facility of our bank credit agreement and have allocated the balance for general corporate purposes. The following is a brief summary of the April 2003 offering.

Outstanding unregistered notes	We sold the outstanding unregistered notes to J.P. Morgan Securities Inc., Banc of America Securities LLC, BNP Paribas Securities Corp., Credit Lyonnais Securities (USA) Inc., Daiwa Securities SMBC Europe Limited and SG Cowen Securities Corporation, the initial purchasers, on April 25, 2003. The initial purchasers subsequently resold those notes to qualified institutional buyers pursuant to Rule 144A under the Securities Act and to non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act.
Registration rights agreement	In connection with the issuance of the outstanding unregistered notes, we and Millennium Chemicals entered into a registration rights agreement with the initial purchasers of those notes. Under the terms of that agreement we agreed to: file with the SEC on or before July 24, 2003 a registration statement for the exchange offer and the exchange notes; use our reasonable efforts to cause that registration statement to become effective under the Securities Act on or before October 22, 2003 a registration statement for the exchange offer and the exchange notes; and complete the exchange offer on or before November 21, 2003.

Because the exchange offer has not yet been completed, we are currently paying liquidated damages to the holders of the outstanding unregistered notes, and will do so until the completion of the exchange offer. We have also agreed to keep the registration statement for the exchange offer effective for at least 30 days (or longer, if required by applicable law) after the date for which notice of the exchange offer is mailed to holders of notes. The exchange offer is being made pursuant to the registration rights agreement and is intended to satisfy the rights granted under the registration rights agreement, which rights terminate upon completion of the exchange offer.

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THE EXCHANGE OFFER

The following is a brief summary of the terms of the exchange offer. For a more complete description of the exchange offer, see The Exchange Offer in this prospectus.

Securities offered	$100,000,000 aggregate principal amount of 9 1/4% Senior Notes due 2008.
Exchange offer	We are offering to exchange $1,000 principal amount of our 9 1/4% Senior Notes due 2008, which have been registered under the Securities Act, for each $1,000 principal amount of our currently outstanding unregistered 9 1/4% Senior Notes due 2008. We will accept any and all outstanding unregistered notes validly tendered and not withdrawn prior to 5:00 p.m., New York City time on , 2003. Holders may tender some or all of their unregistered notes pursuant to the exchange offer. However, unregistered notes may be tendered only in integral multiples of $1,000. The form and terms of the exchange notes are the same as the form and terms of the unregistered notes except that: • the exchange notes have been registered under the Securities Act and will not bear any legend restricting their transfer; • the exchange notes bear a different CUSIP number from the unregistered notes; and • the holders of the exchange notes will not be entitled to certain rights under the registration rights agreement, including the provisions for liquidated damages on the outstanding unregistered notes in some circumstances relating to the timing of the exchange offer.
Transferability of exchange notes	We believe, based on an interpretation by the staff of the SEC outlined in a series of no-action letters issued to third parties, that you will be able to freely transfer the exchange notes without registration or any prospectus delivery requirement so long as you may accurately make the representations listed under The Exchange Offer Transferability of Exchange Notes. If you are a broker-dealer that acquired outstanding unregistered notes as a result of market-making or other trading activities, you must deliver a prospectus in connection with any resale of the exchange notes. See Plan of Distribution.
Expiration date	The exchange offer will expire at 5:00 p.m., New York City time, on , 2003, unless we, in our sole discretion, extend the exchange offer.
Conditions to the exchange offer	Notwithstanding any other term of the exchange offer, we shall not be required to accept for exchange, or exchange any exchange notes for, any outstanding unregistered notes, and may terminate or amend the

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exchange offer as provided in this prospectus before the acceptance of outstanding unregistered notes, if certain events occur, including the following:

- the exchange notes to be received will not be tradable by the holder without restrictions under the Securities Act or the Exchange Act and without material restrictions under the blue sky or securities laws of substantially all of the states of the United States;
- any action or proceeding is instituted or threatened in any court or by or before any governmental agency with respect to the exchange offer which, in our sole judgment, might materially impair our ability to proceed with the exchange offer or materially impair the contemplated benefits of the exchange offer to us;
- any law, statute, rule, regulation or interpretation by the staff of the SEC is proposed, adopted or enacted, which, in our sole judgment, might impair our ability to proceed with the exchange offer or impair the contemplated benefits of the exchange offer to us; or
- any governmental approval has not been obtained, which we believe, in our sole discretion, is necessary for the consummation of the exchange offer as outlined in this prospectus.

Procedures for tendering outstanding unregistered notes	If you wish to accept the exchange offer, you must complete, sign and date the letter of transmittal, or a facsimile of the letter of transmittal, in accordance with the instructions contained in this prospectus and in the letter of transmittal. You should then mail or otherwise deliver the letter of transmittal, or facsimile, together with your unregistered notes to be exchanged and any other required documentation, to the exchange agent at the address set forth in this prospectus and in the letter of transmittal.

By executing the letter of transmittal, you will represent to us that, among other things:

- you, or the person or entity receiving the exchange notes issued in exchange for your unregistered notes, will be acquiring the exchange notes in the ordinary course of business;
- neither you nor any person or entity receiving the exchange notes issued in exchange for your unregistered notes is engaging in or intends to engage in a distribution of the exchange notes within the meaning of the Securities Act;
- neither you nor any person or entity receiving the exchange notes issued in exchange for your unregistered notes has an arrangement or understanding with any person or entity to participate in any distribution of the exchange notes;

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	neither you nor any person or entity receiving the exchange notes issued in exchange for your unregistered notes is an affiliate of Millennium Chemicals or Millennium America, as that term is defined under Rule 405 of the Securities Act; and you are not acting on behalf of any person or entity who could not truthfully make these statements.
Effect of not tendering	Any outstanding unregistered notes that are not tendered or that are tendered but not accepted will remain subject to the restrictions on transfer. Since the outstanding unregistered notes have not been registered under the Securities Act, they bear a legend restricting their transfer absent registration or the availability of a specific exemption from registration. Upon the completion of the exchange offer, we will have no further obligations, except under limited circumstances, to provide for registration of the outstanding unregistered notes under the Securities Act.
Interest on the exchange notes and the outstanding unregistered notes	The exchange notes will bear interest from the most recent interest payment date to which interest has been paid on the tendered outstanding unregistered notes. Interest on the outstanding unregistered notes accepted for exchange will cease to accrue upon the issuance of the exchange notes.
Withdrawal rights	Tenders of outstanding unregistered notes may be withdrawn at any time prior to 5:00 p.m., New York City time, on the expiration date.
Federal tax consequences	There will be no federal income tax consequences to you if you exchange your outstanding unregistered notes for exchange notes in the exchange offer.
Regulatory Approvals	Other than the federal securities laws, there are no federal or state regulatory requirements that we must comply with and there are no approvals that we must obtain in connection with the exchange offer.
Exchange agent	The Bank of New York, the trustee under the indenture, is serving as exchange agent in connection with the exchange offer.

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TERMS OF THE EXCHANGE NOTES

The following is a brief summary of the terms of the exchange notes offered hereby. The financial terms and covenants of the exchange notes are the same as the terms of the outstanding 9 1/4% Senior Notes due 2008, including the outstanding unregistered notes. The exchange notes will bear the same CUSIP number as outstanding registered notes and are to be interchangeable with those registered notes. For a more complete description of the terms of the exchange notes, see Description of Exchange Notes in this prospectus.

Issuer	Millennium America Inc.
Notes offered	$100,000,000 in aggregate principal amount of 9 1/4% Senior Notes due 2008.
Maturity date	June 15, 2008.
Interest payment dates	Payment frequency: every six months on June 15 and December 15.
First interest payment date	June 15, 2004.
Optional redemption	We may redeem some or all of the exchange notes at any time at the make-whole redemption price described in the section entitled Description of the Exchange Notes Optional Redemption. In addition, at any time and from time to time prior to June 15, 2004, we may redeem up to 35% of the principal amount of the 9 1/4% Senior Notes due 2008 (calculated after giving effect to any issuance of notes on or subsequent to June 18, 2001) with the net cash proceeds of certain equity offerings at a redemption price equal to 109.25% of the principal amount thereof, plus accrued and unpaid interest and liquidated damages thereon, if any, to the redemption date so long as, after giving effect to any such redemption, (1) at least 65% of the principal amount of the 9 1/4% Senior Notes due 2008 (calculated after giving effect to any issuance of notes on or subsequent to June 18, 2001) remains outstanding and (2) any such redemption by us is made within 60 days of such equity offering. We may also redeem all but not part of the exchange notes if there are specified changes in tax law at a redemption price equal to 100% of the principal amount of the exchange notes plus accrued and unpaid interest and liquidated damages thereon, if any, to the date of redemption.
Sinking fund	None.
Change of control	Upon the occurrence of a change of control, you will have the right to require us to repurchase all or a portion of your exchange notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest and liquidated damages thereon, if any, to the date of repurchase.

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Note guarantee	The exchange notes will be irrevocably fully and unconditionally guaranteed (the note guarantee) on an unsecured senior basis by Millennium Chemicals. The exchange notes will not be guaranteed by any of Millennium Chemicals subsidiaries. As of September 30, 2003, these subsidiaries (other than Millennium America) had approximately $199 million of trade payables and $22 million of total indebtedness outstanding (exclusive of unused commitments and $5 million of undrawn outstanding standby letters of credit) and held approximately 99% of Millennium Chemicals consolidated assets. For the nine months ended September 30, 2003 and the year ended December 31, 2002, these subsidiaries generated approximately 100% of Millennium Chemicals consolidated net sales.
Security and ranking	The exchange notes:

- will be general unsecured, senior obligations of Millennium America;
- will rank equally in right of payment with all existing and future senior indebtedness of Millennium America;
- will be senior in right of payment to all future subordinated obligations of Millennium America;
- will be effectively subordinated to any secured indebtedness of Millennium America and its subsidiaries to the extent of the value of the assets securing such indebtedness; and
- will be effectively subordinated to all liabilities (including trade payables) and preferred stock of each subsidiary of Millennium America.

The note guarantee of Millennium Chemicals:

- will be a general unsecured, senior obligation of Millennium Chemicals;
- will rank equally in right of payment with all existing and future senior indebtedness of Millennium Chemicals;
- will be senior in right of payment to all future subordinated obligations of Millennium Chemicals;
- will be effectively subordinated to any secured indebtedness of Millennium Chemicals and its subsidiaries to the extent of the value of the assets securing such indebtedness; and
- will be effectively subordinated to all liabilities (including trade payables) and preferred stock of each subsidiary of Millennium Chemicals (other than

Millennium America).

As of September 30, 2003:

Millennium America, excluding its consolidated subsidiaries, had approximately $1,341 million of senior indebtedness

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	(including the outstanding unregistered notes), of which $94 million was secured indebtedness under the bank credit agreement (exclusive of unused commitments under the bank credit agreement, and $18 million of undrawn outstanding standby letters of credit);
	Millennium Chemicals, excluding its consolidated subsidiaries, had approximately $1,247 million of senior indebtedness, consisting of the note guarantee and its guarantee of Millennium America s other notes and debentures, none of which was secured indebtedness (in each case, exclusive of guarantees of indebtedness under the bank credit agreement and $1 million of undrawn outstanding standby letters of credit);
	Millennium Chemicals and Millennium America had no subordinated obligations; and
	the subsidiaries of Millennium Chemicals (other than Millennium America) had $199 million of trade payables and $22 million of total indebtedness outstanding (exclusive of unused commitments and $5 million of undrawn outstanding standby letters of credit). In addition, since each of Millennium Chemicals and Millennium America conducts all of its operations through its subsidiaries, the subsidiaries of Millennium Chemicals (other than Millennium America) have substantial operating liabilities.
Certain covenants	The indenture, among other things, restricts Millennium Chemicals , Millennium America s and the other restricted subsidiaries ability to:
	incur additional debt;
	issue redeemable stock and preferred stock;
	pay dividends or make distributions;
	repurchase capital stock;
	make other restricted payments including, without limitation, investments;
	create liens;
	redeem debt that is junior in right of payment to the notes;
	sell or otherwise dispose of assets, including capital stock of subsidiaries;

enter into arrangements that restrict dividends from subsidiaries;

enter into mergers or consolidations;

enter into transactions with affiliates; and

enter into sale/leaseback transactions.

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These covenants will be subject to a number of important exceptions and qualifications. In addition, if we achieve certain debt ratings from Standard & Poor s and Moody s Investors Service and meet certain other requirements, certain of these covenants will no longer apply.

No assurance of liquid market for the exchange notes	Although the exchange notes will trade with the currently outstanding registered 9 1/4% Senior Notes due 2008, there can be no assurance as to the liquidity of any market for those notes. The initial purchasers of the outstanding unregistered notes currently make a market in the outstanding registered notes. However, they are not obligated to do so, and may discontinue any market making with respect to those notes at any time without notice. We do not intend to apply for listing of the exchange notes on any securities exchange or to arrange for any quotation system to quote them.
Tax consequences	The ownership and disposition of the exchange notes have certain U.S. Federal tax consequences. For more details, see Certain Income Tax Considerations.
Accounting Treatment	The exchange notes will be recorded at the same carrying value as the outstanding unregistered notes. The carrying value is the aggregate gross proceeds received from the sale of the unregistered notes as reflected in our accounting records on the date of exchange. Accordingly, we will recognize no gain or loss for accounting purposes. The expenses of the exchange offer will be expensed over the term of the exchange notes.

RISK FACTORS

You should consider carefully all of the information contained in or incorporated by reference into this prospectus and, in particular, should evaluate the specific factors under Risk Factors beginning on page 11 before determining whether to participate in the exchange offer.

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RISK FACTORS

You should carefully consider the following factors, together with the other information included or incorporated by reference in this prospectus, before determining whether to participate in the exchange offer. These factors, other than the first factor, are generally applicable to the outstanding unregistered notes as well as the exchange notes.

RISKS RELATING TO THE EXCHANGE NOTES

If You Fail To Exchange Your Outstanding Unregistered Notes For Exchange Notes In The Exchange Offer, Your Outstanding Unregistered Notes Will Continue To Be Subject To Transfer Restrictions And May Have Reduced Liquidity.

In the event the exchange offer is completed, holders of outstanding unregistered notes which have not been exchanged who seek liquidity in their investment would have to rely on exemptions to the registration requirements under the securities laws, including the Securities Act, since the outstanding unregistered notes will continue to be subject to restrictions on transfer. Consequently, holders of outstanding unregistered notes who do not participate in the exchange offer could experience significant diminution in the value of their outstanding unregistered notes, compared to the value of the exchange notes. Following the exchange offer, none of the exchange notes will be entitled to the contingent liquidated damages provided for in the event of a failure to complete the exchange offer in accordance with the terms of the registration rights agreement. In addition, we do not intend to register resales of the outstanding unregistered notes under the Securities Act, except as required by the registration rights agreement.

Our Substantial Indebtedness Causes Us To Have Significant Debt Service Obligations, Which Reduces Our Cash Flow Available To Fund Operations.

Millennium Chemicals and its consolidated subsidiaries have substantial indebtedness and, as a result, significant debt service obligations. As of September 30, 2003, their total indebtedness outstanding aggregated approximately $1,363 million (excluding unused commitments and $24 million of outstanding undrawn standby letters of credit), representing approximately 104% of their total capitalization. For the nine months ended September 30, 2003, on a pro forma basis to give effect for the entire period to the issuance of $100 million aggregate principal amount of the outstanding unregistered notes in April 2003 and the use of the gross proceeds thereof to repay $85 million of outstanding indebtedness under the revolving credit facility under our bank credit agreement, Millennium Chemicals and its consolidated subsidiaries interest expense would have been $75 million and we would have had insufficient earnings to cover fixed charges during that period. In addition, Millennium Chemicals debt instruments permit Millennium Chemicals and its consolidated subsidiaries to incur or guarantee certain additional indebtedness, subject to certain limitations. Our debt service obligations reduce our cash flow available to fund our operations and future business requirements.

Our Substantial Indebtedness Could Adversely Affect Our Ability To Operate Our Business And Limit Our Ability To Obtain Additional Financing.

The degree of our leverage could have significant consequences to holders of exchange notes, including:

limiting our ability to obtain additional financing on satisfactory terms to fund our business and operations;

increasing our vulnerability to general economic downturns and adverse competitive and industry conditions, which could place us at a competitive disadvantage;

reducing the availability of our cash flow to fund our business operations because we will be required to use a substantial portion of our cash flow to service our debt obligations;

limiting our flexibility in planning for, or reacting to, changes in our business and the chemical industry; and

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reducing our credit rating with various credit rating agencies which could trigger default provisions under agreements that contain debt trigger provisions, limit our ability to access capital, add to the cost of obtaining capital and cause concern among our suppliers resulting in requests from suppliers for credit enhancements such as shorter credit terms, funds on deposit or letters of credit, any of which could reduce our ability to borrow additional amounts under our debt instruments and increase costs.

Servicing Our Debt Obligations Requires A Significant Amount Of Cash, And Our Ability To Generate Cash Depends On Many Factors Beyond Our Control.

Our ability to satisfy our debt service obligations will depend, among other things, upon our future operating performance, the future operating performance of Equistar and our ability to refinance indebtedness when necessary. Each of these factors is to a large extent dependent on economic, financial, competitive and other factors beyond our control. The amount of cash distributions we receive from Equistar will be affected by its results of operations and cash flow and by the agreements under which it operates. We did not receive any cash distributions from Equistar during 2001, 2002 or the first nine months of 2003, and we do not expect to receive any distributions during the next 12 months. If, in the future, we cannot generate sufficient cash from our operations and from Equistar to meet our debt service obligations, we may need to reduce or delay capital expenditures or curtail research and development efforts. In addition, we may need to refinance our debt, obtain additional financing or sell assets, which we may not be able to do on commercially reasonable terms, if at all. We cannot assure you that our business or that of Equistar will generate sufficient cash flow, or that we will be able to obtain funding, sufficient to satisfy our debt service obligations.

Restrictions Imposed By Our Debt Instruments May Limit Our Ability To Finance Future Operations Or Capital Needs Or Engage In Other Business Activities That May Be In Our Interest. Our Failure To Comply With These Restrictions Could Lead To An Acceleration Of Our Indebtedness.

Our debt instruments contain numerous financial and operating covenants that, among other things, limit Millennium Chemicals and its subsidiaries ability to (1) incur additional indebtedness, (2) repurchase or redeem capital stock, (3) create liens or other encumbrances, (4) redeem debt that is junior in right of payment to the notes, (5) make certain payments and investments, including dividend payments, (6) enter into sale/leaseback transactions, (7) sell or otherwise dispose of assets, (8) merge or consolidate with other entities or (9) engage in certain transactions with subsidiaries and affiliates and otherwise restrict corporate activities. Our bank credit agreement also requires us to meet certain financial ratios and tests. Agreements governing future indebtedness could also contain significant financial and operating restrictions. Our ability to comply with these restrictions may be affected by factors beyond our control. A failure to comply with the obligations contained in our bank credit agreement or our indentures could result in an event of default under our bank credit agreement or the indentures, which could permit acceleration of the related debt and acceleration of debt under other instruments that may contain cross-acceleration or cross-default provisions. We are not certain whether we would have, or be able to obtain, sufficient funds to make these accelerated payments. In that event, the lenders under our bank credit agreement could proceed against our assets that secure their debt.

Millennium America And Millennium Chemicals Are Holding Companies And Depend On The Receipt Of Dividends Or Other Payments From Their Subsidiaries To Pay The Principal Of And Interest On The Notes.

Each of Millennium America and Millennium Chemicals is a holding company, the primary asset of which is 100% of the outstanding capital stock of an intermediate holding company, which, in turn, is the direct or indirect parent of numerous subsidiaries. Millennium Chemicals will unconditionally guarantee the exchange notes on a senior unsecured basis. Each of Millennium America, in repaying its indebtedness with respect to the exchange notes, and Millennium Chemicals, in satisfying its obligations under its guarantee of the exchange notes, must rely on cash flows from its respective subsidiaries, including dividends or other payments. Millennium America has no ownership interest in a number of subsidiaries of Millennium Chemicals, including those that own the United Kingdom, French, Australian and Brazilian TiO_2 operations.

The ability of Millennium America s and Millennium Chemicals subsidiaries to make payments to Millennium America and Millennium Chemicals, respectively, is subject to, among other things, applicable state

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and foreign corporate laws and other laws and regulations. State corporate law applicable to Millennium America s principal subsidiaries generally prohibits the payment of dividends by any subsidiary unless the subsidiary has capital surplus or net profits in the current or immediately preceding year.

Although the indenture under which the exchange notes will be issued limits the ability of our subsidiaries to enter into consensual restrictions on their ability to pay dividends and make other payments, these limitations have a number of significant qualifications and exceptions. See Description of Exchange Notes Certain Covenants Limitation on Restrictions on Distributions from Restricted Subsidiaries.

Claims Of Creditors Of Subsidiaries Of Millennium Chemicals And Millennium America As Well As Creditors Of Equistar May Have Priority Over Claims Of Noteholders With Respect To The Assets And Earnings Of These Companies.

The holders of the exchange notes will have no direct claims against Millennium America s subsidiaries or Millennium Chemicals subsidiaries (other than Millennium America). Generally, creditors of subsidiaries of Millennium America and Millennium Chemicals will have claims to the assets and earnings of these subsidiaries that are superior to claims of creditors of Millennium America and Millennium Chemicals, respectively. Therefore, claims of holders of the indebtedness of Millennium America and Millennium Chemicals, including, with respect to Millennium America, the exchange notes and, with respect to Millennium Chemicals, the guarantee of the exchange notes, against the cash flow and assets of subsidiaries of Millennium America and Millennium Chemicals, respectively, will be effectively subordinated to claims of these subsidiaries creditors. As of September 30, 2003, subsidiaries of Millennium America had approximately $104 million of trade payables and no indebtedness outstanding (excluding unused commitments and $1 million of outstanding undrawn standby letters of credit) and subsidiaries of Millennium Chemicals (other than Millennium America) had approximately $199 million of trade payables and $22 million of total indebtedness outstanding (excluding unused commitments and $5 million of outstanding undrawn standby letters of credit). Since Millennium America and Millennium Chemicals conduct all of their operations through their subsidiaries, their subsidiaries (other than, with respect to Millennium Chemicals, Millennium America) also have substantial operating liabilities. In the event of Millennium America s or Millennium Chemicals dissolution, bankruptcy, liquidation or reorganization, the holders of the exchange notes may not receive any amounts with respect to the exchange notes until after payment in full of the claims of creditors of subsidiaries of Millennium America and Millennium Chemicals.

Claims of holders of the exchange notes against the cash flow and assets of Equistar and its subsidiaries will be effectively subordinated to claims of creditors of Equistar and its subsidiaries. As of September 30, 2003, Equistar and its subsidiaries had $451 million of accounts payable and $2,254 million of total indebtedness outstanding.

The Exchange Notes Will Not Be Secured By Any Of Our Assets. However, Our Bank Credit Agreement Is Secured And, Therefore, Our Bank Lenders Will Have A Prior Claim On Certain Of Our Assets.

The exchange notes will not be secured by any of our assets. However, our bank credit agreement is secured by (1) a pledge of 100% of the stock of Millennium Chemicals existing and future domestic subsidiaries, including Millennium America, and 65% of the stock of Millennium Chemicals existing and future first-tier foreign subsidiaries, in both cases other than subsidiaries that hold immaterial assets, (2) all the equity interests held by Millennium Chemicals subsidiaries in Equistar and La Porte Methanol Company (which pledge is limited to the right to receive distributions made by Equistar and La Porte Methanol Company, respectively), and (3) all present and future accounts receivable, intercompany indebtedness and inventory of Millennium America and its domestic subsidiaries other than subsidiaries that hold immaterial assets. If Millennium Chemicals becomes insolvent or is liquidated, or if payment under any of the instruments governing its secured debt is accelerated, the lenders under these instruments will be entitled to exercise the remedies available to a secured lender under applicable law and pursuant to instruments governing such debt. Accordingly, the lenders will have a prior claim on Millennium Chemicals assets. In that event, because the exchange notes will not be secured by any of Millennium Chemicals assets, it is possible that Millennium Chemicals remaining assets might be insufficient to satisfy your claims in full.

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We Could Enter Into Various Transactions, Such As Acquisitions, Refinancings, Recapitalizations Or Other Highly Leveraged Transactions, That Would Not Constitute A Change Of Control, But Would Nevertheless Increase The Amount Of Our Outstanding Debt, Or Adversely Affect Our Capital Structure Or Credit Ratings, Or Otherwise Adversely Affect Holders Of The Exchange Notes.

Under the terms of the notes, a variety of acquisition, refinancing, recapitalization or other highly leveraged transactions are not considered change of control transactions. As a result, we could enter into any such transaction without being required to make an offer to repurchase the notes even though the transaction could increase the total amount of our outstanding indebtedness, adversely affect our capital structure or credit ratings or otherwise adversely affect the holders of the exchange notes.

We May Not Have The Ability To Raise The Funds To Purchase The Exchange Notes Upon A Change Of Control As Required By The Indenture.

Upon the occurrence of certain change of control events, each holder of exchange notes may require us to repurchase all or a portion of its exchange notes at a purchase price equal to 101% of the principal amount thereof, plus accrued interest and liquidated damages. Our ability to repurchase the exchange notes upon a change of control will be limited by the terms of our other debt agreements. Upon a change of control, we may be required immediately to repay the outstanding principal, any accrued interest and any other amounts owed by us under our bank credit agreement. We cannot assure you that we would be able to repay amounts outstanding under our bank credit agreement or obtain necessary consents under such agreement to repurchase the exchange notes. Any requirement to offer to purchase any exchange notes may result in our having to refinance our outstanding indebtedness, which we may not be able to do. In addition, even if we were able to refinance such indebtedness, such financing may not be on terms favorable to us.

In The Event Of A Sale Of All Or Substantially All Of Our Assets, There May Be A Degree Of Uncertainty As To Whether A Change Of Control Has Occurred Which Will Give Rise To Our Repurchase Obligations Under The Indenture.

One of the events that would trigger a change of control is a sale of all or substantially all of our assets. Although there is a limited body of case law interpreting the phrase all or substantially all as used in the definition of change of control set forth in the indenture governing the notes, there is no precise established definition of the phrase under New York law (which is the governing law of the indenture). As a consequence, there may be a degree of uncertainty as to whether a change of control has occurred giving rise to the repurchase obligations under the indenture. It is possible, therefore, that there could be a disagreement between us and some or all holders of the notes over whether one or more specific asset sales would trigger a change of control offer. In addition, if the holders of the notes elected to exercise their rights under the indenture to require us to repurchase all or a portion of their notes and we elected to contest that election, there can be no assurance as to how a court interpreting New York law would interpret the phrase all or substantially all.

We Cannot Guarantee That An Active Trading Market Will Develop For The Exchange Notes Or That You Will Be Able To Sell Your Exchange Notes.

Although the exchange notes will trade with the currently outstanding registered 9 1/4 Senior Notes due 2008, there can be no assurance as to the liquidity of any market for those notes. The liquidity of any market for the notes will depend on the number of holders of the notes, our performance, the market for similar securities, the interest of securities dealers in making a market in the notes and other factors. Each initial purchaser of the outstanding unregistered notes currently makes a market in the outstanding registered notes. However, the initial purchasers are not obligated to do so, and any market making by the initial purchasers may be discontinued at any time without notice. We do not intend to apply for listing of the exchange notes on any securities exchange or for quotation through the National Association of Securities Dealers

Automated Quotation System.

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Under U.S. Federal And State Fraudulent Transfer Or Conveyance Statutes, A Court Could Void The Obligations Of Millennium America And Millennium Chemicals Or Take Other Actions Detrimental To Holders Of The Exchange Notes Offered Hereby.

Under U.S. federal or state fraudulent transfer or conveyance laws, a court could take actions detrimental to you if it found that, at the time the exchange notes offered hereby or the exchange note guarantee were issued:

(1) Millennium America or Millennium Chemicals issued the exchange notes or the exchange note guarantee with the intent of hindering, delaying or defrauding current or future creditors; or

(2) (a) Millennium America or Millennium Chemicals received less than fair consideration for incurring the debt represented by the exchange notes or the exchange note guarantee; and

(b) Millennium America or Millennium Chemicals:

- was insolvent or rendered insolvent by issuing the exchange notes or the exchange note guarantee;
- was engaged in a business or transaction for which the assets remaining with Millennium America or Millennium Chemicals would constitute unreasonably small capital; or
- incurred debt beyond Millennium America s or Millennium Chemicals ability to pay.

If a court made such a finding, it could:

- void all or part of Millennium America s or Millennium Chemicals obligations to the holders of the exchange notes and direct the repayment of any amounts thereunder to Millennium America s or Millennium Chemicals other creditors;
- subordinate Millennium America s or Millennium Chemicals obligations to the holders of the exchange notes to Millennium America s or Millennium Chemicals other debt; or
- take other actions detrimental to the holders of the exchange notes.

If this were to occur, we cannot assure you that Millennium America could pay amounts due on the exchange notes offered hereby.

We cannot predict what standard a court would apply to determine whether either Millennium America or Millennium Chemicals was insolvent as of the date Millennium America or Millennium Chemicals issued the exchange notes or the exchange note guarantee, or that regardless of the

method of valuation, a court would determine that Millennium America or Millennium Chemicals was insolvent on that date, or whether a court would determine that the payments constituted fraudulent transfers or conveyances on other grounds.

To the extent a court voids the exchange note guarantee as a fraudulent transfer or conveyance or holds it unenforceable for any other reason, holders of exchange notes offered hereby would cease to have any claim against Millennium Chemicals. If a court were to take this action, we cannot assure you that Millennium America s assets would be sufficient to satisfy the claims of the holders of exchange notes relating to any voided portions of the exchange note guarantee.

RISKS RELATING TO OUR BUSINESS

The Cyclicality And Volatility Of The Chemical Industry May Adversely Affect Our Income And Cash Flow Levels, And May Cause Fluctuations In Our Results Of Operations.

Our income and cash flow levels reflect the cyclical nature of the chemical industries in which we operate. Certain of these industries are mature and sensitive to cyclical supply and demand balances. In particular, the markets for ethylene and polyethylene, in which we participate through our interest in Equistar, are highly cyclical, resulting in volatile profits and cash flow over the business cycle. Further, the global markets for TiO_2, VAM, acetic acid and our specialty chemicals are cyclical, although to a lesser degree. The

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balance of supply and demand in the markets in which we and Equistar do business, as well as the level of inventories held by downstream customers, has a direct effect on the sales volumes and prices of our products as well as Equistar s. For example, if supply exceeds demand, producers are often pressured to maintain sales volumes with customers and, consequently, pressure to reduce prices may result. This is especially true in periods of economic decline or uncertainty, when demand may be limited and the economic conditions create caution on the part of customers to build inventory. Reaction by producers, including us and Equistar, is dependent on the particular circumstances in effect at the time, but could include meeting competitive price reductions, short-term curtailment of production, and longer-term temporary or permanent plant shutdowns. In contrast, we believe that, over a business cycle, the markets for specialty chemicals are generally more stable in terms of industry demand, selling prices and operating margins.

Demand for TiO_2 is influenced by changes in the gross domestic product of various regions of the world and has fluctuated from year to year. The industry is also sensitive to changes in its customers marketplaces, which are primarily the paint and coatings, plastics and paper industries. In recent history, consolidations and negative business conditions within certain of those industries have put pressure on TiO_2 prices as companies compete to keep volumes placed.

Demand for ethylene, its derivatives and acetyls has fluctuated from year to year. These industry segments are particularly sensitive to capacity additions. Producers have historically experienced alternating periods of inadequate capacity, resulting in increased selling prices and operating margins, followed by periods of large capacity additions, resulting in declining capacity utilization rates, selling prices and operating margins. Profitability is further influenced by fluctuations in the price of feedstocks for ethylene, which generally follow price trends for crude oil or natural gas.

Currently, there is overcapacity in the petrochemical and polymer industries, as a number of Equistar s competitors in various segments of the petrochemical and polymer industries have added capacity. There can be no assurance that future growth in product demand will be sufficient to utilize current or any additional capacity. Excess petrochemical and polymer industry capacity has depressed, and may continue to depress, Equistar s volumes and margins. For example, in 2002, U.S. ethylene demand was estimated to be 2.8% higher than for 2001. Nonetheless, the 2002 demand growth was insufficient to absorb excess worldwide ethylene industry capacity and to fully offset the effects of a contraction in U.S. ethylene demand in 2001 compared to 2000. The global economic and political environment continues to be uncertain, contributing to low petrochemical and polymer industry operating rates, adding to the volatility of raw material and energy costs, and forestalling the industry s recovery from trough conditions, all of which is placing, and may continue to place, pressure on Equistar s results of operations. As a result of excess petrochemical and polymer industry capacity and weak demand for products, as well as rising energy costs and raw material prices, Equistar s operating income has declined and may remain volatile.

Different facilities may have differing operating rates from period-to-period depending on supply and demand for the product produced at the facility during that period, which may be affected by many factors, such as energy costs, feedstock costs and transportation costs. As a result, individual facilities may be operated below or above rated capacities, may be idled or may be shut down and restarted in any period. It is possible that lower demand in the future will cause us to reduce operating rates.

Our Business And Equistar s Business Are Subject To Material Fluctuations Due To External Factors Which May Negatively Affect Our And Equistar s Financial Condition And Results Of Operations.

External factors beyond our control, such as general economic conditions, weather, competitor actions, international events and governmental regulation in the United States and abroad, can cause fluctuations in demand for our products, fluctuations in prices and margins and volatility in the price of raw materials that we purchase. In particular, demand within the primary end-markets for our and Equistar s products is generally a function of regional economic conditions in geographic areas in which sales are generated. In addition, our business depends on the free flow of products and services through the channels of commerce. In response to terrorist activities and threats aimed at the United States, transportation,

mail, financial and other services have been slowed. Further delays or stoppages in transportation, mail, financial and other services could have a

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material adverse effect on our business, results of operations and financial condition. Furthermore, we may experience an increase in operating costs, such as costs for transportation, insurance and security as a result of these activities and threats. To the extent the U.S. economy is adversely affected by terrorist activities and potential activities, and other international issues such as SARS and its impact on the international business environment, any economic downturn could adversely impact our results of operations, impair our ability to raise capital or otherwise adversely affect our business. These external factors can magnify the impact of industry cycles. For example, third quarter 2003 TiO_2 sales volume was lower than third quarter 2002 sales volume, as uncertain economic conditions and unscheduled operating disruptions resulting from the European heat wave, the power blackout in the Northeast region of the U.S. and Hurricane Isabel impacted our business. As a result, our income and cash flow are subject to material fluctuations. Any cash distributions we may expect to receive from Equistar may be affected by the same or similar external factors.

Our Participation In The Equistar Joint Venture Exposes Us To Risks Of Shared Control And Future Capital Commitments Which, Among Other Things, May Adversely Affect Equistar s Business Or Our Results Of Operations.

We rely, in part, on cash distributions from Equistar. We did not receive any cash distributions from Equistar during 2001, 2002, or the first nine months of 2003 and we do not expect to receive any distributions in the next 12 months. Our cash flow could be adversely affected by actions taken by Equistar or Lyondell, our partner in Equistar, or by conditions that affect Equistar or its business. In particular, if Lyondell does not fulfill its obligations under the Equistar partnership agreement, Equistar may not be able to operate according to its business plan. If this were to occur, our results of operations could be adversely affected. In addition, although unanimous consent of both us and Lyondell is required for aggregate partner contributions not contemplated by an approved strategic plan that exceed $100 million in any given year or $300 million in a five-year period, we may be required, without our consent, to contribute amounts up to our pro rata portion of such amounts or an unlimited amount to allow Equistar to achieve or maintain compliance with certain health, safety and environmental laws. If we fail to contribute these amounts, we may have to sell our interest in Equistar to Lyondell at a price or on terms which may be unfavorable to us.

Rising Costs Of Energy And Other Raw Materials May Result In Increased Operating Expenses And Reduced Results Of Operations.

We and Equistar purchase large amounts of raw materials for our respective businesses. The cost of these materials, in the aggregate, represents a substantial portion of our operating expenses. The prices and availability of these raw materials vary with market conditions and may be highly volatile. In addition, we and Equistar use large amounts of energy in our respective operations. The benchmark prices of crude oil and natural gas have on average been significantly higher in the first nine months of 2003 than in the first nine months of 2002, reflecting rapid increases in early 2003. As these costs rise, operating expenses will likely increase and could have a particularly negative impact on Equistar and our Acetyls business segment. From time to time, we and Equistar may enter into transactions to manage the volatility of such costs, but we cannot assure you that these actions will have a favorable impact on our results of operations nor can we assure you that we will continue to enter into such transactions in the future. Energy costs remain volatile.

There have been in the past, and will likely be in the future, periods of time when we are unable to pass raw material price increases on to our customers in whole or in part. Customer consolidation in our TiO_2 business has made it more difficult to pass costs along to customers, so that increased raw material prices may negatively affect our operating margins.

In our Titanium Dioxide and Related Products business segment, titanium-bearing ores are our primary raw materials, but we also purchase large quantities of chlorine, sulfuric acid, caustic soda, petroleum products and metallurgical coke, aluminum, sodium silicate, oxygen and nitrogen. In our Acetyls business segment, our primary raw materials are natural gas, carbon monoxide, methanol and ethylene, and in our Specialty Chemicals business segment, our primary raw materials are crude sulfate turpentine, or CST, and gum turpentine or their derivatives. In addition, Equistar purchases petroleum liquids, including naptha, condensates and gas oils and natural gas liquids, including ethane, propane and butane.

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We use natural gas as a feedstock and as a source of energy. Fluctuations in the price of natural gas affect our operating expenses which, in turn, affect our results of operations. Our Acetyls business segment has the largest exposure to natural gas costs. Our Titanium Dioxide and Related Products and Specialty Chemicals business segments are impacted to a lesser extent.

The costs of raw materials and energy used in Equistar s business represent a substantial portion of Equistar s operating expenses. These costs generally follow the prices for natural gas and crude oil. Due to the commodity nature of most of Equistar s products, Equistar is generally not able to protect its market position by product differentiation and may not be able to pass on all cost increases to its customers. Accordingly, increases in raw material and other costs may not necessarily correlate with changes in product prices, either in the direction of the price change or in magnitude. As a result, changes in the prices of commodities and raw materials and other costs will affect Equistar s income and cash flow which will, in turn, affect our financial condition and results of operations.

In addition, higher natural gas prices adversely affect the international competitiveness of many U.S. chemical producers since they are more reliant on natural gas and natural gas liquids as an energy source and as a raw material. This not only adversely impacts Equistar s exports but also increases the availability of chemicals in North America, resulting in excess supply and lower prices. The price of natural gas produced on the U.S. gulf coast has increased substantially over the past few years. As long as prices remain high, U.S. users of natural gas will remain less competitive with users of lower priced natural gas produced in other regions of the world.

We Have A Limited Number Of Suppliers For Some Of Our Raw Materials, And If One Of These Suppliers Were Unable To Meet Its Obligations, We Could Incur Supply Shortages Or Price Increases For Our Raw Materials.

Millennium Chemicals has a limited number of suppliers for some of its raw materials, and the number of sources for and availability of raw materials is specific to the particular geographic region in which a facility is located. In 2002, Millennium Chemicals and its consolidated subsidiaries purchased 76% of their titanium-bearing ores from two suppliers, Rio Tinto Iron & Titanium Inc. (through its affiliates Richards Bay Iron & Titanium (Proprietary) Limited and QIT-Fer et Titane Inc.) and Iluka Resources Limited under multiple year contractual commitments. In addition, they obtain chlorine and caustic soda exclusively from one supplier for their Australian operations under a long-term supply agreement. For their other TiO_2 manufacturing plants, there are multiple suppliers for these raw materials and they are generally purchased through short-term contracts. They also purchase all of their ethylene requirements from Equistar under a supply contract based on market prices. In addition, they purchase all of their carbon monoxide from Linde AG pursuant to a long-term contract based primarily on the cost of production. Each of the chloride TiO_2 manufacturing plants has long-term supply agreements for oxygen and nitrogen through either over the fence suppliers dedicated to the site or through a direct pipeline arrangement. Each of these contracts is an exclusive supply contract. Accordingly, if one of these suppliers were unable to meet its obligations under present supply arrangements, we could suffer reduced supplies or be forced to incur increased prices for our raw materials.

Equistar purchases the majority of its natural gas and petroleum liquids requirements through contractual arrangements from a variety of third-party domestic and foreign sources, as well as on the spot market from third-party domestic and foreign sources.

Operating Problems In Our Or Equistar s Business Or Our Inability To Achieve Productivity Improvements, Cost Reductions And Working Capital Targets Without Adversely Affecting Reliability Or Employee Retention May Materially Adversely Affect Our Productivity And Profitability.

The occurrence of material operating problems at our or Equistar s facilities, including, but not limited to, the events described below, may have a material adverse effect on the productivity and profitability of a particular manufacturing facility, or on our or Equistar s operations as a whole,

during and after the period of

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such operational difficulties. Our income is dependent on the continued operation of our and Equistar s various production facilities and the ability to complete construction projects on schedule. Our and Equistar s manufacturing operations are subject to the usual hazards associated with chemical manufacturing and the related storage and transportation of raw materials, products and wastes, including pipeline leaks and ruptures, explosions, fires, inclement weather and natural disasters, mechanical failure, unscheduled downtime, labor difficulties, transportation interruptions and environmental hazards, such as chemical spills, discharges or releases of toxic or hazardous substances or gases, storage tank leaks and matters relating to remedial activities. These hazards can cause personal injury and loss of life, severe damage to or destruction of property and equipment and environmental contamination and other environmental damage, and may result in suspension of operations and the imposition of civil or criminal penalties. Furthermore, we and Equistar are also subject to present and future claims with respect to workplace exposure, workers compensation and other matters. Our attempts to achieve productivity improvements, cost reductions and working capital targets may adversely impact reliability and employee retention.

Because Millennium Chemicals Operations Are Conducted Worldwide, They Are Affected By Risks Of Doing Business Abroad, Including Currency Risk.

Millennium Chemicals and its consolidated subsidiaries generate revenue from export sales, or sales outside the United States by their domestic operations, as well as from their operations conducted outside the United States. They sell their products to more than 90 countries. Sales outside the United States by their domestic operations amounted to approximately 14% of total revenues in 2002. Revenue from non-United States operations amounted to approximately 45% of total revenues in 2002, principally reflecting the operations of the Titanium Dioxide and Related Products business segment in Europe, Brazil and Australia. Identifiable assets of the non-United States operations represented 36% of total identifiable assets at December 31, 2002, principally reflecting the assets of these operations. In addition, they obtain a portion of their principal raw materials from sources outside the United States. Ores used in the production of TiO_2 are obtained from suppliers in South Africa, Australia, Canada and the Ukraine, along with that from Millennium Chemicals own mining operations in Brazil, and a portion of their requirements of CST and gum turpentine and its derivatives is obtained from suppliers in South America, and in the past they have fulfilled a portion of these requirements from Indonesia and other Asian countries as well as Europe.

Millennium Chemicals international operations are subject to the risks of doing business abroad, including fluctuations in currency exchange rates, transportation delays and interruptions, political and economic instability and disruptions, restrictions on the transfer of funds, the imposition of duties and tariffs, import and export controls, changes in governmental policies, labor unrest and current and changing regulatory environments. These events could have an adverse effect on their international operations in the future by reducing the demand for their products, decreasing the prices at which they can sell their products or otherwise having an adverse effect on their business, financial condition or results of operations. We cannot assure you that they will continue to be found to be operating in compliance with applicable customs, currency exchange control regulations, transfer pricing regulations or any other laws or regulations to which they may be subject. We also cannot assure you that these laws will not be modified, the result of which may be to prevent our foreign subsidiaries from transferring sufficient cash to Millennium Chemicals to permit Millennium America to service and repay its debt.

The functional currency of each of Millennium Chemicals non-United States operations (principally, the operations of its Titanium Dioxide and Related Products business segment in the United Kingdom, France, Brazil and Australia) is the local currency. Exchange rates between these currencies and U.S. dollars in recent years have fluctuated significantly and may do so in the future. As a result of translating the functional currency financial statements of all foreign subsidiaries into United States dollars, consolidated shareholders deficit decreased approximately $27 million during 2002. However, consolidated shareholders equity decreased by approximately $19 million during 2001. Future events, which may significantly increase or decrease the risk of future movement in foreign currencies in which they conduct their business, cannot be predicted.

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In addition, Millennium Chemicals and its consolidated subsidiaries generate revenue from export sales and operations conducted outside the United States that may be denominated in currencies other than the relevant functional currency. Millennium Chemicals and its consolidated subsidiaries hedge certain revenues and costs to minimize the impact of changes in the exchange rates of those currencies compared to the respective functional currencies. They do not use derivative financial instruments for trading or speculative purposes. Net foreign currency transactions aggregated a gain of $6 million for the first nine months of 2003 and a gain of $2 million for the first nine months of 2002. It is possible that fluctuations in foreign exchange rates will have a negative effect on their results of operations.

We Sell Our Products In Mature And Highly Competitive Industries And Face Price Pressure In The Markets In Which We Operate.

The global markets in which our chemical businesses and the businesses of Equistar operate are highly competitive. Competition is based on a number of factors, such as price, product quality and service. Some of our competitors may be able to drive down prices for our products because they have costs that are lower than ours. In addition, some of our competitors may have greater financial, technological and other resources than ours, and may be better able to withstand changes in market conditions. Our competitors may be able to respond more quickly to new or emerging technologies and changes in customer requirements than we can. Further, consolidation of our competitors or customers in any of the industries in which we compete may have an adverse effect on us. The occurrence of any of these events could adversely affect our financial condition and results of operations.

We And Equistar Are Subject To Extensive Environmental Regulations And Environmental Liabilities That Could Require Us To Expend Material Amounts In Compliance, Remediation, Litigation And Settlement Costs And Judgments.

Both our operations and those of Equistar are subject to extensive requirements concerning the protection of the environment, including those governing discharges of pollutants in the air and water, the generation, management and disposal of hazardous substances and wastes and other materials and the remediation of contamination and contaminated sites. Those operations include chemical manufacturing plants and the distribution of chemical products and involve the handling and use of hazardous substances. We and Equistar could incur material liabilities, including clean-up costs, fines and civil and criminal sanctions and claims by third parties for property damage and personal injury, as a result of violations of or liabilities under environmental laws with respect to our operations and those of Equistar. In addition, potentially significant expenditures could be required in connection with any investigation and remediation of threatened or actual pollution, increases in production that trigger more stringent requirements under existing environmental laws or requirements under future environmental laws.

Equistar s principal executive offices and many of its plants are located in and around Houston, Texas. The eight-county Houston/Galveston region has been designated a severe non-attainment area for ozone by the United States Environmental Protection Agency, or EPA. In December 2000, the Texas Commission on Environmental Equality, or TCEQ, has submitted a plan to the EPA to demonstrate compliance with the ozone standard by the year 2007. Compliance with this plan will result in increased capital investment by Equistar, which could be between $200 million and $260 million before the 2007 deadline, as well as higher annual operating costs for Equistar and could potentially affect cash distributions from Equistar to us. In addition, under the partnership agreement relating to Equistar, Equistar can require unlimited capital contributions from each partner on a pro rata basis for certain environmental compliance costs, such as these. In December 2002, TCEQ proposed revisions to the above requirements which require the approval of the EPA, but which would decrease Equistar s capital costs for compliance with the plan to between $165 million and $200 million. Those revisions, however, also include new requirements that would result in additional costs, which are currently still being assessed by Equistar. In addition, the timing and amount of these expenditures are subject to regulatory and other uncertainties, as well as obtaining the necessary permits and approvals. At this time, we cannot estimate the ultimate capital or operating costs of implementing any final plan by the 2007 deadline.

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We and certain of our subsidiaries have been named as defendants, potentially responsible parties, or both, in a number of cleanup proceedings with respect to various sites, including offsite waste disposal sites and facilities currently or formerly owned or operated by our current or former subsidiaries or their predecessors. In the most significant of these proceedings, one of our subsidiaries is named as one of four potentially responsible parties at the Kalamazoo River Superfund Site in Michigan at which the EPA is considering selection of a remedial alternative to address polychlorinated biphenyls contamination of river sediments. In October 2000, the Kalamazoo River Study Group (of which our subsidiary is a member) submitted to the State of Michigan a Draft Remedial Investigation and Draft Feasibility Study, which evaluated a number of remedial options and recommended a remedy involving the stabilization of several miles of river bank and the long-term monitoring of river sediments at a total cost of approximately $73 million. Other possible remedial alternatives range from no action at no further cost to the complete dredging of contaminated river sediments at a total cost for all parties of approximately $2.5 billion. At the end of 2001, the EPA took responsibility for the site at the request of the State. While the State has submitted comments to the EPA on the Draft Study, the EPA has yet to similarly comment. Based on current information, including the levels of known contaminants, we believe that the selection of the remedial alternative involving complete dredging of river sediments is remote. Our liability at the site will depend on many factors, including the ultimate remedy selected by the EPA, a determination of final allocation, the number of other potentially responsible parties and their financial viability and the remediation methods and technologies available.

While we believe that our businesses and the businesses of Equistar generally operate in compliance with applicable environmental requirements and that we and Equistar, respectively, maintain adequate reserves with respect to our respective remediation obligations and the environmental proceedings in which we, our subsidiaries or Equistar have been named as defendants or potentially responsible parties, there can be no assurance that actual costs and liabilities for environmental matters will not exceed the forecasted amounts or that estimates made with respect to indemnification obligations will be accurate. It is also possible that costs will be incurred with respect to sites or indemnification obligations that currently are unknown, or as to which it is currently not possible to make an estimate.

Proceedings Relating To The Alleged Exposure To Lead-based Paints And Lead Pigments Could Require Us To Expend Material Amounts In Litigation And Settlement Costs And Judgments.

Together with other alleged past manufacturers of lead-based paint and lead pigments for use in paint, we have been named as defendants in various legal proceedings alleging that we and other manufacturers are responsible for personal injury, property damage, and remediation costs allegedly associated with the use of these products. The plaintiffs in these legal proceedings include municipalities, counties, school districts, individuals and the State of Rhode Island, and seek recovery under a variety of theories, including negligence, failure to warn, breach of warranty, conspiracy, market share liability, fraud, misrepresentation and nuisance. All these legal proceedings are in various pre-trial, post-trial and post-dismissal settings, some of which are on appeal. The first phase of a proposed multi-phase trial in the Rhode Island proceeding commenced on September 4, 2002. On October 29, 2002, the judge in that case declared a mistrial after the jury declared itself deadlocked. The sole issue before the jury was whether lead pigment in paint in and on Rhode Island buildings constitutes a public nuisance . On March 20, 2003, the court denied the motions for judgment as a matter of law filed by both sides during the trial. The case is set for retrial in April 2004.

While we believe that we have valid defenses to all the lead-based paint and lead pigment proceedings and are vigorously defending them, litigation is inherently subject to many uncertainties. Additional lead-based paint and lead pigment litigation may be filed against us in the future asserting similar or different legal theories and seeking similar or different types of damages and relief, and any adverse court rulings or determinations of liability, among other factors, could affect this litigation by encouraging an increase in the number of future claims and proceedings. In addition, from time to time, legislation and administrative regulations have been enacted or proposed to impose obligations on present and former manufacturers of lead-based paint and lead pigment respecting asserted health concerns associated with such products or to overturn successful court decisions.

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Although, based upon, among other things, the outcome of such litigation to date, including the dismissal of most of the over 50 lead-based paint and lead pigment lawsuits brought in recent years against us and other parties, management does not currently believe that the costs or potential liabilities ultimately determined to be attributable to us arising out of such litigation will have a material adverse affect on our consolidated financial position, results of operations or cash flows, due to the uncertainties involved, we are unable to predict the outcome of lead-based paint and lead pigment litigation, the number or nature of possible future claims and proceedings, and the effect that any legislation and/or administrative regulations may have on the litigation against us. In addition, management cannot reasonably estimate the scope or amount of the costs and potential liabilities related to such litigation, or any such legislation and regulations. Thus, any liability we incur and respect to pending or future lead-base paint or lead pigment litigation, or any legislation or regulations, may be material. In addition, we have not accrued any liabilities for judgments or settlements resulting form lead-based paint and lead pigment litigation.

Other Proceedings And Claims Could Require Us To Expend Material Amounts In Litigation And Settlement Costs And Judgments.

In addition to the environmental matters and lead-based paint and lead pigment litigation referred to above, Millennium Chemicals and certain of its subsidiaries are defendants in a number of pending legal proceedings relating to their present and former operations. Several of these legal proceedings allege injurious exposure of the plaintiffs to various chemicals and other materials on the premises of, or manufactured by, Millennium Chemicals current and former subsidiaries, including asbestos. For example, Millennium Petrochemicals is one of a number of defendants in approximately 90 active, premises-based asbestos cases (i.e., where the alleged exposure to asbestos-containing materials was to employees of third-party contractors or subcontractors on the premises of certain facilities, and did not relate to any products manufactured or sold by us or any of our predecessors), typically involving multiple plantiffs. Millennium Chemicals is responsible for these cases under its agreements with Equistar, which require Millennium Petrochemicals to assume responsibility and indemnify Equistar for them; however, under these agreements, Equistar will be required to assume responsibility and indemnify Millennium Petrochemicals for any such claims filed on or after December 1, 2004. In addition, Millennium Chemicals is one of a number of defendants in approximately 60 asbestos cases in connection with the operations of one of its subsidiaries and certain alleged predecessors at other facilities which also typically involve multiple plaintiffs. Additional cases may be filed in the future for which Millennium Chemicals may be responsible, and any liability we incur with respect to any present or future asbestos cases against us may be material to us (including taking into account insurance, which will not be available for most of these cases).

On January 16, 2002, Slidell Inc. filed a lawsuit against Millennium Inorganic Chemicals alleging breach of contract and other related causes of action arising out of a contract between the two parties for the supply of packaging equipment. We believe we have substantial defenses to these allegations and have filed a counterclaim against Slidell.

In addition, Millennium Chemicals may be subject to potential unknown liabilities associated with its present and former operations, including tax liabilities and environmental liabilities, arising from the operations of its predecessors and prior owners or operators of its sites or operations for which it may be responsible.

Although, based upon information currently available, we do not believe that the outcome of the proceedings described above will, either individually or in the aggregate, have a material adverse effect on our consolidated financial position, results of operations or cash flows, litigation is subject to many uncertainties and we cannot guarantee any particular result.

Millennium Chemicals also has significant obligations under defined benefit pension plans and retiree medical programs for the present and former employees of its current and former businesses. The impact of payments needed to fund these obligations on it depends on factors beyond its control, including the value of investments in our pension trusts, interest rates and the costs of providing medical care in the future.

USE OF PROCEEDS

We will not receive any proceeds from the exchange offer.

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SELECTED FINANCIAL DATA OF MILLENNIUM CHEMICALS INC.

The following table sets forth Millennium Chemicals selected historical consolidated financial data for each of the fiscal years ended December 31, 2002, 2001, 2000, 1999, and 1998 and at December 31, 2002, 2001, 2000, 1999, and 1998, which is derived from its audited consolidated financial statements which (for the years 2002, 2001 and 2000) are incorporated by reference in this prospectus, and for the nine months ended September 30, 2003 and 2002 and as of September 30, 2003, which is derived from its unaudited consolidated financial statements which are incorporated by reference in this prospectus. In the opinion of management, the unaudited interim financial data includes all adjustments, consisting of only normal recurring adjustments, considered necessary for a fair presentation of this information. The results of operations for interim periods are not necessarily indicative of the results that may be expected for the entire year. The following data should be read in conjunction with Millennium Chemicals consolidated financial statements and related notes, Management s Discussion and Analysis of Financial Condition and Result of Operations and other financial information which is incorporated by reference in this prospectus.

For certain historical financial data with respect to Millennium America, see the condensed consolidating balance sheets as September 30, 2003 and December 31, 2002 and 2001 and condensed consolidating statements of operations and cash flows for each of the three years in the period ended December 31, 2002 and for the nine months ended September 30, 2003 and 2002 which are incorporated by reference in this prospectus. We account for Equistar as an equity investment. For certain historical financial data with respect to Equistar, we refer you to Equistar s public filings.

	NINE MONTHS ENDED SEPTEMBER 30, (Unaudited)		YEAR ENDED DECEMBER 31,				
	2003(1)(2)	2002(3)(4)	2002(3)(4)(5)	2001(3)(6)	2000(3)(7)	1999(3)(8)	1998(3)
		(Restated)*	(Restated)*	(Restated)*	(Restated)*	(Restated)*	(Restated)*
			(DOLLARS IN MILLIONS)				
INCOME STATEMENT DATA:							
Net sales	$ 1,262	$ 1,167	$ 1,554	$ 1,590	$ 1,793	$ 1,589	$ 1,597
Operating costs and expenses:							
Cost of products sold	1,019	945	1,234	1,261	1,264	1,123	1,124
Depreciation and amortization	83	76	102	110	113	105	102
Selling, development and administrative expense	98	89	138	169	215	222	178
Reorganization, office and plant closure costs	16			36			
Operating income	46	57	80	14	201	139	193
Interest expense	(72)	(67)	(90)	(85)	(80)	(72)	(76)
Interest income	4	3	4	3	3	3	4
(Loss) earnings on Equistar investment	(69)	(39)	(73)	(83)	45	(7)	56
Other income (expense), net	1	(2)	(1)	1	14	29	29
Loss in value of Equistar investment						(639)	
(Loss) income from continuing operations before income taxes, minority interest and cumulative effect of accounting change	(90)	(48)	(80)	(150)	183	(547)	206
Benefit from (provision for) income taxes	32	24	58	100	(65)	3	(191)
(Loss) income from continuing operations before minority interest and cumulative effect of accounting change	(58)	(24)	(22)	(50)	118	(544)	15

Minority Interest	(5)	(2)	(6)	(4)	(7)	(5)	(2)
(Loss) income from continuing operations before cumulative effect of accounting change	(63)	(26)	(28)	(54)	111	(549)	13
Income from discontinued operations (net of income taxes of $10 and $1 for the years ended December 31, 1999 and 1998, respectively)						38	1
(Loss) income before cumulative effect of accounting change	(63)	(26)	(28)	(54)	111	(511)	14
Cumulative effect of accounting change	(1)	(305)	(305)				
Net (loss) income	$ (64)	$ (331)	$ (333)	$ (54)	$ 111	$ (511)	$ 14

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	AT SEPTEMBER 30, 2003	AT DECEMBER 31, 2002	2001	2000	1999	1998
		(Restated)*	(Restated)*	(Restated)*	(Restated)*	(Restated)*
		(Dollars in Millions)				
BALANCE SHEET DATA:						
Cash and cash equivalents	$ 158	$ 125	$ 114	$ 107	$ 110	$ 103
Investment in Equistar	494	563	677	760	800	1,519
Total assets	2,386	2,396	2,965	3,259	3,286	4,145
Total debt(9)	1,363	1,242	1,198	1,208	1,113	1,093
Total shareholders (deficit) equity	(50)	(35)	490	606	649	1,435

	NINE MONTHS ENDED SEPTEMBER 30,		YEAR ENDED DECEMBER 31,				
	2003	2002	2002	2001	2000	1999	1998
		(Restated)*	(Restated)*	(Restated)*	(Restated)*	(Restated)*	(Restated)*
			(Dollars in Millions)				
OTHER FINANCIAL DATA:							
Capital expenditures	$ 29	$ 43	$ 71	$ 97	$ 110	$ 109	$ 215
Depreciation and amortization	83	76	102	110	113	105	102
Cash distributions from Equistar					83	75	317
Ratio of earnings to fixed charges(10)	N/A	N/A	N/A	N/A	3.61x	N/A	6.85x
Pro Forma ratio of earnings to fixed charges(10)(11)	N/A	N/A	N/A				

* The Company restated its financial statements for the years 1998 through 2002 and for the three months ended March 31, 2003, as more fully described in Amendment No. 1 to its Annual Report on Form 10-K for the year ended December 31, 2002 and Amendment No. 1 to its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2003.

(1) On January 1, 2003, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 143, Accounting for Asset Retirement Obligations (SFAS No. 143). SFAS No. 143 applies to legal obligations associated with the retirement of long-lived assets. This standard requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred and the associated asset retirement costs be capitalized as part of the carrying amount of the long-lived asset. Accretion expense and depreciation expense related to the liability and capitalized asset retirement costs, respectively, are recorded in subsequent periods. The Company reported an after-tax transition charge of $1 million as the cumulative effect of this accounting change. The impact of adoption was insignificant to the Company s reported assets and liabilities. The ongoing annual expense resulting from the initial adoption of SFAS No. 143 is not expected to be significant.

(2) Results for the nine months ended September 30, 2003 include $16 million ($10 million after-tax) of costs associated with Millennium Chemicals cost-reduction program announced in July 2003; $6 million ($4 million after-tax) representing Millennium Chemicals share of Equistar s debt prepayment costs associated with Equistar s early payment of debt with proceeds from a private placement of senior notes; and $4 million ($3 million after-tax) representing Millennium Chemicals share of Equistar s loss on the sale of assets of its polypropylene production facility in Pasadena, Texas.

(3) During the fourth quarter of 2002, the Company changed from the last-in first-out (LIFO) method to the first-in first-out (FIFO) method of accounting for certain of its United States inventories in the Titanium Dioxide and Related Products business segment. The method was changed in part to achieve a better matching of revenues and expenses due to decreasing inventory quantities and cost. The FIFO method, or methods that approximate FIFO, are now used to determine cost for all inventories of the Company. Information presented above has been restated for all periods presented to reflect the change from the LIFO to FIFO method. The restatement of the Company s results to reflect the accounting change from LIFO to FIFO had the following impact on net income (loss) for each of the periods presented above: increase of less than $1 million for the nine months ended September 30, 2002; increase of less than $1 million in 2002; decrease of $4 million in 2001; increase of $2 million in 2000; decrease of $6 million in 1999; and increase of $7 million in 1998.

(4) On January 1, 2002, the Company adopted SFAS No. 142, Goodwill and Other Intangible Assets (SFAS No. 142). Under this new standard, all goodwill, including goodwill acquired before initial application of the standard, is not amortized but must be tested for impairment at least annually at the reporting unit level, as defined in the standard. Accordingly, the Company reported a charge for the cumulative effect of this accounting change of $275 million in the first quarter of 2002 to write off certain of its goodwill related to its Acetyls business based upon the Company s estimate of fair value for this business using various valuation methods considering expected future profitability and cash flows. Also in accordance with SFAS No. 142, Equistar reported an impairment of its goodwill in the first quarter of 2002. The write-off at Equistar required an adjustment of $30 million to reduce the carrying value of the Company s

investment in Equistar to its approximate proportional share of Equistar s Partners capital. The Company reported this adjustment as a charge for the cumulative effect of a change in accounting principle. These charges reduced the carrying value of Millennium Chemicals interest in Equistar by $30 million and its total shareholders equity by $305 million. Under this new standard, goodwill is not amortized.

(5) The results for the year ended December 31, 2002 include a $6 million ($4 million after-tax) benefit from a reduction of reserves due to favorable resolution of environmental claims related to predecessor businesses reserved for in prior years, a benefit of $22 million primarily related to a federal tax refund claim, and a tax charge of $10 million to establish a valuation allowance against deferred tax assets for the Company s French subsidiaries.

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(6) Results for 2001 include a benefit from a reduction in Millennium Chemicals income tax accruals by $42 million due to favorable developments related to matters reserved for in prior years; $36 million in reorganization and plant closure charges ($24 million after-tax); $15 million ($9 million after tax) to increase reserves for the estimated costs to resolve legal and environmental claims related to predecessor businesses; and $6 million ($4 million after-tax) representing Millennium Chemicals share of costs related to the shutdown of Equistar s Port Arthur, Texas plant.

(7) The results for 2000 include $6 million ($4 million after tax) to increase reserves for the estimated costs to resolve legal and environmental claims related to predecessor businesses.

(8) The results for 1999 include a loss in value of Millennium Chemicals Equistar interest of $639 million to reduce the carrying value to estimated fair value, and $5 million ($3 million after tax) to increase reserves for the estimated costs to resolve legal and environmental claims related to predecessor businesses.

(9) Total debt does not include the indemnity by Millennium America with respect to up to $750 million of Equistar s outstanding indebtedness, which indemnity terminated in August 2002 upon the closing of the purchase by Lyondell Chemical Company of Occidental Petroleum Corporation s interest in Equistar.

(10) For purposes of calculating the ratio of earnings to fixed charges, earnings represent income from continuing operations before income taxes, minority interest and (loss) earnings on Equistar investment, plus fixed charges and cash distributions from Equistar. Fixed charges consist of interest expense, including amortization of debt issuance costs and that portion of rental expenses which Millennium Chemicals considers to be a reasonable approximation of interest. The less than one-to-one coverage ratio for the year ended December 31, 2001 and the year ended December 31, 1999 results from the impact on (loss) income from continuing operations before income taxes and minority interest of a $36 million charge for reorganization and plant closures and a $639 million charge to write down the value of Millennium Chemicals investment in Equistar, respectively. Excluding these charges, the 2001 ratio of earnings to fixed charges would have been 0.7x and the 1999 ratio of earnings to fixed charges would have been 3.8x. Additional earnings of $8 million would have been required to achieve a one-to-one ratio for 2001, excluding reorganization and plant closure charges. Additional earnings of $6 million for the year ended December 31, 2002 and additional earnings of $15 million and $8 million for the nine months ended September 30, 2003 and 2002, respectively, would have been required to achieve a one-to-one coverage ratio.

(11) The pro forma ratio of earnings to fixed charges gives effect to the issuance of $100 million aggregate principal amount of outstanding unregistered 9 1/4% Senior Notes due 2008 and the use of the gross proceeds from that offering to repay $85 million of outstanding indebtedness under the revolving credit facility under our bank credit agreement, as if this event had occurred on January 1, 2002. Additional earnings of $9 million for the year ended December 31, 2002 and additional earnings of $17 million and $10 million for the nine months ended September 30, 2003 and 2002, respectively, would have been required to achieve a pro forma one-to-one coverage ratio.

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DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS

Bank Credit Agreement

We entered into a five-year Credit Agreement, dated as of June 18, 2001, as amended on December 14, 2001, June 19, 2002, April 25, 2003 and November 25, 2003 (the Credit Agreement), among Millennium America, as a borrower, Millennium Inorganic Chemicals Limited, as a borrower, certain borrowing subsidiaries of Millennium Chemicals from time to time party thereto, Millennium Chemicals, as guarantor, the lenders from time to time party thereto, the issuing banks from time to time party thereto, JP Morgan Chase Bank (formerly known as The Chase Manhattan Bank), as administrative agent and collateral agent (JPM), and Bank of America, N.A., as syndication agent. The terms of the Credit Agreement provide for: (a) a commitment to provide a secured revolving credit facility in an aggregate principal amount of $150 million (the Revolving Loans), and (b) a secured term loan facility, of which $47 million was outstanding as of September 30, 2003 (the Term Loans).

The senior bank loans bear interest at either the Alternate Base Rate (ABR) rate plus the spread (the ABR loans), the LIBO rate plus the spread (the LIBOR loans), or the NIBO rate plus the spread (the NIBOR loans). The ABR rate is the highest of (i) the rate of interest publicly announced by JPM as its prime rate in effect and (ii) the federal funds effective rate from time to time plus 1/2 of 1.0%. The LIBO rate, with respect to any borrowing comprised of LIBOR loans for any interest period, is an interest rate per annum equal to the rate at which deposits in the currency of such borrowing approximately equal in principal amount to the LIBOR loan of the administrative agent for which such LIBO rate is being determined and for a maturity comparable to the applicable interest period are offered in immediately available funds to the administrative agent in the London interbank market. The NIBO rate, with respect to any borrowing consisting of NIBOR loans for any interest period, is an interest rate per annum equal to the interest rate at which U.S. dollar deposits approximately equal in principal amount to the NIBOR loan of the administrative agent for which the NIBO rate is being determined and for a maturity equal to the applicable interest period are offered in immediately available funds to the administrative agent at the eurodollar lending offices where its committed foreign currency and exchange operations and eurodollar funding operations are customarily conducted in the international interbank market. The spread refers to the applicable per annum rate based upon the leverage ratio as set forth in the pricing grid in the Credit Agreement. Interest on all borrowings is calculated on the basis of the actual number of days elapsed over a 360-day year (or a 365 or 366-day year, as applicable, for ABR borrowings accruing interest based on the prime rate).

Interest on the senior bank loans is payable on the last day of each March, June, September, and December in the case of ABR loans, on the last day of the applicable one, two or three month interest period in the case of one, two or three month LIBOR loans and NIBOR loans, and in the case of LIBOR loans and NIBOR loans having an interest period in excess of three months, on each successive date three months after the first day of such interest period.

Revolving Loans

The Revolving Loans are available in U.S. dollars, pounds sterling, euros and any other freely tradable currencies in the London market, which have been approved by all the lenders participating in the revolving credit facility. The Revolving Loans may be borrowed, repaid and reborrowed from time to time. A letter of credit subfacility in an amount equal to $50 million is available under the revolving credit facility. A swingline facility, in the amount of $25 million, is also available under the revolving credit facility. The total amount of the Revolving Loans and swingline loans that may be borrowed is not permitted to exceed $150 million (less the face amount of any letter of credit). The Revolving Loans mature in June 2006.

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Term Loans

The term loan facility amortizes in quarterly amounts in each year commencing in 2002, with the substantial majority of the repayments being due in 2005 and 2006. Unless we meet a leverage ratio of less than 3.75 to 1.00, the Term Loans are subject to mandatory prepayment upon the occurrence of certain asset sales. We are permitted to voluntarily prepay the Term Loans in whole or in part at any time subject to specified break funding costs that may be applicable. We are not permitted to reborrow any amounts under the Term Loans that we repay. The Term Loans mature in June 2006. As of September 30, 2003, there were $47 million in Term Loans outstanding.

Covenants

The Credit Agreement contains negative covenants, subject to specified baskets, limiting the ability of Millennium Chemicals and/or certain subsidiaries of Millennium Chemicals to, among other things:

- incur debt and issue preferred stock;
- create liens;
- engage in sale and leaseback transactions;
- declare or pay dividends on, and redeem, Millennium Chemicals stock;
- make certain restricted payments;
- engage in certain transactions with affiliates;
- sell all or substantially all of the assets of Millennium Chemicals and its subsidiaries taken as a whole;
- engage in mergers or acquisitions;
- engage in domestic account receivable securitization transactions; and
- enter into certain restrictive agreements.

The Credit Agreement requires us to comply with certain financial tests and to maintain certain financial ratios relating to maximum consolidated senior secured leverage and minimum consolidated interest coverage, the most significant of which are set forth below. Failure to satisfy either of these financial covenants constitutes a default under the Credit Agreement.

The Credit Agreement also includes customary representations and warranties, affirmative covenants and events of default, including (a) a cross-event of default involving other material indebtedness, (b) failure of Millennium America to remain a direct or indirect wholly owned subsidiary of Millennium Chemicals, (c) a change of control of Millennium Chemicals and (d) other provisions customary for this type of financing.

Millennium Chemicals and Millennium America guarantee the obligations under the Credit Agreement. The obligations are secured by: (1) a pledge of 100% of the stock of Millennium Chemicals existing and future domestic subsidiaries, including Millennium America, and 65% of the stock of Millennium Chemicals existing and future first-tier foreign subsidiaries, in both cases other than subsidiaries that hold immaterial assets, (2) all the equity interests held by Millennium Chemicals subsidiaries in Equistar and La Porte Methanol Company (which pledge is limited to the right to receive distributions made by Equistar and La Porte Methanol Company, respectively), and (3) all present and future accounts receivable, intercompany indebtedness, and inventory of Millennium Chemicals and its domestic subsidiaries other than subsidiaries that hold immaterial assets.

In November 2003, we obtained an amendment to our leverage and interest coverage ratios that (1) requires that the senior secured leverage ratio (the ratio of Senior Secured Indebtedness to EBITDA, each as defined, for the most recently ended period of four fiscal quarters for which financial statements have been delivered to the

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lenders under the Credit Agreement by Millennium Chemicals) of Millennium Chemicals and its consolidated subsidiaries on the last day of any fiscal quarter ending during any period set forth below shall not be in excess of the ratio set forth opposite that period:

PERIOD	RATIO
July 1, 2003 through December 31, 2004	1.25 to 1.00
January 1, 2005 and thereafter	1.00 to 1.00

and (2) requires that the interest coverage ratio (the ratio of EBITDA to Net Interest Expense, each as defined) of Millennium Chemicals and its consolidated subsidiaries for any period of four consecutive fiscal quarters ending during a period set forth below shall not be less than the ratio set forth opposite that period:

PERIOD	RATIO
October 1, 2003 through June 30, 2004	1.35 to 1.00
July 1, 2004 through September 30, 2004	1.40 to 1.00
October 1, 2004 through December 31, 2004	1.50 to 1.00
January 1, 2005 and thereafter	1.75 to 1.00

Senior Notes And Senior Debentures

Millennium America has outstanding $500,000,000 aggregate principal amount of 7% senior notes due 2006 and $250,000,000 aggregate principal amount of 7.625% senior debentures due 2026. These notes and debentures are guaranteed by Millennium Chemicals. The indenture under which these notes and debentures were issued contains certain covenants that limit, among other things, the ability of (1) Millennium America and its restricted subsidiaries (as defined in the indenture) to grant liens or enter into sale-and-leaseback transactions, (2) the restricted subsidiaries to incur additional indebtedness in excess of 15% of the Consolidated Net Tangible Assets, as defined in the indenture, of Millennium America. In addition, such indenture contains a covenant that limits the ability of Millennium America and Millennium Chemicals to merge, consolidate or transfer substantially all of their respective assets.

Millennium Chemicals has outstanding $150,000,000 aggregate principal amount of 4% convertible senior debentures due 2023. These debentures are guaranteed by Millennium America, and are convertible into shares of common stock of Millennium Chemicals under certain circumstances.

Millennium America has outstanding $475,000,000 aggregate principal amount of 9 1/4% Senior Notes due 2008, guaranteed by Millennium Chemicals, including the outstanding unregistered notes. These notes were issued, and the exchange notes offered hereby will be issued, under the same indenture and are subject to the same financial covenants.

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THE EXCHANGE OFFER

Purpose Of The Exchange Offer

We sold the outstanding unregistered notes to the initial purchasers on April 25, 2003. The initial purchasers subsequently resold those notes to qualified institutional buyers pursuant to Rule 144A under the Securities Act and to non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act. In connection with the issuance of the outstanding unregistered notes, we and Millennium Chemicals entered into a registration rights agreement with the initial purchasers of the outstanding unregistered notes. The registration rights agreement requires us to register the exchange notes under the Securities Act and offer to exchange the exchange notes for the outstanding unregistered notes. The exchange notes will be issued without a restrictive legend and generally may be resold without registration under the federal securities laws. We are effecting the exchange offer to comply with the registration rights agreement.

The registration rights agreement requires us to

- file with the SEC on or before July 24, 2003 a registration statement for the exchange offer and the exchange notes;
- use our reasonable efforts to cause the registration statement filed for the exchange offer and the exchange notes to be declared effective by the SEC on or before October 22, 2003;
- complete the exchange offer on or before November 21, 2003.

Because the exchange offer has not yet been completed, we are currently paying liquidated damages to the holders of the outstanding unregistered notes at the rate of $0.192 per week per $1,000 principal amount, and will continue to do so until the completion of the exchange offer. We have also agreed to keep the registration statement for the exchange offer effective for at least 30 days (or longer, if required by applicable law) after the date on which notice of the exchange offer is mailed to holders.

Under the registration rights agreement, our obligations to register the exchange notes will terminate upon the completion of the exchange offer. However, we will be required to file a shelf registration statement for a continuous offering by the holders of the outstanding unregistered notes if:

- because of any change in law or applicable interpretations thereof by the staff of the SEC, Millennium America is not permitted to effect the exchange offer as contemplated by the registration rights agreement;
- any outstanding unregistered notes validly tendered pursuant to the exchange offer are not exchanged for exchange notes on or prior to the expiration of the offer;
- any initial purchaser of the outstanding unregistered notes so requests with respect to outstanding unregistered notes not eligible to be exchanged for exchange notes in the exchange offer;

any applicable law or interpretations do not permit any holder of outstanding unregistered notes to participate in the exchange offer;

any holder of outstanding unregistered notes that participates in the exchange offer does not receive freely transferable exchange notes in exchange for tendered notes; or

we so elect.

If we are required to file a shelf registration statement, we will be required to use our reasonable efforts to keep the registration statement effective for two years, subject to some exceptions. Additionally, we will have the ability to issue a notice that the shelf registration statement is unusable pending a material announcement and may issue any notice suspending use of the shelf registration statement without accruing liquidated damages so

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long as the aggregate number of days in any consecutive twelve-month period for which all notices are issued and effective does not exceed 60 days in total. Other than as described above, no holder will have the right to require us to file a shelf registration statement or otherwise register such holder s notes under the federal securities laws.

The registration rights agreement also provides that we and Millennium Chemicals

- shall make available for a period of 180 days after the consummation of the exchange offer a prospectus meeting the requirements of the Securities Act to any broker-dealer for use in connection with any resale of any exchange notes; and

- shall pay all expenses incident to the exchange offer (including the expense of one counsel to the holders of the exchange notes) and will indemnify certain holders of the exchange notes (including any broker-dealer) against certain liabilities, including liabilities under the Securities Act. A broker-dealer which delivers a prospectus to purchasers in connection with such resales will be subject to certain of the civil liability provisions under the Securities Act and will be bound by the provisions of the registration rights agreement, including certain indemnification rights and obligations.

Each broker-dealer that receives exchange notes for its own account in exchange for outstanding unregistered notes, where such outstanding unregistered notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. Any broker-dealer who acquired outstanding unregistered notes directly from us may not rely on the interpretations of the SEC and must comply with the registration and prospectus delivery requirements of the Securities Act. See Plan of Distribution.

A holder who sells notes pursuant to a shelf registration statement will generally be required to provide us with specific information, be named as a selling security holder in the related prospectus and deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales and will be bound by the provisions of the registration rights agreement which are applicable to such a holder, including certain indemnification obligations.

This summary includes only the material terms of the registration rights agreement. For a full description, you should refer to the complete copy of the registration rights agreement, which has been filed as an exhibit to the registration statement for the exchange offer and the exchange notes of which this prospectus is a part. See Where You Can Find More Information.

Transferability Of The Exchange Notes

Based on an interpretation of the Securities Act by the staff of the SEC in several no-action letters issued to third parties, we believe that the holders of the exchange notes, may offer for resale, resell or otherwise transfer the exchange notes without further compliance with the registration and prospectus delivery provisions of the Securities Act, if

- you, or the person or entity receiving such notes, are acquiring the exchange notes in the ordinary course of business;

neither you nor any such person or entity is engaging in or intends to engage in a distribution of the exchange notes within the meaning of the Securities Act;

neither you nor any such person or entity has an arrangement or understanding with any person or entity to participate in any distribution of the exchange notes;

neither you nor any such person or entity is an affiliate of Millennium Chemicals, as such term is defined under Rule 405 under the Securities Act; and

you are not acting on behalf of any person or entity who could not truthfully make these statements.

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To participate in the exchange offer, you must represent as the holder of outstanding unregistered notes that each of these statements is true.

Any holder of the outstanding unregistered notes who is an affiliate of Millennium Chemicals or who intends to participate in the exchange offer for the purpose of distributing the exchange notes

- will not be able to rely on the interpretation by the staff of the SEC set forth in the no-action letters described above;
- will not be able to tender outstanding unregistered notes in the exchange offer; and
- must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of the notes, unless the sale or transfer is made pursuant to an exemption from those requirements.

Broker-dealers receiving exchange notes in exchange for outstanding unregistered notes acquired for their own account through market-making or other trading activities may not rely on this interpretation by the SEC. Such broker-dealers may be deemed to be underwriters within the meaning of the Securities Act and must therefore acknowledge, by signing the letter of transmittal, that they will deliver a prospectus meeting the requirements of the Securities Act in connection with resale of the exchange notes. The letter of transmittal states that by acknowledging that it will deliver, and by delivering, a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. The SEC has taken the position that participating broker-dealers may fulfill their prospectus delivery requirements with respect to the exchange notes, other than a resale of an unsold allotment from the original sale of the outstanding unregistered notes, with the prospectus contained in the exchange offer registration statement. As described above, under the registration rights agreement, we have agreed to allow participating broker-dealers and other persons, if any, subject to similar prospectus delivery requirements to use the prospectus contained in the exchange offer registration statement in connection with the resale of the exchange notes. Any broker-dealer who acquired outstanding unregistered notes directly from us may not rely on the interpretations of the SEC and must comply with the registration and prospectus delivery requirements of the Securities Act. See Plan of Distribution.

Terms Of The Exchange Offer; Acceptance Of Tendered Notes

Upon the terms and subject to the conditions in this prospectus and in the letter of transmittal, we will accept any and all outstanding unregistered notes validly tendered and not withdrawn prior to 5:00 p.m., New York City time, on , 2003. We will issue $1,000 principal amount of exchange notes in exchange for each $1,000 principal amount of outstanding unregistered notes accepted in the exchange offer. Holders may tender some or all of their notes pursuant to the exchange offer. However, outstanding unregistered notes may be tendered only in integral multiples of $1,000.

The form and terms of the exchange notes are the same as the form and terms of the outstanding unregistered notes except that

- the exchange notes have been registered under the Securities Act and will not bear any legend restricting their transfer;
- the exchange notes bear a different CUSIP number from the outstanding unregistered notes; and

the holders of the exchange notes will not be entitled to certain rights under the registration rights agreement, including the provisions for liquidated damages on the outstanding unregistered notes in some circumstances relating to the timing of the exchange offer.

The exchange notes will evidence the same debt as the outstanding unregistered notes. Holders of exchange notes will be entitled to the benefits of the indenture.

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As of the date of this prospectus, $100 million aggregate principal amount of unregistered notes was outstanding. There will be no fixed record date for determining the holders of outstanding unregistered notes entitled to participate in this exchange offer. We intend to conduct the exchange offer in accordance with the applicable requirements of the Securities Exchange Act of 1934 and the rules and regulations of the SEC under the Exchange Act.

We shall be deemed to have accepted validly tendered notes when, as, and if we have given oral or written notice to the exchange agent of our acceptance. The exchange agent will act as agent for the tendering holders for the purpose of receiving the exchange notes from us. If any tendered notes are not accepted for exchange because of an invalid tender, the occurrence of other events in this prospectus or otherwise, we will return the certificates for any unaccepted notes to the tendering holder as promptly as practicable after the expiration of the exchange offer.

Holders who tender exchange notes in the exchange offer will not be required to pay brokerage commissions or fees with respect to the exchange of notes. Tendering holders will also not be required to pay transfer taxes in the exchange offer. We will pay all charges and expenses in connection with the exchange offer as described under the subheading Solicitation of Tenders; Fees and Expenses. However, we will not pay any taxes incurred in connection with a holder s request to have exchange notes or non-exchanged notes issued in the name of a person other than the registered holder. See Transfer Taxes in this section below.

Expiration Date; Extensions; Amendment

The exchange offer will expire at 5:00 p.m., New York City time, on , 2003, unless we, in our sole discretion, extend the exchange offer. To extend the exchange offer, we will notify the exchange agent and each registered holder of any extension before 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. We reserve the right to extend the exchange offer, delay accepting any tendered notes or, if any of the conditions described below under the heading Conditions to the Exchange Offer have not been satisfied, to terminate the exchange offer. We also reserve the right to amend the terms of the exchange offer in any manner. We will give oral or written notice of such delay, extension, termination or amendment to the exchange agent.

Without limiting the manner in which we may choose to make public announcements of any delay in acceptance, extension, termination or amendment of the exchange offer, we will have no obligation to publish, advertise or otherwise communicate any such public announcement, other than by making a timely release to a financial news service.

Interest On The Exchange Notes

The exchange notes will bear interest from the most recent interest payment date to which interest has been paid on the tendered outstanding unregistered notes or, if no interest has been paid, from April 25, 2003. Interest on the outstanding unregistered notes accepted for exchange will cease to accrue upon the issuance of the exchange notes.

Interest on the notes is payable semi-annually on each June 15 and December 15, commencing on , 2003.

Procedures For Tendering Outstanding Unregistered Notes

Only a holder of outstanding unregistered notes may tender notes in the exchange offer. To tender in the exchange offer, you must

complete, sign and date the letter of transmittal, or a facsimile of the letter of transmittal;

have the signatures guaranteed if required by the letter of transmittal; and

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mail or otherwise deliver the letter of transmittal or such facsimile, together with the outstanding unregistered notes and any other required documents, to the exchange agent prior to 5:00 p.m., New York City time, on the expiration date.

To tender outstanding unregistered notes effectively, you must complete the letter of transmittal and other required documents and the exchange agent must receive all the documents prior to 5:00 p.m., New York City time, on the expiration date. Delivery of the outstanding unregistered notes may be made by book-entry transfer in accordance with the procedures described below. The exchange agent must receive confirmation of book-entry transfer prior to the expiration date.

By executing the letter of transmittal you will make to us the representations set forth in the first paragraph under the heading Transferability of the Exchange Notes.

All tenders not withdrawn before the expiration date and the acceptance of the tender by us will constitute agreement between you and us under the terms and subject to the conditions in this prospectus and in the letter of transmittal including an agreement to deliver good and marketable title to all tendered notes prior to the expiration date free and clear of all liens, charges, claims, encumbrances, adverse claims and rights and restrictions of any kind.

THE METHOD OF DELIVERY OF OUTSTANDING UNREGISTERED NOTES AND THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS TO THE EXCHANGE AGENT IS AT THE ELECTION AND SOLE RISK OF THE HOLDER. INSTEAD OF DELIVERY BY MAIL, YOU SHOULD USE AN OVERNIGHT OR HAND DELIVERY SERVICE. IN ALL CASES, YOU SHOULD ALLOW FOR SUFFICIENT TIME TO ENSURE DELIVERY TO THE EXCHANGE AGENT BEFORE THE EXPIRATION OF THE EXCHANGE OFFER. YOU MAY REQUEST YOUR BROKER, DEALER, COMMERCIAL BANK, TRUST COMPANY OR NOMINEE TO EFFECT THESE TRANSACTIONS FOR YOU. YOU SHOULD NOT SEND ANY NOTE, LETTER OF TRANSMITTAL OR OTHER REQUIRED DOCUMENT TO US.

If your notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you desire to tender, you should contact the registered holder promptly and instruct the registered holder to tender on your behalf. If you wish to tender on your own behalf, you must, before completing and executing the letter of transmittal and delivering your outstanding unregistered notes, either

make appropriate arrangements to register ownership of the outstanding unregistered notes in your name, or

obtain a properly completed bond power from the registered holder of the outstanding unregistered notes.

See Instruction to Registered Holder and/or Book-Entry Transfer Facility Participant from Beneficial Owner included with the letter of transmittal.

The exchange of notes will be made only after timely receipt by the exchange agent of certificates for outstanding unregistered notes, a letter of transmittal and all other required documents, or timely completion of a book-entry transfer. If any tendered notes are not accepted for any reason or if outstanding unregistered notes are submitted for a greater principal amount than the holder desires to exchange, the exchange agent will return such unaccepted or non-exchanged unregistered notes to the tendering holder promptly after the expiration or termination of the exchange

offer. In the case of outstanding unregistered notes tendered by book-entry transfer, the exchange agent will credit the non-exchanged notes to an account maintained with The Depository Trust Company.

Each broker-dealer that receives exchange notes for its own account in exchange for outstanding unregistered notes, where such outstanding unregistered notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See Plan of Distribution .

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Guarantee Of Signatures

Holders must obtain a guarantee of all signatures on a letter of transmittal or a notice of withdrawal unless the outstanding unregistered notes are tendered

- by a registered holder who has not completed the box entitled Special Issuance Instructions or Special Delivery Instructions on the letter of transmittal; or
- for the account of an eligible guarantor institution.

Signature guarantees must be made by a member of or participant in the Securities Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program, the Stock Exchange Medallion Program, or by an eligible guarantor institution within the meaning of Rule 17Ad-15 promulgated under the Exchange Act (namely, banks; brokers and dealers; credit unions; national securities exchanges; registered securities associations; learning agencies; and savings associations).

Signature On The Letter Of Transmittal; Bond Powers And Endorsements

If the letter of transmittal is signed by a person other than the registered holder of the outstanding unregistered notes listed in the letter of transmittal, the registered holder must endorse the outstanding unregistered notes or provide a properly completed bond power. Any such endorsement or bond power must be signed by the registered holder as that registered holder s name appears on the outstanding unregistered notes. Signatures on such outstanding unregistered notes and bond powers must be guaranteed by an eligible guarantor institution.

If you sign the letter of transmittal or any outstanding unregistered notes or bond power as a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, fiduciary or in any other representative capacity, you must so indicate when signing. Unless we waive this condition, you must submit satisfactory evidence to the exchange agent of your authority to act in such capacity.

Book-Entry Transfer

We understand that the exchange agent will make a request promptly after the date of this prospectus to establish accounts with respect to the outstanding unregistered notes at the book-entry transfer facility, The Depository Trust Company, for the purpose of facilitating the exchange offer. Subject to the establishment of the accounts, any financial institution that is a participant in DTC s system may make book-entry delivery of outstanding unregistered notes by causing DTC to transfer the notes into the exchange agent s account in accordance with DTC s procedures for such transfer. However, although delivery of outstanding unregistered notes may be effected through book-entry transfer into the exchange agent s account at DTC, the letter of transmittal (or a manually signed facsimile of the letter of transmittal) with any required signature guarantees, or an agent s message in connection with a book-entry transfer, and any other required documents, must, in any case, be transmitted to and received by the exchange agent, or the guaranteed delivery procedures set forth below must be complied with, in each case, prior to the expiration date. Delivery of documents to DTC does not constitute delivery to the exchange agent.

The exchange agent and DTC have confirmed that the exchange offer is eligible for the DTC Automated Tender Offer Program. Accordingly, DTC participants may electronically transmit their acceptance of the exchange offer by causing DTC to transfer outstanding unregistered notes to the exchange agent in accordance with DTC s Automated Tender Offer Program procedures for transfer. Upon receipt of such holder s acceptance through the Automated Tender Offer Program, DTC will edit and verify the acceptance and send an agent s message to the exchange agent for its acceptance. Delivery of tendered notes must be made to the exchange agent pursuant to the book-entry delivery procedures set forth above, or the tendering DTC participant must comply with the guaranteed delivery procedures set forth below.

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The term agent s message means a message transmitted by DTC, and received by the exchange agent and forming part of the confirmation of a book-entry transfer, which states that

DTC has received an express acknowledgment from the participant in DTC tendering notes subject to the book-entry confirmation;

the participant has received and agrees to be bound by the terms of the letter of transmittal or, in the case of an agent s message relating to guaranteed delivery, that the participant has received and agrees to be bound to the applicable notice of guaranteed delivery; and

we may enforce such agreement against such participant.

Determination Of Valid Tenders; Our Rights Under The Exchange Offer

All questions as to the validity, form, eligibility, time of receipt, acceptance and withdrawal of tendered notes will be determined by us in our sole discretion, which determination will be final and binding on all parties. We expressly reserve the absolute right, in our sole discretion, to reject any or all outstanding unregistered notes not properly tendered or any outstanding unregistered notes the acceptance of which would, in the opinion of our counsel, be unlawful. We also reserve the absolute right in our sole discretion to waive or amend any conditions of the exchange offer or to waive any defects or irregularities of tender for any particular note, whether or not similar defects or irregularities are waived in the case of other notes. Our interpretation of the terms and conditions of the exchange offer will be final and binding on all parties. No alternative, conditional or contingent tenders will be accepted. Unless waived, any defects or irregularities in connection with tenders of outstanding unregistered notes must be cured by the tendering holder within such time as we determine.

Although we intend to notify holders of defects or irregularities in tenders of outstanding unregistered notes, neither we, the exchange agent or any other person shall be under any duty to give notification of defects or irregularities in such tenders or will incur any liability to holders for failure to give such notification. Holders will be deemed to have tendered outstanding unregistered notes only when such defects or irregularities have been cured or waived. The exchange agent will return to the tendering holder, after the expiration of the exchange offer, any outstanding unregistered notes that are not properly tendered and as to which the defects have not been cured or waived.

Guaranteed Delivery Procedures

If you desire to tender outstanding unregistered notes pursuant to the exchange offer and (1) certificates representing such outstanding unregistered notes are not immediately available, (2) time will not permit your letter of transmittal, certificates representing such outstanding unregistered notes and all other required documents to reach the exchange agent on or prior to the expiration date, or (3) the procedures for book-entry transfer (including delivery of an agent s message) cannot be completed on or prior to the expiration date, you may nevertheless tender such notes with the effect that such tender will be deemed to have been received on or prior to the expiration date if all the following conditions are satisfied

you must effect your tender through an eligible guarantor institution, which is defined above under the heading Guarantee of Signatures ;

a properly completed and duly executed notice of guaranteed delivery, or an agent s message with respect to guaranteed delivery that is accepted by us, is received by the exchange agent on or prior to the expiration date as provided below; and

the certificates for the tendered notes, in proper form for transfer (or a book-entry confirmation of the transfer of such notes into the exchange agent s account at DTC as described above), together with a letter of transmittal (or manually signed facsimile of the letter of transmittal) properly completed and duly executed, with any signature guarantees and any other documents required by the letter of transmittal or a properly transmitted agent s message, are received by the exchange agent within three New York Stock Exchange, Inc. trading days after the date of execution of the notice of guaranteed delivery.

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The notice of guaranteed delivery may be sent by hand delivery, facsimile transmission or mail to the exchange agent and must include a guarantee by an eligible guarantor institution in the form set forth in the notice of guaranteed delivery.

Upon request to the exchange agent, a notice of guaranteed delivery will be sent to holders who wish to tender their outstanding unregistered notes according to the guaranteed delivery procedures outlined above.

Withdrawal Rights

Except as otherwise provided in this prospectus, you may withdraw tendered outstanding unregistered notes at any time before 5:00 p.m., New York City time, on , 2003. For a withdrawal of tendered outstanding unregistered notes to be effective, a written or facsimile transmission notice of withdrawal must be received by the exchange agent on or prior to the expiration of the exchange offer. For DTC participants, a written notice of withdrawal may be made by electronic transmission through DTC s Automated Tender Offer Program. Any notice of withdrawal must

- specify the name of the person having tendered the outstanding unregistered notes to be withdrawn;
- identify the outstanding unregistered notes to be withdrawn, including the certificate number(s) and principal amount of the outstanding unregistered notes, or, in the case of outstanding unregistered notes transferred by book-entry transfer, the name and number of the account at DTC;
- be signed by the holder in the same manner as the original signature on the letter of transmittal by which such outstanding unregistered notes were tendered, with any required signature guarantees, or be accompanied by documents of transfer sufficient to have the trustee with respect to the outstanding unregistered notes register the transfer of such outstanding unregistered notes into the name of the person withdrawing the tender and a properly completed irrevocable proxy authorizing such person to effect such withdrawal on behalf of such holder; and
- specify the name in which the outstanding unregistered notes to be withdrawn are to be registered, if different from that of the registered holder.

If certificates for outstanding unregistered notes have been delivered or otherwise identified to the exchange agent, then, before the release of those certificates, the withdrawing holder must also submit

- the serial numbers of the particular certificates to be withdrawn; and
- a signed notice of withdrawal with signatures guaranteed by an eligible institution unless the holder is an eligible institution.

Any permitted withdrawal of outstanding unregistered notes may not be rescinded. Any outstanding unregistered notes properly withdrawn will thereafter be deemed not to have been validly tendered for purposes of the exchange offer. The exchange agent will return any withdrawn outstanding unregistered notes without cost to the holder promptly after withdrawal of the outstanding unregistered notes. Holders may retender

properly withdrawn outstanding unregistered notes at any time before the expiration of the exchange offer by following one of the procedures described above under the heading Procedures for Tendering Outstanding Unregistered Notes.

Conditions To The Exchange Offer

Notwithstanding any other term of the exchange offer, we shall not be required to accept for exchange, or exchange any exchange notes for, any outstanding unregistered notes, and may terminate or amend the exchange offer as provided in this prospectus before the expiration of the exchange offer, if certain events occur, including the following:

the exchange notes to be received will not be tradable by the holder without restrictions under the Securities Act or the Exchange Act and without material restrictions under the blue sky or securities laws of substantially all the states of the United States;

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any action or proceeding is instituted or threatened in any court or by or before any governmental agency with respect to the exchange offer which, in our reasonable judgment, might materially impair our ability to proceed with the exchange offer or materially impair the contemplated benefits of the exchange offer to us;

any law, statute, rule, regulation or interpretation by the staff of the SEC is proposed, adopted or enacted, which, in our reasonable judgment, might impair our ability to proceed with the exchange offer or impair the contemplated benefits of the exchange offer to us; or

any governmental approval has not been obtained, which we believe, in our reasonable judgment, is necessary for the consummation of the exchange offer as outlined in this prospectus.

If we determine in our sole discretion that any of the conditions are not satisfied, we may

refuse to accept any outstanding unregistered notes and return all tendered outstanding unregistered notes to the tendering holders;

extend the exchange offer and retain all outstanding unregistered notes tendered prior to the expiration of the exchange offer, subject, however, to the rights of holders to withdraw their outstanding unregistered notes; or

waive such unsatisfied conditions of the exchange offer and accept all properly tendered outstanding unregistered notes which have not been withdrawn.

These conditions are for the sole benefit of us and Millennium Chemicals and may be asserted or waived by us at any time in our sole discretion. Our failure to exercise any of these rights at any time will not be deemed a waiver of such rights. These rights will be ongoing and may be asserted by us at any time.

In addition, we will not complete the exchange offer if any stop order is threatened or issued with respect to the registration statement for the exchange offer and the exchange notes. In any such event, we must make every reasonable effort to obtain the withdrawal of any stop order at the earliest possible moment.

Effect Of Not Tendering

To the extent outstanding unregistered notes are tendered and accepted in the exchange offer, the principal amount of outstanding unregistered notes will be reduced by the amount so tendered and a holder s ability to sell untendered outstanding unregistered notes could be adversely affected. In addition, after the completion of the exchange offer, the outstanding unregistered notes will remain subject to restrictions on transfer. Since the outstanding unregistered notes have not been registered under the Securities Act, they bear a legend restricting their transfer absent registration or the availability of a specific exemption from registration. The holders of outstanding unregistered notes not tendered will have no further registration rights, except for the limited registration rights described above under the heading Purpose of the Exchange Offer.

Accordingly, the outstanding unregistered notes not tendered may be resold only

to us or our subsidiaries;

pursuant to a registration statement which has been declared effective under the Securities Act;

for so long as the outstanding unregistered notes are eligible for resale pursuant to Rule 144A under the Securities Act to a person the seller reasonably believes is a qualified institutional buyer that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that the transfer is being made in reliance on Rule 144A; or

pursuant to any other available exemption from the registration requirements of the Securities Act (in which case we and the trustee shall have the right to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to us and the trustee), subject in each of

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the foregoing cases to any requirements of law that the disposition of the seller s property or the property of such investor account or accounts be at all times within its or their control and to compliance with any applicable state securities laws.

Upon completion of the exchange offer, due to the restrictions on transfer of the outstanding unregistered notes and the absence of such restrictions applicable to the exchange notes, it is likely that the market, if any, for outstanding unregistered notes will be relatively less liquid than the market for exchange notes. Consequently, holders of outstanding unregistered notes who do not participate in the exchange offer could experience significant diminution in the value of their outstanding unregistered notes, compared to the value of the exchange notes.

Regulatory Approvals

Other than the federal securities laws, there are no federal or state regulatory requirements that we must comply with and there are no approvals that we must obtain in connection with the exchange offer.

Solicitation Of Tenders; Fees And Expenses

We will bear the expenses of soliciting tenders. We are mailing the principal solicitation. However, our officers and regular employees and those of our affiliates may make additional solicitations by telegraph, telecopy, telephone or in person.

We have not retained any dealer-manager in connection with the exchange offer. We will not make any payments to brokers, dealers, or others soliciting acceptances of the exchange offer. However, we will pay the exchange agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses.

We will pay the cash expenses incurred in connection with the exchange offer. These expenses include the SEC registration fee, fees and expenses of the exchange agent and trustee, accounting and legal fees and printing costs, among others.

Accounting Treatment

The exchange notes will be recorded at the same carrying value as the outstanding unregistered notes. The carrying value is the aggregate gross proceeds received from the sale of the unregistered notes as reflected in our accounting records on the date of exchange. Accordingly, we will recognize no gain or loss for accounting purposes. The expenses of the exchange offer will be expensed over the term of the exchange notes.

Transfer Taxes

We will pay all transfer taxes, if any, required to be paid in connection with the exchange of the outstanding unregistered notes for the exchange notes. However, holders who instruct us to register exchange notes in the name of, or request that outstanding unregistered notes not tendered or not accepted for exchange be returned to, a person other than the registered holder will be responsible for the payment of any transfer tax arising from such transfer.

If you do not submit satisfactory evidence of payment of those taxes with the letter of transmittal, the amount of those transfer taxes will be billed to the tendering holder.

The Exchange Agent

The Bank of New York, the trustee under the indenture, is serving as the exchange agent for the exchange offer. ALL EXECUTED LETTERS OF TRANSMITTAL SHOULD BE SENT TO THE EXCHANGE AGENT

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AT THE ADDRESS LISTED BELOW. Questions, requests for assistance and requests for additional copies of this prospectus or the letter of transmittal should be directed to the exchange agent at the address or telephone number listed below.

The Bank of New York

101 Barclay Street 7 East

New York, New York 10286

Attn: Bernard Arsenek, Reorganization Department

By Facsimile: (212) 298-1915

Attn: Reorganization Department

Confirm by Telephone: (212) 815-5098

Originals of all documents sent by facsimile should be promptly sent to the exchange agent by registered or certified mail, by hand, or by overnight delivery service.

Delivery to an address other than as set forth above will not constitute a valid delivery.

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DESCRIPTION OF THE EXCHANGE NOTES

Definitions of certain terms used in this Description of the Exchange Notes may be found under the heading Certain Definitions. For purposes of this section unless the context otherwise requires, (i) the terms Issuer and we refers only to Millennium America Inc. and not to any of its subsidiaries, (ii) the term Company refers only to Millennium Chemicals Inc., the indirect parent company of the Issuer, and not to any of its subsidiaries, (iii) the term Exchange Notes means the notes offered hereby together with the outstanding 9 1/4% Senior Notes due 2008 which have been registered under the Securities Act (the Registered Notes) and (iv) the term Notes means the Exchange Notes together with the outstanding 9 1/4% Senior Notes due 2008 which have not been registered under the Securities Act (the Unregistered Notes). The Company will guarantee the Exchange Notes and therefore will be subject to many of the provisions contained in this Description of the Exchange Notes. The Company s guarantee is termed the Note Guarantee.

On April 25, 2003, we issued $100 million aggregate principal amount of Unregistered Notes under an indenture, dated June 18, 2001 (the Indenture), among the Issuer, the Company and The Bank of New York, as Trustee (the Trustee), a copy of which is incorporated by reference as an exhibit to the registration statement of which this prospectus is a part and is available upon request to the Company. The Exchange Notes offered hereby will be issued under the Indenture, which is qualified under the U.S. Trust Indenture Act of 1939, as amended. The Indenture contains provisions which define your rights under the Exchange Notes. In addition, the Indenture governs the obligations of the Issuer and the Company under the Exchange Notes. The terms of the Exchange Notes include those stated in the Indenture and those made part of the Indenture by reference to the TIA and are the same in all material respects as those of the Unregistered Notes, except that the Exchange Notes will be registered under the Securities Act and, therefore, will not bear legends restricting transfer.

The Exchange Notes offered hereby will constitute Additional Securities under the Indenture. The Exchange Notes offered hereby, the outstanding Unregistered Notes and Registered Notes, and any Additional Securities issued in the future, will constitute the same series of securities and will vote together as one series on all matters with respect to the Notes, including with respect to the provisions of the Indenture described below under Defaults and Amendments and Waivers.

The following description is meant to be only a summary of certain provisions of the Indenture. It does not restate the terms of the Indenture in their entirety. We urge that you carefully read the Indenture as it, and not this description, governs your rights as Holders.

Overview Of The Exchange Notes And The Note Guarantee

The Exchange Notes offered hereby:

- will be general unsecured, senior obligations of the Issuer;
- will rank equally in right of payment with all existing and future Senior Indebtedness of the Issuer;
- will be senior in right of payment to all future Subordinated Obligations of the Issuer;

will be effectively subordinated to any secured Indebtedness of the Issuer and its Subsidiaries to the extent of the value of the assets securing such Indebtedness;

will be effectively subordinated to all liabilities (including Trade Payables) and Preferred Stock of each Subsidiary of the Issuer; and

will be guaranteed by the Company.

The Note Guarantee of the Company:

will be a general unsecured, senior obligation of the Company;

will rank equally in right of payment with all existing and future Senior Indebtedness of the Company;

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will be senior in right of payment to all future Subordinated Obligations of the Company;

will be effectively subordinated to any secured Indebtedness of the Company and its Subsidiaries to the extent of the value of the assets securing such Indebtedness; and

will be effectively subordinated to all liabilities (including Trade Payables) and Preferred Stock of each Subsidiary of the Company (other than the Issuer).

The Exchange Notes will not be guaranteed by any of the Company s subsidiaries. As of September 30, 2003, these subsidiaries (other than the Issuer) had approximately $22 million of total indebtedness outstanding (exclusive of unused commitments and $5 million of undrawn outstanding standby letters of credit), had approximately $199 million of trade payables outstanding, and held approximately 99% of the Company s consolidated assets. For the year ended December 31, 2002, these subsidiaries generated approximately 100% of the Company s consolidated net sales.

Principal, Maturity and Interest

Up to an aggregate principal amount of $100 million of Exchange Notes will be issued in the exchange offer. Additional notes in an unlimited amount may be issued under the Indenture from time to time, subject to the covenants under the Indenture and our other debt instruments in effect from time to time. The outstanding Unregistered Notes, the Exchange Notes, and any additional Notes subsequently issued (sometimes collectively referred to as the Notes) will be treated as a single class for all purposes under the Indenture.

The outstanding Unregistered Notes and Exchange Notes will mature on June 15, 2008. We will issue the Exchange Notes in fully registered form, without coupons, in denominations of $1,000 and any integral multiple of $1,000.

Each Exchange Note we issue pursuant to the exchange offer will bear interest at a rate of 9 1/4% per annum from the most recent interest payment date to which interest has been paid on the tendered outstanding unregistered notes. We will pay interest semiannually to Holders of record at the close of business on the June 1 or December 1 immediately preceding the interest payment date on and of each year. We will begin paying interest to Holders of the Exchange Notes offered hereby on June 15, 2004. We will pay interest on overdue principal at 1% per annum in excess of such rate, and we will pay interest on overdue installments of interest at such higher rate to the extent lawful.

We will also pay liquidated damages to Holders of the outstanding Unregistered Notes, but not the Exchange Notes, if certain conditions are not satisfied. These liquidated damage provisions are more fully explained under the heading The Exchange Offer above.

Payments on the Exchange Notes

We will pay the principal of, premium, if any, interest and liquidated damages, if any, on the Exchange Notes, and the Exchange Notes may be exchanged or transferred, at any office of ours or any agency designated by us which is located in the Borough of Manhattan, the City of New York. We have initially designated the corporate trust office of the Trustee to act as the agent of the Issuer in such matters. The location of the corporate trust office of the Trustee is 101 Barclay Street, New York, New York 10286. We, however, reserve the right to pay interest to

Holders by check mailed directly to Holders at their registered addresses. No service charge will be made for any registration of transfer or exchange of Exchange Notes. We, however, may require Holders to pay any transfer tax or other similar governmental charge payable in connection with any such transfer or exchange.

Transfer and Exchange

A Holder will be able to transfer or exchange Exchange Notes in accordance with the Indenture. Upon any transfer or exchange, the registrar and the Trustee may require a Holder, among other things, to furnish

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appropriate endorsements and transfer documents and the Issuer may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Issuer will not be required to transfer or exchange any Exchange Note selected for redemption or to transfer or exchange any Exchange Note for a period of 15 days prior to a selection of Exchange Notes to be redeemed. The Exchange Notes will be issued in registered form and the registered Holder will be treated as the owner of such Exchange Note for all purposes.

Paying Agent and Registrar

The Trustee will initially act as paying agent and registrar. We may change the paying agent or registrar without prior notice to the Holder of the Exchange Notes, and the Company or any of its Subsidiaries may act as paying agent or registrar.

Optional Redemption

The Exchange Notes may be redeemed, in whole at any time or in part from time to time, at the option of the Issuer, upon not less than 30 nor more than 60 days prior notice mailed by first-class mail to each Holder s registered address, at a redemption price equal to the greater of (i) 100% of the principal amount thereof plus accrued and unpaid interest and liquidated damages thereon, if any, to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and (ii) the sum of (x) the present values of the remaining scheduled payments of principal and interest thereon from the redemption date to the maturity date (except for currently accrued but unpaid interest) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points and (y) accrued and unpaid interest, if any, to the redemption date.

In addition, prior to June 15, 2004, we may, on one or more occasions, redeem up to a maximum of 35% of the aggregate principal amount of the Exchange Notes (calculated after giving effect to any issuance of additional Notes) with the Net Cash Proceeds of one or more Equity Offerings by the Company to the extent the Net Cash Proceeds thereof are contributed to the Issuer or used to purchase Capital Stock (other than Disqualified Stock) of the Issuer from the Issuer, at a redemption price equal to 109.25% of the principal amount thereof, plus accrued and unpaid interest and liquidated damages thereon, if any, to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided, however, that after giving effect to any such redemption:

(1) at least 65% of the aggregate principal amount of the Exchange Notes (calculated after giving effect to any issuance of additional Notes) remains outstanding; and

(2) any such redemption by the Company must be made within 60 days of such Equity Offering and must be made in accordance with certain procedures set forth in the Indenture.

Except as set forth above, or under the caption Redemption for Changes in Withholding Taxes, we may not redeem the Notes.

Selection

If we partially redeem Exchange Notes, the Trustee will select the Exchange Notes to be redeemed in compliance with the requirements of the principal national securities exchanges, if any, on which the Exchange Notes are listed, on a pro rata basis, by lot or by such other method as the Trustee in its sole discretion shall deem to be fair and reasonable, although no Exchange Note of $1,000 in original principal amount or less will be redeemed in part. If we redeem any Exchange Note in part only, the notice of redemption relating to such Exchange Note shall state the portion of the principal amount thereof to be redeemed. A new Exchange Note in principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon cancelation of the original Exchange Note. On and after the redemption date, interest will cease to accrue on Exchange Notes or portions thereof called for redemption so long as we have deposited with the paying agent funds sufficient to pay the principal of, plus accrued and unpaid interest and liquidated damages thereon, if any, the Exchange Notes to be redeemed.

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Mandatory Redemption

The Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Exchange Notes.

Additional Amounts

The Issuer or the Company is required to make all payments under or with respect to the Exchange Notes and the Note Guarantee free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) (Taxes) imposed or levied by or on behalf of the government of the United Kingdom or any political subdivision or any authority or agency therein or thereof having power to tax, or within any other jurisdiction in which we are organized or are otherwise resident for tax purposes or any jurisdiction from or through which payment is made (in each case, other than the United States or any political subdivision or taxing authority thereof) (each a Relevant Taxing Jurisdiction), unless the Issuer or the Company is required to withhold or deduct Taxes by law or by the interpretation or administration thereof.

If the Issuer or the Company is so required to withhold or deduct any amount for or on account of Taxes imposed by a Relevant Taxing Jurisdiction from any payment made under or with respect to the Exchange Notes or the Note Guarantee, the Issuer or the Company will be required to pay such additional amounts (Additional Amounts) as may be necessary so that the net amount received by you (including Additional Amounts) after such withholding or deduction will not be less than the amount you would have received if such Taxes had not been withheld or deducted; provided, however, that the foregoing obligation to pay Additional Amounts does not apply to (1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over the relevant holder, if the relevant holder is an estate, nominee, trust or corporation) and the Relevant Taxing Jurisdiction (other than the mere receipt of such payment or the ownership or holding outside of the Relevant Taxing Jurisdiction of such Exchange Note); or (2) any estate, inheritance, gift, sales, excise, transfer, personal property tax or similar tax, assessment or governmental charge; nor will the Issuer or the Company pay Additional Amounts (a) if the payment could have been made without such deduction or withholding if the beneficiary of the payment had presented the Exchange Note for payment within 30 days after the date on which such payment or such Exchange Note became due and payable or the date on which payment thereof is duly provided for, whichever is later (except to the extent that the holder would have been entitled to Additional Amounts had the Exchange Note been presented on the last day of such 30 day period), or (b) with respect to any payment of principal of (or premium, if any, on) or interest on such Exchange Note to any holder who is a fiduciary or partnership or any person other than the sole beneficial owner of such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of such payment would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the actual holder of such Exchange Note.

Upon request, the Issuer or the Company will provide the Trustee with official receipts or other documentation satisfactory to the Trustee evidencing the payment of the Taxes with respect to which Additional Amounts are paid.

Whenever in the Indenture there is mentioned, in any context:

(1) the payment of principal;

(2) purchase prices in connection with a purchase of Exchange Notes;

(3) interest; or

(4) any other amount payable on or with respect to any of the Exchange Notes,

such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

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The Issuer or the Company will pay any present or future stamp, court or documentary taxes or any other excise or property taxes, charges or similar levies that arise in any jurisdiction from the execution, delivery, enforcement or registration of the Exchange Notes, the Note Guarantee, the Indenture or any other document or instrument in relation thereof, or the receipt of any payments with respect to the Exchange Notes or the Note Guarantee, excluding such taxes, charges or similar levies imposed by any jurisdiction outside of the United Kingdom, the jurisdiction of incorporation of any successor of the Company or any jurisdiction in which a paying agent is located, and we will agree to indemnify the Holders for any such taxes paid by such Holders.

The obligations described under this heading will survive any termination, defeasance or discharge of the Indenture and will apply mutatis mutandis to any jurisdiction in which any successor Person to the Company is organized or any political subdivision or taxing authority or agency thereof or therein (other than the United States or any political subdivision or taxing authority thereof).

Redemption for Changes in Withholding Taxes

We are entitled to redeem the Exchange Notes, at our option, at any time as a whole but not in part, upon not less than 30 nor more than 60 days notice, at 100% of the principal amount thereof, plus accrued and unpaid interest (if any) and liquidated damages to the date of redemption (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), in the event we have become or would become obligated to pay, on the next date on which any amount would be payable with respect to the Exchange Notes or the Note Guarantee, any Additional Amounts as a result of:

(1) a change in or an amendment to the laws (including any regulations promulgated thereunder) of any Relevant Taxing Jurisdiction; or

(2) any change in or amendment to any official position regarding the application or interpretation of such laws or regulations, which change or amendment is announced or becomes effective on or after the date of this offering memorandum

and we cannot avoid such obligation by taking reasonable measures available to us.

Before we publish or mail notice of redemption of the Exchange Notes as described above, we will deliver to the Trustee an officers certificate to the effect that we cannot avoid our obligation to pay Additional Amounts by taking reasonable measures available to us. We will also deliver an opinion of independent legal counsel of recognized standing stating that we would be obligated to pay Additional Amounts as a result of a change in tax laws or regulations or the application or interpretation of such laws or regulations.

Ranking

The Exchange Notes will be general unsecured Senior Indebtedness of the Issuer, will rank equally in right of payment with all existing and future Senior Indebtedness of the Issuer and will be senior in right of payment to all future Subordinated Obligations of the Issuer. The Exchange Notes also will be effectively subordinated to any secured Indebtedness of the Issuer and its Subsidiaries to the extent of the value of the assets securing such secured Indebtedness.

The Note Guarantee will be general unsecured Senior Indebtedness of the Company, will rank equally in right of payment with all existing and future Senior Indebtedness of the Company and will be senior in right of payment to all future Subordinated Obligations of the Company. The Note Guarantee will be effectively subordinated to any secured Indebtedness of the Company and its Subsidiaries to the extent of the value of the assets securing such secured Indebtedness.

The Company, the indirect parent company of the Issuer, currently conducts all of its operations through its Subsidiaries, and the Issuer currently conducts all of its operations through its Subsidiaries. Creditors of such Subsidiaries, including trade creditors, and preferred stockholders (if any) of such Subsidiaries generally will

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have priority with respect to the assets and earnings of such Subsidiaries over the claims of the creditors of the Company and the Issuer, including Holders. The Exchange Notes, therefore, will be effectively subordinated to the claims of creditors, including trade creditors, and preferred stockholders (if any) of the Company s Subsidiaries (other than the Issuer). Although the Indenture will limit the Incurrence of Indebtedness by and the issuance of preferred stock of certain of our Subsidiaries, such limitation is subject to a number of significant qualifications.

As of September 30, 2003, there was outstanding:

(1) $1,341 million of senior indebtedness of the Issuer (including the Notes), of which $94 million was secured indebtedness (exclusive of unused commitments under the Credit Agreement and $18 million of undrawn outstanding standby letters of credit);

(2) $1,247 million of senior indebtedness of the Company, consisting of the note guarantee and its guarantee of Millennium America s other notes and debentures (in each case, exclusive of guarantees of indebtedness under the Credit Agreement and $1 million of undrawn outstanding standby letters of credit), of which none was secured indebtedness;

(3) no subordinated obligations of the Company or the Issuer; and

(4) $199 million of trade payables and $22 million of total indebtedness outstanding (exclusive of unused commitments under the Credit Agreement and $5 million of undrawn outstanding standby letters of credit) of subsidiaries of the Company, other than the Issuer. In addition, since each of the Company and the Issuer conducts all of its operations through its subsidiaries, subsidiaries of the Company (other than the Issuer) had substantial operating liabilities.

Although the Indenture will limit the Incurrence of Indebtedness by the Company and the Restricted Subsidiaries (including the Issuer) and the issuance of Preferred Stock by the Restricted Subsidiaries, such limitation is subject to a number of significant qualifications. The Company and its Subsidiaries may be able to incur substantial amounts of Indebtedness in certain circumstances. Such Indebtedness may be Senior Indebtedness.

The Note Guarantee

The Company, as primary obligor and not merely as surety, will irrevocably and unconditionally Guarantee on an unsecured senior basis the performance and full and punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, of all obligations of the Issuer under the Indenture (including obligations to the Trustee) and the Exchange Notes, whether for payment of principal of or interest on or liquidated damages in respect of the Exchange Notes, expenses, indemnification or otherwise (all such obligations guaranteed by the Company being herein called the Guaranteed Obligations). The Company will agree to pay, in addition to the amount stated above, any and all costs and expenses (including reasonable counsel fees and expenses) incurred by the Trustee or the Holders in enforcing any rights under the Note Guarantee. The Note Guarantee will be limited in amount to an amount not to exceed the maximum amount that can be Guaranteed by the Company without rendering the Note Guarantee voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

The Note Guarantee is a continuing guarantee and shall (a) remain in full force and effect until payment in full of all the Guaranteed Obligations, (b) be binding upon the Company and its successors and (c) inure to the benefit of, and be enforceable by, the Trustee, the Holders and their successors, transferees and assigns.

Change of Control

Upon the occurrence of any of the following events (each a Change of Control), each Holder of Exchange Notes will have the right to require the Issuer to purchase all or any part (equal to $1,000 or an integral multiple thereof) of such Holder s Exchange Notes at a purchase price in cash equal to 101% of the principal amount

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thereof plus accrued and unpaid interest and liquidated damages, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest and liquidated damages, if any, due on the relevant interest payment date):

(1) any person (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than the Company or a Subsidiary of the Company, is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that for purposes of this clause (1) such person shall be deemed to have beneficial ownership of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer or the Company (for the purposes of this clause (1), such person shall be deemed to beneficially own any Voting Stock of an entity held by any other entity (the parent entity), if such person is the beneficial owner (as defined in this clause (1)), directly or indirectly, of more than 50% of the voting power of the Voting Stock of such parent entity); or

(2) during any period of two consecutive years, individuals who at the beginning of such period constituted the board of directors of the Issuer or the Company, as the case may be (together with any new directors whose election by such board of directors of the Issuer or the Company, as the case may be, or whose nomination for election by the shareholders of the Issuer or the Company, as the case may be, was approved by a vote of 66 $^{2}/_{3}$% of the directors of the Issuer or the Company, as the case may be, then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the board of directors of the Issuer or the Company, as the case may be, then in office; or

(3) the adoption of a plan relating to the liquidation or dissolution of the Issuer or the Company; or

(4) the merger or consolidation of the Issuer or the Company with or into another Person or the merger of another Person with or into the Issuer or the Company, or the sale of all or substantially all the assets of the Issuer or the Company to another Person, unless, in the case of any such merger or consolidation, the securities of the Issuer or the Company, as the case may be, that are outstanding immediately prior to such transaction and which represent 100% of the aggregate voting power of the Voting Stock of the Issuer or the Company, as the case may be, constitute or are changed into or exchanged for securities that constitute, in addition to any other consideration, securities of the surviving Person that represent immediately after such transaction at least a majority of the aggregate voting power of the Voting Stock of the surviving Person or transferee. For purposes of this clause (4), (i) the sale by the Company or the Issuer of the equity interests in Millennium Petrochemicals Inc., the equity interests in the limited liability companies which directly or indirectly own the Company s equity interests in Equistar, and/or the Company s equity interests in Equistar will be deemed not to constitute a sale of all or substantially all of the assets of the Issuer or the Company if any such sale consists of Net Tangible Assets constituting 33 $^{1}/_{3}$% or less of the Consolidated Net Tangible Assets of the Company as of the date of the most recent publicly available consolidated balance sheet of the Company and its Subsidiaries and (ii) it shall not be a Change of Control if the Issuer or the Company merges into the other or into a Restricted Subsidiary, or consolidates with or into the other or a Restricted Subsidiary, or sells all or substantially all of its assets to the other or a Restricted Subsidiary for internal restructuring purposes or in combination with another transaction which does not constitute a Change of Control.

In the event that at the time of such Change of Control the terms of the Bank Indebtedness restrict or prohibit the repurchase of Exchange Notes pursuant to this covenant, then prior to the mailing of the notice to Holders provided for in the immediately following paragraph but in any event within 30 days following any Change of Control, the Issuer shall:

(1) repay in full all Bank Indebtedness or, if doing so will allow the purchase of Exchange Notes, offer to repay in full all Bank Indebtedness and repay the Bank Indebtedness of each lender who has accepted such offer; or

(2) obtain the requisite consent under the agreements governing the Bank Indebtedness to permit the repurchase of the Exchange Notes as provided for in the immediately following paragraph.

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Within 30 days following any Change of Control, the Issuer shall mail a notice to each Holder with a copy to the Trustee (the Change of Control Offer) stating:

(1) that a Change of Control has occurred and that such Holder has the right to require the Issuer to purchase all or a portion of such Holder s Exchange Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest and liquidated damages, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest and liquidated damages, if any, on the relevant interest payment date);

(2) the circumstances and relevant facts and financial information regarding such Change of Control;

(3) the purchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and

(4) the instructions determined by the Issuer, consistent with the Indenture, that a Holder must follow in order to have its Notes purchased.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the purchase of Exchange Notes pursuant to the Indenture. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue thereof.

The Change of Control purchase feature is a result of negotiations between the Issuer, the Company and the initial purchasers in the offering of the 9 1/4% Senior Notes due 2008 in June 2001. Neither management of the Issuer nor the Company has a present intention to engage in a transaction involving a Change of Control, although it is possible that the Issuer or the Company would decide to do so in the future. Subject to the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, refinancings or recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. Restrictions on our ability to Incur additional Indebtedness are contained in the covenants described under Certain Covenants Limitation on Indebtedness, Limitation on Liens and Limitation on Sale/Leaseback Transactions. Such restrictions can only be waived with the consent of the Holders of a majority in principal amount of the Notes then outstanding. Except for the limitations contained in such covenants, however, the Indenture does not contain any covenants or provisions that may afford Holders protection in the event of a highly leveraged transaction.

The occurrence of certain of the events which would constitute a Change of Control would constitute a default under the Credit Agreement. Future Indebtedness of the Company and its Subsidiaries may contain prohibitions of certain events which would constitute a Change of Control or require such Indebtedness to be repurchased or repaid upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Issuer to purchase the Exchange Notes could cause a default under such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Company and its Subsidiaries. Finally, the Issuer s ability to pay cash to the Holders upon a purchase may be limited by the Issuer s then existing financial resources. There can be no assurance that sufficient funds will be available when

necessary to make any required purchases. The provisions under the Indenture relative to the Issuer s obligation to make an offer to purchase the Exchange Notes as a result of a Change of Control may be waived or modified with the written consent of the Holders of a majority in principal amount of the Notes then outstanding.

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The definition of Change of Control includes a disposition of all or substantially all of the assets of the Company or the Issuer to any Person. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under New York law (which is the governing law of the Indenture). Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of all or substantially all of the assets of a Person. As a result, it may be unclear as to whether a Change of Control has occurred and whether a holder of Exchange Notes may require the Issuer to make an offer to repurchase the Exchange Notes as described above.

Certain Covenants

The Indenture contains covenants including, among others, the following:

Limitation on Indebtedness. (a) Subsequent to June 18, 2001, the Company will not, and will not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Indebtedness; provided, however, that the Issuer or the Company may Incur Indebtedness if on the date of such Incurrence and after giving effect thereto the Consolidated Coverage Ratio would be greater than 2.00:1 if such Indebtedness is Incurred on or prior to June 15, 2003 and 2.25:1 if such Indebtedness is Incurred thereafter.

(b) Notwithstanding the foregoing paragraph (a), the Company and its Restricted Subsidiaries may Incur the following Indebtedness:

(1) Bank Indebtedness (and Guarantees thereof) in an aggregate principal amount incurred since June 18, 2001 not to exceed the greater of: (A) $300 million less the aggregate amount of all repayments of principal of such Indebtedness pursuant to the covenant described under Limitation on Sales of Assets and Subsidiary Stock , and (B) the sum of 85% of the book value of accounts receivable and 50% of the book value of inventory of the Company and its Restricted Subsidiaries, calculated on a consolidated basis and in accordance with GAAP as of the date of the most recent publicly available consolidated balance sheet of the Company;

(2) Indebtedness of the Company owed to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owed to and held by the Company or any Restricted Subsidiary; provided, however, that (A) any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of any such Indebtedness (except to the Company or a Restricted Subsidiary) shall be deemed, in each case, to constitute the Incurrence of such Indebtedness by the issuer thereof, (B) if the Issuer is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations with respect to the Exchange Notes and (C) if the Company is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations of the Company with respect to its Note Guarantee;

(3) Indebtedness (A) represented by the Notes (not including any Notes issued subsequent to June 18, 2001) and the Note Guarantee, (B) outstanding on June 18, 2001 (other than the Indebtedness described in clauses (1) and (2) above), (C) consisting of Refinancing Indebtedness Incurred in respect of any Indebtedness described in this clause (3) (including Indebtedness that is Refinancing Indebtedness) or the foregoing paragraph (a) and (D) consisting of Guarantees of any Indebtedness permitted under clauses (1) and (2) of this paragraph (b);

(4) (A) Indebtedness of a Restricted Subsidiary Incurred and outstanding on or prior to the date on which such Restricted Subsidiary was acquired by the Company (other than Indebtedness Incurred in contemplation of, in connection with, as consideration in, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted

Subsidiary became a Subsidiary of or was otherwise acquired by the Company); provided, however, that on the date that such Restricted Subsidiary is acquired by the Company, the Company would have been able to Incur $1.00 of additional Indebtedness pursuant to the foregoing paragraph (a) after giving

effect to the Incurrence of such Indebtedness pursuant to this clause (4) and (B) Refinancing Indebtedness Incurred by a Restricted Subsidiary in respect of Indebtedness Incurred by such Restricted Subsidiary pursuant to this clause (4);

(5) Indebtedness in respect of workers compensation claims, self-insurance obligations, completion guarantees, performance bonds, bankers acceptances, letters of credit and performance, indemnity, surety or appeal bonds and similar items provided or Incurred by the Company and the Restricted Subsidiaries in the ordinary course of their business;

(6) Purchase Money Indebtedness and Capitalized Lease Obligations in an aggregate principal amount incurred since June 18, 2001 not in excess of $50 million at any time outstanding;

(7) Indebtedness Incurred by a Receivables Entity since June 18, 2001 in a Qualified Receivables Transaction with respect to accounts receivable of a Domestic Subsidiary that is not recourse to the Company or any other Restricted Subsidiary of the Company (except for Standard Securitization Undertakings) in an aggregate principal amount not to exceed $100 million at any time outstanding;

(8) Indebtedness arising from agreements of the Company or a Restricted Subsidiary providing for indemnification, contribution, earnout, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the disposition of any business, assets or Capital Stock of a Restricted Subsidiary;

(9) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business, provided, however, that such Indebtedness is extinguished within five business days of Incurrence;

(10) Indebtedness of any Foreign Subsidiary (including any Indebtedness Incurred by a Receivables Entity in a Qualified Receivables Transaction with respect to accounts receivable of a Foreign Subsidiary that is not recourse to the Company or any other Restricted Subsidiary of the Company (except for Standard Securitization Undertakings)) incurred since June 18, 2001 in an aggregate principal amount on the date of Incurrence that, when added to all other Indebtedness Incurred pursuant to this clause (10) and then outstanding, will not exceed $100 million; provided that immediately after giving effect to such Incurrence of Indebtedness, the Company would be able to Incur at least $1.00 of additional Indebtedness under paragraph (a) of this covenant above;

(11) Guarantees by the Company, the Issuer or a Restricted Subsidiary of Indebtedness permitted to be Incurred by Restricted Subsidiaries (other than Guarantees by a Restricted Subsidiary of Indebtedness of the Issuer) pursuant to this Limitation on Indebtedness covenant; or

(12) Indebtedness (other than Indebtedness permitted to be Incurred pursuant to the foregoing paragraph (a) or any other clause of this paragraph (b)) in an aggregate principal amount on the date of Incurrence that, when added to all other Indebtedness Incurred pursuant to this clause (12) since June 18, 2001 and then outstanding, will not exceed $50 million.

(c) Notwithstanding the foregoing, the Company and its Restricted Subsidiaries may not Incur any Indebtedness pursuant to paragraph (b) above if the proceeds thereof are used, directly or indirectly, to repay, prepay, redeem, defease, retire, refund or refinance any Subordinated Obligations of the Company or the Issuer unless such Indebtedness will be subordinated to the Exchange Notes or the Note Guarantee, as applicable, to at least the same extent as such Subordinated Obligations.

(d) Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company or any Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rates of currencies. For purposes of determining the outstanding principal amount of any particular Indebtedness Incurred pursuant to this covenant:

(1) Indebtedness Incurred pursuant to the Credit Agreement on or prior to June 18, 2001 shall be treated as Incurred pursuant to clause (1) of paragraph (b) above,

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(2) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness, and

(3) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in this covenant, the Issuer, in its sole discretion, shall classify such Indebtedness and only be required to include the amount of such Indebtedness in one of such clauses.

(e) Notwithstanding the foregoing, subsequent to June 18, 2001, the Company shall not permit any Restricted Subsidiary to Incur any Funded Debt, except for:

(i) Funded Debt Incurred pursuant to clause (b)(3)(B) or (C) of this covenant,

(ii) Funded Debt Incurred pursuant to clause (b)(4) of this covenant (without giving effect to the proviso thereto after the Fall-Away Date),

(iii) Funded Debt consisting of Purchase Money Indebtedness and Refinancing Indebtedness Incurred in respect of such Purchase Money Indebtedness Incurred pursuant to clause (b)(6) of this covenant (without giving effect to the cap therein after the Fall-Away Date),

(iv) Funded Debt consisting of Indebtedness Incurred pursuant to clause (b)(2) or (b)(7) of this covenant, and

(v) Funded Debt in an aggregate principal amount which, together with (without duplication) (a) the aggregate principal amount of all other Funded Debt of the Restricted Subsidiaries (other than Funded Debt permitted to be Incurred under clauses (i) through (iv) above), (b) the aggregate principal amount of all Secured Debt of the Company and the Restricted Subsidiaries (other than Indebtedness permitted to be secured under clauses (1) through (9) of paragraph (a) of the covenant described under Limitation on Liens), and (c) the aggregate Value of Sale/Leaseback Transactions of the Company and its Restricted Subsidiaries (other than Sale/Leaseback Transactions permitted under paragraph (a) of the covenant described under Limitation on Sale/Leaseback Transactions) does not at such time exceed 15% of Consolidated Net Tangible Assets of the Issuer.

Limitation on Restricted Payments. (a) Subsequent to June 18, 2001, the Company will not, and will not permit any Restricted Subsidiary, directly or indirectly, to:

(1) declare or pay any dividend, make any distribution on or in respect of its Capital Stock or make any similar payment (including any payment in connection with any merger or consolidation involving the Company or any Subsidiary of the Company) to the direct or indirect holders of its Capital Stock, except (x) dividends or distributions payable solely in Capital Stock of the Company or its Restricted Subsidiaries (other than Disqualified Stock or Preferred Stock) and (y) dividends or distributions payable to the Company or a Restricted Subsidiary (and, if such Restricted Subsidiary has shareholders other than the Company or other Restricted Subsidiaries, to its other shareholders on a pro rata basis),

(2) purchase, repurchase, redeem, retire or otherwise acquire for value any Capital Stock of the Company or any Restricted Subsidiary held by Persons other than the Company or a Restricted Subsidiary,

(3) purchase, repurchase, redeem, retire, defease or otherwise acquire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment any Subordinated Obligations (other than the purchase, repurchase, redemption, retirement, defeasance or other acquisition for value of Subordinated Obligations acquired in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of acquisition or Subordinated Obligations held by the Company or any Restricted Subsidiary), or

(4) make any Investment (other than a Permitted Investment) in any Person (any such dividend, distribution, payment, purchase, redemption, repurchase, defeasance, retirement, or other acquisition or Investment being herein referred to as a Restricted Payment),

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if at the time the Company or such Restricted Subsidiary makes such Restricted Payment:

(A) a Default will have occurred and be continuing (or would result therefrom);

(B) the Company could not Incur at least $1.00 of additional Indebtedness under paragraph (a) of the covenant described under Limitation on Indebtedness ; or

(C) the aggregate amount of such Restricted Payment and all other Restricted Payments (the amount so expended, if other than in cash, to be determined in good faith by the Board of Directors of the Company, whose determination will be conclusive and evidenced by a resolution of the Board of Directors of the Company) declared or made subsequent to June 18, 2001 would exceed the sum, without duplication, of:

(i) 50% of the Consolidated Net Income accrued during the period (treated as one accounting period) from July 1, 2001 to the end of the most recent fiscal quarter for which consolidated financial statements of the Company are publicly available prior to the date of such Restricted Payment (or, in case such Consolidated Net Income will be a deficit, minus 100% of such deficit);

(ii) the aggregate Net Cash Proceeds received by the Company from the issue or sale of its Capital Stock (other than Disqualified Stock) subsequent to June 18, 2001 (other than an issuance or sale to (x) a Subsidiary of the Company or (y) an employee stock ownership plan or other trust established by the Company or any of its Subsidiaries);

(iii) the amount by which Indebtedness of the Company or its Restricted Subsidiaries is reduced on the Company s balance sheet upon the conversion or exchange (other than by a Subsidiary of the Company) subsequent to June 18, 2001 of any Indebtedness of the Company or its Restricted Subsidiaries issued after the Closing Date which is convertible or exchangeable for Capital Stock (other than Disqualified Stock) of the Company (less the amount of any cash or the Fair Market Value of other property distributed by the Company or any Restricted Subsidiary upon such conversion or exchange);

(iv) the amount equal to the net reduction in Investments in Unrestricted Subsidiaries resulting from (x) payments of dividends, repayments of the principal of loans or advances or other transfers of assets to the Company or any Restricted Subsidiary from Unrestricted Subsidiaries or (y) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued in each case as provided in the definition of Investment) not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Company or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount was included in the calculation of the amount of Restricted Payments;

(v) an amount equal to 50% of the cash distributions received by the Company or any of its Restricted Subsidiaries from Equistar during the period (treated as one accounting period) from April 1, 2001 to the end of the most recent fiscal quarter for which consolidated financial statements of the Company are publicly available prior to the date of such Restricted Payment; and

(vi) $40 million.

(b) The provisions of the foregoing paragraph (a) will not prohibit any Permitted Investment or:

(1) any purchase, repurchase, redemption, retirement or other acquisition for value of Capital Stock of the Company made by exchange for, or out of the proceeds of the sale within 30 days of, Capital Stock of the Company (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary of the Company or an employee stock ownership plan or other trust established by the Company or any of its Subsidiaries); provided, however, that:

(A) such purchase, repurchase, redemption, retirement or other acquisition for value will be excluded in the calculation of the amount of Restricted Payments, and

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(B) the Net Cash Proceeds from such sale applied in the manner set forth in this clause (1) will be excluded from the calculation of amounts under clause (C)(ii) of paragraph (a) above;

(2) any prepayment, repayment, purchase, repurchase, redemption, retirement, defeasance or other acquisition for value of Subordinated Obligations of the Company or the Issuer made by exchange for, or out of the proceeds of the sale within 30 days of, Indebtedness of the Company or the Issuer that is permitted to be Incurred pursuant to paragraph (b) of the covenant described under Limitation on Indebtedness ; provided, however, that such prepayment, repayment, purchase, repurchase, redemption, retirement, defeasance or other acquisition for value will be excluded in the calculation of the amount of Restricted Payments;

(3) any prepayment, repayment, purchase, repurchase, redemption, retirement, defeasance or other acquisition for value of Subordinated Obligations of the Company or the Issuer from Net Available Cash to the extent permitted by the covenant described under Limitation on Sales of Assets and Subsidiary Stock ; provided, however, that such prepayment, repayment, purchase, repurchase, redemption, retirement, defeasance or other acquisition for value will be excluded in the calculation of the amount of Restricted Payments;

(4) dividends paid within 90 days after the date of declaration thereof if at such date of declaration such dividends would have complied with this covenant; provided, however, that such dividends will be included in the calculation of the amount of Restricted Payments;

(5) any purchase, repurchase, redemption, retirement or other acquisition for value of shares of, or options to purchase shares of, common stock of the Company or any of its Subsidiaries from employees, former employees, directors or former directors of the Company or any of its Subsidiaries (or permitted transferees of such employees, former employees, directors or former directors), pursuant to the terms of agreements (including employment agreements) or plans (or amendments thereto) approved by the Board of Directors of the Company under which such individuals purchase or sell or are granted the option to purchase or sell, shares of such common stock; provided, however, that the aggregate amount of such purchases, repurchases, redemptions, retirements and other acquisitions for value permitted under this clause (5) will not exceed $5 million in any calendar year; provided further, however, that such amount permitted under this clause (5) in any calendar year may be increased by up to $5 million of cash proceeds received by the Company or any of its Restricted Subsidiaries in such calendar year from the sale of Capital Stock of the Company (other than Disqualified Stock) to employees or directors of the Company or its Subsidiaries (or trusts for the benefit of such persons), provided that such cash proceeds so applied will be excluded from the calculation of amounts under clause (C)(ii) of paragraph (a) above; provided further, however, that such purchases, repurchases, redemptions, retirements and other acquisitions for value will be included in the calculation of the amount of Restricted Payments;

(6) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of the Company issued in accordance with the terms of the Indenture; provided that the payment of such dividends will be excluded from the calculation of Restricted Payments;

(7) repurchases of Capital Stock (or warrants or options convertible into or exchangeable for such Capital Stock) deemed to occur upon the exercise of warrants or stock options if such Capital Stock (or warrants or options convertible into or exchangeable for such Capital Stock) represents a portion of the exercise price thereof; provided, however, that such repurchases will be excluded from the calculation of the amount of Restricted Payments;

(8) Investments in Equistar that the Company is required to make pursuant to the Equistar Partnership Agreement on terms no less favorable to the Company than those in effect on June 18, 2001 in an amount not to exceed $30 million in any calendar year and $100 million over any five calendar year period; provided, however, that in the event that Investments in Equistar by the Company or any of its Restricted Subsidiaries are required without the consent of the Company in accordance with the Equistar Partnership Agreement as in effect on June 18, 2001 (or on terms

no less favorable to the Company than as in effect on June 18, 2001) to achieve or maintain compliance with any HSE Law (as defined in the Asset Contribution

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Agreement as in effect on June 18, 2001) and such Investments, if made, would exceed the annual cap set forth in this clause (8) above in the calender year in which they are required to be made, then such annual cap (but not the five year cap set forth in this clause (8) above) may be exceeded; provided that if such Investment, taken together with all other Investments made at any time pursuant to this clause (8), exceeds $30 million, at the time of making such Investment the Company would be able to Incur at least $1.00 of additional Indebtedness under paragraph (a) of the covenant described under Limitation on Indebtedness ; provided, further that such Investments will be included in the calculation of Restricted Payments; and

(9) other Restricted Payments in an aggregate amount since June 18, 2001 not to exceed $20 million; provided, however, that such Restricted Payments shall be excluded from the calculation of Restricted Payments.

Limitation on Restrictions on Distributions from Restricted Subsidiaries. Subsequent to June 18, 2001, the Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock or pay any Indebtedness or other obligations owed to the Company or the Issuer;

(2) make any loans or advances to the Company or the Issuer; or

(3) transfer any of its property or assets to the Company or the Issuer.

The preceding provisions will not prohibit:

(A) any encumbrance or restriction pursuant to applicable law or an agreement in effect at or entered into on June 18, 2001 (including, without limitation, the Indenture and the Credit Agreement);

(B) any encumbrance or restriction with respect to a Restricted Subsidiary existing prior to the date on which such Restricted Subsidiary was acquired by the Company (other than any encumbrance or restriction with respect to any obligation or Indebtedness Incurred as consideration in, in contemplation of, or to provide all or any portion of the funds or credit support utilized to consummate the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary or was otherwise acquired by the Company) and outstanding on such date;

(C) any encumbrance or restriction pursuant to an agreement effecting a Refinancing of Indebtedness Incurred pursuant to an agreement referred to in clause (A) or (B) of this covenant or this clause (C) or contained in any amendment to an agreement referred to in clause (A) or (B) of this covenant or this clause (C); provided, however, that the encumbrances and restrictions contained in any such Refinancing agreement or amendment are no less favorable in any material respect to the Holders than the encumbrances and restrictions contained in such predecessor agreements;

(D) in the case of clause (3), any encumbrance or restriction

(i) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or (ii) contained in any mortgage, pledge or security agreements securing Indebtedness of a Restricted Subsidiary to the extent such encumbrance or restriction restricts the transfer of the property subject to such security agreements; and (iii) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary;

(E) with respect to a Restricted Subsidiary, any restriction imposed pursuant to an agreement entered into for the sale or disposition of assets of, or all or substantially all the Capital Stock of, such Restricted Subsidiary pending the closing of such sale or disposition;

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(F) any encumbrance or restriction existing under or by reason of Indebtedness or other contractual requirements of a Receivables Entity in connection with a Qualified Receivables Transaction; provided that such restrictions apply only to such Receivables Entity;

(G) in the case of clause (3), Purchase Money Indebtedness, Capital Lease Obligations, industrial revenue or similar bonds, or operating leases or similar transactions Incurred in compliance with the Indenture that impose encumbrances or restrictions on the property so acquired or covered thereby;

(H) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order of any foreign or domestic government agency or court;

(I) encumbrances existing under the Indenture and the Notes;

(J) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(K) encumbrances or restrictions existing under or by reason of provisions with respect to the disposition or distribution of assets or property in joint venture agreements and other similar agreements entered into in the ordinary course of business, so long as such encumbrances or restrictions are not applicable to any Person (or its property or assets) other than such joint venture or a Subsidiary thereof;

(L) in the case of clause (3), any Lien Incurred in compliance with the covenant described under Limitation on Liens ; and

(M) customary restrictions imposed on the transfer of intellectual property in the ordinary course of business.

Limitation on Sales of Assets and Subsidiary Stock. (a) Subsequent to June 18, 2001, the Company will not, and will not permit any Restricted Subsidiary to, make any Asset Disposition unless:

(1) the Company or such Restricted Subsidiary receives consideration (including by way of relief from, or by any other Person assuming sole responsibility for, any liabilities, contingent or otherwise) at the time of such Asset Disposition at least equal to the Fair Market Value (determined either at the date of such Asset Disposition or at the date of the agreement providing for such Asset Disposition) of the shares and assets subject to such Asset Disposition,

(2) at least 75% of the consideration thereof received by the Company or such Restricted Subsidiary is in the form of cash, and

(3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Company (or such Restricted Subsidiary, as the case may be)

(A) first, to the extent the Company elects (or is required by the terms of any Indebtedness), to prepay, repay, purchase, repurchase, redeem, retire, defease or otherwise acquire for value Bank Indebtedness of the Company or the Issuer or Indebtedness (other than obligations in respect of Preferred Stock) of a Wholly Owned Subsidiary other than the Issuer (in each case other than Indebtedness owed to the Company or an Affiliate of the Company and other than obligations in respect of Disqualified Stock) within 360 days after the later of the date of such Asset Disposition or the receipt of such Net Available Cash;

(B) second, to the extent of the balance of Net Available Cash after application in accordance with clause (A), to the extent the Company or such Restricted Subsidiary elects, to reinvest in Additional Assets (including by means of an Investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by the Company or another Restricted Subsidiary) within 360 days from the later of such Asset Disposition or the receipt of such Net Available Cash;

(C) third, to the extent of the balance of such Net Available Cash after application in accordance with clauses (A) and (B), to make an Offer (as defined in paragraph (b) of this covenant below) to

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purchase Notes pursuant to and subject to the conditions set forth in paragraph (b) of this covenant; provided, however, that if the Issuer elects (or is required by the terms of any other Senior Indebtedness), such Offer may be made ratably to purchase the Notes and other Senior Indebtedness of the Company or the Issuer, and

(D) fourth, to the extent of the balance of such Net Available Cash after application in accordance with clauses (A), (B) and (C), for any general corporate purpose permitted by the terms of the Indenture;

provided, however, that in connection with any prepayment, repayment, purchase, repurchase, redemption, retirement, defeasance or other acquisition for value of Indebtedness pursuant to clause (A), (C) or (D) above, the Company or such Restricted Subsidiary will retire such Indebtedness and will cause the related loan commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid, purchased, repurchased, redeemed, retired, defeased or otherwise acquired for value.

Notwithstanding the foregoing provisions of this covenant, the Company and the Restricted Subsidiaries will not be required to apply any Net Available Cash in accordance with this covenant except to the extent that the aggregate Net Available Cash from all Asset Dispositions that is not applied in accordance with this covenant exceeds $5 million.

For the purposes of this covenant, the following are deemed to be cash:

the assumption of Indebtedness of (i) the Issuer (other than obligations in respect of Disqualified Stock of the Issuer) or (ii) the Company or any Restricted Subsidiary other than the Issuer (other than obligations in respect of Disqualified Stock and Preferred Stock of the Company) and the release of the Issuer, the Company or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition (it being understood that the assumption of the Issuer s Guarantee of Indebtedness of Equistar in effect on June 18, 2001 shall be valued as $0 for the purposes of complying with clause (a)(2) of this covenant above) and

securities received by the Company or any Restricted Subsidiary from the transferee that are converted, sold or exchanged within 30 days of receipt by the Company or such Restricted Subsidiary into cash to the extent of the cash received.

(b) In the event of an Asset Disposition that requires the purchase of Notes pursuant to clause (a)(3)(C) of this covenant, the Issuer will be required

(i) to purchase Notes tendered pursuant to an offer by the Issuer for the Notes (the Offer) at a purchase price of 100% of their principal amount plus accrued and unpaid interest and liquidated damages thereon, if any, to the date of purchase (subject to the right of Holders of record on the relevant date to receive interest due on the relevant interest payment date) in accordance with the procedures (including prorating in the event of oversubscription) set forth in the Indenture; and

(ii) to purchase other Senior Indebtedness of the Issuer or the Company on the terms and to the extent contemplated thereby (provided that in no event shall the Issuer offer to purchase such other Senior Indebtedness of the Issuer or the Company at a purchase price in excess of 100% of its principal amount (without premium), plus accrued and unpaid interest thereon.

If the aggregate purchase price of Notes (and other Senior Indebtedness) tendered pursuant to the Offer is less than the Net Available Cash allotted to the purchase of the Notes (and other Senior Indebtedness), the Issuer will apply the remaining Net Available Cash in accordance with clause (a)(3)(D) of this covenant. The Issuer will not be required to make an Offer for Notes (and other Senior Indebtedness) pursuant to this covenant if the Net Available Cash available therefor (after application of the proceeds as provided in clauses (a)(3)(A) and (B)) is less than $5 million for any particular Asset Disposition (which lesser amount will be carried forward for purposes of determining whether an Offer is required with respect to the Net Available Cash from any subsequent Asset Disposition).

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(c) The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

Limitation on Transactions with Affiliates. (a) Subsequent to June 18, 2001, the Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Company (an Affiliate Transaction) unless such transaction is on terms:

(1) thatshares of Class B common stock outstanding immediately after the completion of the offering are exchanged for shares of Class A common stock). The representative in its sole discretion may release any of the securities subject to these lock-up agreements at any time without notice.

Our directors, executive officers, the TPG and Oaktree holding vehicles and JHI have agreed that they will not, subject to certain exceptions, offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file or cause to be filed with the SEC a registration statement under the Securities Act relating to, any shares of our Class A common stock or securities convertible into or exchangeable or exercisable for any shares of our Class A common stock (including New TMM Units and Class B common stock), enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our Class A common stock or securities convertible into or exchangeable or exercisable for any of our Class A common stock, whether any of these transactions are to be settled by delivery of our Class A common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any offer, sale, pledge or disposition, or to enter into any transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of the representative for a period of 75 days after the date of this prospectus supplement. Notwithstanding the foregoing, the restrictions set forth above shall not apply to, among certain other customary exceptions, sales of New TMM Units and Class B common stock to the Company as described in Use of Proceeds in this prospectus supplement.

We have agreed to indemnify the underwriters against liabilities under the Securities Act, or contribute to payments that the underwriters may be required to make in that respect.

Our Class A common stock is listed on the New York Stock Exchange under the symbol TMHC.

In connection with this offering, the representative, on behalf of the underwriters, may purchase and sell shares of Class A common stock in the open market. These transactions may include stabilizing transactions, over-allotment transactions and syndicate covering transactions in accordance with Regulation M under the Exchange Act.

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Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.

Over-allotment involves sales by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares over-allotted by the underwriters is not greater than the number of shares that they may purchase in the option to purchase additional shares. In a naked short position, the number of shares involved is greater than the number of shares in the underwriters option to purchase additional shares. The underwriters may close out any covered short position by either exercising their underwriters option to purchase additional shares and/or purchasing shares in the open market.

Syndicate covering transactions involve purchases of our Class A common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the underwriters option to purchase additional shares. If the underwriters sell more shares than could be covered by the underwriters option, a naked short position, the position can only be closed out by buying shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in this offering.

These stabilizing transactions, over-allotment transactions and syndicate covering transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of raising or maintaining the market price of our Class A common stock or preventing or retarding a decline in the market price of our Class A common stock. As a result, the price of our Class A common stock may be higher than the price that might otherwise exist in the open market in the absence of these transactions. These transactions may be effected on the New York Stock Exchange, or otherwise, and, if commenced, may be discontinued at any time.

A prospectus supplement in electronic format may be made available on the web sites maintained by one or more of the underwriters, or selling group members, if any, participating in this offering, and one or more of the underwriters participating in this offering may distribute prospectuses electronically. The representative may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make internet distributions on the same basis as other allocations.

Other relationships

Certain of the underwriters and their respective affiliates have performed, and may in the future perform, various investment banking, financial advisory and other services for us, our affiliates and our officers in the ordinary course of business, for which they received, and may receive, customary fees and reimbursement of expenses. In particular, certain of the underwriters or their affiliates acted as initial purchasers of the 2020 Senior Notes, the 2021 Senior Notes, the 2024 Senior Notes and the 2023 Senior Notes. In addition, an affiliate of Credit Suisse Securities (USA) LLC is a lender and the administrative agent under the Revolving Credit Facility, Credit Suisse Securities (USA) LLC

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and Citigroup Global Markets Inc. acted as joint bookrunners for the April 2013 amendment to the Revolving Credit Facility and Credit Suisse Securities (USA) LLC acted as sole lead arranger for the January 2014 amendment to the Revolving Credit Facility. Affiliates of certain of the underwriters participate in the Revolving Credit Facility.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Conflicts of Interest

Affiliates of TPG Capital BD, LLC, an underwriter of this offering, beneficially own in excess of 10% of our issued and outstanding common stock. In addition, the TPG holding vehicle is an affiliate of TPG Capital BD, LLC, and will indirectly receive more than 5% of the net proceeds of this offering. As a result of the foregoing relationships, a conflict of interest is deemed to exist within the meaning of FINRA Rule 5121. Accordingly, this offering will be made in compliance with the applicable provisions of FINRA Rule 5121. Pursuant to that rule, the appointment of a qualified independent underwriter is not necessary in connection with this offering. In accordance with FINRA Rule 5121(c), no sales of the shares will be made to any discretionary account over which TPG Capital BD, LLC exercises discretion without the prior specific written approval of the account holder.

Notice to prospective investors in the european economic area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of shares described in this prospectus supplement may not be made to the public in that relevant member state other than:

to any legal entity which is a qualified investor as defined in the Prospectus Directive;

to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by us for any such offer; or

in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of shares shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of this provision, the expression an offer of securities to the public in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe for the shares, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state. The expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto) and includes any relevant implementing measure in the relevant member state.

The sellers of the shares have not authorized and do not authorize the making of any offer of shares through any financial intermediary on their behalf, other than offers made by the underwriters with a view to the final

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placement of the shares as contemplated in this prospectus supplement and accompanying prospectus. Accordingly, no purchaser of the shares, other than the underwriters, is authorized to make any further offer of the shares on behalf of the sellers or the underwriters.

Notice to prospective investors in the United Kingdom

This prospectus supplement is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (each such person being referred to as a relevant person). This prospectus supplement and the accompanying prospectus and their contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

Notice to prospective investors in France

Neither this prospectus supplement, the accompanying prospectus nor any other offering material relating to the shares described in this prospectus supplement has been submitted to the clearance procedures of the *Autorité des Marchés Financiers* or of the competent authority of another member state of the European Economic Area and notified to the *Autorité des Marchés Financiers*. The shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this prospectus supplement, the accompanying prospectus nor any other offering material relating to the shares has been or will be:

- released, issued, distributed or caused to be released, issued or distributed to the public in France; or
- used in connection with any offer for subscription or sale of the shares to the public in France.

Such offers, sales and distributions will be made in France only:

- to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d investisseurs*), in each case investing for their own account, all as defined in, and in accordance with articles L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*;

- to investment services providers authorized to engage in portfolio management on behalf of third parties; or

- in a transaction that, in accordance with article L.411-2-II-1° -or-2° -or 3° of the French *Code monétaire et financier* and article 211-2 of the General Regulations (*Règlement Général*) of the *Autorité des Marchés Financiers*, does not constitute a public offer (*appel public à l épargne*).

The shares may be resold directly or indirectly, only in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French Code *monétaire et financier*.

Notice to prospective investors in Hong Kong

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in

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the document being a prospectus within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to prospective investors in Japan

The shares offered in this prospectus supplement and the accompanying prospectus have not been and will not be registered under the Financial Instruments and Exchange Law of Japan. The shares have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan (including any corporation or other entity organized under the laws of Japan), except (i) pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

Notice to prospective investors in Singapore

This prospectus supplement and the accompanying prospectus have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and the accompanying prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

- where no consideration is or will be given for the transfer; or

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where the transfer is by operation of law.

Notice to prospective investors in Canada

The shares offered may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the share must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement and the accompanying prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts* (**NI 33-105**), the underwriter are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

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Legal matters

Paul, Weiss, Rifkind, Wharton & Garrison LLP, New York, New York, will pass on the validity of the Class A common stock offered by this prospectus supplement and the accompanying prospectus for us. The underwriters have been represented by Cravath, Swaine & Moore LLP, New York, New York.

Experts

The financial statements incorporated in this prospectus supplement by reference from the Company s Annual Report on Form 10-K for the year ended December 31, 2015, and the effectiveness of the Company s internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements have been so included in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

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Where you can find more information

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may obtain such SEC filings from the SEC s website at *http://www.sec.gov*. You can also read and copy these materials at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549. You can obtain further information about the operation of the SEC s public reference room by calling the SEC at 1-800-SEC-0330. You can also obtain information about TMHC at the offices of the New York Stock Exchange.

We have filed with the SEC a registration statement on Form S-3 under the Securities Act with respect to the shares of our Class A common stock offered by this prospectus supplement and the accompanying prospectus. As permitted by SEC rules, this prospectus supplement and the accompanying prospectus do not contain all of the information we have included in the registration statement and the accompanying exhibits and schedules we file with the SEC. You may refer to the registration statement, exhibits and schedules for more information about us and the securities. The registration statement, exhibits and schedules are available through the SEC s website or at its public reference room.

Documents incorporated by reference

In this prospectus supplement, we incorporate by reference certain information that we file with the SEC, which means that we can disclose important information to you by referring you to that information. The information we incorporate by reference is an important part of this prospectus supplement, and later information that we file with the SEC will automatically update and supersede this information. The following documents have been filed by us with the SEC and are incorporated by reference into this prospectus supplement:

The following documents filed by TMHC with the SEC are incorporated by reference in this prospectus supplement:

- Our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, filed with the SEC on February 25, 2016;
- Portions of our Definitive Proxy Statement on Schedule 14A filed with the SEC on April 12, 2016 that are incorporated by reference into Part III of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015;
- Our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016 filed with the SEC on May 4, 2016; our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016 filed with the SEC on August 3, 2016; and our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016 filed with the SEC on November 2, 2016;
- Our Current Reports on Form 8-K filed with the SEC on March 1, 2016, May 26, 2016 and August 29, 2016; and
- The description of our Class A common stock set forth in our registration statement filed on Form 8-A pursuant to Section 12 of the Exchange Act with the SEC on April 10, 2013, and any amendment or report filed for the purpose of updating that description.

All documents and reports that we file with the SEC (other than any portion of such filings that are furnished under applicable SEC rules rather than filed) under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act from the date of this prospectus supplement until the completion of the offering under this prospectus supplement shall be deemed to be incorporated in this prospectus supplement by reference. The information contained on

or accessible through our website (*http://www.taylormorrison.com*) is not incorporated into this prospectus supplement.

You may request a copy of these filings, other than an exhibit to these filings unless we have specifically included or incorporated that exhibit by reference into the filing, from the SEC as described under Where You Can Find More Information or, at no cost, by writing or telephoning TMHC at the following address:

Taylor Morrison Home Corporation

Attn: Darrell C. Sherman, Esq.

Executive Vice President, Chief Legal Officer and Secretary

4900 N. Scottsdale Road, Suite 2000

Scottsdale, AZ 85251

Telephone: (480) 840-8100

You should rely only on the information contained or incorporated by reference in the prospectus, this prospectus supplement, any free writing prospectus that we authorize and any pricing supplement. We have not authorized any person, including any salesman or broker, to provide information other than that provided in the prospectus, this or any applicable prospectus supplement, any free writing prospectus that we authorize or any pricing supplement. We have not authorized anyone to provide you with different information. We do not take responsibility for, and can provide no assurance as to the reliability of, any information that others may give you. We are not making an offer of the securities in any jurisdiction where the offer is not permitted. You should not assume that the information in the prospectus, this or any applicable prospectus supplement, any free writing prospectus that we authorize and any pricing supplement or any document incorporated by reference is accurate as of any date other than the date of the applicable document.

Any statement contained in a document incorporated or deemed to be incorporated by reference into this prospectus supplement will be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in the prospectus, this or any prospectus supplement, or any other subsequently filed document that is deemed to be incorporated by reference into this prospectus supplement modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

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Debt securities

Preferred stock

Class A common stock

Depositary shares

Warrants

Purchase contracts

Units

This prospectus contains a general description of the securities that we may offer for sale with an aggregate initial offering price of up to $1,000,000,000 (or the equivalent in foreign currencies), and the selling stockholder named in this prospectus may offer for sale, from time to time in one or more offerings, up to an aggregate of 604,449 shares of our Class A common stock. The specific terms of the securities will be contained in one or more supplements to this prospectus. Read this prospectus and any supplement carefully before you invest.

The securities may be issued by Taylor Morrison Home Corporation. In addition, the selling stockholder named herein may offer, from time to time and in one or more offerings, shares of Class A common stock.

The Class A common stock of Taylor Morrison Home Corporation is listed on the New York Stock Exchange under the trading symbol TMHC.

Investing in our securities involves risks that are referenced under the caption Risk Factors on page 7 of this prospectus. You should carefully review the risks and uncertainties described under the heading Risk Factors contained in the applicable prospectus supplement and any related free writing prospectus, and under similar headings in the other documents that are incorporated by reference in this prospectus.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is April 17, 2015.

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About this prospectus

To understand the terms of the securities offered by this prospectus, you should carefully read this prospectus and any applicable prospectus supplement. You should also read the documents referred to under the heading Where You Can Find More Information for information on Taylor Morrison Home Corporation and its financial statements. Certain capitalized terms used in this prospectus are defined elsewhere in this prospectus.

This prospectus is part of a registration statement on Form S-3 that Taylor Morrison Home Corporation, a Delaware corporation, which is also referred to as *TMHC*, *the Company*, *our company*, *we*, *us* and *our*, has filed with the U.S. Securities and Exchange Commission, or the SE using a shelf registration procedure. Under this procedure, Taylor Morrison Home Corporation may offer and sell from time to time, any of the following, with an aggregate initial offering price of up to $1,000,000,000 (or the equivalent in foreign currencies), in one or more series, which we refer to in this prospectus as the securities :

- debt securities,
- preferred stock,
- Class A common stock,
- depositary shares,
- warrants,
- purchase contracts, and
- units.

In addition, under this procedure, the selling stockholder named herein may offer and sell, from time to time in one or more offerings, up to an aggregate of 604,449 shares of our Class A common stock.

The securities may be sold for U.S. dollars, foreign-denominated currency or currency units. Amounts payable with respect to any securities may be payable in U.S. dollars or foreign-denominated currency or currency units as specified in the applicable prospectus supplement.

This prospectus provides you with a general description of the securities we may offer. Each time we offer securities or the selling stockholder offers and sells shares of Class A common stock, we will provide you with a prospectus supplement that will describe the specific amounts, prices and terms of the securities being offered. The prospectus supplement may also add, update or change information contained or incorporated by reference in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information in the prospectus supplement.

The prospectus supplement may also contain information about any material U.S. Federal income tax considerations relating to the securities covered by the prospectus supplement.

We and the selling stockholder may sell securities to underwriters who will sell the securities to the public on terms fixed at the time of sale. In addition, the securities may be sold by us or the selling stockholder directly or through dealers or agents designated from time to time, which agents may be affiliates of ours. If we or the selling stockholder, directly or through agents, solicit offers to purchase the securities, we, the selling stockholder and our and its agents reserve the sole right to accept and to reject, in whole or in part, any offer.

The prospectus supplement will also contain, with respect to the securities being sold, the names of any underwriters, dealers or agents, together with the terms of the offering, the compensation of any underwriters, dealers or agents and the net proceeds to us or the selling stockholder, as applicable.

Any underwriters, dealers or agents participating in the offering may be deemed underwriters within the meaning of the Securities Act of 1933, as amended, which we refer to in this prospectus as the Securities Act.

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Where you can find more information

TMHC files annual, quarterly and current reports, proxy statements and other information with the SEC. You may obtain such SEC filings from the SEC s website at *http://www.sec.gov*. You can also read and copy these materials at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549. You can obtain further information about the operation of the SEC s public reference room by calling the SEC at 1-800-SEC-0330. You can also obtain information about TMHC at the offices of the New York Stock Exchange.

As permitted by SEC rules, this prospectus does not contain all of the information we have included in the registration statement and the accompanying exhibits and schedules we file with the SEC. You may refer to the registration statement, exhibits and schedules for more information about us and the securities. The registration statement, exhibits and schedules are available through the SEC s website or at its public reference room.

Incorporation by reference

In this prospectus, we incorporate by reference certain information that we file with the SEC, which means that we can disclose important information to you by referring you to that information. The information we incorporate by reference is an important part of this prospectus, and later information that we file with the SEC will automatically update and supersede this information. The following documents have been filed by us with the SEC and are incorporated by reference into this prospectus:

- Our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, filed with the SEC on February 27, 2015;
- Portions of our Definitive Proxy Statement on Schedule 14A filed with the SEC on April 13, 2015 that are incorporated by reference into Part III of our Annual Report on Form 10-K for the fiscal year ended December 31, 2014;
- Our Current Reports on Form 8-K filed with the SEC on January 27, 2015, February 3, 2015, April 1, 2015 and April 1, 2015; and
- The description of our Class A common stock set forth in our registration statement filed on Form 8-A pursuant to Section 12 of the Exchange Act with the SEC on April 10, 2013, and any amendment or report filed for the purpose of updating that description.

All documents and reports that we file with the SEC (other than any portion of such filings that are furnished under applicable SEC rules rather than filed) under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act) from the date of this prospectus until the completion of the offering under this prospectus shall be deemed to be incorporated in this prospectus by reference. The information contained on or accessible through our website (*http://www.taylormorrison.com*) is not incorporated into this prospectus.

You may request a copy of these filings, other than an exhibit to these filings unless we have specifically included or incorporated that exhibit by reference into the filing, from the SEC as described under Where You Can Find More Information or, at no cost, by writing or telephoning TMHC at the following address:

Taylor Morrison Home Corporation

Attn: Darrell C. Sherman, Esq.

Vice President and General Counsel

4900 N. Scottsdale Road, Suite 2000

Scottsdale, AZ 85251

Telephone: (480) 840-8100

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You should rely only on the information contained or incorporated by reference in this prospectus, the prospectus supplement, any free writing prospectus that we authorize and any pricing supplement. We have not authorized any person, including any salesman or broker, to provide information other than that provided in this prospectus, any applicable prospectus supplement, any free writing prospectus that we authorize or any pricing supplement. We have not authorized anyone to provide you with different information. We do not take responsibility for, and can provide no assurance as to the reliability of, any information that others may give you. We are not making an offer of the securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus, any applicable prospectus supplement, any free writing prospectus that we authorize and any pricing supplement or any document incorporated by reference is accurate as of any date other than the date of the applicable document.

Any statement contained in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus, any prospectus supplement, or any other subsequently filed document that is deemed to be incorporated by reference into this prospectus modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

Statements regarding forward-looking information

Certain information included in this prospectus or in other materials we have filed or will file with the SEC (as well as information included in oral statements or other written statements made or to be made by us) includes forward-looking statements, which involve risks and uncertainties. These forward looking statements can be identified by the use of forward-looking terminology, including the terms believes, estimates, plans, projects, anticipates, expects, intends, may, can, could, might, will or should or, in each case, their neg or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this prospectus and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies, the industry in which we operate and potential acquisitions. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results. All forward-looking statements are based upon information available to us on the date of this prospectus.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this prospectus. In addition, even if our results of operations, financial condition and liquidity and the development of the industry in which we operate are consistent with the forward looking statements contained in this prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause our results to vary from expectations include, but are not limited to:

cyclicality in our business and adverse changes in general economic or business conditions outside of our control;

an economic downturn in the U.S. or a significant decline in the market for new single-family homes or condominiums;

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an inability on our part to obtain performance bonds or letters of credit necessary to carry on our operations;

higher cancellation rates of agreements of sale pertaining to our homes;

competition in the homebuilding and mortgage services industries;

constriction of the credit markets and the resulting inability of our customers to secure financing to purchase our homes;

an increase in unemployment;

increases in taxes or government fees that increase the cost of home ownership;

our inability to pass along the effects of inflation or increased costs to our customers;

fluctuations in our operating results due to the seasonal nature of our business;

negative publicity;

an unexpected increase in home warranty or construction defect claims;

various liability issues related to our reliance on contractors;

failure to manage land acquisition, inventory, and development and construction processes;

changes in the availability of suitable land on which to build;

declines in the market value of our land and inventory;

shortages in labor supply, increased labor costs or labor disruptions;

the failure to recruit, retain and develop highly skilled, competent personnel and subcontractors;

the effects of government regulation or legal challenges on our development and other activities;

changes in governmental regulation and other risks associated with acting as a mortgage lender;

the loss of any of our important commercial relationships;

an inability to use certain deferred tax assets;

shortages in raw materials and building supply and price fluctuations;

the concentration of our operations in California, Colorado, Arizona, Texas and Florida, and the effect of potential adverse weather conditions and other potential regional challenges;

changes to the population growth rates in our markets;

risks related to conducting business through joint ventures;

information technology failures and data security breaches;

costs associated with the future growth or expansion of our operations or acquisitions or disposals of our divisions;

U.S. defined benefit pension schemes, which may require increased contributions;

a major health and safety incident;

potential environmental risks and liabilities associated with the ownership, leasing or occupation of land;

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potential claims for damages as a result of hazardous materials;

uninsured losses or losses in excess of insurance limits;

existing or future litigation, arbitration or other claims;

poor relations with the residents of our communities;

an inability to attract or retain certain members of our management or key personnel;

utility and resource shortages or rate fluctuations;

any future inability on our part to secure the capital required to fund our business;

issues relating to our substantial debt;

an inability to pursue certain business strategies because of restrictive covenants in the agreements governing our indebtedness; and

other risks and uncertainties inherent in our business.

We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. For additional information about factors that could cause actual results to differ materially from those described in the forward-looking statements, please see the documents that we have filed with the SEC, including quarterly reports on Form 10-Q, our most recent annual report on Form 10-K, current reports on Form 8-K and proxy statements.

We undertake no obligation, and do not expect, to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this prospectus.

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The company

During 2014, we were one of the largest public homebuilders in North America, with communities located in the United States and Canada. In December 2014, we announced the strategic decision to sell our Canadian business and fully focus on our U.S. operations. We are now, and will continue to be, a leading public homebuilder in the United States. We are a real estate developer, with a portfolio of lifestyle and master-planned communities. We provide a diverse assortment of homes across a wide range of price points in order to appeal to a broad spectrum of customers. Our primary focus is on move-up buyers in traditionally high growth markets, where we design, build and sell single-family detached and attached homes. Our legacy of over 100 years of homebuilding experience drives our commitment to quality in every community we develop and every home we build. We operate under the Taylor Morrison and Darling Homes brand names in the United States. We also provide financial services to customers through our wholly owned mortgage subsidiary, Taylor Morrison Home Funding, LLC.

For a description of our business, financial condition, results of operations and other important information regarding us, see our filings with the SEC incorporated by reference in this prospectus. For instructions on how to find copies of the filings incorporated by reference in this prospectus, see Where You Can Find More Information.

Our principal executive office is located at 4900 N. Scottsdale Road, Suite 2000, Scottsdale, Arizona 85251, Telephone (480) 840-8100.

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Risk factors

Investing in our securities involves risk. You should carefully consider the specific risks discussed or incorporated by reference in the applicable prospectus supplement, together with all the other information contained in any applicable prospectus supplement or incorporated by reference in this prospectus and the applicable prospectus supplement. You should also consider the risks, uncertainties and assumptions discussed under the caption Risk Factors included in the Form 10-K for the year ended December 31, 2014, which are incorporated by reference in this prospectus, and which may be amended, supplemented or superseded from time to time by other reports we file with the SEC in the future.

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Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends

The ratio of earnings to fixed charges for TMHC is set forth below for the periods indicated. For periods in which earnings before fixed charges were insufficient to cover fixed charges, the dollar amount of coverage deficiency (in millions), instead of the ratio, is disclosed.

For purposes of computing the ratio of earnings to fixed charges, earnings available for fixed charges were calculated by adding (deducting):

(i) Income (loss) from continuing operations before income taxes and minority interest,
(ii) (Income) from equity method investees,
(iii) (Income) loss attributable to non-controlling interests joint ventures,
(iv) (Income) from non-controlling interests Principal Equityholders,
(v) Fixed charges;
(vi) Amortization of capitalized interest;
(vii) Distributed income of equity method investees;
(viii) (Interest capitalized).

	Taylor Morrison Home Corporation			Combined(1)	Predecessor
	Year Ended December 31,				
	2014	2013	2012	2011	2010
Ratio of earnings to fixed charges (deficiency in the coverage of fixed charges by earnings (losses) before fixed charges)(2)	2.2x	$ (20.9)	2.0x	1.0x	$ (36.2)

(1) Amounts are arithmetically combined as a portion of the year was our predecessor and the other portion of the year was TMHC.

(2) Ratio of earnings to fixed charges gives effect to our initial public offering, which occurred in 2013, and the disposition of our Canadian operations, which occurred in the first quarter of 2015.

We did not have any preferred stock outstanding for the periods presented, and therefore the ratios of earnings to combined fixed charges and preferred stock dividends would be the same as the ratios of earnings to fixed charges presented above.

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Use of proceeds

We will use the net proceeds we receive from the sale of the securities offered by us for general corporate purposes, unless we specify otherwise in the applicable prospectus supplement. General corporate purposes may include additions to working capital, capital expenditures, repayment of debt, the financing of possible acquisitions and investments or stock repurchases.

We will not receive any proceeds from the resale of our Class A common stock by the selling stockholder.

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Selling stockholder

The selling stockholder named in the table below may from time to time offer and sell pursuant to this prospectus and any applicable prospectus supplement up to 604,449 shares of our Class A common stock. When we refer to the selling stockholder in this prospectus, we mean the person listed in the table below, as well as its transferees, pledgees or donees or its successors. The selling stockholder may sell all, a portion or none of its shares at any time. The information regarding shares beneficially owned after the offering assumes the sale of all shares offered by the selling stockholder.

The number of shares of Class A common stock and percentage of voting power included in the table below assumes the exchange of all outstanding limited partnership units (the New TMM Units) of TMM Holdings II Limited Partnership (New TMM) and an equal number of shares of Class B common stock held by the selling stockholder for shares of Class A common stock. Subject to the assumption in the preceding sentence, the amounts and percentages of Class A common stock beneficially owned are reported on the basis of the regulations of the SEC governing the determination of beneficial ownership of securities. Under these rules, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of such security, or investment power, which includes the power to dispose of or to direct the disposition of such security. Under these rules, more than one person may be deemed to be a beneficial owner of the same securities. Except as otherwise indicated, the persons named below have sole voting and investment power, or share voting and investment power, with respect to the beneficially owned shares listed below.

Except as set forth in the footnotes below, the percentages included in the following table are based on 33,073,747 shares of Class A common stock and 89,200,063 New TMM Units and shares of Class B common stock outstanding as of April 1, 2015:

	Shares of Class A common stock beneficially owned before the offering		Maximum number of shares of Class A common stock that may be sold hereunder	Shares of Class A common stock beneficially owned after the offering	
Name of Beneficial Owner	**Shares**	**%**		**Shares**	**%**
JHI Holding Limited Partnership, L.P.(1)(2)	604,449	0.5%	604,449		%

(1) JHI Holding Limited Partnership, L.P., which we refer to as JHI, holds New TMM Units and an equal number of shares of Class B common stock. JHI has the right at any time to exchange its New TMM units (and a corresponding number of shares of Class B common stock) for shares of Class A common stock on a one-for-one basis. See Description of the Capital Stock Capital Stock Common Stock .

(2) 604,449 New TMM Units and an equal amount of shares of Class B common stock directly are held by JHI. JSH Investment Corporation is the sole limited partner of JHI and JHI Advisory Ltd. is the general partner of JHI. JH Investments Inc. is the sole shareholder of JHI Advisory Ltd. Joe S. Houssian is the sole shareholder of JH Investments Inc. and the sole director of JHI Advisory Ltd., JSH Investment Corporation and JH Investments Inc. and may therefore be deemed to beneficially own the New TMM Units and shares of Class B common stock held by JHI. The address for all entities and individuals described in this footnote is 3260-666 Burrard Street, Vancouver, British Columbia V6C 2X8. Because JHI, OCM TMM Holdings II, L.P., which we refer to as the Oaktree holding vehicle, and TPG TMM Holdings II, L.P., which we refer to as the TPG holding vehicle, are parties to the stockholder agreement, JHI may be deemed to be members of a group with the Oaktree holding vehicle and the TPG holding vehicle. As a result, JHI might be deemed to beneficially own 87,795,695 shares of Class A common stock, or 72.6%. If JHI exchanges its New TMM Units along with a corresponding number of shares of Class B common stock for shares of Class A common stock, but no other New TMM Units and shares of Class B common stock are exchanged, then JHI would beneficially own 1.8% of the outstanding shares of Class A common stock currently outstanding, and none of the outstanding shares of Class A common stock following this offering. JHI expressly disclaims beneficial ownership of all the New TMM Units and shares of Class A and Class B common stock

except to the extent of its pecuniary interest in those shares directly held by it. See Description of Capital Stock Capital Stock Common Stock. The selling stockholder has advised us that it is not a broker-dealer or an affiliate of a broker-dealer.

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Material relationships with selling stockholder

Mr. Joe S. Houssian, who indirectly controls JHI as described above, serves on the board of directors of TMHC and is a member of TMHC s compensation committee.

Reorganization agreement

In connection with the transactions effecting our pre-IPO reorganization (the Reorganization Transactions), we entered into a reorganization agreement with JHI, the TPG and Oaktree holding vehicles (collectively, the Principal Equityholders), New TMM, and other subsidiaries of ours, and other existing limited partners of TMM Holdings Limited Partnership (TMM), which governs the Reorganization Transactions. In addition, under the reorganization agreement, the TPG and Oaktree holding vehicles, JHI and certain members of our management and our board of directors subscribed for a number of shares of our Class B common stock equal to the number of New TMM Units they then owned, at a price equal to the par value per share of Class B common stock.

In connection with the Reorganization Transactions, JHI received 1,208,897 New TMM Units and an equal number of shares of Class B common stock.

New TMM limited partnership agreement

In connection with the Reorganization Transactions, TMHC, JHI, the TPG and Oaktree holding vehicles and certain members of our management and our board entered into the limited partnership agreement of New TMM (the New TMM LPA). As a result of the Reorganization Transactions and in accordance with the terms of the New TMM LPA, New TMM, through TMM and its subsidiaries, exercises stewardship over the business and affairs of Taylor Morrison Holdings and its subsidiaries and, Taylor Morrison Holdings II, Inc. (f/k/a Monarch Communities Inc.) and its subsidiaries. New TMM does not conduct any activities other than direct or indirect ownership and stewardship over Taylor Morrison Holdings and its respective subsidiaries.

The holders of New TMM Units, including TMHC and JHI, will generally incur U.S. federal, state and local income taxes on their proportionate share of any net taxable income of New TMM. Net profits and net losses of New TMM are generally allocated to its members pro rata in accordance with the percentages of their respective New TMM Units, though certain non pro rata adjustments may be made to reflect tax depreciation, amortization and other allocations. To the extent permitted under New TMM s senior revolving credit facility (as amended from time to time, the Revolving Credit Facility), the New TMM LPA provides for cash distributions to its limited partners if the taxable income of New TMM gives rise to taxable income for its limited partners. In accordance with the New TMM LPA and assuming New TMM is permitted to do so under its Revolving Credit Facility, New TMM will make cash distributions to the extent feasible to the holders of the New TMM Units, including TMHC and JHI, for purposes of funding their tax obligations in respect of the income of New TMM that is allocated to them. Generally, these tax distributions are computed based on our estimate of the net taxable income of New TMM allocable to such holder of New TMM Units multiplied by an assumed tax rate equal to the greater of (x) the highest effective marginal combined U.S. federal, state and local income tax rate prescribed for an individual or corporate resident in San Francisco, California and (y) the highest combined provincial and federal income tax rate applicable to an individual or (if higher) a corporation that is a resident of Canada and is subject to tax in the province of Canada that has the highest income tax rate (in each case taking into account the nondeductibility of certain expenses and the character of our income). In addition, to the extent permitted under the Revolving Credit Facility, New TMM may make distributions to TMHC without pro rata distributions to other limited partners in order to pay (i) consideration, if any, for redemption, repurchase or other acquisition of equity interests of New TMM to the extent such cash is used to redeem, repurchase or otherwise acquire our Class A common stock, (ii) operating, administrative and other similar costs incurred by TMHC and (iii) other

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payments related to (a) legal, tax, accounting and other professional fees and expenses, (b) judgments, settlements, penalties, fines or other costs and expenses in respect of any claims involving TMHC and (c) other fees and expenses related to the maintenance of our existence or any securities offering, investment or acquisition transaction authorized by our board of directors.

The New TMM LPA provides that, subject to certain exceptions, any time TMHC issues a share of our Class A common stock or any other equity security, the net proceeds received by TMHC with respect to such issuance, if any, will be concurrently invested in New TMM and New TMM will issue to TMHC one New TMM Unit or other economically equivalent equity interest. Conversely, if at any time, any shares of our Class A common stock are redeemed, repurchased or otherwise acquired, New TMM will redeem, repurchase or otherwise acquire an equal number of New TMM Units held by TMHC, upon the same terms and for the same price, as the shares of our Class A common stock are redeemed, repurchased or otherwise acquired.

Under the New TMM LPA, JHI has agreed that the Principal Equityholders (including JHI) and/or one or more of their respective affiliates are permitted to engage in business activities or invest in or acquire businesses that may compete with our business or do business with any customer of ours.

Under the New TMM LPA, New TMM is required to indemnify all of its partners, including TMHC and JHI, against any and all losses and expenses related thereto incurred by reason of the fact that such person was a partner of New TMM. In the event that losses are incurred as a result of a member s fraud or willful misconduct, such member is not entitled to indemnification under the New TMM LPA.

New TMM may be dissolved only upon the voluntary agreement of its general partner and the Principal Equityholders (including JHI) or as otherwise required by the laws of the Cayman Islands. Upon dissolution, New TMM will be liquidated and the proceeds from any liquidation will be applied and distributed in the following manner: (a) first, to creditors (including to the extent permitted by law, creditors who are members) in satisfaction of the liabilities of New TMM, (b) second, to establish cash reserves for contingent or unforeseen liabilities and (c) third, to the members in proportion of their interests in New TMM (other than to members holding unvested New TMM Units to the extent that their units do not vest as a result of the event causing the dissolution). Due to the nature of the New TMM LPA, it is not the type of agreement that is typically entered into with or available to unaffiliated third parties.

Exchange agreement

In connection with the closing of the initial public offering, JHI (along with other holders of New TMM Units) entered into the Exchange Agreement under which, from time to time, it (or certain transferees thereof) has the right to exchange its New TMM Units (along with a corresponding number of our Class B common stock) for shares of our Class A common stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications.

Stockholders agreement

In connection with the initial public offering, TMHC terminated its then existing stockholders agreement among the general partner of TMM, TMM and certain of TMM s limited partners and entered into a Stockholders Agreement with JHI and the TPG and Oaktree holding vehicles. The Stockholders Agreement contains provisions related to the composition of the board of directors of TMHC and the committees of the board of directors. The stockholders agreement also provides that we do not have any interest or expectancy in the business opportunities of the Principal Equityholders (including JHI) and of their officers, directors, agents, stockholders, members, partners, affiliates and subsidiaries and that each such party will not have any obligation to offer us those opportunities. The TPG and Oaktree holding vehicles agree in the Stockholders Agreement to vote for

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each other s board nominees. In addition, the Stockholders Agreement provides that Requisite Investor Approval must be obtained before we are permitted to take the any of the following actions:

- any change of control of TMHC;
- acquisitions or dispositions by TMHC or any of its subsidiaries of assets (including land) valued at more than $50.0 million;
- incurrence by TMHC or any of its subsidiaries of any indebtedness in an aggregate amount in excess of $50.0 million or the making of any loan in excess of $50.0 million;
- issuance of any equity securities of TMHC, subject to limited exceptions (which include issuances pursuant to approved compensation plans);
- hiring and termination of our Chief Executive Officer; and
- certain changes to the size of our board of directors.

For purposes of the stockholders agreement, Requisite Investor Approval means, in addition to the approval of a majority vote of TMHC s board of directors, the approval of a director nominated by the TPG holding vehicle, so long as it owns at least 50% of TMHC s common stock held by it at the closing of this offering (and the application of net proceeds), and the approval of a director nominated by the Oaktree holding vehicle, so long as it owns at least 50% of TMHC s common stock held by it following this offering (and the application of net proceeds).

Registration rights agreement

In connection with the initial public offering, we terminated the then-existing registration rights agreement among TMM and certain of its limited partners and entered into a new registration rights agreement with JHI, the TPG and Oaktree holding vehicles and certain members of our management and our board of directors. In the event that we register additional shares of Class A common stock for sale to the public, we will be required to give notice of such registration to JHI and other parties to the agreement of our intention to effect such a registration, and, subject to certain limitations, include shares of Class A common stock held by them in such registration. We are required to bear the registration expenses, other than underwriting discounts and commissions and transfer taxes, associated with any registration of shares pursuant to the agreement. The agreement includes customary indemnification provisions in favor of JHI and other parties to the agreement, any person who is or might be deemed a control person (within the meaning of the Securities Act and the Exchange Act) and related parties against certain losses and liabilities (including reasonable costs of investigation and legal expenses) arising out of or based upon any filing or other disclosure made by us under the securities laws relating to any such registration. The selling stockholder is exercising its registration rights in connection with the registration of the resale of its shares of Class A common stock in the registration statement of which this prospectus is a part.

Governance agreements

In connection with the initial public offering, we entered into governance agreements setting forth certain matters with respect to the management of Taylor Morrison Holdings and Holdings II. TMHC entered into one such agreement with JHI and the TPG and Oaktree holding vehicles and Taylor Morrison Holdings and one such agreement with JHI and the TPG and Oaktree holding vehicles and Holdings II. Each governance agreement provides that the composition of the board of directors of the applicable company will each generally be identical to that of the board of directors of TMHC and that the Principal Equityholders will have the right to

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nominate representatives to the committees of such board of directors on the same basis as set forth in the Stockholders Agreement described above. Each governance agreement also provides affiliates of the Principal Equityholders with approval rights over certain actions on the same basis as set forth in the Stockholders Agreement.

Although all of the members of our board of directors serve as directors of Holdings II, on January 28, 2015, we announced that Holdings II had completed the sale of our Canadian business, Monarch Corporation, which was substantially all of the assets of Holdings II.

Management services agreements

In connection with our 2011 acquisition by affiliates of the Principal Equityholders (the Acquisition), such affiliates entered into management services agreements with TMM, Taylor Morrison Holdings and Holdings II relating to the provision of certain management, advisory and consulting services. In consideration of financial and structural advice and analysis made in connection with the Acquisition, Taylor Morrison Holdings and Holdings II paid a one-time transaction fee of $13.7 million to the Principal Equityholders (including JHI), and also reimbursed the Principal Equityholders for third-party, out-of-pocket expenses incurred in connection with the Acquisition, including fees, expenses and disbursements of lawyers, accountants, consultants and other advisors. In addition, as compensation for ongoing services provided by affiliates of the Principal Equityholders under the management services agreements, Taylor Morrison Holdings and Holdings II. agreed to pay to affiliates of the Principal Equityholders (including JHI) an annual aggregate management fee of $5.0 million.

In addition, in conjunction with the formation of TMM and in connection with the Acquisition, an affiliate of JH Investments Inc. entered into a management services agreement and the JHI Partnership Services Agreement with TMM Holdings relating to the provision of certain services to TMM. In consideration of the services provided under the Services Agreement, TMM made a one-time grant to the JH Investments Inc. affiliate of certain partnership interests in TMM, subject to certain terms, conditions and restrictions contained in a Class J Unit award agreement and the TMM limited partnership agreement. In connection with the IPO, the management services agreement and the JHI Partnership Services Agreement among JHI and TMM were terminated.

Purchases of new TMM units from JHI

On April 15, 2013, TMHC purchased 604,449 New TMM Units and a corresponding number of shares of Class B common stock (at a price of $20.68 per New TMM Unit and share of Class B common stock) held by JHI for an aggregate purchase amount of approximately $12.5 million. The purchase was pursuant to a put/call agreement between TMHC and JHI with customary conditions to TMHC s obligation to close the acquisition, including the absence of a material adverse change in the business and affairs of New TMM and its subsidiaries.

Indemnification of directors and officers

We entered into a customary indemnification agreement with Mr. Houssain in his capacity as a director of TMHC that provides, in general, that we will provide him with customary indemnification in connection with their service to us or on our behalf.

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Real estate acquisitions

From time to time, we may engage in transactions with entities that are affiliated with JHI through either lending or equity ownership arrangements. Transactions with related parties are executed in the normal course of operations and at arm s length and in compliance with our Related Person Transaction Policy described below, including review and approval by our audit committee. Real estate acquisitions from affiliates of JHI amounted to $31 million, over the three years prior to the date hereof.

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Description of the debt securities

General

The following description of the terms of our senior debt securities and subordinated debt securities (together, the debt securities) sets forth certain general terms and provisions of the debt securities to which any prospectus supplement may relate. Unless otherwise noted, the general terms and provisions of our debt securities discussed below apply to both our senior debt securities and our subordinated debt securities. The particular terms of any debt securities and the extent, if any, to which such general provisions will not apply to such debt securities will be described in the prospectus supplement relating to such debt securities.

Our debt securities may be issued from time to time in one or more series. The senior debt securities will be issued from time to time in series under an indenture to be entered into by us and US Bank National Association, as Senior Indenture Trustee (as amended or supplemented from time to time, the senior indenture). The subordinated debt securities will be issued from time to time under a subordinated indenture to be entered into by us and US Bank National Association, as Subordinated Indenture Trustee (the subordinated indenture and, together with the senior indenture, the indentures). The Senior Indenture Trustee and the Subordinated Indenture Trustee are both referred to, individually, as the Trustee. The senior debt securities will constitute our unsecured and unsubordinated obligations and the subordinated debt securities will constitute our unsecured and subordinated obligations. A detailed description of the subordination provisions is provided below under the caption Ranking and Subordination Subordination. In general, however, if we declare bankruptcy, holders of the senior debt securities will be paid in full before the holders of subordinated debt securities will receive anything.

The statements set forth below are brief summaries of certain provisions contained in the indentures, which summaries do not purport to be complete and are qualified in their entirety by reference to the indentures, each of which is incorporated by reference as an exhibit or filed as an exhibit to the registration statement of which this prospectus forms a part. Terms used herein that are otherwise not defined shall have the meanings given to them in the indentures. Such defined terms shall be incorporated herein by reference.

The indentures do not limit the amount of debt securities that may be issued under the applicable indenture and debt securities may be issued under the applicable indenture up to the aggregate principal amount which may be authorized from time to time by us. Any such limit applicable to a particular series will be specified in the prospectus supplement relating to that series.

The applicable prospectus supplement will disclose the terms of each series of debt securities in respect to which such prospectus is being delivered, including the following:

- the designation and issue date of the debt securities;
- the date or dates on which the principal of the debt securities is payable;
- the rate or rates (or manner of calculation thereof), if any, per annum at which the debt securities will bear interest;
- the date or dates, if any, from which interest will accrue and the interest payment date or dates for the debt securities;
- any limit upon the aggregate principal amount of the debt securities which may be authenticated and delivered under the applicable indenture;

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the period or periods within which, the redemption price or prices or the repayment price or prices, as the case may be, at which and the terms and conditions upon which the debt securities may be redeemed at the Company s option or the option of the holder of such debt securities (a Holder);

the obligation, if any, of the Company to purchase the debt securities pursuant to any sinking fund or analogous provisions or at the option of a Holder of such debt securities and the period or periods within which, the price or prices at which and the terms and conditions upon which such debt securities will be purchased, in whole or in part, pursuant to such obligation;

if other than denominations of $2,000 and integral multiples of $1,000 in excess thereof, the denominations in which the debt securities will be issuable;

provisions, if any, with regard to the conversion or exchange of the debt securities, at the option of the Holders of such debt securities or the Company, as the case may be, for or into new securities of a different series, the Company s Class A common stock or other securities and, if such debt securities are convertible into the Company s Class A common stock or other Marketable Securities (as defined in the indentures), the conversion price;

if other than U.S. dollars, the currency or currencies or units based on or related to currencies in which the debt securities will be denominated and in which payments of principal of, and any premium and interest on, such debt securities shall or may be payable;

if the principal of (and premium, if any) or interest, if any, on the debt securities are to be payable, at the election of the Company or a Holder of such debt securities, in a currency (including a composite currency) other than that in which such debt securities are stated to be payable, the period or periods within which, and the terms and conditions upon which, such election may be made;

if the amount of payments of principal of (and premium, if any) or interest, if any, on the debt securities may be determined with reference to an index based on a currency (including a composite currency) other than that in which such debt securities are stated to be payable, the manner in which such amounts shall be determined;

provisions, if any, related to the exchange of the debt securities, at the option of the Holders of such debt securities, for other securities of the same series of the same aggregate principal amount or of a different authorized series or different authorized denomination or denominations, or both;

the portion of the principal amount of the debt securities, if other than the principal amount thereof, which shall be payable upon declaration of acceleration of the maturity thereof as more fully described under the section Events of Default, Notice and Waiver below;

whether the debt securities will be issued in the form of global securities and, if so, the identity of the depositary with respect to such global securities;

with respect to subordinated debt securities only, the amendment or modification of the subordination provisions in the subordinated indenture with respect to the debt securities; and

any other specific terms.

We may issue debt securities of any series at various times and we may reopen any series for further issuances from time to time without notice to existing Holders of securities of that series.

Some of the debt securities may be issued as original issue discount debt securities. Original issue discount debt securities bear no interest or bear interest at below-market rates. These are sold at a discount below their

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stated principal amount. If we issue these securities, the prospectus supplement will describe any special tax, accounting or other information which we think is important. We encourage you to consult with your own competent tax and financial advisors on these important matters.

Unless we specify otherwise in the applicable prospectus supplement, the covenants contained in the indentures will not provide special protection to Holders of debt securities if we enter into a highly leveraged transaction, recapitalization or restructuring.

Unless otherwise set forth in the prospectus supplement, interest on outstanding debt securities will be paid to Holders of record on the date that is 15 days prior to the date such interest is to be paid, or, if not a business day, the next preceding business day. Unless otherwise specified in the prospectus supplement, debt securities will be issued in fully registered form only. Unless otherwise specified in the prospectus supplement, the principal amount of the debt securities will be payable at the corporate trust office of the Trustee in New York, New York. The debt securities may be presented for transfer or exchange at such office unless otherwise specified in the prospectus supplement, subject to the limitations provided in the applicable indenture, without any service charge, but we may require payment of a sum sufficient to cover any tax or other governmental charges payable in connection therewith.

Ranking and subordination

Ranking

The senior debt securities will be our unsecured, senior obligations, and will rank equally with our other unsecured and unsubordinated obligations. The subordinated debt securities will be our unsecured, subordinated obligations.

The debt securities will effectively rank junior in right of payment to any of our existing and future secured obligations to the extent of the value of the assets securing such obligations. The debt securities will be effectively subordinated to all existing and future liabilities, including indebtedness and trade payables, of our subsidiaries. The indentures do not limit the amount of unsecured indebtedness or other liabilities that can be incurred by our subsidiaries.

Subordination

If issued, the indebtedness evidenced by the subordinated debt securities is subordinate to the prior payment in full of all our Senior Indebtedness (as defined below). During the continuance beyond any applicable grace period of any default in the payment of principal, premium, interest or any other payment due on any of our Senior Indebtedness, we may not make any payment of principal of, or premium, if any, or interest on the subordinated debt securities. In addition, upon any payment or distribution of our assets upon any dissolution, winding up, liquidation or reorganization, the payment of the principal of, or premium, if any, and interest on the subordinated debt securities will be subordinated to the extent provided in the subordinated indenture in right of payment to the prior payment in full of all our Senior Indebtedness. Because of this subordination, if we dissolve or otherwise liquidate, Holders of our subordinated debt securities may receive less, ratably, than Holders of our Senior Indebtedness. The subordination provisions do not prevent the occurrence of an event of default under the subordinated indenture.

The term Senior Indebtedness of a person means with respect to such person the principal of, premium, if any, interest on, and any other payment due pursuant to any of the following, whether outstanding on the date of the subordinated indenture or incurred by that person in the future:

all of the indebtedness of that person for borrowed money, including any indebtedness secured by a mortgage or other lien which is (1) given to secure all or part of the purchase price of property subject to the

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mortgage or lien, whether given to the vendor of that property or to another lender, or (2) existing on property at the time that person acquires it;

all of the indebtedness of that person evidenced by notes, debentures, bonds or other similar instruments sold by that person for money;

all of the lease obligations which are capitalized on the books of that person in accordance with generally accepted accounting principles;

all indebtedness of others of the kinds described in the first two bullet points above and all lease obligations of others of the kind described in the third bullet point above that the person, in any manner, assumes or guarantees or that the person in effect guarantees through an agreement to purchase, whether that agreement is contingent or otherwise; and

all renewals, extensions or refundings of indebtedness of the kinds described in the first, second or fourth bullet point above and all renewals or extensions of leases of the kinds described in the third or fourth bullet point above;

unless, in the case of any particular indebtedness, lease, renewal, extension or refunding, the instrument or lease creating or evidencing it or the assumption or guarantee relating to it expressly provides that such indebtedness, lease, renewal, extension or refunding is not superior in right of payment to the subordinated debt securities. Our senior debt securities, and any unsubordinated guarantee obligations of ours to which we are a party, including Indebtedness For Borrowed Money, constitute Senior Indebtedness for purposes of the subordinated indenture.

Pursuant to the subordinated indenture, the subordinated indenture may not be amended, at any time, to alter the subordination provisions of any outstanding subordinated debt securities without the consent of the requisite holders of each outstanding series or class of Senior Indebtedness (as determined in accordance with the instrument governing such Senior Indebtedness) that would be adversely affected.

Certain covenants

Limitation on consolidation, merger, conveyance or transfer on certain terms

The indentures provide that we will not consolidate with or merge into any other Person or convey or transfer our properties and assets substantially as an entirety to any Person, unless:

(1) the Person formed by such consolidation or into which our company is merged or the Person which acquires by conveyance or transfer the properties and assets of our company substantially as an entirety shall be organized and existing under the laws of the United States of America or any state of the United States or the District of Columbia, and shall expressly assume, by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, the due and punctual payment of the principal of (and premium, if any) and interest on all the debt securities and the performance of every covenant of the applicable indenture (as supplemented from time to time) on the part of our company to be performed or observed;

(2) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time, or both, would become an Event of Default, shall have happened and be continuing; and

(3) we have delivered to the Trustee an officers certificate and an opinion of counsel each stating that such consolidation, merger, conveyance or transfer and such supplemental indenture comply with this covenant and that all conditions precedent provided for relating to such transaction have been complied with.

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Upon any consolidation or merger, or any conveyance or transfer of the properties and assets of our company substantially as an entirety as set forth above, the successor Person formed by such consolidation or into which our company is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of our company under the applicable indenture with the same effect as if such successor had been named as our company in the applicable indenture. In the event of any such conveyance or transfer, our company, as the predecessor, shall be discharged from all obligations and covenants under the applicable indenture and the debt securities issued under such indenture and may be dissolved, wound up or liquidated at any time thereafter.

Subject to the foregoing, the indentures and the debt securities do not contain any covenants or other provisions designed to afford Holders of debt securities protection in the event of a recapitalization or highly leveraged transaction involving our company.

Any additional covenants of our company pertaining to a series of debt securities will be set forth in a prospectus supplement relating to such series of debt securities.

Certain definitions

The following are certain of the terms defined in the indentures:

Consolidated Net Worth means, with respect to any Person, at the date of any determination, the consolidated stockholders or owners equity of the holders of capital stock or partnership interests of such Person and its subsidiaries, determined on a consolidated basis in accordance with GAAP consistently applied.

GAAP means generally accepted accounting principles as such principles are in effect in the United States as of the date of the applicable indenture.

Indebtedness For Borrowed Money of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments and (c) all guarantee obligations of such Person with respect to Indebtedness For Borrowed Money of others. The Indebtedness For Borrowed Money of any Person shall include the Indebtedness For Borrowed Money of any other entity (including any partnership in which such Person is general partner) to the extent such Person is liable therefor as a result of such Person s ownership interest in or other contractual relationship with such entity, except to the extent the terms of such Indebtedness For Borrowed Money provide that such Person is not liable therefor.

Material Subsidiary means any Person that is a Subsidiary if, at the end of the most recent fiscal quarter of our company, the aggregate amount, determined in accordance with GAAP consistently applied, of securities of, loans and advances to, and other investments in, such Person held by us and our other Subsidiaries exceeded 10% of our Consolidated Net Worth.

Person means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

Subsidiary means, with respect to any Person, any corporation more than 50% of the voting stock of which is owned directly or indirectly by such Person, and any partnership, association, joint venture or other entity in which such Person owns more than 50% of the equity interests or has the power to elect a majority of the board of directors or other governing body.

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Optional redemption

If specified in the applicable prospectus supplement, we may redeem the debt securities of any series, as a whole or in part, at our option on or after the dates and in accordance with the terms established for such series, if any, in the applicable prospectus supplement. If we redeem the debt securities any series, we must also pay accrued and unpaid interest, if any, to the date of redemption on such debt securities.

Satisfaction and discharge

Each indenture will be discharged and will cease to be of further effect (except as to surviving rights or registration of transfer or exchange of the applicable series of the debt securities, as expressly provided for in the indenture) as to all outstanding debt securities of a series, when:

(1) Either:

(a) all of the applicable series of the debt securities theretofore authenticated and delivered (except lost, stolen or destroyed notes which have been replaced or paid and notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by us and thereafter repaid to us or discharged from such trust) have been delivered to the Trustee for cancellation; or

(b) all of the applicable series off debt securities not theretofore delivered to the Trustee for cancellation (1) have become due and payable or (2) will become due and payable within one year, or are to be called for redemption within one year, under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of us, and we have irrevocably deposited or caused to be deposited with the Trustee funds in an amount in the required currency sufficient to pay and discharge the entire Indebtedness on the applicable series of debt securities not theretofore delivered to the Trustee for cancellation for principal of, premium, if any, and interest on the applicable series of debt securities to the date of deposit or to the stated maturity or redemption date, as the case may be;

(2) we have paid all other sums payable under the indenture by us with regard to the debt securities of such series; and

(3) we have delivered to the Trustee an Officer s Certificate and an Opinion of Counsel stating that all conditions precedent under the indenture relating to the satisfaction and discharge of the indenture with respect to the debt securities of such series have been complied with.

Defeasance

Each indenture provides that we, at our option,

(a) will be discharged from any and all obligations in respect of any series of debt securities (except in each case for certain obligations to register the transfer or exchange of debt securities, replace stolen, lost or mutilated senior debt securities, maintain paying agencies and hold moneys for payment in trust), or

(b) need not comply with the covenants described above under Certain Covenants, and any other restrictive covenants described in a prospectus supplement relating to such series of debt securities and certain Events of Default (other than those arising out of the failure to pay interest or principal on the debt securities of a particular series and certain events of bankruptcy, insolvency and reorganization) will no longer constitute Events of Default with respect to such series of debt securities,

in each case if we deposit with the Trustee, in trust, money or the equivalent in securities of the government which issued the currency in which the debt securities are denominated or government agencies backed by the

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full faith and credit of such government, or a combination thereof, which through the payment of interest thereon and principal thereof in accordance with their terms will provide money in an amount sufficient to pay all the principal (including any mandatory sinking fund payments) of, and interest on, such series on the dates such payments are due in accordance with the terms of such series.

To exercise any such option, we are required, among other things, to deliver to the Trustee an opinion of counsel to the effect that the deposit and related defeasance would not cause the Holders of such series to recognize income, gain or loss for federal income tax purposes and, in the case of a Discharge pursuant to clause (a) above, accompanied by a ruling to such effect received from or published by the United States Internal Revenue Service.

In addition, we are required to deliver to the Trustee an Officers Certificate stating that such deposit was not made by us with the intent of preferring the Holders over other creditors of ours or with the intent of defeating, hindering, delaying or defrauding creditors of ours or others.

Events of default, notice and waiver

Each indenture provides that, if an Event of Default specified therein with respect to any series of debt securities issued thereunder shall have happened and be continuing, either the Trustee thereunder or the Holders of 25% in aggregate principal amount of the outstanding debt securities of such series (or 25% in aggregate principal amount of all outstanding debt securities under such indenture, in the case of certain Events of Default affecting all series of debt securities issued under such indenture) may declare the principal of all the debt securities of such series to be due and payable.

Events of Default in respect of any series are defined in the indentures as being:

- default for 30 days in payment of any interest installment with respect to such series;
- default in payment of principal of, or premium, if any, on, or any sinking or purchase fund or analogous obligation with respect to, debt securities of such series when due at their stated maturity, by declaration or acceleration, when called for redemption or otherwise;
- default for 90 days after written notice to us by the Trustee thereunder or by Holders of 25% in aggregate principal amount of the outstanding debt securities of such series in the performance, or breach, of any covenant or warranty pertaining to debt securities of such series; and
- certain events of bankruptcy, insolvency and reorganization with respect to us or any Material Subsidiary of ours which is organized under the laws of the United States or any political sub-division thereof or the entry of an order ordering the winding up or liquidation of our affairs.

Any additions, deletions or other changes to the Events of Default which will be applicable to a series of debt securities will be described in the prospectus supplement relating to such series of debt securities.

Each indenture provides that the Trustee thereunder will, within 90 days after the occurrence of a default with respect to the debt securities of any series issued under such indenture, give to the Holders of the debt securities of such series notice of all uncured and unwaived defaults known to it; provided, however, that, except in the case of default in the payment of principal of, premium, if any, or interest, if any, on any of the debt securities of such series, the Trustee thereunder will be protected in withholding such notice if it in good faith determines that the withholding of such notice is in the interests of the Holders of the debt securities of such series. The term default for the purpose of this provision means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to debt securities of such series. Each indenture contains provisions entitling the Trustee under such indenture, subject to the duty of the Trustee

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during an Event of Default to act with the required standard of care, to be indemnified to its reasonable satisfaction by the Holders of the debt securities before proceeding to exercise any right or power under the applicable indenture at the request of Holders of such debt securities.

Each indenture provides that the Holders of a majority in aggregate principal amount of the outstanding debt securities of any series issued under such indenture may direct the time, method and place of conducting proceedings for remedies available to the Trustee or exercising any trust or power conferred on the Trustee in respect of such series, subject to certain conditions.

In certain cases, the Holders of a majority in principal amount of the outstanding debt securities of any series may waive, on behalf of the Holders of all debt securities of such series, any past default or Event of Default with respect to the debt securities of such series except, among other things, a default not theretofore cured in payment of the principal of, or premium, if any, or interest, if any, on any of the senior debt securities of such series or payment of any sinking or purchase fund or analogous obligations with respect to such senior debt securities.

Each indenture includes a covenant that we will file annually with the Trustee a certificate of no default or specifying any default that exists.

Modification of the indentures

We and the Trustee may, without the consent of the Holders of the debt securities issued under the indenture governing such debt securities, enter into indentures supplemental to the applicable indenture for, among others, one or more of the following purposes:

(1) to evidence the succession of another Person to us and the assumption by such successor of our company s obligations under the applicable indenture and the debt securities of any series;

(2) to add to the covenants of our company, or to surrender any rights or powers of our company, for the benefit of the Holders of debt securities of any or all series issued under such indenture;

(3) to cure any ambiguity, to correct or supplement any provision in the applicable indenture which may be inconsistent with any other provision therein, or to make any other provisions with respect to matters or questions arising under such indenture or to conform the text of the indenture or the debt securities to this description of notes or the description of notes in an applicable prospectus supplement;

(4) to add to the applicable indenture any provisions that may be expressly permitted by the Trust Indenture Act of 1939, as amended, or the Act, excluding the provisions referred to in Section 316(a)(2) of the Act as in effect at the date as of which the applicable indenture was executed or any corresponding provision in any similar federal statute hereafter enacted;

(5) to establish the form or terms of any series of debt securities to be issued under the applicable indenture, to provide for the issuance of any series of debt securities and/or to add to the rights of the Holders of debt securities;

(6) to evidence and provide for the acceptance of any successor Trustee with respect to one or more series of debt securities or to add or change any of the provisions of the applicable indenture as shall be necessary to facilitate the administration of the trusts thereunder by one or more trustees in accordance with the applicable indenture;

(7) to provide any additional Events of Default;

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(8) to provide for uncertificated securities in addition to or in place of certificated securities; provided that the uncertificated securities are issued in registered form for certain federal tax purposes;

(9) to provide for the terms and conditions of converting those debt securities that are convertible into Class A common stock or another such similar security;

(10) to secure any series of debt securities pursuant to the applicable indenture s limitation on liens;

(11) to make any change necessary to comply with any requirement of the SEC in connection with the qualification of the applicable indenture or any supplemental indenture under the Act or to comply with the rules of any applicable securities depository; and

(12) to make any other change that does not adversely affect the rights of the Holders of the debt securities.

No supplemental indenture for the purpose identified in clauses (2), (3), (5) or (7) above may be entered into if to do so would adversely affect the rights of the Holders of debt securities of any series issued under the same indenture in any material respect.

Each indenture contains provisions permitting us and the Trustee under such indenture, with the consent of the Holders of a majority in principal amount of the outstanding debt securities of all series issued under such indenture to be affected voting as a single class, to execute supplemental indentures for the purpose of adding any provisions to or changing or eliminating any of the provisions of the applicable indenture or modifying the rights of the Holders of the debt securities of such series to be affected, except that no such supplemental indenture may, without the consent of the Holders of affected debt securities, among other things:

(1) change the maturity of the principal of, or the maturity of any premium on, or any installment of interest on, any such debt security, or reduce the principal amount or the interest or any premium of any such debt securities, or change the method of computing the amount of principal or interest on any such debt securities on any date or change any place of payment where, or the currency in which, any debt securities or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the maturity of principal or premium, as the case may be;

(2) reduce the percentage in principal amount of any such debt securities the consent of whose Holders is required for any supplemental indenture, waiver of compliance with certain provisions of the applicable indenture or certain defaults under the applicable indenture;

(3) modify any of the provisions of the applicable indenture related to (i) the requirement that the Holders of debt securities issued under such indenture consent to certain amendments of the applicable indenture, (ii) the waiver of past defaults and (iii) the waiver of certain covenants, except to increase the percentage of Holders required to make such amendments or grant such waivers; or

(4) impair or adversely affect the right of any Holder to institute suit for the enforcement of any payment on, or with respect to, such senior debt securities on or after the maturity of such debt securities.

In addition, the subordinated indenture provides that we may not make any change in the terms of the subordination of the subordinated debt securities of any series in a manner adverse in any material respect to the Holders of any series of subordinated debt securities without the consent of each Holder of subordinated debt securities that would be adversely affected.

Pursuant to the subordinated indenture, the subordinated indenture may not be amended, at any time, to alter the subordination provisions of any outstanding subordinated debt securities without the consent of the requisite holders of each outstanding series or class of Senior Indebtedness (as determined in accordance with the instrument governing such Senior Indebtedness) that would be adversely affected.

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The trustee

US Bank National Association is the Trustee under each indenture. The Trustee is a depository for funds and performs other services for, and transacts other banking business with, us in the normal course of business.

Governing law

The indentures will be governed by, and construed in accordance with, the laws of the State of New York.

Global securities

We may issue debt securities through global securities. A global security is a security, typically held by a depositary, that represents the beneficial interests of a number of purchasers of the security. If we do issue global securities, the following procedures will apply.

We will deposit global securities with the depositary identified in the prospectus supplement. After we issue a global security, the depositary will credit on its book-entry registration and transfer system the respective principal amounts of the debt securities represented by the global security to the accounts of persons who have accounts with the depositary. These account Holders are known as participants. The underwriters or agents participating in the distribution of the debt securities will designate the accounts to be credited. Only a participant or a person who holds an interest through a participant may be the beneficial owner of a global security. Ownership of beneficial interests in the global security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the depositary and its participants.

We and the Trustee will treat the depositary or its nominee as the sole owner or Holder of the debt securities represented by a global security. Except as set forth below, owners of beneficial interests in a global security will not be entitled to have the debt securities represented by the global security registered in their names. They also will not receive or be entitled to receive physical delivery of the debt securities in definitive form and will not be considered the owners or Holders of the debt securities.

Principal, any premium and any interest payments on debt securities represented by a global security registered in the name of a depositary or its nominee will be made to the depositary or its nominee as the registered owner of the global security. None of us, the Trustee or any paying agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the global security or the maintaining, supervising or reviewing any records relating to the beneficial ownership interests.

We expect that the depositary, upon receipt of any payments, will immediately credit participants accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the global security as shown on the depositary s records. We also expect that payments by participants to owners of beneficial interests in the global security will be governed by standing instructions and customary practices, as is the case with the securities held for the accounts of customers registered in street names, and will be the responsibility of the participants.

If the depositary is at any time unwilling or unable to continue as depositary and a successor depositary is not appointed by us within 90 days, we will issue registered securities in exchange for the global security. In addition, we may at any time in our sole discretion determine not to have any of the debt securities of a series represented by global securities. In that event, we will issue debt securities of that series in definitive form in exchange for the global securities.

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Description of the capital stock

Capital stock

Our authorized capital stock consists of 400,000,000 shares of Class A common stock, par value $0.00001 per share, 200,000,000 shares of Class B common stock, par value $0.00001 per share, and 50,000,000 shares of preferred stock, par value $0.00001 per share. As of April 1, 2015, we have approximately 33,073,747 shares of our Class A common stock outstanding, 89,200,063 shares of our Class B common stock outstanding and no shares of preferred stock outstanding.

Common stock

Voting. Holders of our Class A common stock and Class B common stock are entitled to one vote for each share held on all matters submitted to stockholders for their vote or approval. The holders of our Class A common stock and Class B common stock vote together as a single class on all matters submitted to stockholders for their vote or approval, except with respect to the amendment of certain provisions of our amended and restated certificate of incorporation that would alter or change the powers, preferences or special rights of the Class B common stock so as to affect them adversely, which amendments must be approved by a majority of the votes entitled to be cast by the holders of the shares affected by the amendment, voting as a separate class, or as otherwise required by applicable law. The voting power of the outstanding Class B common stock (expressed as a percentage of the total voting power of all common stock) is equal to the percentage of limited partnership units, which we refer to as the New TMM Units, of New TMM not held directly or indirectly by TMHC.

As of April 1, 2015, TPG TMM Holdings II, L.P. and OCM TMM Holdings II, L.P. (which we refer to as the TPG holding vehicle and the Oaktree holding vehicle, respectively), together control approximately 71.3% of the combined voting power of our common stock. Accordingly, the TPG and Oaktree holding vehicles are able to control our business policies and affairs and any action requiring the general approval of our stockholders, including the adoption of amendments to our certificate of incorporation and bylaws, the approval of mergers or sales of substantially all of our assets and (prior to the point in time at which the TPG and Oaktree holding vehicles no longer beneficially own shares representing 50% or more of the combined voting power of our common stock, which we refer to as the Triggering Event) the removal of members of our board of directors with or without cause. The TPG and Oaktree holding vehicles also have the power to nominate members to our board of directors under our stockholders agreement and the stockholders agreement provides that each of the TPG and Oaktree holding vehicles agree to vote for the other s nominees. The concentration of ownership and voting power of the TPG and Oaktree holding vehicles may also delay, defer or even prevent an acquisition by a third party or other change of control of our company and may make some transactions more difficult or impossible without the support of the TPG and Oaktree holding vehicles, even if such events are in the best interests of minority stockholders.

For instance, the stockholders agreement provides that Requisite Investor Approval (as defined below) must be obtained before we are permitted to take any of the following actions:

- any change of control of TMHC;
- acquisitions or dispositions by TMHC or any of its subsidiaries of assets (including land) valued at more than $50.0 million;
- incurrence by TMHC or any of its subsidiaries of any indebtedness in an aggregate amount in excess of $50.0 million or the making of any loan in excess of $50.0 million;

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issuance of any equity securities of TMHC, subject to limited exceptions (which include issuances pursuant to approved compensation plans);

hiring and termination of our Chief Executive Officer; and

certain changes to the size of our board of directors.

For purposes of the stockholders agreement, Requisite Investor Approval means, in addition to the approval of a majority vote of TMHC s board of directors, the approval of a director nominated by the TPG holding vehicle, so long as it owns at least 50% of TMHC s common stock held by it at the closing of our initial public offering and the application of net proceeds, and the approval of a director nominated by the Oaktree holding vehicle, so long as it owns at least 50% of TMHC s common stock owned held by it at the closing of our initial public offering and the applications of net proceeds.

Dividends. The holders of Class A common stock are entitled to receive dividends when, as, and if declared by our board of directors out of legally available funds. The holders of our Class B common stock do not have any right to receive dividends other than dividends consisting of shares of our Class B common stock paid proportionally with respect to each outstanding share of our Class B common stock.

Liquidation or Dissolution. Upon our liquidation or dissolution, the holders of our Class A common stock are be entitled to share ratably in those of our assets that are legally available for distribution to stockholders after payment of liabilities and subject to the prior rights of any holders of preferred stock then outstanding. Other than their par value, the holders of our Class B common stock do not have any right to receive a distribution upon a liquidation or dissolution of our company.

Transferability and Exchange. Subject to the terms of the Exchange Agreement, the TPG and Oaktree holding vehicles, JHI Holding Limited Partnership, which we refer to as JHI, and certain members of our management and our board of directors may exchange their New TMM Units (along with a corresponding number of shares of our Class B common stock) for shares of our Class A common stock. Each such exchange will be on a one-for-one equivalent basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications. Shares of Class B common stock may not be transferred except in connection with an exchange or transfer of New TMM Units.

Upon exchange, each share of our Class B common stock will be cancelled.

Preferred stock

We have been authorized to issue up to 50,000,000 shares of preferred stock. Our board of directors has authorized, subject to limitations prescribed by Delaware law and our amended and restated certificate of incorporation, to determine the terms and conditions of the preferred stock, including whether the shares of preferred stock will be issued in one or more series, the number of shares to be included in each series and the powers, designations, preferences and rights of the shares. Our board of directors is also authorized to designate any qualifications, limitations or restrictions on the shares without any further vote or action by the stockholders. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of our company and may adversely affect the voting and other rights of the holders of our Class A common stock and Class B common stock, which could have an adverse impact on the market price of our Class A common stock. We have no current plan to issue any shares of preferred stock.

Corporate opportunities

Our amended and restated certificate of incorporation provides that we renounce any interest or expectancy in the business opportunities of the certain affiliates of the TPG holding vehicle, affiliates of the Oaktree holding

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vehicle and JHI, which we refer to collectively as the Principal Equityholders and of their officers, directors, agents, stockholders, members, partners, affiliates and subsidiaries and each such party shall not have any obligation to offer us those opportunities unless presented to one of our directors or officers in his or her capacity as a director or officer. See Risk Factors The Principal Equityholders have substantial influence over our business, and their interests may differ from our interests or those of our other stockholders in our Annual Report on Form 10-K for the year ended December 31, 2014, which is incorporated herein by reference.

Anti-takeover effects of our certificate of incorporation and bylaws

Our amended and restated certificate of incorporation and bylaws contain certain provisions that are intended to enhance the likelihood of continuity and stability in the composition of the board of directors and which may have the effect of delaying, deferring or preventing a future takeover or change in control of the Company unless such takeover or change in control is approved by our board of directors.

These provisions include:

Classified Board. Our amended and restated certificate of incorporation provides that our board of directors is to be divided into three classes of directors, with the classes as nearly equal in number as possible. As a result, approximately one-third of our board of directors is elected each year. The classification of directors has the effect of making it more difficult for stockholders to change the composition of our board of directors. Our amended and restated certificate of incorporation also provides that, subject to any rights of holders of preferred stock to elect additional directors under specified circumstances, the number of directors will be fixed exclusively pursuant to a resolution adopted by our Board of Directors. Our board of directors currently has 12 members and one vacancy.

Action by Written Consent; Special Meetings of Stockholders. Our amended and restated certificate of incorporation provides that, following the Triggering Event (or the point in time at which the TPG and Oaktree holding vehicles no longer beneficially own shares representing 50% or more of the combined voting power of our common stock), stockholder action can be taken only at an annual or special meeting of stockholders and cannot be taken by written consent in lieu of a meeting. Our amended and restated certificate of incorporation and bylaws also provide that, except as otherwise required by law, special meetings of the stockholders can only be called by the chairman or vice-chairman of the board of directors, the chief executive officer, or pursuant to a resolution adopted by a majority of the board of directors or, until the Triggering Event, outstanding shares, or at the request of holders of 50% or more of our outstanding shares of common stock. Except as described above, stockholders are not permitted to call a special meeting or to require the board of directors to call a special meeting.

Advance Notice Procedures. Our bylaws establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to the board of directors. Stockholders at an annual meeting are only able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of the board of directors or by a stockholder who was a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given our Secretary timely written notice, in proper form, of the stockholder s intention to bring that business before the meeting. Although the bylaws do not give the board of directors the power to approve or disapprove stockholder nominations of candidates or proposals regarding other business to be conducted at a special or annual meeting, the bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of the Company.

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Super-Majority Approval Requirements. The Delaware General Corporation Law generally provides that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation s certificate of incorporation or bylaws, unless either a corporation s certificate of incorporation or bylaws require a greater percentage. Our amended and restated certificate of incorporation and bylaws provides that, following the Triggering Event, the affirmative vote of holders of at least 75% of the total votes eligible to be cast in the election of directors is required to amend, alter, change or repeal specified provisions, including those relating to the classified board, actions by written consent of stockholders, calling of special meetings of stockholders and the provisions relating to business combinations. This requirement of a super-majority vote to approve amendments to our amended and restated certificate of incorporation and bylaws could enable a minority of our stockholders to exercise veto power over any such amendments.

Authorized but Unissued Shares. Our authorized but unissued shares of common stock and preferred stock are available for future issuance without stockholder approval. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of a majority of our common stock by means of a proxy contest, tender offer, merger or otherwise.

Business Combinations with Interested Stockholders. We have elected that our amended and restated certificate of incorporation not be subject to Section 203 of the Delaware General Corporation Law, an antitakeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination, such as a merger, with a person or group owning 15% or more of the corporation s voting stock for a period of three years following the date the person became an interested stockholder, unless (with certain exceptions) the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Accordingly, we are not subject to any anti-takeover effects of Section 203. Nevertheless, our amended and restated certificate of incorporation contains provisions that have the same effect as Section 203, except that they provide that our Principal Equityholders and their respective affiliates and transferees may not be deemed to be interested stockholders, regardless of the percentage of our voting stock owned by them, and accordingly will not be subject to such restrictions.

Directors liability; indemnification of directors and officers

Our amended and restated certificate of incorporation limits the liability of our directors to the fullest extent permitted by the Delaware General Corporation Law and provides that we will provide them with customary indemnification. We have entered into customary indemnification agreements with each of our executive officers and directors that provide them, in general, with customary indemnification in connection with their service to us or on our behalf.

Transfer agent and registrar

The transfer agent and registrar for our Class A common stock is Computershare Trust Company, N.A.

Securities exchange

Our shares of Class A common stock are listed on the New York Stock Exchange under the symbol TMHC .

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Description of the depositary shares

General

We may, at our option, elect to offer fractional shares rather than full shares of the preferred stock of a series. In the event that we determine to do so, we will issue receipts for depositary shares, each of which will represent a fraction (to be set forth in the prospectus supplement relating to a particular series of preferred stock) of a share of a particular series of preferred stock as more fully described below.

The shares of any series of preferred stock represented by depositary shares will be deposited under one or more deposit agreements among us, a depositary to be named in the applicable prospectus supplement, and the holders from time to time of depositary receipts issued thereunder. Subject to the terms of the applicable deposit agreement, each holder of a depositary share will be entitled, in proportion to the applicable fraction of a share of preferred stock represented by the depositary share, to all the rights and preferences of the preferred stock represented thereby (including, as applicable, dividend, voting, redemption, subscription and liquidation rights).

The depositary shares will be evidenced by depositary receipts issued pursuant to the deposit agreement. Depositary receipts will be distributed to those persons purchasing the fractional shares of the related series of preferred stock.

The following description sets forth certain general terms and provisions of the depositary shares to which any prospectus supplement may relate. The particular terms of the depositary shares to which any prospectus supplement may relate and the extent, if any, to which such general provisions may apply to the depositary shares so offered will be described in the applicable prospectus supplement. To the extent that any particular terms of the depositary shares or the deposit agreement described in a prospectus supplement differ from any of the terms described below, then the terms described below will be deemed to have been superseded by that prospectus supplement relating to such deposited shares. The forms of deposit agreement and depositary receipt will be filed as exhibits to the documents incorporated or deemed to be incorporated by reference in this prospectus.

The following summary of certain provisions of the depositary shares and deposit agreement does not purport to be complete and is subject to, and is qualified in its entirety by express reference to, all the provisions of the deposit agreement and the applicable prospectus supplement, including the definitions.

Immediately following our issuance of shares of a series of preferred stock that will be offered as fractional shares, we will deposit the shares with the depositary, which will then issue and deliver the depositary receipts to the purchasers thereof. Depositary receipts will only be issued evidencing whole depositary shares. A depositary receipt may evidence any number of whole depositary shares.

Pending the preparation of definitive depositary receipts, the depositary may, upon our written order, issue temporary depositary receipts substantially identical to (and entitling the holders thereof to all the rights pertaining to) the definitive depositary receipts but not in definitive form. Definitive depositary receipts will be prepared thereafter without unreasonable delay, and such temporary depositary receipts will be exchangeable for definitive depositary receipts at our expense.

Dividends and other distributions

The depositary will distribute all cash dividends or other cash distributions received in respect of the related series of preferred stock to the record holders of depositary shares relating to the series of preferred stock in proportion to the number of the depositary shares owned by the holders.

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In the event of a distribution other than in cash, the depositary will distribute property received by it to the record holders of depositary shares entitled thereto in proportion to the number of depositary shares owned by the holders, unless the depositary determines that the distribution cannot be made proportionately among the holders or that it is not feasible to make the distributions, in which case the depositary may, with our approval, adopt any method as it deems equitable and practicable for the purpose of effecting the distribution, including the sale (at public or private sale) of the securities or property thus received, or any part thereof, at the place or places and upon those terms as it may deem proper.

The amount distributed in any of the foregoing cases will be reduced by any amounts required to be withheld by us or the depositary on account of taxes or other governmental charges.

Redemption of depositary shares

If any series of the preferred stock underlying the depositary shares is subject to redemption, the depositary shares will be redeemed from the proceeds received by the depositary resulting from any redemption, in whole or in part, of the series of the preferred stock held by the depositary. The redemption price per depositary share will be equal to the applicable fraction of the redemption price per share payable with respect to the series of the preferred stock. If we redeem shares of a series of preferred stock held by the depositary, the depositary will redeem as of the same redemption date the number of depositary shares representing the shares of preferred stock so redeemed. If less than all the depositary shares are to be redeemed, the depositary shares to be redeemed will be selected by lot or substantially equivalent method determined by the depositary.

After the date fixed for redemption, the depositary shares so called for redemption will no longer be deemed to be outstanding and all rights of the holders of the depositary shares will cease, except the right to receive the moneys payable upon redemption and any money or other property to which the holders of the depositary shares were entitled upon such redemption, upon surrender to the depositary of the depositary receipts evidencing the depositary shares. Any funds deposited by us with the depositary for any depositary shares that the holders thereof fail to redeem will be returned to us after a period of two years from the date the funds are so deposited.

Voting the underlying preferred stock

Upon receipt of notice of any meeting at which the holders of any series of the preferred stock are entitled to vote, the depositary will mail the information contained in the notice of meeting to the record holders of the depositary shares relating to the series of preferred stock. Each record holder of the depositary shares on the record date (which will be the same date as the record date for the related series of preferred stock) will be entitled to instruct the depositary as to the exercise of the voting rights pertaining to the number of shares of the series of preferred stock represented by that holder s depositary shares. The depositary will endeavor, insofar as practicable, to vote or cause to be voted the number of shares of preferred stock represented by the depositary shares in accordance with the instructions, provided the depositary receives the instructions sufficiently in advance of the meeting to enable it to so vote or cause to be voted the shares of preferred stock, and we will agree to take all reasonable action that may be deemed necessary by the depositary in order to enable the depositary to do so. The depositary will abstain from voting shares of the preferred stock to the extent it does not receive specific instructions from the holders of depositary shares representing the preferred stock.

Withdrawal of stock

Upon surrender of the depositary receipts at the corporate trust office of the depositary and upon payment of the taxes, charges and fees provided for in the deposit agreement and subject to the terms thereof, the holder

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of the depositary shares evidenced thereby is entitled to delivery at such office, to or upon such holder s order, of the number of whole shares of the related series of preferred stock and any money or other property, if any, represented by the depositary shares. Holders of depositary shares will be entitled to receive whole shares of the related series of preferred stock, but holders of the whole shares of preferred stock will not thereafter be entitled to deposit the shares of preferred stock with the depositary or to receive depositary shares therefor. If the depositary receipts delivered by the holder evidence a number of depositary shares in excess of the number of depositary shares representing the number of whole shares of the related series of preferred stock to be withdrawn, the depositary will deliver to the holder or upon such holder s order at the same time a new depositary receipt evidencing the excess number of depositary shares.

Amendment and termination of a deposit agreement

The form of depositary receipt evidencing the depositary shares of any series and any provision of the applicable deposit agreement may at any time and from time to time be amended by agreement between us and the depositary. However, any amendment that materially adversely alters the rights of the holders of depositary shares of any series will not be effective unless the amendment has been approved by the holders of at least a majority of the depositary shares of the series then outstanding. Every holder of a depositary receipt at the time the amendment becomes effective will be deemed, by continuing to hold the depositary receipt, to be bound by the deposit agreement as so amended. Notwithstanding the foregoing, in no event may any amendment impair the right of any holder of any depositary shares, upon surrender of the depositary receipts evidencing the depositary shares and subject to any conditions specified in the deposit agreement, to receive shares of the related series of preferred stock and any money or other property represented thereby, except in order to comply with mandatory provisions of applicable law. The deposit agreement may be terminated by us at any time upon not less than 60 days prior written notice to the depositary, in which case, on a date that is not later than 30 days after the date of the notice, the depositary shall deliver or make available for delivery to holders of depositary shares, upon surrender of the depositary receipts evidencing the depositary shares, the number of whole or fractional shares of the related series of preferred stock as are represented by the depositary shares. The deposit agreement shall automatically terminate after all outstanding depositary shares have been redeemed or there has been a final distribution in respect of the related series of preferred stock in connection with any liquidation, dissolution or winding up of us and the distribution has been distributed to the holders of depositary shares.

Charges of depositary

We will pay all transfer and other taxes and the governmental charges arising solely from the existence of the depositary arrangements. We will pay the charges of the depositary, including charges in connection with the initial deposit of the related series of preferred stock and the initial issuance of the depositary shares and all withdrawals of shares of the related series of preferred stock, except that holders of depositary shares will pay transfer and other taxes and governmental charges and any other charges as are expressly provided in the deposit agreement to be for their accounts.

Resignation and removal of depositary

The depositary may resign at any time by delivering to us written notice of its election to do so, and we may at any time remove the depositary. Any resignation or removal is to take effect upon the appointment of a successor depositary, which successor depositary must be appointed within 90 days after delivery of the notice of resignation or removal and must be a bank or trust company having its principal office in the United States and having a combined capital and surplus of at least $50,000,000.

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Miscellaneous

The depositary will forward to the holders of depositary shares all reports and communications from us that are delivered to the depositary and which we are required to furnish to the holders of the related preferred stock.

The depositary s corporate trust office will be identified in the applicable prospectus supplement. Unless otherwise set forth in the applicable prospectus supplement, the depositary will act as transfer agent and registrar for depositary receipts and if shares of a series of preferred stock are redeemable, the depositary will also act as redemption agent for the corresponding depositary receipts.

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Description of the warrants

The following description of the terms of the warrants sets forth certain general terms and provisions of the warrants to which any prospectus supplement may relate. We may issue warrants for the purchase of senior debt securities, subordinated debt securities, preferred stock or Class A common stock. Warrants may be issued independently or together with debt securities, preferred stock or Class A common stock offered by any prospectus supplement and may be attached to or separate from any such offered securities. Each series of warrants will be issued under a separate warrant agreement to be entered into between us and a bank or trust company, as warrant agent. The warrant agent will act solely as our agent in connection with the warrants and will not assume any obligation or relationship of agency or trust for or with any holders or beneficial owners of warrants. The following summary of certain provisions of the warrants does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the warrant agreement that will be filed with the SEC in connection with the offering of such warrants.

Debt warrants

The prospectus supplement relating to a particular issue of debt warrants will describe the terms of such debt warrants, including the following:

- the title of such debt warrants;
- the offering price for such debt warrants, if any;
- the aggregate number of such debt warrants;
- the designation and terms of the debt securities purchasable upon exercise of such debt warrants;
- if applicable, the designation and terms of the debt securities with which such debt warrants are issued and the number of such debt warrants issued with each such debt security;
- if applicable, the date from and after which such debt warrants and any debt securities issued therewith will be separately transferable;
- the principal amount of debt securities purchasable upon exercise of a debt warrant and the price at which such principal amount of debt securities may be purchased upon exercise (which price may be payable in cash, securities or other property);
- the date on which the right to exercise such debt warrants shall commence and the date on which such right shall expire;
- if applicable, the minimum or maximum amount of such debt warrants that may be exercised at any one time;
- whether the debt warrants represented by the debt warrant certificates or debt securities that may be issued upon exercise of the debt warrants will be issued in registered or bearer form;

information with respect to book-entry procedures, if any;

the currency or currency units in which the offering price, if any, and the exercise price are payable;

if applicable, a discussion of material United States Federal income tax considerations;

the antidilution or adjustment provisions of such debt warrants, if any;

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the redemption or call provisions, if any, applicable to such debt warrants; and

any additional terms of such debt warrants, including terms, procedures, and limitations relating to the exchange and exercise of such debt warrants.

Stock warrants

The prospectus supplement relating to any particular issue of preferred stock warrants or Class A common stock warrants will describe the terms of such warrants, including the following:

the title of such warrants;

the offering price for such warrants, if any;

the aggregate number of such warrants;

the designation and terms of the preferred stock purchasable upon exercise of such warrants;

if applicable, the designation and terms of the offered securities with which such warrants are issued and the number of such warrants issued with each such offered security;

if applicable, the date from and after which such warrants and any offered securities issued therewith will be separately transferable;

the number of shares of Class A common stock or preferred stock purchasable upon exercise of a warrant and the price at which such shares may be purchased upon exercise;

the date on which the right to exercise such warrants shall commence and the date on which such right shall expire;

if applicable, the minimum or maximum amount of such warrants that may be exercised at any one time;

the currency or currency units in which the offering price, if any, and the exercise price are payable;

if applicable, a discussion of material United States Federal income tax considerations;

the antidilution provisions of such warrants, if any;

the redemption or call provisions, if any, applicable to such warrants; and

any additional terms of such warrants, including terms, procedures and limitations relating to the exchange and exercise of such warrants.

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Description of the purchase contracts

We may issue, from time to time, purchase contracts, including contracts obligating holders to purchase from us and us to sell to the holders, a specified principal amount of senior debt securities, subordinated debt securities, or a specified number of shares of Class A common stock or preferred stock or any of the other securities that we may sell under this prospectus at a future date or dates. The consideration payable upon settlement of the purchase contracts may be fixed at the time the purchase contracts are issued or may be determined by a specific reference to a formula set forth in the purchase contracts. The purchase contracts may be issued separately or as part of units consisting of a purchase contract and other securities or obligations issued by us or third parties, including United States treasury securities, securing the holders obligations to purchase the relevant securities under the purchase contracts. The purchase contracts may require us to make periodic payments to the holders of the purchase contracts or units or vice versa, and the payments may be unsecured or prefunded on some basis. The purchase contracts may require holders to secure their obligations under the purchase contracts.

The prospectus supplement related to any particular purchase contracts will describe, among other things, the material terms of the purchase contracts and of the securities being sold pursuant to such purchase contracts, and a discussion, if appropriate, of any material United States Federal income tax considerations applicable to the purchase contracts and any material provisions governing the purchase contracts that differ from those described above. The description in the prospectus supplement will not necessarily be complete and will be qualified in its entirety by reference to the purchase contracts, and, if applicable, collateral arrangements and depositary arrangements, relating to the purchase contracts.

Description of the units

We may, from time to time, issue units comprised of one or more of the other securities that may be offered under this prospectus, in any combination. Each unit will be issued so that the holder of the unit is also the holder of each security included in the unit. Thus, the holder of a unit will have the rights and obligations of a holder of each included security. The unit agreement under which a unit is issued may provide that the securities included in the unit may not be held or transferred separately at any time, or at any time before a specified date.

Any prospectus supplement related to any particular units will describe, among other things:

- the material terms of the units and of the securities comprising the units, including whether and under what circumstances those securities may be held or transferred separately;
- any material provisions relating to the issuance, payment, settlement, transfer or exchange of the units or of the securities comprising the units;
- if appropriate, any special United States Federal income tax considerations applicable to the units; and
- any material provisions of the governing unit agreement that differ from those described above.

Plan of distribution

We or the selling stockholder may offer and sell the securities in any one or more of the following ways:

- to or through underwriters, brokers or dealers;

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directly to one or more other purchasers;

through a block trade in which the broker or dealer engaged to handle the block trade will attempt to sell the securities as agent, but may position and resell a portion of the block as principal to facilitate the transaction;

through agents on a best-efforts basis; or

otherwise through a combination of any of the above methods of sale.

In addition, we or the selling stockholder may enter into option, share lending or other types of transactions that require us or such selling stockholder, as applicable, to deliver shares of Class A common stock to an underwriter, broker or dealer, who will then resell or transfer the shares of Class A common stock under this prospectus. We or the selling stockholder may also enter into hedging transactions with respect to our securities or the securities of such selling stockholder, as applicable. For example, we or the selling stockholder may:

enter into transactions involving short sales of the shares of Class A common stock by underwriters, brokers or dealers;

sell shares of Class A common stock short and deliver the shares to close out short positions;

enter into option or other types of transactions that require us or the selling stockholder, as applicable, to deliver shares of Class A common stock to an underwriter, broker or dealer, who will then resell or transfer the shares of Class A common stock under this prospectus; or

loan or pledge the shares of Class A common stock to an underwriter, broker or dealer, who may sell the loaned shares or, in the event of default, sell the pledged shares.

The selling stockholder will act independently of us in making decisions with respect to the timing, manner and size of each sale of shares of Class A common stock covered by this prospectus.

We or the selling stockholder may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the applicable prospectus supplement indicates, in connection with those derivatives, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. If so, the third party may use securities pledged by us or the selling stockholder, as applicable, or borrowed from us, the selling stockholder or others to settle those sales or to close out any related open borrowings of stock, and may use securities received from us or the selling stockholder in settlement of those derivatives to close out any related open borrowings of stock. The third party in such sale transactions will be an underwriter and, if not identified in this prospectus, will be identified in the applicable prospectus supplement (or a post-effective amendment). In addition, we or the selling stockholder may otherwise loan or pledge securities to a financial institution or other third party that in turn may sell the securities short using this prospectus. Such financial institution or other third party may transfer its economic short position to investors in our securities or the securities of the selling stockholder, as applicable, or in connection with a concurrent offering of other securities.

Shares of Class A common stock may also be exchanged for satisfaction of the selling stockholder s obligations or other liabilities to its creditors. Such transactions may or may not involve brokers or dealers.

Each time we or the selling stockholder sells securities, we will provide a prospectus supplement that will name any underwriter, dealer or agent involved in the offer and sale of the securities. The prospectus supplement will also set forth the terms of the offering, including:

the purchase price of the securities and the proceeds we and/or the selling stockholder will receive from the sale of the securities;

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any underwriting discounts and other items constituting underwriters compensation;

any public offering or purchase price and any discounts or commissions allowed or re-allowed or paid to dealers;

any commissions allowed or paid to agents;

any securities exchanges on which the securities may be listed;

the method of distribution of the securities;

the terms of any agreement, arrangement or understanding entered into with the underwriters, brokers or dealers; and

any other information we think is important.

If underwriters or dealers are used in the sale, the securities will be acquired by the underwriters or dealers for their own account. The securities may be sold from time to time by us or the selling stockholder in one or more transactions:

at a fixed price or prices, which may be changed;
at market prices prevailing at the time of sale;
at prices related to such prevailing market prices;
at varying prices determined at the time of sale; or
at negotiated prices.

Such sales may be effected:

in transactions on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale;

in transactions in the over-the-counter market;

in block transactions in which the broker or dealer so engaged will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction, or in crosses, in which the same broker acts as an agent on both sides of the trade;

through the writing of options; or

through other types of transactions.

The securities may be offered to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more of such firms. Unless otherwise set forth in the prospectus supplement, the obligations of underwriters or dealers to purchase the securities offered will be subject to certain conditions precedent and the underwriters or dealers will be obligated to purchase all the offered securities if any are purchased. Any public offering price and any discount or concession allowed or reallowed or paid by underwriters or dealers to other dealers may be changed from time to time.

The selling stockholder might not sell any securities under this prospectus. In addition, any securities covered by this prospectus that qualify for sale pursuant to Rule 144 under the Securities Act may be sold under Rule 144 rather than pursuant to this prospectus.

The securities may be sold directly by us or the selling stockholder or through agents designated by us or the selling stockholder, as applicable, from time to time. Any agent involved in the offer or sale of the securities in

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respect of which this prospectus is delivered will be named, and any commissions payable by us or the selling stockholder, as applicable, to such agent will be set forth in, the applicable prospectus supplement. Unless otherwise indicated in the applicable prospectus supplement, any such agent will be acting on a best efforts basis for the period of its appointment.

Offers to purchase the securities offered by this prospectus may be solicited, and sales of the securities may be made, by us or by the selling stockholder directly to institutional investors or others, who may be deemed to be underwriters within the meaning of the Securities Act with respect to any resale of the securities. The terms of any offer made in this manner will be included in the prospectus supplement relating to the offer.

If indicated in the applicable prospectus supplement, underwriters, dealers or agents will be authorized to solicit offers by certain institutional investors to purchase securities from us pursuant to contracts providing for payment and delivery at a future date. Institutional investors with which these contracts may be made include, among others:

- commercial and savings banks;
- insurance companies;
- pension funds;
- investment companies; and
- educational and charitable institutions.

In all cases, these purchasers must be approved by us or the selling stockholder, as applicable. Unless otherwise set forth in the applicable prospectus supplement, the obligations of any purchaser under any of these contracts will not be subject to any conditions except that (a) the purchase of the securities must not at the time of delivery be prohibited under the laws of any jurisdiction to which that purchaser is subject, and (b) if the securities are also being sold to underwriters, we or the selling stockholder, as applicable, must have sold to these underwriters the securities not subject to delayed delivery. Underwriters and other agents will not have any responsibility in respect of the validity or performance of these contracts.

Some of the underwriters, dealers or agents used by us or the selling stockholder in any offering of securities under this prospectus may be customers of, engage in transactions with, and perform services for us and/or the selling stockholder, as applicable, or affiliates of ours and/or its, as applicable, in the ordinary course of business. Underwriters, dealers, agents and other persons may be entitled under agreements which may be entered into with us and/or the selling stockholder to indemnification against and contribution toward certain civil liabilities, including liabilities under the Securities Act, and to be reimbursed by us and/or the selling stockholder for certain expenses.

The selling stockholder may be deemed to be an underwriter within the meaning of Section 2(11) of the Securities Act.

Subject to any restrictions relating to debt securities in bearer form, any securities initially sold outside the United States may be resold in the United States through underwriters, dealers or otherwise.

Any underwriters to which offered securities are sold by us or the selling stockholder for public offering and sale may make a market in such securities, but those underwriters will not be obligated to do so and may discontinue any market making at any time.

The anticipated date of delivery of the securities offered by this prospectus will be described in the applicable prospectus supplement relating to the offering.

The maximum compensation we will pay to underwriters in connection with any offering of the securities will not exceed 8% of the maximum proceeds of such offering.

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To comply with the securities laws of some states, if applicable, the securities may be sold in these jurisdictions only through registered or licensed brokers or dealers. In addition, in some states the securities may not be sold unless they have been registered or qualified for sale or an exemption from registration or qualification requirements is available and is complied with.

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Legal matters

Certain legal matters in connection with the offered securities will be passed upon for us by Paul, Weiss, Rifkind, Wharton & Garrison LLP, New York, New York.

Experts

The financial statements incorporated in this Prospectus by reference from the Company s Annual Report on Form 10-K, and the effectiveness of the Company s internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements have been so included in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

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10,000,000 shares

Taylor Morrison Home Corporation

Class A common stock

Joint book-running managers

J.P. Morgan **Citigroup** **Credit Suisse**

Joint lead managers

Deutsche Bank Securities **BofA Merrill Lynch** **Goldman, Sachs & Co.**

Wells Fargo Securities **Zelman Partners LLC**

Co-managers

HSBC **TPG Capital BD, LLC** **Comerica Securities**