

UAL CORP /DE/  
Form 424B5  
September 30, 2009

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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are neither offers to sell nor solicitations of offers to buy these securities in any jurisdiction where the offer or sale thereof is not permitted.

**Filed pursuant to Rule 424(b)(5)  
Registration No. 333-155794**

**Subject to completion, dated September 30, 2009**

**PRELIMINARY PROSPECTUS SUPPLEMENT**

*(To Prospectus dated December 1, 2008)*

**\$175,000,000  
UAL Corporation  
% Convertible Senior Notes due 2029**

This is an offering by UAL Corporation ( UAL ) of \$175,000,000 aggregate principal amount of % Convertible Senior Notes due 2029 (the Notes ). The Notes will bear interest at the rate of % per year. Interest on the Notes is payable semi-annually on April 15 and October 15 of each year, beginning on April 15, 2010. The Notes will mature on October 15, 2029.

The Notes are convertible by holders into shares of UAL s common stock, par value \$0.01 per share (the Common Stock ) at an initial conversion rate of shares per \$1,000 principal amount of the Notes, equivalent to an initial conversion price of approximately \$ per share of Common Stock, at any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date for the Notes.

Such conversion rate will be subject to adjustment in certain events but will not be adjusted for accrued interest, including any additional interest.

Following certain corporate transactions that occur on or prior to October 15, 2014, we will increase the applicable conversion rate for a holder that elects to convert its Notes in connection with such corporate transactions by a number of additional shares of Common Stock as described in this prospectus supplement.

We may not redeem the Notes prior to October 15, 2014. On or after October 15, 2014, we may redeem for cash all or part of the Notes at 100% of the principal amount of the Notes to be redeemed plus any accrued and unpaid interest, including any additional interest, to but excluding, the redemption date.

Holder s have the right to require us to purchase all or a portion of their Notes on each of October 15, 2014, October 15, 2019 and October 15, 2024 at a purchase price equal to 100% of the principal amount of the Notes to be purchased plus any accrued and unpaid interest to, but excluding, such purchase date. In addition, if we undergo a fundamental change, as defined herein, holders may require us to purchase all or a portion of their Notes at a fundamental change purchase price equal to 100% of the principal amount of the Notes to be purchased plus any accrued and unpaid interest to, but excluding, the fundamental change purchase date. We will pay the purchase price or fundamental change purchase price, as the case may be, in cash, shares of our Common Stock or a combination thereof, at our election, as described in this prospectus supplement.

We have granted the underwriters the option to purchase, exercisable for a period of 30 days from the date of this prospectus supplement, up to an additional \$26,250,000 aggregate principal amount of Notes, solely to cover over-allotments, if any.

The Notes will be our senior unsecured obligations and will rank senior in right of payment to our existing and future indebtedness that is expressly subordinated in right of payment to the Notes; equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated; junior in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness incurred by our subsidiaries.

The Notes will not be listed on any securities exchange. Our Common Stock is listed on The NASDAQ Global Select Market under the symbol UAU. The last reported sale price of our Common Stock on September 29, 2009, was \$9.18 per share. Prior to this offering, there has been no public market for the Notes. In addition to the issuance of the Notes, we plan to issue shares of our Common Stock by a separate prospectus supplement. The issuance of the Notes offered hereby is not conditional on the issuance of such Common Stock.

**Investing in the Notes involves risks. See Risk factors beginning on page S-5.**

**Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement and the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

	Per Note	Total
Public offering price <sup>(1)</sup>	%	\$
Underwriting discounts and commissions	%	\$
Proceeds, before expenses, to UAL	%	\$

<sup>(1)</sup> Plus accrued interest from \_\_\_\_\_, 2009, if settlement occurs after that date.

The underwriters expect to deliver the Notes to purchasers on or about \_\_\_\_\_, 2009 only in book entry form through the facilities of The Depository Trust Company.

**J.P. Morgan**

**Morgan Stanley**

**Goldman, Sachs & Co.**

\_\_\_\_\_, 2009

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**You should rely only on the information contained in this prospectus supplement, the accompanying prospectus, any related free writing prospectus issued by us (which we refer to as a Company free writing prospectus ) and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different**

**information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus supplement may be used only where it is legal to sell the Common Stock offered hereby. You should not assume that the information in this prospectus supplement, the accompanying prospectus, any related Company free writing prospectus or any document incorporated herein by reference is accurate as of any date other than the date of this prospectus supplement. Also, you should not assume that there has been no change in the affairs of UAL since the date of this prospectus supplement. Our business, financial condition, results of operations and prospects may have changed since that date.**

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**Presentation of information**

These offering materials consist of two documents: (1) this prospectus supplement, which describes the terms of this offering of the Notes and the Common Stock issuable upon conversion of the Notes and (2) the accompanying prospectus, which provides general information about us and our securities, some of which may not apply to the Notes that we are currently offering and to the Common Stock issuable upon conversion of the Notes. **The information in this prospectus supplement replaces any inconsistent information included in the accompanying prospectus.**

At varying places in this prospectus supplement and the accompanying prospectus, we refer you to other sections of the documents for additional information by indicating the caption heading of the other sections. The page on which each principal caption included in this prospectus supplement and the accompanying prospectus can be found is listed in the table of contents on the preceding page. All cross references in this prospectus supplement are to captions contained in this prospectus supplement and not in the accompanying prospectus, unless otherwise stated.

Certain statements contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus are forward-looking and thus reflect our and United Air Lines, Inc.'s (together with its consolidated subsidiaries, United) current expectations and beliefs with respect to certain current and future events and financial performance. Such forward-looking statements are and will be subject to many risks and uncertainties relating to our operations and business environment that may cause actual results to differ materially from any future results expressed or implied in such forward-looking statements. Words such as expects, will, plans, anticipates, indicates, believes, forecast, guidance, outlook and similar expressions are intended to identify forward-looking statements.

Additionally, forward-looking statements include statements that do not relate solely to historical facts, such as statements which identify uncertainties or trends, discuss the possible future effects of current known trends or uncertainties, or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed or assured. All forward-looking statements contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus are based upon information available to us on the date such statements are made. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise.

UAL's and United's actual results could differ materially from these forward-looking statements due to numerous factors including, without limitation, the following: our ability to comply with the terms of our amended credit facility and other financing arrangements; the costs and availability of financing; our ability to maintain adequate liquidity; our ability to execute our operational plans; our ability to control our costs, including realizing benefits from our resource optimization efforts and cost reduction initiatives; our ability to utilize our net operating losses; our ability to attract and retain customers; demand for transportation in the markets in which we operate; an outbreak of a disease that affects travel demand or travel behavior; demand for travel and the impact the economic recession has on customer travel patterns; the increasing reliance on enhanced video-conferencing and other technology as a means of conducting virtual meetings; general economic conditions (including interest rates, foreign currency exchange rates, investment or credit market conditions, crude oil prices, costs of aviation fuel and refining capacity in relevant markets); our ability to cost-effectively hedge against increases in the price of aviation fuel; any potential realized or unrealized gains or losses related to fuel or currency hedging programs; the effects of any hostilities, act of war or terrorist attack; the ability of other air carriers with whom we have alliances or partnerships to provide the services contemplated by our respective arrangements with such carriers; the costs and availability of aviation and other insurance; the costs associated with security measures and practices; industry consolidation; competitive pressures on pricing and on demand; capacity decisions of United and/or our competitors; U.S. or foreign governmental legislation, regulation and other actions (including open skies agreements); labor costs; our ability to maintain satisfactory labor

relations and the results of the collective bargaining agreement process with our union groups; any disruptions to operations due to any potential actions by our labor groups; weather conditions; and other risks and uncertainties, including those set forth in the SEC reports incorporated by reference in the accompanying prospectus or as stated or incorporated by reference in this prospectus supplement under the caption Risk factors. Consequently, forward-looking statements should not be regarded as representations or warranties by UAL or United that such matters will be realized.

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**Summary**

*The following summary is qualified in its entirety by reference to the more detailed information and consolidated financial statements appearing elsewhere in this prospectus supplement and the accompanying prospectus, as well as the materials filed with the SEC, that are considered to be part of this prospectus supplement and the accompanying prospectus.*

**UAL Corporation**

UAL is a holding company and its principal, wholly-owned subsidiary is United. We sometimes use the words “we,” “our,” “the Company” and “us” in this prospectus supplement for disclosures that relate to UAL, together with its consolidated subsidiaries. United’s operations consist primarily of the transportation of persons, property, and mail throughout the United States and abroad. United provides these services through full-sized jet aircraft (which we refer to as its “Mainline” operations), as well as smaller aircraft in its regional operations conducted under contract by “United Express®” carriers.

United is one of the largest passenger airlines in the world. United offers nearly 3,300 flights a day to more than 200 destinations through its Mainline and United Express® services, based on its flight schedule from July 2009 to July 2010. United offers nearly 1,200 average daily Mainline departures to more than 120 destinations in 27 countries and two U.S. territories. United provides regional service, connecting primarily via United’s domestic hubs, through marketing relationships with United Express® carriers, which provide more than 2,000 average daily departures to approximately 175 destinations. United serves virtually every major market around the world, either directly or through its participation in the Star Alliance®, the world’s largest airline network.

UAL was incorporated under the laws of the State of Delaware on December 30, 1968. UAL’s corporate headquarters is located at 77 West Wacker Drive, Chicago, Illinois 60601. The mailing address is P.O. Box 66919, Chicago, Illinois 60666 (telephone number (312) 997-8000).

**Equity Offering**

Concurrently with this offering, we are offering 19,000,000 shares of Common Stock in an underwritten public offering (the “Equity Offering”). The consummation of this offering is not conditional upon the consummation of the Equity Offering.



**Table of Contents****The offering**

*The summary below describes the principal terms of the Notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of the Notes contains a more detailed description of the terms and conditions of the Notes. In this The offering section, references to we, our, the Company and us only to UAL, and not to its subsidiaries.*

<b>Issuer</b>	UAL Corporation.
<b>Notes offered</b>	\$175,000,000 aggregate principal amount of % Convertible Senior Notes due 2029. We have granted the underwriters the option to purchase, exercisable for a period of 30 days from the date of this prospectus supplement, up to an additional \$26,250,000 aggregate principal amount of Notes, solely to cover over-allotments.
<b>Maturity date</b>	October 15, 2029, subject to earlier repurchase, redemption or conversion.
<b>Issue price</b>	100% plus accrued and unpaid interest, if any from , 2009.
<b>Ranking</b>	<p>The Notes will be our senior unsecured obligations and will rank:</p> <ul style="list-style-type: none"> <li>senior in right of payment to our existing and future indebtedness that is expressly subordinated in right of payment to the Notes;</li> <li>equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated;</li> <li>effectively junior in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and</li> <li>structurally junior to all existing and future indebtedness (including trade payables) incurred by our subsidiaries.</li> </ul> <p>As of June 30, 2009, our total consolidated indebtedness was \$6.45 billion. After giving effect to the issuance of the Notes (assuming no exercise of the underwriters over-allotment option) and the use of proceeds therefrom, our total consolidated indebtedness would have been approximately \$ billion.</p>
<b>Interest and payment dates</b>	Interest on the Notes will accrue at a rate of % per annum on the principal amount from , 2009, payable semi-annually in arrears on April 15 and October 15 of each year, beginning on April 15, 2010.
<b>Conversion rights</b>	<p>Holder may convert their Notes at their option into shares of Common Stock at an initial conversion rate of shares per \$1,000 principal amount of the Notes, equivalent to an initial conversion price of approximately \$ per share of Common Stock, at any time prior to the close of business on the second scheduled trading day immediately</p>

preceding the maturity date for the Notes. The conversion rate will be subject to adjustment in certain events, but will not be adjusted for accrued interest, including any additional interest.

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In addition, following certain corporate transactions that occur on or prior to October 15, 2014, we will increase the applicable conversion rate for a holder who elects to convert in connection with such corporate transaction by a number of additional shares of our Common Stock as described under

Description of the Notes Conversion rights Adjustment to shares delivered upon conversion upon certain corporate transactions.

You will not receive any additional cash payment or additional shares representing accrued and unpaid interest, including any additional interest, upon conversion of a Note except in circumstances described under Description of the Notes Conversion rights General. Instead, interest will be deemed paid by the shares of our Common Stock delivered to you upon conversion of a Note.

**Redemption at our option**

We may not redeem the Notes prior to October 15, 2014. On or after October 15, 2014, we may redeem for cash all or part of the Notes. The redemption price will equal 100% of the principal amount of the Notes to be redeemed plus any accrued and unpaid interest, including any additional interest, to but excluding, the redemption date.

We will give notice of redemption not less than 35 nor more than 60 calendar days before the redemption date to each holder of Notes.

**Purchase of Notes by us at the option of the holder**

Holders have the right, subject to certain conditions, to require us to purchase all or a portion of their Notes on each of October 15, 2014, October 15, 2019 and October 15, 2024 (each such date we refer to as a purchase date ). The purchase price payable will be equal to 100% of the principal amount of the Notes to be purchased plus any accrued and unpaid interest, including any additional interest, to but excluding, such purchase date. We will pay the purchase price for all Notes so purchased in cash, shares of our Common Stock or a combination thereof, at our election, using a price per share of our Common Stock equal to the average of the daily VWAP (as defined herein) of our Common Stock for the 20 consecutive trading days ending on the trading day prior to the purchase date.

**Fundamental change**

If we undergo a fundamental change (as defined under Description of the Notes Fundamental change permits holders to require us to purchase Notes ), subject to certain conditions, you will have the option to require us to purchase all or any portion of your Notes. The fundamental change purchase price will be 100% of the principal amount of the Notes to be purchased plus any accrued and unpaid interest, including any additional interest, to but excluding, the fundamental change purchase date. We will pay the fundamental change purchase price for all Notes so purchased in cash, shares of our Common Stock or a combination thereof, at our election, using a price per share of our Common Stock equal to the average of the daily VWAP (as defined herein) of our Common Stock for the 20 consecutive trading days ending on the trading day prior to the

fundamental change purchase date.

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<b>Use of proceeds</b>	<p>The proceeds from this offering will be approximately \$      million (or \$      million if the underwriters exercise their over-allotment option in full), after deducting fees and estimated expenses.</p> <p>We intend to use the net proceeds from this offering, together with the net proceeds from our concurrent Equity Offering for general corporate purposes. See Use of proceeds.</p>
<b>Book-entry form</b>	<p>The Notes will be issued in book-entry form and will be represented by permanent global certificates deposited with, or on behalf of, The Depository Trust Company ( DTC ), and registered in the name of a nominee of DTC. Beneficial interests in any of the Notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee, and any such interest may not be exchanged for certificated securities, except in limited circumstances described herein. See Description of the Notes Book-entry, settlement and clearance.</p>
<b>Absence of a market for the Notes</b>	<p>The Notes will be new securities and there is currently no established market for the Notes. Accordingly, we cannot assure you as to the development or liquidity of any market for the Notes. The underwriters have advised us that they currently intend to make a market in the Notes. However, they are not obligated to do so, and they may discontinue any market making with respect to the Notes without notice. We do not intend to apply for a listing of the Notes on any securities exchange or any automated dealer quotation system.</p>
<b>Trading symbol for our Common Stock</b>	<p>Our Common Stock is listed on The NASDAQ Global Select Market under the symbol UAUA.</p>
<b>U.S. federal income tax considerations</b>	<p>For a discussion of certain material U.S. federal income tax consideration relating to the purchase, ownership and disposition of the Notes and any Common Stock issuable upon conversion of the Notes, see Certain U.S. federal income tax considerations. Holders are urged to consult their own tax advisors with respect to the federal, state, local and foreign tax consequences of purchasing, owning and disposing of the Notes and the Common Stock issuable upon conversion of the Notes.</p>
<b>Trustee</b>	<p>The trustee for the Notes is The Bank of New York Mellon Trust Company, N.A.</p>
<b>Governing law</b>	<p>The indenture and the Notes will be governed by the laws of the State of New York.</p>

*You should refer to the section entitled Risk factors and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for an explanation of certain risks of investing in the Notes.*



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**Risk factors**

*An investment in the Common Stock involves certain risks. You should carefully consider the risks described below and the risks described under "Risk factors" in our most recent annual report on Form 10-K and quarterly reports on Form 10-Q, as well as the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The market or trading price of the Common Stock could decline due to any of these risks or other factors, and you may lose all or part of your investment.*

**Risks related to the Common Stock**

***Certain provisions of UAL's Governance Documents could discourage or delay changes of control or changes to the Board of Directors of UAL.***

Certain provisions of the amended and restated certificate of incorporation and amended and restated bylaws of UAL (together, the "Governance Documents") may make it difficult for stockholders to change the composition of UAL's Board of Directors and may discourage takeover attempts that some of its stockholders may consider beneficial.

Certain provisions of the Governance Documents may have the effect of delaying or preventing changes in control if UAL's Board of Directors determines that such changes in control are not in the best interests of UAL and its stockholders.

These provisions of the Governance Documents are not intended to prevent a takeover, but are intended to protect and maximize the value of UAL's stockholders' interests. While these provisions have the effect of encouraging persons seeking to acquire control of UAL to negotiate with the UAL Board of Directors, they could enable the Board of Directors to prevent a transaction that some, or a majority, of its stockholders might believe to be in their best interests and, in that case, may prevent or discourage attempts to remove and replace incumbent directors.

***UAL's amended and restated certificate of incorporation limits certain transfers of the Common Stock and the Notes offered hereby.***

To reduce the risk of a potential adverse effect on the Company's ability to utilize its net operating loss carry forwards for federal income tax purposes, UAL's amended and restated certificate of incorporation contains a 5% ownership limitation (the "5% Ownership Limitation"), applicable to all stockholders except the Pension Benefit Guaranty Corporation ("PBGC"). The 5% Ownership Limitation remains effective until February 1, 2011. The 5% Ownership Limitation prohibits (i) the acquisition by a single stockholder of shares representing 5% or more of the Common Stock of UAL and (ii) any acquisition or disposition of Common Stock by a stockholder that already owns 5% or more of UAL's Common Stock, unless prior written approval is granted by the UAL Board of Directors. The percentage ownership of a single stockholder can be computed by dividing the number of shares of Common Stock held by the stockholder by the sum of the shares of Common Stock issued and outstanding plus the number of shares of Common Stock still held in reserve for payment to unsecured creditors under the Debtors' Second Amended Joint Plan of Reorganization pursuant to Chapter 11 of the United States Bankruptcy Code. Trading in the Common Stock or convertible notes of UAL (including the Notes) by a shareholder who owns (or would own upon conversion of convertible notes, including the Notes) 5% or more of the Common Stock may be subject to restrictions on transfer. For additional information regarding the 5% Ownership Limitation, please refer to UAL's amended and restated certificate of incorporation filed as an exhibit to our Annual Report on Form 10-K for the year ended December 31, 2008.

Any transfers of Common Stock and the Notes that are made in violation of the restrictions set forth above will be void and, pursuant to UAL's amended and restated certificate of incorporation, will be treated as if such transfer never occurred. This provision may prevent a sale of Common Stock or the Notes by a stockholder or adversely affect the price at which a stockholder can sell Common Stock or the Notes and consequently make it more difficult for a stockholder to sell shares of Common Stock or the Notes. In

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addition, this limitation may have the effect of delaying or preventing a change in control of UAL, creating a perception that a change in control cannot occur or otherwise discouraging takeover attempts that some stockholders may consider beneficial, which could also adversely affect the prevailing market price of the Common Stock or the Notes. UAL cannot predict the effect that this provision in the UAL amended and restated certificate of incorporation may have on the market price of the Common Stock or the Notes.

***The issuance of UAL's contingent senior unsecured notes could adversely impact results of operations, liquidity and financial position and could cause dilution to the interests of its existing stockholders.***

In connection with the Company's emergence from Chapter 11 bankruptcy protection, UAL is obligated under an indenture to issue to the PBGC 8% senior unsecured notes with an aggregate principal amount of up to \$500 million in up to eight equal tranches of \$62.5 million (with no more than one tranche issued as a result of each issuance trigger event) upon the occurrence of certain financial triggering events. An issuance trigger event occurs when the Company's EBITDAR (as defined in the indenture) exceeds \$3.5 billion over the prior twelve months ending June 30 or December 31 of any applicable fiscal year, beginning with the fiscal year ending December 31, 2009 and ending with the fiscal year ending December 31, 2017. However, if the issuance of a tranche would cause a default under any other securities then existing, UAL may satisfy its obligations with respect to such tranche by issuing UAL Common Stock having a market value equal to \$62.5 million. The issuance of the PBGC notes could adversely impact the Company's results of operations because of increased interest expense related to the PBGC notes and adversely impact its financial position or liquidity due to increased cash required to meet interest and principal payments. Any Common Stock issued in lieu of debt will cause additional dilution to existing UAL stockholders.

***The price of the Common Stock may fluctuate significantly, and you could lose all or part of your investment.***

Volatility in the market price of the Common Stock may prevent you from being able to sell your shares at or above the price you paid for your shares. The market price of the Common Stock could fluctuate significantly for various reasons which include:

changes in the prices or availability of oil or jet fuel;

our quarterly or annual earnings or those of other companies in our industry;

the public's reaction to our press releases, our other public announcements and our filings with the SEC;

changes in our earnings or recommendations by research analysts who track the Common Stock or the stock of other airlines;

changes in general conditions in the United States and global economy, financial markets or airline industry, including those resulting from changes in fuel prices or fuel shortages, war, incidents of terrorism or responses to such events;

changes in the competitive landscape for the airline industry, including any changes resulting from industry consolidation whether or not involving our company; and

the other factors described in these Risk factors.

In addition, in recent periods, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in our industry. The changes frequently appear to occur without regard to the operating performance of these companies. The

price of the Common Stock could fluctuate based upon factors that have little or nothing to do with the Company, and these fluctuations could materially reduce our stock price.

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***UAL's Common Stock has a limited trading history and its market price may be volatile.***

Because UAL's Common Stock began trading on The NASDAQ National Market on February 2, 2006, there is limited trading history. The market price of the Common Stock may fluctuate substantially due to a variety of factors, many of which are beyond UAL's control.

***The price of UAL's Common Stock may be affected by the availability of shares for sale in the market and upon conversion of our convertible notes.***

The sale or availability for sale of substantial amounts of the Common Stock could adversely impact its price. UAL's amended and restated certificate of incorporation authorizes it to issue 1,000,000,000 shares of Common Stock. On September 23, 2009, there were 148,032,685 shares of UAL's Common Stock outstanding. Accordingly, a substantial number of shares of UAL's Common Stock are available for sale under our amended and restated certificate of incorporation.

UAL also issued approximately \$150 million aggregate principal amount of convertible 5% notes shortly after the Company's emergence from bankruptcy, and subsequently issued approximately \$726 million aggregate principal amount of convertible 4.5% notes on July 25, 2006. Holders of these securities may convert them into shares of UAL's Common Stock according to their terms. See our Current Report on Form 8-K dated May 1, 2009 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 for further information related to these convertible instruments.

In addition, we maintain various plans providing for the grant of stock options, stock appreciation rights (SARs), restricted share awards, restricted stock units, performance compensation awards, performance units, cash incentive awards and other equity-based and equity-related awards. As of August 31, 2009, the maximum number of shares subject to outstanding options and SARs, restricted share awards, restricted stock units, performance compensation awards, performance units, cash incentive awards and other equity-based and equity-related awards under such plans, and available for future grant under such plans, was approximately 12.3 million shares of Common Stock.

In addition, the Board of Directors is authorized to issue up to 250 million shares of preferred stock without any action on the part of UAL's stockholders. The UAL Board of Directors also has the power, without stockholder approval, to set the terms of any series of shares of preferred stock that may be issued, including voting rights, conversion rights, dividend rights, preferences over UAL's Common Stock with respect to dividends or if UAL liquidates, dissolves or winds up its business and other terms. If UAL issues preferred stock in the future that has a preference over its Common Stock with respect to the payment of dividends or upon its liquidation, dissolution or winding up, or if UAL issues preferred stock with voting rights that dilute the voting power of its Common Stock, the rights of holders of its Common Stock or the market price of its Common Stock could be adversely affected. UAL is also authorized to issue, without stockholder approval, other securities convertible into either preferred stock or, in certain circumstances, the Common Stock.

As part of the Equity Offering, we expect to issue 19,000,000 shares of Common Stock (or up to 21,850,000 shares of Common Stock if the underwriters exercise their over-allotment option in full). In the future, UAL may decide to raise capital through offerings of its Common Stock, securities convertible into its Common Stock, or rights to acquire these securities or Common Stock. The issuance of additional shares of Common Stock or securities convertible into Common Stock (including the Notes issued pursuant to this offering and the shares of Common Stock reserved for issuance upon conversion of the Notes issued pursuant to this offering) could result in dilution of existing stockholders' equity interests in UAL. Issuances of substantial amounts of Common Stock, or the perception that such issuances could occur, may adversely affect prevailing market prices for UAL's Common Stock and UAL cannot predict the effect this dilution may have on the price of Common Stock.

We cannot predict the size of future issuances or sales of UAL's Common Stock in the public market or the effect, if any, that they may have on the market price for UAL's Common Stock. The issuance and sale of substantial amounts of Common Stock or other equity related securities (including convertible notes) or the

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perception that such issuances and sales may occur, could adversely affect the market price of the Common Stock.

### ***UAL's amended and restated certificate of incorporation limits voting rights of certain foreign persons.***

UAL's amended and restated certificate of incorporation limits the voting rights of persons holding any of UAL's equity securities who are not citizens of the United States, as defined in Section 40102(a)(15) of Title 49 United States Code, to 24.9% of the aggregate votes of all equity securities outstanding. This restriction is applied pro rata among all holders of equity securities who fail to qualify as citizens of the United States, based on the number of votes the underlying securities are entitled to.

### ***UAL's Common Stock is equity and is subordinate to our existing and future indebtedness and preferred stock and effectively subordinated to all the indebtedness and other non-common equity claims against our subsidiaries.***

Shares of the Common Stock are equity interests in us and do not constitute indebtedness. As such, shares of the Common Stock will rank junior to all of our indebtedness and to other non-equity claims against us and our assets available to satisfy claims against us, including in our liquidation. Additionally, holders of the Common Stock are subject to the prior dividend and liquidation rights of holders of our outstanding preferred stock. Our Board of Directors is authorized to issue additional classes or series of preferred stock without any action on the part of the holders of the Common Stock. Furthermore, our right to participate in a distribution of assets upon any of our subsidiaries' liquidation or reorganization is subject to the prior claims of that subsidiary's creditors, including holders of any preferred stock. As of June 30, 2009, we had approximately \$6.5 billion of outstanding long-term debt, including long-term debt maturing within one year. We may incur additional debt in the future as we seek to improve our liquidity position by, among other things, extending our debt maturities and seeking new sources of financing. Shares of the Common Stock will rank junior to any such additional debt incurred in the future.

### ***You may not receive dividends on the Common Stock.***

Holders of the Common Stock are only entitled to receive such dividends as our Board of Directors may declare out of funds legally available for such payments. Other than a special distribution of \$2.15 per share paid on January 23, 2008, we have historically not paid a cash dividend and have no plans to pay cash dividends on the Common Stock. We are incorporated in Delaware and governed by the Delaware General Corporation Law. Delaware law allows a corporation to pay dividends only out of surplus, as determined under Delaware law or, if there is no surplus, out of net profits for the fiscal year in which the dividend was declared and for the preceding fiscal year. Under Delaware law, however, we cannot pay dividends out of net profits if, after we pay the dividend, our capital would be less than the capital represented by the outstanding stock of all classes having a preference upon the distribution of assets. Furthermore, holders of the Common Stock may be subject to the prior dividend rights of holders of our preferred stock or the depositary shares representing such preferred stock then outstanding. Finally, under the terms of our amended credit facility, our ability to pay distributions on, or repurchase, the Common Stock is restricted. See Dividend policy.

## **Risks related to the Notes**

### ***Our level of indebtedness could impair our financial flexibility, competitive position and financial condition and could prevent us from fulfilling our obligations under the Notes.***

We have a substantial amount of indebtedness. As of June 30, 2009, after giving effect to the offering of the Notes we would have had approximately \$ of indebtedness. In addition, we are not restricted under the terms of the Notes from incurring additional indebtedness or from having our subsidiaries incur any debt. We are permitted by the terms of our other indebtedness to incur substantial additional indebtedness, subject to the restrictions therein. Our inability

to generate sufficient cash flow to satisfy our debt obligations, or to refinance our obligations on commercially reasonable terms, could have a material adverse effect on our business, financial condition and results of operations.

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Our substantial indebtedness could have important consequences for you. For example, it could:

make it more difficult for us to satisfy our obligations under our indebtedness, including the Notes offered hereby;

limit our ability to borrow money or to sell or transfer assets in order to fund future working capital, capital expenditures, any future acquisitions, debt service requirements and other general business requirements;

require us to dedicate a substantial portion of our cash flow to payments on our indebtedness, which would reduce the amount of cash flow available to fund working capital, capital expenditures and other corporate requirements;

increase our vulnerability to general adverse economic and industry conditions;

limit our ability to respond to business opportunities; and

subject us to financial and other restrictive covenants, which, if we fail to comply with these covenants and our failure is not waived or cured, could result in an event of default under our indebtedness.

Any of the above listed factors could materially adversely affect our business, financial condition and results of operations.

***We may not be able to purchase the Notes for cash upon a fundamental change or if holders require us to purchase all or a portion of their Notes on a purchase date.***

Upon the occurrence of a fundamental change or if holders require us to purchase all or a portion of their Notes on a purchase date, we will be required to offer to purchase all outstanding Notes at a price equal to 100% of their principal amount plus accrued and unpaid interest, if any, to the date of purchase. Any Notes purchased by us will be paid for in cash, shares of our Common Stock or a combination thereof, at our election, See Description of the Notes Fundamental change permits holders to require us to purchase Notes and Description of the Notes Purchase of Notes by us at the option of the holder. We may not have sufficient funds or be able to arrange for financing at the time of a fundamental change or on a purchase date to elect to pay all or a portion of the purchase price in cash in connection with a tender of Notes for purchase. In addition, our ability to purchase your Notes for cash may be subject to limitations imposed by our amended credit agreement or any limitations we may have in any other credit facilities or indebtedness we may incur in the future. For example, our payments of principal amount of the Notes in cash upon a fundamental change or on a purchase date would constitute restricted payments and may constitute or cause an event of default under our amended credit agreement if such payments were in excess of any permitted baskets under our amended credit agreement.

***The adjustment to the applicable conversion rate for Notes converted in connection with a make-whole fundamental change may not adequately compensate you for any lost value of your Notes as a result of such transaction.***

If a make-whole fundamental change occurs on or prior to October 15, 2014, under certain circumstances we will increase the applicable conversion rate by a number of additional shares of our Common Stock for Notes converted in connection with such make-whole fundamental change. The increase in the applicable conversion rate will be determined based on the date on which the specified corporate transaction becomes effective and the price paid per share of our Common Stock in, or the price of our Common Stock over a five trading-day period immediately preceding the effective date of, such transaction, as described under Description of the Notes Conversion rights

Adjustment to shares delivered upon conversion upon certain corporate transactions. The adjustment to the applicable conversion rate for Notes converted in connection with a make-whole fundamental change may not adequately compensate you for any lost value of your Notes as a result of such transaction. In addition, if the stock price for such transaction (determined as described under Description of the Notes Conversion rights Adjustment to shares delivered upon conversion upon certain corporate



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transactions ) is greater than \$      per share, or if such price is less than \$      per share (each such price, subject to adjustment), no adjustment will be made to the applicable conversion rate.

Our obligation to increase the applicable conversion rate in connection with any such specified corporate transaction could be considered a penalty, in which case the enforceability thereof would be subject to general principles of reasonableness of economic remedies.

***Some significant restructuring transactions may not constitute a fundamental change under the Notes, in which case we would not be obligated to offer to repurchase the Notes.***

The fundamental change provision of the Notes will not afford protection to holders of Notes in the event of certain transactions. For example, any leveraged recapitalization, refinancing, restructuring, or acquisition initiated by us will generally not constitute a fundamental change requiring us to make an offer to repurchase the Notes, even though any of these transactions could increase the amount of our indebtedness, or otherwise adversely affect our capital structure or credit ratings, thereby adversely affecting the holders of Notes.

A sale of all or substantially all of our assets will result in a change of control. The term all or substantially all as used in the definition of a change of control, however, will likely be interpreted under applicable state law and will be dependent upon particular facts and circumstances. As a result, there may be uncertainty as to whether a sale, assignment, conveyance, transfer, lease or other disposal is of all or substantially all of our assets, and thus whether a change of control has occurred.

***You may receive less proceeds than expected if we elect to pay all or a portion of the purchase price or fundamental change purchase price in shares of our Common Stock.***

Holders may require us to purchase their Notes on each of October 15, 2014, October 15, 2019 and October 15, 2024 or upon a fundamental change as described under Description of the Notes Fundamental change permits holders to require us to purchase Notes. If we elect to pay all or a portion of the purchase price or fundamental change purchase price in shares of our Common Stock, the issuance and sale of such shares of our Common Stock could adversely impact the market price of our Common Stock. If the market price of our Common Stock on the purchase date or the fundamental change purchase date is below the average of the daily VWAP of our Common Stock for the 20 consecutive trading days ending on the trading day prior to the purchase date or the fundamental change purchase date, as applicable, the value of any shares of our Common Stock that you will receive upon repurchase will be less than the value used to determine the number of shares you will receive.

***The Notes may not have an active market and their price may be volatile. You may be unable to sell your Notes at the price you desire or at all.***

The Notes are a new issue of securities, and there is currently no established trading market for the Notes. We do not intend to apply for the Notes to be listed on any securities exchange or to arrange for the Notes to be quoted on any quotation system. As a result, there can be no assurance that a liquid market will develop or be maintained for the Notes, that you will be able to sell any of the Notes at a particular time (if at all) or that the prices you receive if or when you sell the Notes will be above their initial offering price. The liquidity of the trading market in the Notes, and the market price quoted for the Notes, may be adversely affected by, among other things:

changes in the overall market for debt securities;

change in the price of the Common Stock;

changes in our financial performance or prospects;

the prospects for companies in our industry generally;

the number of holders of the Notes;

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the interest of securities dealers in making a market for the Notes; and

prevailing interest rates.

***The conversion rate of the Notes may not be adjusted for all dilutive events.***

The conversion rate of the Notes is subject to adjustment for certain events including, but not limited to, the issuance of stock dividends on the Common Stock, the issuance of certain rights or warrants, subdivisions or combinations of the Common Stock, certain distributions of assets, debt securities, capital stock or cash to holders of the Common Stock and certain issuer tender or exchange offers as described under Description of the Notes Conversion rights Conversion rate adjustments. The conversion rate will not be adjusted for other events, such as an issuance of Common Stock for cash that may adversely affect the trading price of the Notes or the Common Stock. There can be no assurance that an event that adversely affects the value of the Notes, but does not result in an adjustment to the conversion rate, will not occur.

***If you hold the Notes, you will not be entitled to any rights with respect to the Common Stock, but you will be subject to all changes made with respect to the Common Stock.***

If you hold the Notes, you will not be entitled to any rights with respect to the Common Stock (including, without limitation, voting rights and rights to receive any dividends or other distributions on the Common Stock), but you will be subject to all changes affecting the Common Stock. You will have rights with respect to the Common Stock only if you receive our Common Stock upon conversion and only as of the date when you become an owner of the shares of our Common Stock upon such conversion. For example, in the event that an amendment is proposed to our amended and restated certificate of incorporation requiring shareholder approval and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to the date you are deemed the owner of the shares of our Common Stock, you will not be entitled to vote on the amendment, although you will nevertheless be subject to any changes in the powers, preferences or special rights of the Common Stock.

***Although they are titled senior notes, the Notes will be effectively subordinated to our secured indebtedness and structurally subordinated to all of the obligations of our subsidiaries, including our subsidiaries' guarantees of our indebtedness under our amended credit facility and existing notes.***

We are a holding company and conduct all of our business through our subsidiaries. Although the Notes offered in this offering will be our senior notes, they will be structurally subordinated to all debt and other liabilities and commitments (including trade payables and guarantees of our debt) of our subsidiaries, including our subsidiaries' guarantees of our indebtedness under our amended credit facility and existing notes. None of our existing or future subsidiaries will guarantee the Notes. As a result, our cash flows and our ability to service our debt, including the Notes, is dependent upon our subsidiaries' earnings and their distributions of those earnings to us and may also be dependent upon loans, advances or other payments of funds to us by those subsidiaries.

The Notes are unsecured, will be effectively subordinated to all secured indebtedness we may incur, to the extent of the assets securing such indebtedness, and are structurally subordinated to all liabilities of our subsidiaries, including trade payables. As of June 30, 2009, our total consolidated indebtedness was \$6.45 billion. After giving effect to the issuance of the Notes (assuming no exercise of the underwriters' over-allotment option) and the use of proceeds therefrom, our total consolidated indebtedness would have been \$ billion. In the event of our insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up, assets that secure debt will be available to pay obligations on the Notes only after all debt secured by those assets has been repaid in full and we may not have sufficient assets to pay amounts due on any or all of the Notes then outstanding.

Our subsidiaries are separate and distinct legal entities. At June 30, 2009, our subsidiaries had \$6.45 billion of indebtedness outstanding. None of our subsidiaries has guaranteed or otherwise become obligated with respect to the Notes. Our right to receive assets from any of our subsidiaries upon its liquidation or reorganization, and the right of holders of the Notes to participate in those assets, is structurally subordinated to claims of that

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subsidiary's creditors, including trade creditors. Even if we were a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of that subsidiary and any indebtedness of that subsidiary senior to that held by us. Furthermore, none of our subsidiaries is under any obligation to make payments to us, and any payments to us would depend on the earnings or financial condition of our subsidiaries and various business considerations. Statutory, contractual or other restrictions may also limit our subsidiaries' ability to pay dividends or make distributions, loans or advance to us. For these reasons, we may not have access to any assets or cash flows of our subsidiaries to make payments on the Notes.

***Recent developments in the convertible debt markets may adversely affect the market value of the Notes.***

Governmental actions that interfere with the ability of convertible notes investors to effect short sales of the underlying common stock could significantly affect the market value of the Notes. Such government actions would make the convertible arbitrage strategy that many convertible notes investors employ difficult to execute for outstanding convertible notes of any company whose common stock was subject to such actions. The convertible debt markets recently experienced unprecedented disruptions resulting from, among other things, the recent instability in the credit and capital markets and the emergency orders issued by the SEC on September 17 and 18, 2008 (and extended on October 1, 2008). These orders were issued as a stop-gap measure while Congress worked to provide a comprehensive legislative plan to stabilize the credit and capital markets. Among other things, these orders temporarily imposed a prohibition on effecting short sales of common stock of certain financial companies. As a result, the SEC orders made the convertible arbitrage strategy that many convertible notes investors employ difficult to execute for outstanding convertible notes of those companies whose common stock was subject to the short sale prohibition. Although the SEC orders expired at 11:59 p.m., New York City Time, on Wednesday, October 8, 2008, the SEC is currently considering instituting other limitations on effecting short sales (such as the up-tick rule) and other regulatory organizations may do the same. Among the approaches to restrictions on short selling currently under consideration by the SEC, one would apply on a market wide and permanent basis, including adoption of a new uptick rule or an alternative uptick rule that would allow short selling only at an increment above the national best bid, while the other would apply only to a particular security during severe market declines in that security, and would involve, among other things, bans on short selling in a particular security during a day if there is a severe decline in price in that security. If such limitations are instituted by the SEC or any other regulatory agencies, the market value of the Notes could be adversely affected.

***The Notes are not protected by restrictive covenants.***

The indenture governing the Notes does not contain any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us or any of our subsidiaries. In addition, the indenture does not contain covenants or other provisions to afford protection to holders of the Notes in the event of a fundamental change involving us except to the extent described under Description of the Notes Fundamental change permits holders to require us to purchase Notes, Description of the Notes Conversion rights Adjustment to shares delivered upon conversion upon certain corporate transactions and Description of the Notes Consolidation, merger and sale of assets.

***The fundamental change provisions may delay or prevent an otherwise beneficial takeover attempt of us.***

The fundamental change purchase rights, which will allow noteholders to require us to purchase all or a portion of their Notes upon the occurrence of a fundamental change, as defined herein, and the provisions requiring an increase to the conversion rate for conversions in connection with make-whole fundamental changes on or prior to October 15, 2014 may in certain circumstances delay or prevent a takeover of us and the removal of incumbent management that might otherwise be beneficial to investors.



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***You may be subject to tax upon an adjustment to, or a failure to adjust, the conversion rate of the Notes even though you do not receive a corresponding cash distribution.***

The conversion rate of the Notes is subject to adjustment in certain circumstances, including the payment of cash dividends. If the conversion rate is adjusted as a result of a distribution that is taxable to our common stockholders, such as a cash dividend, you will be deemed to have received for U.S. federal income tax purposes a taxable dividend to the extent of our earnings and profits without the receipt of any cash. In addition, a failure to adjust (or adjust adequately) the conversion rate after an event that increases your proportionate interest in us could be treated as a deemed taxable dividend to you. If you are a non-U.S. holder, as defined herein, such deemed dividends may be subject to U.S. federal withholding tax, which may be set off against subsequent payments on the Notes. See

Description of the Notes Conversion rights Conversion rate adjustments and Certain U.S. federal income tax considerations.

If a make-whole fundamental change occurs on or prior to October 15, 2014, under some circumstances, we will increase the conversion rate for Notes converted in connection with such make-whole fundamental change. As a result of such increase you may be deemed to have received for U.S. federal income tax purposes a taxable dividend to the extent of our earnings and profits. See Description of the Notes Conversion rights Adjustment to shares delivered upon conversion upon certain corporate transactions and Certain U.S. federal income tax considerations.

***Because our management will have broad discretion over the use of the net proceeds from this offering, you may not agree with how we use them and the proceeds may not be invested successfully.***

We intend to use the net proceeds from this offering for general corporate purposes, and therefore, our management will have broad discretion as to the use of the offering proceeds. Accordingly, you will be relying on the judgment of our management and our Board of Directors with regard to the use of these proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. It is possible that the proceeds will be invested in a way that does not yield a favorable, or any, return for us.

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**Use of proceeds**

We estimate that we will receive net proceeds of approximately \$      million (or \$      million if the underwriters exercise their over-allotment option in full) from the sale of Notes by us in this offering after deducting underwriting discounts and commissions and estimated offering expenses. We estimate the net proceeds from the Equity Offering will be approximately \$      million (or \$      million if the underwriters exercise their over-allotment option in full) based on the public offering price of \$      per share from the sale of shares of Common Stock by us in the Equity Offering.

We will use the proceeds from the issuance of the Notes and from the Equity Offering for general corporate purposes, possibly including the repayment of indebtedness, financing of capital expenditures or funding of potential acquisitions or other business transactions.

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The following table summarizes our cash and cash equivalents and our capitalization as of June 30, 2009 on:

an actual basis;

an as-adjusted basis to give effect to the sale of the Notes offered hereby (assuming no exercise of the underwriters' over-allotment option) and the application of the net proceeds thereof as described under "Use of Proceeds"; and

a further as-adjusted basis to give effect to the sale of the Notes offered hereby (assuming no exercise of the underwriters' over-allotment option) and the concurrent sale of our Common Stock in the Equity Offering (assuming no exercise of the underwriters' over-allotment option) and the application of the net proceeds thereof.

Based in part upon the final terms of the Notes offered hereby, it is possible that a portion of the Notes liability will not be accounted for as debt upon issuance, but as one or more separately bifurcated derivatives. For purposes of completing the table below, the entire amount of the Notes is assumed to be classified as debt.

Information set forth in this table should be read in conjunction with UAL's consolidated financial statements and the related notes thereto and other financial data contained elsewhere or incorporated by reference in this prospectus supplement.

(In millions)	Actual	As of June 30, 2009	
		As Adjusted for This Notes Offering	As Further Adjusted for the Equity Offering
Cash and cash equivalents	\$ 2,566	\$	\$
Long-term debt maturing within one year	\$ 846	\$	\$
Current obligations under capital leases	165		
Long-term debt	5,604		
Long-term obligations under capital leases	1,197		
Total debt and capital lease obligations	\$ 7,812	\$	\$
Common Stock, \$0.01 par value; 1,000,000,000 shares authorized, 145,680,193 shares issued, 144,773,623 shares outstanding, actual at June 30, 2009	\$ 2	\$	\$
Additional capital invested	2,970		
Retained deficit	(5,662)		
Stock held in treasury, at cost	(28)		

Accumulated other comprehensive income	89		
Total shareholders' deficit	\$ (2,629)	\$	\$
Total capitalization	\$ 5,183	\$	\$

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In connection with its emergence from Chapter 11 bankruptcy protection, UAL adopted fresh-start reporting in accordance with SOP 90-7 and in conformity with accounting principles generally accepted in the United States of America. As a result of the adoption of fresh-start reporting, the financial statements prior to February 1, 2006 are not comparable with the financial statements after February 1, 2006. References to Successor Company refer to UAL on or after February 1, 2006, after giving effect to the adoption of fresh-start reporting. References to Predecessor Company refer to UAL prior to February 1, 2006. Certain income statement and balance sheet amounts presented in the table below for the 2009, 2008, 2007 and 2006 Successor periods include the impact from the Company's adoption of FSP APB 14-1 and FASB Staff Position No. EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions are Participating Securities*.

	Successor		Predecessor		Period from		Period from	
	Six Months Ended		Year Ended		February 1		January 1	
(in millions, except rates)	2009	2008	2008	2007	to	to	Year Ended	Year Ended
	June 30,	June 30,	December 31,	December 31,	December 31,	January 31,	December 31,	December 31,
	(unaudited)	(unaudited)	2008	2007	2006	2006	2005	2004
<b>Income Statement Data:</b>								
Operating revenues	\$ 7,709	\$ 10,082	\$ 20,194	\$ 20,143	\$ 17,882	\$ 1,458	\$ 17,379	\$ 16,391
Operating expenses	7,884	13,217	24,632	19,106	17,383	1,510	17,598	17,245
Mainline fuel purchase cost	1,561	3,702	7,114	5,086	4,436	362	4,032	2,943
Non-cash fuel hedge (gains) losses	(496)	(216)	568	(20)	2			
Cash Fuel hedge (gains) losses	399	(63)	40	(63)	24			
Total Mainline fuel expense	1,464	3,423	7,722	5,003	4,462	362	4,032	2,943
Nonoperating non-cash fuel hedge (gains) losses	(207)	(21)	279					
Nonoperating cash fuel hedge (gains) losses	176	(1)	249					
Goodwill impairment		2,277	2,277					
Other impairments and special operating items	207	223	339	(44)	(36)		18	
Reorganization (income) expense						(22,934)	20,601	611
Net income (loss) <sup>(a)</sup>	(354)	(3,289)	(5,396)	360	7	22,851	(21,176)	(1,721)
Basic earnings (loss) per share	(2.44)	(26.52)	(42.59)	2.94	(0.02)	196.61	(182.29)	(15.25)
	(2.44)	(26.52)	(42.59)	2.65	(0.02)	196.61	(182.29)	(15.25)

diluted earnings (loss) per share  
cash distribution declared per common share<sup>(b)</sup>

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**Balance Sheet Data at Period-end:**

Total assets	\$ 18,806	\$ 21,336	\$ 19,465	\$ 24,223	\$ 25,372	\$ 19,555	\$ 19,342	\$ 20,705
Long-term debt and capital lease obligations, including current portion	7,812	7,996	8,004	8,255	10,364	1,432	1,433	1,204
Liabilities subject to compromise						36,336	35,016	16,035
<b>Mainline Operating Statistics<sup>(c)</sup>:</b>								
Revenue passengers	28	32	63	68	69	(c)	67	71
Revenue passenger miles (RPMs <sup>(d)</sup> )	48,899	56,370	110,061	117,399	117,470	(c)	114,272	115,198
Available seat miles (ASM <sup>(e)</sup> )	61,553	69,922	135,861	141,890	143,095	(c)	140,300	145,361
Passenger load factor <sup>(f)</sup>	79.4%	80.6%	81.0%	82.7%	82.1%	(c)	81.4%	79.2%
Yield <sup>(g)</sup>	11.50¢	13.52¢	13.89¢	12.99¢	12.19¢	(c)	11.25¢	10.83¢
Passenger revenue per ASM (PRASM <sup>(h)</sup> )	9.17¢	10.93¢	11.29¢	10.78¢	10.04¢	(c)	9.20¢	8.63¢
Operating revenue per ASM (RASM <sup>(i)</sup> )	10.24¢	12.26¢	12.58¢	12.03¢	11.49¢	(c)	10.66¢	9.95¢
Operating expense per ASM (CASM <sup>(j)</sup> )	10.57¢	16.58¢	15.74¢	11.39¢	11.23¢	(c)	10.59¢	10.20¢
Fuel gallons consumed	969	1,127	2,182	2,292	2,290	(c)	2,250	2,349
Average price per gallon of jet fuel, including tax and hedge impact	151.1¢	303.7¢	353.9¢	218.3¢	210.7¢	(c)	179.2¢	125.3¢

- (a) Net income (loss) was significantly impacted in the Predecessor periods due to reorganization items related to the bankruptcy restructuring.
- (b) Paid in January 2008.
- (c) Mainline operations exclude the operations of independent regional carriers operating as United Express<sup>®</sup>. Statistics included in the 2006 Successor period were calculated using the combined results of the Successor period from February 1, 2006 to December 31, 2006 and the Predecessor January 2006 period.
- (d) RPMs are the number of miles flown by revenue passengers.
- (e) ASMs are the number of seats available for passengers multiplied by the number of miles those seats are flown.
- (f) Passenger load factor is derived by dividing the RPMs by ASMs.
- (g) Yield is mainline passenger revenue excluding industry and employee discounted fares per RPM.
- (h) PRASM is mainline passenger revenue per ASM.
- (i) RASM is operating revenues excluding United Express<sup>®</sup> passenger revenue per ASM.
- (j) CASM is operating expenses excluding United Express<sup>®</sup> operating expenses per ASM.

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**Dividend policy**

Other than a special distribution of \$2.15 per share paid on January 23, 2008, we have historically not paid dividends on the Common Stock and have no intention of paying cash dividends on the Common Stock in the future. Any future determination to pay cash dividends will be at the discretion of our Board of Directors, subject to applicable limitations under Delaware law, and will be dependent upon our results of operations, financial condition, contractual restrictions and other factors deemed relevant by our Board of Directors. Should we ever decide to pay cash dividends in the future, under the terms of our amended credit facility our ability to pay distributions on, or repurchase, the Common Stock is restricted based on UAL maintaining certain specified minimum credit ratings and the amount of any such dividend is further limited based on a percentage of our consolidated net income (as defined in our amended credit facility) for the preceding year.

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**Description of the Common Stock**

See Description of UAL Capital Stock in the accompanying prospectus for a summary description of the Common Stock. As of September 23, 2009, we had 1,000,000,000 shares of authorized Common Stock, par value \$0.01 per share, of which 148,032,685 shares were outstanding. See Risk factors Risks related to the Common Stock The price of UAL s Common Stock may be affected by the availability of shares for sale in the market and upon conversion of our convertible notes.

The transfer agent and registrar for the Common Stock is Computershare Investor Services.

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**Description of the Notes**

Set forth below is a description of the terms of our % Convertible Senior Notes due 2029, or the Notes, which are a series of debt securities as described in the accompanying prospectus. This description supplements, and should be read together with, the description of the general terms and provisions of the debt securities set forth in the accompanying prospectus under the caption Description of Debt Securities and Guarantees. This Description of the Notes, however, supersedes the information set forth in the accompanying prospectus under the caption Description of Debt Securities and Guarantees to the extent inconsistent with that information, and the Notes will not be subject to certain provisions described in the accompanying prospectus, as specified below.

We will issue the Notes under a senior indenture to be entered into upon the closing of this offering and dated as of the closing date (which we refer to as the indenture ) between UAL Corporation, as issuer, and The Bank of New York Mellon Trust Company, N.A., as trustee (which we refer to as the trustee ). The terms of the Notes include those expressly set forth in the indenture and those made part of the indenture by reference to certain provisions of the Trust Indenture Act of 1939, as amended (which we refer to as the TIA ).

You may request a copy of the indenture from us. See Where you can find more information.

The following description is a summary of the material provisions of the Notes and the indenture and does not purport to be complete. This summary is subject to, and is qualified by reference to, all the provisions of the Notes and the indenture, including the definitions of certain terms used in these documents. We urge you to read these documents because they, and not this description, define your rights as a holder of the Notes.

For purposes of this description, references to we, our, the Company and us refer only to UAL Corporation, and not its subsidiaries.

**General**

We are offering \$175,000,000 aggregate principal amount of the Notes (or \$201,250,000 if the underwriters exercise their over-allotment option in full).

The Notes:

will mature on October 15, 2029, subject to earlier repurchase, redemption or conversion;

will be our general unsecured senior obligations;

will bear interest at a rate of % per annum on the principal amount from , 2009, payable semi-annually in arrears on April 15 and October 15 of each year, beginning on April 15, 2010;

will be subject to redemption at our option, in whole or in part, on or after October 15, 2014 at a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus any accrued and unpaid interest, including any additional interest, to but excluding, the redemption date;

will be subject to purchase by us at the option of the holders on each of October 15, 2014, October 15, 2019, and October 15, 2024 and following a fundamental change (as defined below under Fundamental change permits holders to require us to purchase Notes ), in each case at a price equal to 100% of the principal amount

of the Notes to be purchased plus any accrued and unpaid interest, including any additional interest, to but excluding, the purchase date or the fundamental change purchase date, as the case may be, payable in cash, shares of our Common Stock or a combination thereof at our option;

will be issued in denominations of \$1,000 and integral multiples of \$1,000; and

will be represented by one or more registered Notes in global form, but in limited circumstances may be represented by Notes in definitive form as described below under Book-entry, settlement and clearance.

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The Notes may be converted at an initial conversion rate of    shares of our Common Stock per \$1,000 principal amount of Notes (equivalent to an initial conversion price of approximately \$    per share of Common Stock). The applicable conversion rate is subject to adjustment if certain events occur, as described below under    Conversion rights    Conversion rate adjustments.

Holders will not receive any additional cash payment or additional shares representing accrued and unpaid interest, including any additional interest, upon conversion of a Note except in circumstances described below under    Conversion rights    General.

We use the term    Note    in this prospectus supplement to refer to each \$1,000 principal amount of Notes.

We may from time to time repurchase Notes in open market purchases or negotiated transactions without prior notice to holders.

We may, without the consent of the holders,    reopen    the Notes and issue additional Notes under the indenture with the same terms and with the same CUSIP number as the Notes offered hereby in an unlimited aggregate principal amount, provided that no such additional Notes may be issued unless they will be fungible with the Notes offered hereby for U.S. federal income tax purposes.

The registered holder of a Note will be treated as the owner of it for all purposes, and all references herein to    holders    refer to the registered holders.

Other than the restrictions described below under    Fundamental change permits holders to require us to purchase Notes    and    Consolidation, merger and sale of assets,    and except for the provisions set forth below under    Conversion rights    Adjustment to shares delivered upon conversion upon certain corporate transactions,    the indenture does not contain any covenants or other provisions designed to afford holders of the Notes protection in the event of a highly leveraged transaction involving us or in the event of a decline in our credit rating as a result of a takeover, recapitalization, highly leveraged transaction or similar restructuring involving us that could adversely affect the holders.

We do not intend to list the Notes on a national securities exchange or interdealer quotation system.

### **Payments on the notes; paying agent and registrar**

Payments in respect of the principal of and interest, including additional interest, if any, on global notes registered in the name of The Depository Trust Company (which we refer to as    DTC   ), or its nominee will be payable to DTC or its nominee, as the case may be, in its capacity as the registered holder of such global notes under the indenture.

We will pay the principal of any certificated Notes at the office or agency (which will be in the Borough of Manhattan, New York City) designated by us for that purpose. We have initially designated the trustee as our paying agent and registrar and its agency in New York City as a place where Notes may be presented for payment or for registration of transfer. We may change the paying agent or registrar without prior notice to the holders of the Notes, and we may act as paying agent or registrar.

Interest (including additional interest, if any), on certificated Notes will be payable (i) to holders having an aggregate principal amount of \$5,000,000 or less, by check mailed to the holders of these Notes and (ii) to holders having an aggregate principal amount of more than \$5,000,000, either by check mailed to each holder or, upon application by a holder to the registrar not later than the relevant record date, by wire transfer in immediately available funds to that

holder's account within the United States, which application shall remain in effect until the holder notifies, in writing, the registrar to the contrary.

**Transfer and exchange**

A holder may transfer or exchange Notes at the office of the registrar in accordance with the indenture. The registrar and the trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents. No service charge will be imposed by us, the trustee or the registrar for any registration of transfer or exchange of Notes, but we may require a holder to pay a sum sufficient to cover any transfer tax or

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other similar governmental charge required by law or permitted by the indenture if a holder requests any shares to be issued in a name other than such holder's name. We are not required to transfer or exchange any Note surrendered for repurchase, redemption or conversion except for any portion of that Note not being repurchased, redeemed or converted, as the case may be.

## **Interest**

The Notes will bear interest at a rate of % per annum from , 2009, the initial date of issuance, or from the most recent date to which interest has been paid or duly provided for. Interest will be payable semi-annually in arrears on April 15 and October 15 of each year, beginning April 15, 2010.

Interest will be paid to the person in whose name a Note is registered at the close of business on the April 1 or October 1, as the case may be (whether or not a business day), immediately preceding the relevant interest payment date. Interest on the Notes will be computed on the basis of a 360-day year composed of twelve 30-day months. If any interest payment date, the stated maturity date or any earlier redemption date, purchase date or fundamental change purchase date falls on a date that is not a business day, such payment of interest (and principal in the case of the final maturity date or earlier redemption date, or to the extent paid in cash, purchase date or fundamental change purchase date) will be postponed until the next succeeding business day, and no interest or other amount will be paid as a result of any such postponement. A business day means any day other than a Saturday, Sunday or other day on which the trustee or banking institutions in New York City are authorized or required by law or executive order to close or be closed.

References to interest in this prospectus supplement include additional interest, if any, payable upon our election to pay additional interest as the sole remedy during the first 180 days after the occurrence of an event of default relating to the failure to comply with our reporting obligations as described under Events of default.

## **Ranking**

The Notes will be our general unsecured obligations and will rank senior in right of payment to all existing and future indebtedness that is expressly subordinated in right of payment to the Notes. The Notes will rank equally in right of payment with all of our existing and future unsecured senior debt. The Notes will effectively rank junior to our secured debt, if any, to the extent of the value of the assets securing such indebtedness. As of June 30, 2009, our total consolidated indebtedness was approximately \$6.45 billion. After giving effect to the issuance of the Notes (assuming no exercise of the underwriters' over-allotment option) and the use of proceeds therefrom, our total consolidated indebtedness would have been approximately \$ billion. The indenture governing the Notes offered hereby will not limit our ability or the ability of our subsidiaries to incur additional indebtedness in the future, including senior secured indebtedness. In the event of our bankruptcy, liquidation, reorganization or other winding up, our assets that secure debt will be available to pay obligations on the Notes only after all debt secured by those assets has been repaid in full, and there may not be sufficient assets remaining to pay amounts due on any or all Notes then outstanding.

Although the Notes in this offering will be our senior notes, they will be structurally subordinated to all debt and other liabilities and commitments (including trade payables and guarantees of our debt) of our subsidiaries, including our subsidiaries' guarantees of our indebtedness under our revolving credit facility and existing notes. None of our existing or future subsidiaries will guarantee the Notes. As of June 30, 2009, our subsidiaries had \$ of indebtedness outstanding. Our right to receive assets from any of our subsidiaries upon its liquidation or reorganization, and the right of the holders of the Notes to participate in those assets, is structurally subordinated to claims of that subsidiary's creditors, including trade creditors. None of our subsidiaries is under any obligation to make payments to us, and any payments to us would depend on the earnings or financial condition of our subsidiaries and various business considerations.

**Optional redemption**

No sinking fund is provided for the Notes. Prior to October 15, 2014, the Notes will not be redeemable. On or after October 15, 2014, we may redeem for cash all or part of the Notes, upon not less than 35 nor more than

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60 calendar days notice before the redemption date to each holder of Notes, at 100% of the principal amount of the Notes to be redeemed, plus any accrued and unpaid interest, including any additional interest, to, but excluding, redemption date (unless the redemption date is after a regular record date and on or prior to the interest payment date to which it relates, in which case interest accrued to the interest payment date will be paid to holders of the Notes as of such record date and the price we are required to pay the holder surrendering the Note for redemption will be equal to 100% of the principal amount of the Notes subject to redemption and will not include any accrued and unpaid interest, including any additional interest). Our notice of redemption will also set forth the relevant settlement method under which we will settle all conversions during the period following our notice of redemption to the related redemption date as described below under Conversion rights Settlement upon conversion. The redemption date must be a business day.

If we decide to redeem fewer than all of the outstanding Notes and the Notes are global notes, they will be selected for redemption in accordance with DTC procedures. If the Notes are not global Notes, the trustee will select the Notes to be redeemed (in principal amounts of \$1,000 or multiples thereof) by lot, or on a pro rata basis or by another method the trustee considers fair and appropriate.

If a portion of your Note is selected for partial redemption and you convert a portion of the same Note, the converted portion will be deemed to be from the portion selected for redemption.

In the event of any redemption in part, we will not be required to register the transfer of or exchange any Note so selected for redemption, in whole or in part, except the unredeemed portion of any Note being redeemed in part.

No Notes may be redeemed if the principal amount of the Notes has been accelerated, and such acceleration has not been rescinded, on or prior to the redemption date.

## **Conversion rights**

### ***General***

Holders may convert their Notes at an initial conversion rate of shares of our Common Stock per \$1,000 principal amount of Notes (equivalent to an initial conversion price of approximately \$ per share of Common Stock) at any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date for the Notes. Upon conversion of a Note, we will satisfy our conversion obligation by delivering shares of our Common Stock as set forth below under Settlement upon conversion. The trustee will initially act as the conversion agent.

The conversion rate and the corresponding conversion price in effect at any given time are referred to as the applicable conversion rate and the applicable conversion price, respectively. The applicable conversion rate will be subject to adjustment as described below under Conversion rate adjustments and may be increased as described below under Adjustment to shares delivered upon conversion upon certain corporate transactions. The applicable conversion price at any given time will be computed by dividing \$1,000 by the applicable conversion rate at such time. A holder may convert fewer than all of such holder's Notes so long as the Notes converted are an integral multiple of \$1,000 principal amount.

Upon conversion, a holder will not receive any additional cash payment or additional shares representing accrued and unpaid interest, including additional interest, if any, unless such conversion occurs between a regular record date and the interest payment date to which it relates. Except in such case, our settlement of conversions as described below under Settlement upon conversion will be deemed to satisfy in full our obligation to pay:

the principal amount of the Note; and

accrued and unpaid interest and additional interest, if any, on the Note to, but not including, the conversion date.

As a result, accrued and unpaid interest and additional interest, if any, to, but not including, the conversion date will be deemed to be paid in full rather than cancelled, extinguished or forfeited.

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Notwithstanding the preceding paragraph, if Notes are converted after the close of business on a regular record date but prior to the open of business on the immediately following interest payment date, holders of such Notes at the close of business on the regular record date will receive payment of the interest and additional interest, if any, payable on such Notes on the corresponding interest payment date notwithstanding the conversion of such Notes at any time after the close of business on the applicable regular record date. Any Notes surrendered for conversion by a holder during the period from the close of business on any regular record date to the open of business on the immediately following interest payment date must be accompanied by funds equal to the amount of interest and additional interest, if any, payable on the Notes so converted; *provided* that no such payment need be made:

if we have specified a redemption date that is after a regular record date and on or prior to the trading day following the corresponding interest payment date;

if we have specified a fundamental change purchase date that is after a regular record date and on or prior to the corresponding interest payment date; or

to the extent of any overdue interest, if any overdue interest exists at the time of conversion with respect to such Note.

Close of business means 5:00 p.m., New York City time. Open of business means 9:00 a.m., New York City time.

The conversion date with respect to a Note means the date on which the holder of the Note has complied with all requirements under the indenture to convert a Note.

### ***Conversion procedures***

If you hold a beneficial interest in a global note, to convert you must comply with DTC's procedures for converting a beneficial interest in a global note and, if required, pay funds equal to the amount of interest and additional interest, if any, payable on the next interest payment date and all transfer or similar taxes, if any.

If you hold a certificated note, to convert you must:

complete and manually sign the conversion notice on the back of the Note, or a facsimile of the conversion notice;

deliver the conversion notice, which is irrevocable, and the Note to the conversion agent;

if required, furnish appropriate endorsements and transfer documents;

if required, pay all transfer or similar taxes; and

if required, pay funds equal to interest (including additional interest, if any) payable on the next interest payment date.

If a holder has already delivered a purchase notice as described below under Purchase of Notes by us at the option of the holder or a fundamental change purchase notice as described below under Fundamental change permits holders to require us to purchase Notes with respect to a Note, the holder may not surrender that Note for conversion until the holder has withdrawn the purchase notice or fundamental change purchase notice, as the case may be, in accordance with the indenture.

***Settlement upon conversion***

Upon conversion, we will deliver to the converting holder on the third trading day immediately following the relevant conversion date a number of shares of our Common Stock equal to (1) (i) the aggregate principal amount of Notes to be converted *divided by* (ii) \$1,000, *multiplied by* (2) the applicable conversion rate on the relevant conversion date.

We will not issue fractional shares of our Common Stock upon conversion of Notes. Instead, we will, at our election, either (1) pay cash in lieu of fractional shares based on the daily VWAP of our Common Stock on

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the relevant conversion date or (2) increase the number of shares of our Common Stock deliverable upon conversion to the next whole share. We will inform holders of our election as follows:

in respect of Notes converted on or after August 15, 2029, by notice to all holders through the trustee on or prior to August 15, 2029;

in respect of Notes converted after the date of issuance of a notice of redemption as described above under **Optional redemption** and prior to the related redemption date, by notice to all holders and the trustee in our notice of redemption; and

in all other cases, by notice to the converting holder through the trustee no later than the second business day immediately following the related conversion date.

If we have not delivered a notice of our election within the applicable time period, we will be deemed to have elected to increase the number of shares of our Common Stock deliverable upon conversion as described above in clause (2). Each conversion will be deemed to have been effected as to any Notes on the relevant conversion date.

**Daily VWAP** of our Common Stock means, for any trading day, the per share volume-weighted average price on The NASDAQ Global Select Market (or if our Common Stock is not then listed on such market, on the primary exchange or quotation system on which our Common Stock then trades or is quoted) as displayed under the heading **Bloomberg VWAP** on Bloomberg page UUAU.Q <equity> AQR (or its equivalent successor page if such page is not available) in respect of the period from the scheduled open of trading until the scheduled close of trading of the primary trading session on such trading day (or if such volume-weighted average price is unavailable, the market value of one share of our Common Stock on such trading day as determined, using a volume-weighted average price method, by a nationally recognized independent investment banking firm retained for this purpose by us). Daily VWAP will be determined without regard to after-hours trading or any other trading outside of the regular trading session.

**Trading day** means a day during which (1) trading in our Common Stock generally occurs on the primary exchange or quotation system on which our Common Stock then trades or is quoted and (2) there is no market disruption event (as defined below); *provided* that if our Common Stock is not so traded or quoted, **trading day** will mean any business day.

**Market disruption event** means (1) a failure by the primary exchange or quotation system on which our Common Stock then trades or is quoted to open for trading during its regular trading session or (2) the occurrence or existence, prior to 1:00 p.m., New York City time, on any scheduled trading day for our Common Stock, of an aggregate one half-hour period of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in our Common Stock or in any options, contracts or future contracts relating to our Common Stock.

**Scheduled trading day** means any day that is scheduled to be a trading day. If our Common Stock is not so listed for trading or quotation on or by any exchange or quotation system, **scheduled trading day** means a business day.

***Exchange in lieu of conversion***

When a holder surrenders Notes for conversion, we may direct the conversion agent to surrender, on or prior to the second business day following the relevant conversion date, such Notes to a financial institution designated by us for exchange in lieu of conversion. In order to accept any Notes surrendered for conversion, the designated financial institution must agree to deliver, in exchange for such Notes, shares of our Common Stock, otherwise due upon conversion as determined above under **Settlement upon conversion** ( **exchange consideration** ). By the close of

business on the second business day following the relevant conversion date, we will notify the holder surrendering Notes for conversion that we have directed the designated financial institution to make an exchange in lieu of conversion and such financial institution will be required to notify the conversion agent that it will deliver, upon exchange, the applicable exchange consideration. If the designated financial institution accepts any such Notes, it will deliver the applicable exchange consideration to

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the conversion agent and the conversion agent will deliver such exchange consideration to the holder. Any Notes exchanged by the designated financial institution will remain outstanding. If the designated financial institution agrees to accept any Notes for exchange but does not timely deliver the applicable exchange consideration, or if such designated financial institution does not accept the Notes for exchange, we will, as promptly as practical thereafter, convert the Notes and deliver the exchange consideration as described above under Settlement upon conversion. Our designation of a financial institution to which the Notes may be submitted for exchange does not require the institution to accept any Notes. We will not pay any consideration to, or otherwise enter into any agreement with, the designated financial institution for or with respect to such designation.

***Conversion rate adjustments***

The applicable conversion rate will be adjusted as described below, except that we will not make any adjustments to the conversion rate if holders of the Notes participate (as a result of holding the Notes, and at the same time as Common Stock holders participate) in any of the transactions described below as if such holders of the Notes held the full number of shares of our Common Stock equal to the product of the applicable conversion rate and the principal amount of Notes held by such holder *divided by* \$1,000, without having to convert their Notes.

(1) If we issue solely shares of our Common Stock as a dividend or distribution on all or substantially all of our shares of our Common Stock, or if we effect a share split or share combination of our Common Stock, the applicable conversion rate will be adjusted based on the following formula:

$$CR = CR_0 \times \frac{OS}{OS_0}$$

where,

$CR_0$  = the applicable conversion rate in effect immediately prior to the open of business on the record date for such dividend or distribution, or immediately prior to the open of business on the effective date of such share split or share combination, as the case may be;

$CR$  = the applicable conversion rate in effect immediately after the open of business on the record date for such dividend or distribution, or immediately after the open of business on the effective date of such share split or share combination, as the case may be;

$OS_0$  = the number of shares of our Common Stock outstanding immediately prior to the open of business on the record date for such dividend or distribution, or immediately prior to the open of business on the effective date of such share split or share combination, as the case may be; and

$OS$  = the number of shares of our Common Stock outstanding immediately after such dividend or distribution, or immediately after the effective date of such share split or share combination, as the case may be.

If any dividend or distribution described in this clause (1) is declared but not so paid or made, the new conversion rate shall be readjusted to the conversion rate that would then be in effect if such dividend or distribution had not been declared.

(2) If we distribute to all or substantially all holders of our Common Stock any rights, options or warrants entitling them for a period of not more than 45 days from the record date for such distribution to subscribe for or purchase shares of our Common Stock, at a price per share less than the average of the last reported sale prices of our Common

Stock for the ten consecutive trading-day period ending on, and including, the trading day immediately preceding the declaration date for such distribution, the applicable conversion rate will be increased based on the following formula:

$$CR = CR_0 \times \frac{OS_0 + X}{OS_0 + Y}$$

where,

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$CR_0$  = the applicable conversion rate in effect immediately prior to the open of business on the record date for such distribution;

CR = the applicable conversion rate in effect immediately after the open of business on the record date for such distribution;

$OS_0$  = the number of shares of our Common Stock outstanding immediately prior to the open of business on the record date for such distribution;

X = the total number of shares of our Common Stock issuable pursuant to such rights, options or warrants; and

Y = the number of shares of our Common Stock equal to the aggregate price payable to exercise such rights, options or warrants *divided by* the average of the last reported sale prices of our Common Stock over the ten consecutive trading-day period ending on, and including, the trading day immediately preceding the ex-dividend date for such distribution.

For purposes of this prospectus supplement, last reported sale price of our Common Stock on any date means the closing sale price per share (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on that date as reported in composite transactions for the primary exchange or quotation system on which our Common Stock then trades or is quoted. The last reported sale price will be determined without reference to after-hours or extended market trading. If our Common Stock is not listed for trading on a U.S. national securities exchange on the relevant date, then the last reported sale price will be the last quoted bid price for our Common Stock in the over-the-counter market on the relevant date as reported by Pink OTC Markets Inc. or similar organization. If our Common Stock is not so quoted, the last reported sale price will be determined by a U.S. nationally recognized independent investment banking firm selected by us for this purpose.

For purposes of this clause (2), in determining whether any rights, options or warrants entitle the holders to subscribe for or purchase our Common Stock at less than the average of the last reported sale prices of our Common Stock for each trading day in the applicable ten consecutive trading-day period, there shall be taken into account any consideration we receive for such rights, options or warrants and any amount payable on exercise thereof, with the value of such consideration if other than cash to be determined by our board of directors or a committee thereof. If any right, option or warrant described in this clause (2) is not exercised prior to the expiration of the exercisability thereof, the new conversion rate shall be readjusted to the conversion rate that would then be in effect if such right, option or warrant had not been distributed.

(3) If we distribute shares of our capital stock, evidences of our indebtedness or other assets or property of ours to all or substantially all holders of our Common Stock, excluding

dividends or distributions (including share splits) as to which an adjustment was effected pursuant to clause (1) or (2) above;

dividends or distributions paid exclusively in cash; and

spin-offs, to which the provisions set forth below in this clause (3) shall apply;

then the applicable conversion rate will be increased based on the following formula:

$$CR = CR_0 \times \frac{SP_0}{SP_0 - FMV}$$

where,

$CR_0$  = the applicable conversion rate in effect immediately prior to the open of business on the record date for such distribution;

CR = the applicable conversion rate in effect immediately after the open of business on the record date for such distribution;

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$SP_0$  = the average of the last reported sale prices of our Common Stock over the ten consecutive trading-day period ending on, and including, the trading day immediately preceding the ex-dividend date for such distribution; and

FMV = the fair market value (as determined by our board of directors or a committee thereof) of the shares of capital stock, evidences of indebtedness, assets or property distributed with respect to each outstanding share of our Common Stock as of the open of business on the ex-dividend date for such distribution.

If the FMV (as defined above) is equal to or greater than the average of the last reported sale prices of the Common Stock over the ten consecutive trading-day period ending on the trading day immediately preceding the ex-dividend date for such distribution, in lieu of the foregoing adjustment, adequate provisions shall be made so that each holder of a Note shall have the right to receive, in respect of each \$1,000 principal amount of Notes held by such holder, at the same time and upon the same terms as holders of our Common Stock, the amount and kind of securities and assets such holder would have received had such holder already owned a number of shares of Common Stock equal to the applicable conversion rate immediately prior to the record date for the distribution of the securities or assets.

With respect to an adjustment pursuant to this clause (3) where there has been a payment of a dividend or other distribution on our Common Stock of shares of capital stock of any class or series, or similar equity interest, of or relating to a subsidiary or other business unit and such dividend or distribution is listed for trading on a securities exchange, which we refer to as a spin-off, the applicable conversion rate will be increased based on the following formula:

$$CR = CR_0 \times \frac{FMV + MP_0}{MP_0}$$

where,

$CR_0$  = the applicable conversion rate in effect immediately prior to the open of business on the record date of the spin-off;

CR = the applicable conversion rate in effect immediately after the open of business on the record date of the spin-off;

FMV = the average of the last reported sale prices of the capital stock or similar equity interest distributed to holders of our Common Stock applicable to one share of our Common Stock over the first ten consecutive trading-day period immediately following, and including, the ex-dividend date for the spin-off (such period, the valuation period); and

$MP_0$  = the average of the last reported sale prices of our Common Stock over the valuation period.

The adjustment to the applicable conversion rate under the preceding paragraph of this clause (3) will be made immediately after the open of business on the day after the last day of the valuation period, but will be given effect as of the open of business on the record date for the spin-off. For purposes of determining the applicable conversion rate, in respect of any conversion during the ten trading days commencing on the ex-dividend date for any spin-off, references within the portion of this clause (3) related to spin-offs to ten trading days shall be deemed replaced with such lesser number of trading days as have elapsed from, and including, the ex-dividend date for such spin-off to, but excluding, the relevant conversion date.

If any dividend or distribution (including a spin-off) described in this clause (3) is declared but not paid or made, the new conversion rate shall be readjusted to the conversion rate that would then be in effect if such dividend or distribution had not been declared.

(4) If we make or pay any cash dividend or distribution to all, or substantially all, holders of our outstanding Common Stock, the applicable conversion rate will be increased based on the following formula:

$$CR = CR_0 \times \frac{SP_0}{SP_0 - C}$$

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where,

$CR_0$  = the applicable conversion rate in effect immediately prior to the open of business on the record date for such distribution;

$CR$  = the applicable conversion rate in effect immediately after the open of business on the record date for such distribution;

$SP_0$  = the average of the last reported sale prices of our Common Stock over the ten consecutive trading-day period ending on, and including, the trading day immediately preceding the ex-dividend date for such distribution; and

$C$  = the amount in cash per share we pay or distribute to holders of our Common Stock.

If any dividend or distribution described in this clause (4) is declared but not so paid or made, the new conversion rate shall be readjusted to the conversion rate that would then be in effect if such dividend or distribution had not been declared.

(5) If (i) we or any of our subsidiaries makes a payment in respect of a tender offer or exchange offer for our Common Stock and (ii) the cash and value of any other consideration included in the payment per share of our Common Stock exceeds the average of the last reported sale prices of our Common Stock over the ten consecutive trading-day period commencing on, and including, the trading day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer (the expiration date), the applicable conversion rate will be increased based on the following formula:

$$CR = CR_0 \times \frac{AC + (SP \times OS)}{OS_0 \times SP}$$

where,

$CR_0$  = the applicable conversion rate in effect immediately prior to the open of business on the trading day next succeeding the expiration date;

$CR$  = the applicable conversion rate in effect immediately after the open of business on the trading day next succeeding the expiration date;

$AC$  = the aggregate value of all cash and any other consideration (as determined by our board of directors or a committee thereof) paid or payable for shares purchased in such tender or exchange offer;

$OS_0$  = the number of shares of our Common Stock outstanding immediately prior to the time (the expiration time) such tender or exchange offer expires (prior to giving effect to such tender offer or exchange offer);

$OS$  = the number of shares of our Common Stock outstanding immediately after the expiration time (after giving effect to such tender offer or exchange offer); and

$SP$  = the average of the last reported sale prices of our Common Stock over the ten consecutive trading-day period commencing on, and including, the trading day next succeeding the expiration date.

The adjustment to the applicable conversion rate under the preceding paragraph of this clause (5) will be given effect at the open of business on the trading day next succeeding the expiration date. For purposes of determining the applicable conversion rate, in respect of any conversion during the ten trading days commencing on the trading day next succeeding the expiration date, references within this clause (5) to ten trading days shall be deemed replaced with such lesser number of trading days as have elapsed from, and including, the trading day next succeeding the expiration date to, but excluding, the relevant conversion date.

If:

any distribution or transaction described in clauses (1) to (5) above has not yet resulted in an adjustment to the applicable conversion rate on the conversion date; and

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the shares you will receive on settlement are not entitled to participate in the relevant distribution or transaction (because they were not held on a related record date or otherwise);

then we will adjust the number of shares that we deliver to you to reflect the relevant distribution or transaction.

If we adjust the conversion rate pursuant to the above provisions, we will notify the trustee and either (i) issue a press release containing the relevant information (and make the press release available on our website) or (ii) provide notice to the holders in any manner permitted by the indenture.

In the event of:

any reclassification of our Common Stock (other than a change only in par value or a change resulting from a subdivision or combination of our Common Stock);

a consolidation, merger, combination or binding share exchange involving us; or

a sale, transfer, lease or conveyance to another person of all or substantially all of our property and assets,

in each case as a result of which our Common Stock would be converted into, or exchanged for, stock, other securities, other property or assets (a merger event), then, at the effective time of the merger event, the right to convert a Note will be changed into a right to convert it into the kind and amount of shares of stock, other securities or other property or assets that a holder of a number of shares of Common Stock equal to the conversion rate immediately prior to such transaction would have owned or been entitled to receive (the reference property) upon such merger event. However, at and after the effective time of the merger event (1) the number of shares of our Common Stock deliverable upon conversion of the Notes as set forth above under Settlement upon conversion will instead be deliverable in the amount and type of reference property that a holder of that number of shares of our Common Stock would have received in such merger event and (2) the daily VWAP will be calculated based on the value of a unit of reference property that a holder of one share of our Common Stock would have received in such merger event. If the merger event causes our Common Stock to be converted into, or exchanged for, the right to receive more than a single type of consideration (determined based in part upon any form of stockholder election), the reference property into which the Notes will be convertible will be deemed to be the weighted average of the types and amounts of consideration received by the holders of our Common Stock that affirmatively make such an election. If the Notes become convertible into reference property, we will notify the trustee and issue a press release containing the relevant information, which will include the weighted average, if applicable, and make the press release available on our website. We will agree in the indenture not to become a party to any such transaction unless its terms are consistent with the foregoing.

We are permitted to increase the applicable conversion rate of the Notes by any amount for a period of at least 20 business days if our board of directors determines that such increase would be in our best interest. We may also (but are not required to) increase the applicable conversion rate to avoid or diminish income tax to holders of our Common Stock or rights to purchase shares of our Common Stock in connection with a dividend or distribution of shares (or rights to acquire shares) or similar event. We will not take any action that would result in adjustment of the conversion rate, pursuant to the provisions described above, in such a manner as to result in the reduction of the conversion price to less than the par value per share of our Common Stock.

A holder of Notes may, in some circumstances, including the distribution of cash dividends to holders of our shares of Common Stock, be deemed to have received a distribution or dividend subject to U.S. federal income tax as a result of an adjustment or the nonoccurrence of an adjustment to the applicable conversion rate. For a discussion of the

U.S. federal income tax treatment of an adjustment to the applicable conversion rate, see Certain U.S. federal income tax considerations in this prospectus supplement.

To the extent that we have a rights plan in effect upon conversion of the Notes (*i.e.*, a poison pill), you will receive, in addition to any Common Stock received in connection with such conversion, the rights under the rights plan, unless prior to any conversion, the rights have separated from the Common Stock, in which case

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the applicable conversion rate will be adjusted at the time of separation as if we distributed to all holders of our Common Stock, shares of our capital stock, evidences of indebtedness or other assets or property as described in clause (3) above, subject to readjustment in the event of the expiration, termination or redemption of such rights.

Except as described above in this section and below in Adjustment to shares delivered upon certain corporate transactions, we will not be required to adjust the conversion rate for any other transaction or event. Without limiting the foregoing, the applicable conversion rate will not be adjusted:

upon the issuance of any shares of our Common Stock pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on our securities and the investment of additional optional amounts in shares of our Common Stock under any plan;

upon the issuance of any shares of our Common Stock or options or rights to purchase those shares pursuant to any present or future employee, director or consultant benefit plan or program of, or assumed by, us or any of our subsidiaries;

upon the issuance of any shares of our Common Stock pursuant to any option, warrant, right or exercisable, exchangeable or convertible security not described in the preceding bullet and outstanding as of the date the Notes were first issued;

for a change in the par value of our Common Stock; or

for accrued and unpaid interest and additional interest, if any.

Adjustments to the applicable conversion rate will be calculated to the nearest 1/10,000th of a share. Notwithstanding the foregoing, we will not be required to make an adjustment in the conversion rate unless the adjustment would require a change of at least 1% in the conversion rate. However, we will carry forward any adjustments that are less than 1% of the conversion rate and make such carried forward adjustment, regardless of whether the aggregate adjustment is less than 1% on the conversion date for any Notes.

### ***Adjustment to shares delivered upon conversion upon certain corporate transactions***

If you elect to convert your Notes at any time from, and including, the effective date of a make-whole fundamental change (as defined below) to, and including, (i) the second scheduled trading day immediately preceding the related fundamental change purchase date (as defined below) or (ii) if a make-whole fundamental change does not also constitute a fundamental change as described below under Fundamental change permits holders to require us to purchase Notes, the 25th trading day immediately following such effective date (as defined below) of such make-whole fundamental change (such period, the make-whole fundamental change period), the applicable conversion rate will be increased by an additional number of shares of our Common Stock (these shares being referred to as the additional shares) as described below. We will notify holders and the trustee of the anticipated effective date of such make-whole fundamental change and issue a press release (and make the press release available on our website) as soon as practicable after we first determine the anticipated effective date of such make-whole fundamental change. We will use commercially reasonable efforts to make such determination in time to deliver such notice no later than 30 business days in advance of such anticipated effective date.

A make-whole fundamental change means any transaction or event that occurs on or prior to October 15, 2014 and constitutes a fundamental change under clause (1) or (2) of the definition of fundamental change as described below under Fundamental change permits holders to require us to purchase Notes (in the case of any fundamental change described in clause (2) of the definition thereof, determined without regard to the proviso in such definition, but

subject to the paragraphs immediately following clause (4) of the definition thereof).

The number of additional shares by which the conversion rate for the Notes will be increased for conversions that occur during the make-whole fundamental change period will be determined by reference to the table below, based on the date on which the make-whole fundamental change occurs (the effective date ) and the

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price (the stock price ) paid or deemed paid per share of our Common Stock in the make-whole fundamental change. If holders of our Common Stock receive only cash in the case of a make-whole fundamental change described in clause (2) under the definition of fundamental change, the stock price shall be the cash amount paid per share of our Common Stock. In the case of any other make-whole fundamental change, the stock price shall be the average of the last reported sale prices of our Common Stock over the ten trading-day period ending on, and including, the trading day immediately preceding the effective date of such make-whole fundamental change.

The stock prices set forth in the first row of the table below (*i.e.*, column headers) will be adjusted as of any date on which the applicable conversion rate of the Notes is otherwise adjusted. The adjusted stock prices will equal the stock prices applicable immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the applicable conversion rate in effect immediately prior to the adjustment giving rise to the stock price adjustment and the denominator of which is the applicable conversion rate as so adjusted. The number of additional shares will be adjusted in the same manner as the applicable conversion rate as set forth above under Conversion rate adjustments.

The following table sets forth numbers of additional shares to be received per \$1,000 principal amount of Notes based on hypothetical stock prices and effective dates:

Effective Date	Stock Price													
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
October , 2009														
October 15, 2010														
October 15, 2011														
October 15, 2012														
October 15, 2013														
October 15, 2014														

The exact stock prices and effective dates may not be set forth in the table above, in which case:

if the stock price is between two stock prices in the table or the effective date is between two effective dates in the table, the number of additional shares by which the conversion rate will be increased will be determined by a straight-line interpolation between the number of additional shares set forth for the higher and lower stock prices and the earlier and later effective dates, as applicable, based on a 365-day year;

if the stock price is greater than \$ per share (subject to adjustment), no additional shares will be added to the conversion rate; and

if the stock price is less than \$ per share (subject to adjustment), no additional shares will be added to the conversion rate.

Notwithstanding the foregoing, in no event will the total number of shares of our Common Stock issuable upon conversion of Notes exceed per \$1,000 principal amount of such Notes, subject to adjustments in the same manner as the applicable conversion rate as set forth above under Conversion rate adjustments.

For the avoidance of doubt, if a holder of Notes elects to convert its notes prior to the effective date of any make-whole fundamental change, such holder will not be entitled to an increased conversion rate in connection with such make-whole fundamental change.

Our obligation to satisfy the additional shares requirement could be considered a penalty, in which case the enforceability thereof would be subject to general principles of reasonableness and equitable remedies.

Our obligation to increase the conversion rate as described above could discourage a potential acquirer of us. The provisions with respect to the adjustment to the conversion rate upon a make-whole fundamental change, however, are not the result of management's knowledge of any specific efforts to obtain control of us or any means or part of a plan by management to adopt a series of anti-takeover provisions.

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**Purchase of Notes by us at the option of the holder**

Holders have the right to require us to purchase all or a portion of their Notes on each of October 15, 2014, October 15, 2019, and October 15, 2024 (each, a purchase date ). We will be required to purchase any outstanding Notes for which a holder delivers a written purchase notice to the paying agent. This notice must be delivered during the period beginning at any time from the open of business on the date that is 20 business days prior to the relevant purchase date until the close of business on the business day prior to the purchase date. If the purchase notice is given and withdrawn during such period, we will not be obligated to purchase the related Notes.

The purchase price payable will be equal to 100% of the principal amount of the Notes to be purchased plus any accrued and unpaid interest, including any additional interest to, but excluding, such purchase date (unless the purchase date is after a regular record date and on or prior to the interest payment date to which it relates, in which case interest accrued to the interest payment date will be paid to holders of the Notes as of the preceding record date and the price we are required to pay the holder surrendering the Note for repurchase will be equal to 100% of the principal amount of Notes subject to repurchase and will not include any accrued and unpaid interest, including any additional interest). Any Notes purchased by us will be paid for in cash, shares of our Common Stock or a combination thereof, at our election, as described below.

On or before the 20th business day prior to each purchase date, we will provide to the trustee, the paying agent and to all holders of the Notes at their addresses shown in the register of the registrar, and to beneficial owners as required by applicable law, a notice, and issue a press release (and make the press release available on our website) stating, among other things:

the last date on which a holder may exercise the purchase right;

the purchase price;

the purchase date;

whether we elect to pay the purchase price in cash, shares of our Common Stock or a combination thereof, specifying the percentage or amounts of each (if no election is made by us, we will be deemed to have elected to pay the purchase price in cash).

the name and address of the paying agent; and

the procedures that holders must follow to require us to repurchase their Notes.

If we elect to pay all or part of the purchase price in shares of our Common Stock, we will deliver to the paying agent on or prior to the purchase date a number of shares of our Common Stock equal to the aggregate purchase price to be paid in Common Stock *divided by* the average of the daily VWAP of our Common Stock for the 20 consecutive trading days ending on the trading day prior to the purchase date. We will not issue fractional shares of our Common Stock upon purchase of the Notes by us. Instead, we will, at our election, either (1) pay cash in lieu of fractional shares based on the daily VWAP of our Common Stock on the trading day prior to the purchase date or (2) increase the number of shares of our Common Stock deliverable upon purchase of the Notes by us to the next whole share. If our Common Stock has been replaced by reference property prior to the purchase date, the number of shares of our Common Stock otherwise deliverable on such date will instead be deliverable in the amount and type of reference property that a holder of that number of shares of our Common Stock would have received in the relevant merger event. We may not pay any portion of the purchase price in our Common Stock (or reference property, if applicable) unless the shares of our Common Stock (or reference property, if applicable) to be issued and delivered may be

publicly resold by holders that are not affiliates of ours without registration under the Securities Act or if we have filed an effective shelf registration statement for the sale of such shares of our Common Stock (or reference property, if applicable).

A notice electing to require us to purchase your Notes must state:

if certificated Notes have been issued, the certificate numbers of the Notes to be delivered for purchase;

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the portion of the principal amount of Notes to be purchased, which must be \$1,000 or an integral multiple thereof; and

that the Notes are to be purchased by us pursuant to the applicable provisions of the Notes and the indenture.

If the Notes are not in certificated form, the notice given by each holder must comply with appropriate DTC procedures.

You may withdraw any purchase notice (in whole or in part) by a written notice of withdrawal delivered to the paying agent prior to the close of business on the business day immediately prior to the purchase date. The notice of withdrawal must state:

the principal amount of the withdrawn Notes;

if certificated Notes have been issued, the certificate numbers of the withdrawn Notes; and

the principal amount, if any, that remains subject to the purchase notice.

If the Notes are not in certificated form, the withdrawal notice given by each holder must comply with appropriate DTC procedures.

We will be required to purchase the Notes that have been validly surrendered for purchase and not withdrawn on the purchase date, subject to extension to comply with applicable law. You will receive payment of the purchase price promptly following the later of the purchase date and the time of book-entry transfer or the delivery of your Notes. If the paying agent holds money or securities sufficient to pay the purchase price of the Notes on the purchase date, then:

the Notes tendered for purchase and not withdrawn will cease to be outstanding and interest, including additional interest, if any, will cease to accrue on such Notes on the purchase date (whether or not book-entry transfer of the Notes is made or whether or not the Note is delivered to the paying agent); and

all other rights of the holders with respect to the Notes tendered for purchase and not withdrawn will terminate on the purchase date (other than the right to receive the purchase price and previously accrued and unpaid interest (including any additional interest) upon book-entry transfer or delivery of the Notes).

No Notes may be purchased at the option of holders upon a purchase date if the principal amount of the Notes has been accelerated, and such acceleration has not been rescinded, on or prior to such date.

In connection with any purchase of the Notes on a purchase date, we will:

comply with the provisions of Rule 13e-4, Rule 14e-1 and any other applicable tender offer rules under the Exchange Act;

file a Schedule TO or any successor or similar schedule, if required, under the Exchange Act; and

otherwise comply with all applicable federal and state securities laws in connection with any offer by us to purchase the Notes.

**Fundamental change permits holders to require us to purchase Notes**

If a fundamental change (as defined below) occurs at any time, you will have the right, at your option, to require us to purchase all of your Notes or any portion of the principal amount thereof that is equal to \$1,000, or an integral multiple of \$1,000, on a date (the date being referred to as the fundamental change purchase date ) of our choosing not later than 35 business days after the date on which we notify holders and the trustee of the occurrence of the effective date for such fundamental change. The price we are required to pay is equal to 100% of the principal amount of the Notes to be purchased plus any accrued and unpaid interest, including any additional interest, to but excluding the fundamental change purchase date (unless the fundamental change purchase date is after a regular record date and on or prior to the interest payment date to

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which it relates, in which case interest accrued to the interest payment date will be paid to holders of the Notes as of the preceding record date and the price we are required to pay to the holder surrendering the Note for repurchase will be equal to 100% of the principal amount of Notes subject to repurchase and will not include any accrued and unpaid interest, including any additional interest). Any Notes purchased by us will be paid for in cash, shares of our Common Stock or a combination thereof, at our election, as described below.

A fundamental change will be deemed to have occurred at the time after the Notes are originally issued when any of the following occurs:

- (1) a person or group within the meaning of Section 13(d) of the Exchange Act other than us or our subsidiaries, files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect ultimate beneficial owner, as defined in Rule 13d-3 under the Exchange Act, of our common equity representing more than 50% of the voting power of our common equity;
- (2) consummation of any binding share exchange, exchange offer, tender offer, consolidation or merger of us pursuant to which all or substantially all of our Common Stock will be converted into cash, securities or other property or any sale, lease or other transfer in one transaction or a series of related transactions of all or substantially all of the consolidated assets of us and our subsidiaries, taken as a whole, to any person other than one or more of our subsidiaries (any such exchange, offer, consolidation, merger, transaction or series of transactions being referred to in this clause (2) as a transaction or an event); *provided, however*, that any such transaction or event where the holders of more than 50% of our shares of Common Stock immediately prior to such transaction or event, own, directly or indirectly, more than 50% of all classes of common equity of the continuing or surviving person or transferee or the parent thereof immediately after such transaction or event shall not be a fundamental change;
- (3) our stockholders approve any plan or proposal for our liquidation or dissolution; or
- (4) our Common Stock (or other common stock into which the Notes are then convertible) ceases to be listed on The New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market.

No transaction or event described in clause (2) above will constitute a fundamental change if:

at least 90% of the consideration, excluding cash payments for fractional shares, in the transaction or event that would otherwise have constituted a fundamental change consists of shares of common stock that are traded on a U.S. national securities exchange or that will be so traded when issued or exchanged in connection with the relevant transaction or event (these securities being referred to as publicly traded securities) and

as a result of such transaction or event the Notes become, pursuant to the terms of the indenture, convertible into such publicly traded securities and any other consideration received in connection with such transaction, excluding cash payments for fractional shares (subject to the provisions set forth above under Settlement upon conversion).

If any transaction in which all our Common Stock is replaced by the securities of another entity occurs, following completion of any related make-whole fundamental change period and any related fundamental change purchase date, references to us or our in the definition of fundamental change above will apply to such other entity instead.

On or before the 20th day after the occurrence of a fundamental change, we will provide to all holders of the Notes and the trustee and paying agent a notice of, and issue a press release (and make the press release available on our website) in respect of, the occurrence of the fundamental change and of the resulting purchase right. Such notice will state, among other things:

the events causing a fundamental change;

the effective date of the fundamental change, and if the fundamental change is a make-whole fundamental change, the effective date of the make-whole fundamental change;

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the last date on which a holder may exercise the purchase right;

the fundamental change purchase price;

the fundamental change purchase date;

whether we elect to pay the fundamental change purchase price in cash, shares of our Common Stock or a combination thereof, specifying the percentage or amounts of each (if no election is made by us, we will be deemed to have elected to pay the fundamental change purchase price in cash);

the name and address of the paying agent and the conversion agent;

the applicable conversion rate and any adjustments to the applicable conversion rate resulting from the fundamental change;

that the Notes with respect to which a fundamental change purchase notice has been delivered by a holder may be converted only if the holder withdraws the fundamental change purchase notice in accordance with the terms of the indenture; and

the procedures that holders must follow to require us to purchase their Notes.

If we elect to pay all or part of the fundamental change purchase price in shares of our Common Stock, we will deliver to the paying agent on or prior to the fundamental change purchase date a number of shares of our Common Stock equal to the aggregate purchase price to be paid in Common Stock *divided by* the average of the daily VWAP of our Common Stock for the 20 consecutive trading days ending on the trading day prior to the fundamental change purchase date. We will not issue fractional shares of our Common Stock upon purchase of the Notes by us. Instead, we will, at our election, either (1) pay cash in lieu of fractional shares based on the daily VWAP of our Common Stock on the trading day prior to the fundamental change purchase date or (2) increase the number of shares of our Common Stock deliverable upon purchase of the Notes by us to the next whole share. If our Common Stock has been replaced by reference property prior to the fundamental change purchase date, the number of shares of our Common Stock otherwise deliverable on such date will instead be deliverable in the amount and type of reference property that a holder of that number of shares of our Common Stock would have received in the relevant merger event. We may not pay any portion of the fundamental change purchase price in our Common Stock (or reference property, if applicable) unless the shares of our Common Stock (or reference property, if applicable) to be issued and delivered may be publicly resold by holders that are not affiliates of ours without registration under the Securities Act or if we have filed an effective shelf registration statement for the sale of such shares of our Common Stock (or reference property, if applicable).

To exercise your fundamental change purchase right, you must deliver, on or before the business day immediately preceding the fundamental change purchase date, subject to extension to comply with applicable law, the Notes to be purchased, duly endorsed for transfer, together with a written fundamental change purchase notice and the form entitled *Form of Fundamental Change Purchase Notice* on the reverse side of the Notes duly completed, to the paying agent. Your fundamental change purchase notice must state:

if certificated Notes have been issued, the certificate numbers of your Notes to be delivered for purchase;

the portion of the principal amount of Notes to be purchased, which must be \$1,000 or an integral multiple thereof; and

that the Notes are to be purchased by us pursuant to the applicable provisions of the Notes and the indenture.

If the Notes are not in certificated form, the notice given by each holder must comply with appropriate DTC procedures.

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You may withdraw any fundamental change purchase notice (in whole or in part) by a written notice of withdrawal delivered to the paying agent prior to close of business on the business day immediately preceding the fundamental change purchase date. The notice of withdrawal must state:

the principal amount of the withdrawn Notes;

if certificated Notes have been issued, the certificate numbers of the withdrawn Notes; and

the principal amount, if any, which remains subject to the fundamental change purchase notice.

If the Notes are not in certificated form, the withdrawal notice given by each holder must comply with appropriate DTC procedures.

We will be required to purchase the Notes that have been validly surrendered for purchase and not withdrawn on the fundamental change purchase date, subject to extension to comply with applicable law. You will receive payment of the fundamental change purchase price promptly following the later of the fundamental change purchase date or the time of book-entry transfer or the delivery of your Notes. If the paying agent holds money or securities sufficient to pay the fundamental change purchase price of the Notes on the fundamental change purchase date, then:

the Notes tendered for purchase and not withdrawn will cease to be outstanding and interest, including additional interest, if any, will cease to accrue on such Notes on the fundamental change purchase date (whether or not book-entry transfer of the Notes is made or whether or not the Note is delivered to the paying agent); and

all other rights of the holders with respect to the Notes tendered for purchase and not withdrawn will terminate on the fundamental change purchase date (other than the right to receive the fundamental change purchase price and previously accrued and unpaid interest (including any additional interest) upon book-entry transfer or delivery of the Notes).

The purchase rights of the holders could discourage a potential acquirer of us, even if the acquisition may be beneficial to you. The fundamental change purchase feature, however, is not the result of management's knowledge of any specific effort to obtain control of us by any means or part of a plan by management to adopt a series of anti-takeover provisions.

We will not be required to make an offer to purchase the Notes upon a fundamental change if a third party makes the offer in the manner, at the times, and otherwise in compliance with the requirements set forth in the indenture applicable to an offer by us to purchase the Notes upon a fundamental change and such third party purchases all Notes validly tendered and not withdrawn in such offer. If the third party agrees to purchase the Notes upon a fundamental change but does not timely make payment of the fundamental change purchase price on the fundamental change purchase date, we will be required to purchase all Notes validly tendered and not withdrawn on the fundamental change purchase date.

The term fundamental change is limited to specified transactions and may not include other events that might adversely affect our financial condition. In addition, the requirement that we offer to purchase the Notes upon a fundamental change may not protect holders in the event of a highly leveraged transaction, reorganization, merger or similar transaction involving us.

No Notes may be repurchased by us at the option of the holders upon a fundamental change purchase date if the principal amount of the Notes has been accelerated, and such acceleration has not been rescinded, on or prior to such

date.

The definition of fundamental change includes a phrase relating to the sale, lease or other transfer of all or substantially all of our consolidated assets. There is no precise, established definition of the phrase substantially all under applicable law. Accordingly, the ability of a holder of the Notes to require us to purchase its Notes as a result of the sale, lease or other transfer of less than all of our assets may be uncertain.

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In connection with any purchase of Notes on a fundamental change purchase date, we will:

comply with the provisions of Rule 13e-4, Rule 14e-1 and any other applicable tender offer rules under the Exchange Act;

file a Schedule TO or any successor or similar schedule, if required, under the Exchange Act; and

otherwise comply with all applicable federal and state securities laws in connection with any offer by us to purchase the Notes.

If a fundamental change were to occur or if a holder required us to purchase all or a portion of its notes on a purchase date, we may not have enough funds or be able to arrange for financing to pay all or a portion of the purchase price in cash in connection with a tender of Notes for purchase. Our ability to repurchase the Notes for cash may be limited by the terms of our amended credit agreement or our then existing borrowing arrangements or otherwise. See Risk factors Risks related to the Notes We may not be able to purchase the Notes for cash upon a fundamental change or if holders require us to purchase all or a portion of their Notes on a purchase date. If we fail to purchase the Notes when required, we will be in default under the indenture. In addition, we have, and may in the future incur, other indebtedness with similar change in control provisions permitting our holders to accelerate or to require us to purchase our indebtedness upon the occurrence of similar events or on same specific dates.

## **Consolidation, merger and sale of assets**

The indenture provides that we shall not consolidate with or merge with or into, or sell, convey, transfer or lease all or substantially all of our properties and assets to, another person unless:

(1) if we are not the resulting, surviving or transferee person, the resulting, surviving or transferee person is a corporation organized and existing under the laws of the United States of America, any state thereof or the District of Columbia, and such person expressly assumes by supplemental indenture all of our obligations under the Notes and the indenture; and

(2) immediately after giving effect to such transaction, no default or event of default has occurred and is continuing under the indenture.

Upon any such consolidation, merger, sale, conveyance, transfer or lease, the resulting, surviving or transferee corporation (if not us) shall succeed to, and may exercise every right and power of, the Company under the indenture.

Although these types of transactions are permitted under the indenture, certain of the foregoing transactions could constitute a fundamental change (as defined above) permitting each holder to require us to purchase the Notes of such holder as described above.

## **Events of default**

Each of the following is an event of default under the indenture:

(1) default in the payment in respect of the principal of any Note at its maturity, upon optional redemption, upon required repurchase, upon declaration of acceleration or otherwise;

(2) default in the payment of any interest (including additional interest, if any) upon any Note when it becomes due and payable, and continuance of such default for a period of 30 days;

(3) default in the performance, or breach, of any covenant or agreement by us in the indenture (other than a covenant or agreement a default in whose performance or whose breach is specifically dealt with in clauses (1) or (2) above or (5) below), and continuance of such default or breach for a period of 60 days after written notice thereof has been given to us by the trustee or to the trustee and us by the holders of at least 25% in aggregate principal amount of the outstanding Notes;

(4) the failure to comply with the obligation to convert the Notes into Common Stock upon exercise of a holder's conversion right and such failure continues for fifteen days;

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(5) our failure to timely issue a fundamental change notice in accordance with the terms of the indenture described above under Fundamental change permits holders to require us to purchase Notes or a notice regarding your right to require us to purchase the Notes on October 15, 2014, October 15, 2019 and October 15, 2024 in accordance with the terms of the indenture described above under Purchase of Notes by us at the option of the holder;

(6) certain events in bankruptcy, insolvency or reorganization relating to us or any of our subsidiaries that is a significant subsidiary (or any group of subsidiaries that, taken together, would constitute a significant subsidiary as defined in Regulation S-X under the Securities Act); and

(7) failure by us to comply with our obligations above under Consolidation, merger and sale of assets.

If an event of default occurs and is continuing, the trustee by notice to us, or the holders of at least 25% in principal amount of the outstanding Notes, by notice to us and the trustee, may, declare 100% of the principal of and accrued and unpaid interest, including any additional interest, on all the Notes to be due and payable. Upon such a declaration, such principal and accrued and unpaid interest, including any additional interest, will be due and payable immediately. However, upon an event of default arising out of the bankruptcy provisions described in clause (6) above, the aggregate principal amount and accrued and unpaid interest, including any additional interest, will be due and payable immediately.

Notwithstanding the foregoing, if we so elect, the sole remedy of holders for an event of default relating to any obligation to file reports as described under Reports below and for any failure to comply with the requirements of Section 314(a)(1) of the TIA will, for the first 180 days after the occurrence of such an event of default (which will be the 60th day after written notice is provided to us in accordance with an event of default pursuant to clause (3) above), consist exclusively of the right to receive additional interest on the Notes at an annual rate equal to (x) 0.25% of the outstanding principal amount of the Notes for the first 90 days an event of default is continuing in such 180-day period and (y) 0.50% of the outstanding principal amount of the Notes for the remaining 90 days an event of default is continuing in such 180-day period. Additional interest will be payable in arrears on each interest payment date following the occurrence of such event of default in the same manner as regular interest on the Notes. On the 181st day after such event of default (if such violation is not cured or waived prior to such 181st day), the Notes will be subject to acceleration as provided above. The provisions of the indenture described in this paragraph will not affect the rights of holders of Notes in the event of the occurrence of any other event of default. In the event we do not elect to pay additional interest upon an event of default in accordance with this paragraph, the Notes will be subject to acceleration as provided above.

In order to elect to pay additional interest as the sole remedy during the first 180 days after the occurrence of an event of default relating to the failure to comply with the reporting obligations in accordance with the immediately preceding paragraph or the failure to comply with Section 314 (a)(1) of the TIA, we must notify all holders of record of Notes and the trustee and paying agent of such election on or before the close of business on the 5th business day after the date on which such event of default otherwise would occur. Upon our failure to timely give such notice or pay additional interest, the Notes will be immediately subject to acceleration as provided above.

If any portion of the amount payable on the Notes upon acceleration is considered by a court to be unearned interest (though the allocation of the value of the instrument to any embedded warrant or otherwise), the court could disallow recovery of any such portion.

The holders of a majority in principal amount of the outstanding Notes may waive all past defaults (except with respect to nonpayment of principal or interest, including any additional interest, failure to repurchase any Notes when required or failure to deliver, upon conversion, shares of our Common Stock) and rescind any such acceleration with

respect to the Notes and its consequences if (1) rescission would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing events of default, other than the nonpayment of the principal of and interest, including any additional interest, on the Notes that have become due solely by such declaration of acceleration, have been cured or waived.

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Subject to the provisions of the indenture relating to the duties of the trustee, if an event of default occurs and is continuing, the trustee will be under no obligation to exercise any of the rights or powers under the indenture at the request or direction of any of the holders unless such holders have offered to the trustee indemnity or security reasonably satisfactory to it against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest, including any additional interest, when due, or the right to receive delivery of the consideration due upon conversion, no holder may pursue any remedy with respect to the indenture or the Notes unless:

- (1) such holder has previously given the trustee written notice that an event of default is continuing;
- (2) holders of at least 25% in principal amount of the outstanding Notes have requested the trustee to pursue the remedy;
- (3) such holders have offered the trustee security or indemnity reasonably satisfactory to it against any loss, liability or expense;
- (4) the trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity; and
- (5) the holders of a majority in principal amount of the outstanding Notes have not given the trustee a direction that, in the opinion of the trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the holders of a majority in principal amount of the outstanding notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or of exercising any trust or power conferred on the trustee. The indenture provides that in the event an event of default has occurred and is continuing, the trustee will be required in the exercise of its rights and powers under the indenture to use the degree of care that a prudent person would use in the conduct of its own affairs. The trustee, however, may refuse to follow any direction that conflicts with law or the indenture or that the trustee determines is unduly prejudicial to the rights of any other holder or that would involve the trustee in personal liability. Prior to taking any action under the indenture, the trustee will be entitled to indemnification against all losses and expenses caused by taking or not taking such action.

The indenture provides that if a default occurs and is continuing and is known to the trustee, the trustee must mail to each holder notice of the default within 90 days after it occurs. Except in the case of a default in the payment of principal of or interest, including any additional interest, on any Note, or a default in the delivery of the consideration due upon conversion, the trustee may withhold notice if and so long as a committee of trust officers of the trustee in good faith determines that withholding notice is in the interests of the holders. In addition, we are required to deliver to the trustee, within 120 days after the end of each fiscal year, a certificate indicating whether the signers thereof know of any default that occurred during the previous year. We are also required to deliver to the trustee, within 30 days after the occurrence thereof, written notice of any events which would constitute certain defaults, their status and what action we are taking or propose to take in respect thereof.

## **Modification and amendment**

Subject to certain exceptions, the indenture or the Notes may be amended with the consent of the holders of at least a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) and, subject to certain exceptions, any past default or compliance with any provisions may be waived with the consent of the holders of a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

In addition to the provisions of the indenture described under **Description of Debt Securities and Guarantees Modification and Waiver** in the accompanying prospectus, we and the trustee may, without the consent of the holders of the Notes, modify the indenture or enter into or modify any supplemental indenture

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to conform the provisions of the indenture or the Notes to the Description of the Notes section in this prospectus supplement.

In addition to the provisions of the indenture described under Description of Debt Securities and Guarantees Modification and Waiver in the accompanying prospectus, the following provisions of the indenture or the Notes may not be modified without the consent of each holder of an outstanding Note affected thereby:

- (1) the reduction of the principal amount of, or interest, including any additional interest, or the extension of the stated maturity or interest payment periods, of any Note;
- (2) the making of any change that adversely affects the conversion rights of any Notes;
- (3) the reduction of the redemption price, purchase price or fundamental change purchase price of any Note or the amendment or modification in any manner adverse to the holders of Notes our obligation to make such payments, whether through an amendment or waiver of provisions in the covenants, definitions or otherwise;
- (4) the making of any Note payable in a currency other than that stated in the Note or change any Note's place of payment;
- (5) changing the ranking of the Notes; or
- (6) impairing the right of any holder to receive payment of principal of and interest, including any additional interest, on such holder's Notes on or after the due dates therefor.

The consent of the holders is not necessary under the indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment. After an amendment under the indenture becomes effective, we are required to provide the holders a notice briefly describing such amendment. However, the failure to give such notice to all the holders, or any defect in the notice, will not impair or affect the validity of the amendment.

## **Discharge**

The Notes will not be subject to the provisions described in the accompanying prospectus under the caption Description of Debt Securities and Guarantees Satisfaction and Discharge of the Indenture; Defeasance. We may satisfy and discharge our obligations under the indenture by delivering to the registrar for cancellation all outstanding Notes or by depositing with the trustee or delivering to the holders, as applicable, after the Notes have become due and payable, whether at the stated maturity, any redemption date, any purchase date, any fundamental change purchase date or upon conversion or otherwise, cash and/or shares of our Common Stock, if any (solely to satisfy outstanding conversions or repurchases, if applicable), sufficient to pay all of the outstanding Notes and all other sums payable under the indenture by us. Such discharge is subject to terms contained in the indenture.

## **Calculations in respect of Notes**

Except as otherwise provided above, we will be responsible for making all calculations called for under the indenture and the Notes. These calculations include, but are not limited to, determinations of the daily VWAP, the last reported sale prices of our Common Stock, accrued interest payable on the Notes and the applicable conversion rate. We will make all these calculations in good faith and, absent manifest error, our calculations will be final and binding on holders of Notes. Upon request from the trustee or the conversion agent, we will provide a schedule of our calculations to such party and each such party is entitled to rely conclusively upon the accuracy of our calculations

without independent verification. The trustee will forward our calculations to any holder upon the request of that holder.

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### **Reports**

The indenture provides that any documents or reports that we are required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act must be furnished by us to the trustee within 15 days after the same are required to be filed with the SEC (giving effect to any grace period provided by Rule 12b-25 under the Exchange Act). Documents filed by us with the SEC via the EDGAR system will be deemed furnished to the trustee as of the time such documents are filed via EDGAR.

### **Notices**

Except as otherwise described herein, notice to registered holders of the Notes will be given to the addresses as they appear in the security register. Notices will be deemed to have been given on the date of such mailing or electronic delivery. Whenever a notice is required to be given by us, such notice may be given by the trustee on our behalf.

### **Trustee**

The Bank of New York Mellon Trust Company, N.A. is the trustee, security registrar, paying agent and conversion agent. The Bank of New York Mellon Trust Company, N.A., in each of its capacities, including without limitation as trustee, security registrar, paying agent and conversion agent, assumes no responsibility for the accuracy or completeness of the information concerning us or our affiliates or any other party contained in this document or the related documents or for any failure by us or any other party to disclose events that may have occurred and may affect the significance or accuracy of such information.

We maintain banking relationships in the ordinary course of business with the trustee and its affiliates.

### **Governing law**

Each of the indenture and the Notes provide that it will be governed by, and construed in accordance with, the laws of the State of New York.

### **Book-entry, settlement and clearance**

#### ***The global notes***

The Notes will be initially issued in the form of one or more registered Notes in global form, without interest coupons (which we refer to as the *global notes*). Upon issuance, each of the global notes will be deposited with the trustee as custodian for DTC and registered in the name of Cede & Co., as nominee of DTC.

Ownership of beneficial interests in a global note will be limited to persons who have accounts with DTC, which we refer to as DTC participants, or persons who hold interests through DTC participants. We expect that under procedures established by DTC:

upon deposit of a global note with DTC's custodian, DTC will credit portions of the principal amount of the global note to the accounts of DTC participants designated by the underwriters; and

ownership of beneficial interests in a global note will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC participants) and the records of DTC participants (with respect to other owners of beneficial interests in the global note).

Beneficial interests in global notes may not be exchanged for Notes in physical, certificated form except in the limited circumstances described below.

***Book-entry procedures for the global notes***

All interests in the global notes will be subject to the operations and procedures of DTC. We provide the following summary of those operations and procedures solely for the convenience of investors. The operations

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and procedures of DTC are controlled by that settlement system and may be changed at any time. Neither we nor the trustee or the underwriters are responsible for those operations or procedures.

DTC has advised us that it is:

- a limited purpose trust company organized under the laws of the State of New York;
- a banking organization within the meaning of the New York State Banking Law;
- a member of the Federal Reserve System;
- a clearing corporation within the meaning of the Uniform Commercial Code; and
- a clearing agency registered under Section 17A of the Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants. DTC's participants include securities brokers and dealers, including the underwriters; banks and trust companies; clearing corporations and other organizations. Indirect access to DTC's system is also available to others such as banks, brokers, dealers and trust companies; these indirect participants clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Investors who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC.

So long as DTC's nominee is the registered owner of a global note, that nominee will be considered the sole owner or holder of the Notes represented by that global note for all purposes under the indenture. Except as provided below, owners of beneficial interests in a global note:

- will not be entitled to have Notes represented by the global note registered in their names;
- will not receive or be entitled to receive physical, certificated notes; and
- will not be considered the owners or holders of the Notes under the indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee under the indenture.

As a result, each investor who owns a beneficial interest in a global note must rely on the procedures of DTC to exercise any rights of a holder of Notes under the indenture (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of DTC participant through which the investor owns its interest).

Payments of principal and interest (including any additional interest) and of amounts due upon conversion with respect to the Notes represented by a global note will be made by the trustee to DTC's nominee as the registered holder of the global note. Neither we nor the trustee will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a global note, for any aspect of the records relating to or payments made on account of those interests by DTC, or for maintaining, supervising or reviewing any records of DTC relating to those interests.

Payments by participants and indirect participants in DTC to the owners of beneficial interests in a global note will be governed by standing instructions and customary industry practice and will be the responsibility of those participants or indirect participants and DTC.

Transfers between participants in DTC will be effected under DTC's procedures and will be settled in same-day funds.



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*Certificated notes*

Notes in physical, certificated form will be issued and delivered to each person that DTC identifies as a beneficial owner of the related Notes only if:

DTC notifies us at any time that it is unwilling or unable to continue as depository for the global notes and a successor depository is not appointed within 90 days;

DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depository is not appointed within 90 days; or

an event of default in respect of the Notes has occurred and is continuing.

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**Certain U.S. federal income tax considerations**

The following is a general discussion of certain material U.S. federal income tax considerations with respect to the purchase, ownership and disposition of the Notes and the Common Stock acquired upon conversion of the Notes. This discussion is only applicable to holders who acquire such Notes in this offering at their original issue price and hold the Notes or the Common Stock as a capital asset (generally, property held for investment).

This discussion is based on current provisions of the Internal Revenue Code of 1986, as amended (the Code), Treasury regulations promulgated thereunder, judicial opinions, published positions of the Internal Revenue Service (the IRS), and other applicable authorities, all of which are subject to change (possibly with retroactive effect) or different interpretations. We have not obtained, nor do we intend to obtain, any ruling from the IRS or opinions of counsel with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with the statements and conclusions set forth below, or that if the IRS were to challenge such conclusions, such challenge would not be sustained by a court.

This discussion does not address all aspects of U.S. federal income taxation that may be important to a particular holder in light of that holder's individual circumstances, nor does it address any aspects of U.S. federal estate and gift or alternative minimum, state, local, or non-U.S. taxes. This discussion may not apply, in whole or in part, to particular holders in light of their individual circumstances or to holders subject to special treatment under the U.S. federal income tax laws (such as insurance companies, tax-exempt organizations, financial institutions, brokers or dealers in securities, controlled foreign corporations, passive foreign investment companies, holders that hold the Notes or the Common Stock as part of a straddle, hedge, conversion transaction or other integrated investment, and certain U.S. expatriates).

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the Notes or the Common Stock, the tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partners of a partnership holding the Notes or the Common Stock should consult their tax advisor as to the particular U.S. federal income tax consequences applicable to them.

**THIS SUMMARY IS FOR GENERAL INFORMATION ONLY AND IS NOT INTENDED TO CONSTITUTE A COMPLETE DESCRIPTION OF ALL TAX CONSEQUENCES FOR HOLDERS RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES AND THE COMMON STOCK. PROSPECTIVE HOLDERS OF THE NOTES OR THE COMMON STOCK SHOULD CONSULT WITH THEIR TAX ADVISORS REGARDING THE TAX CONSEQUENCES TO THEM (INCLUDING THE APPLICATION AND EFFECT OF ANY STATE, LOCAL, FOREIGN INCOME AND OTHER TAX LAWS) OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES AND THE COMMON STOCK.**

**Tax consequences to U.S. holders**

The following section applies to you only if you are a U.S. holder. For purposes of this discussion, a U.S. holder means a beneficial owner of the Notes or the Common Stock (other than an entity or arrangement that is treated as a partnership for U.S. federal income tax purposes) that is, for U.S. federal income tax purposes, any of the following:

an individual citizen or resident of the United States;



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

an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or

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a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) such trust has made a valid election to be treated as a U.S. person for U.S. federal income tax purposes.

***Interest***

It is expected, and therefore this discussion assumes, that the Notes will be issued without original issue discount for U.S. federal income tax purposes. Accordingly, payments of interest on the Notes (including (i) any accrued and unpaid interest deemed to have been paid upon conversion and (ii) the fair market value of any Common Stock paid as interest) will be taxable as ordinary income at the time such interest is accrued or received, in accordance with your method of accounting for U.S. federal income tax purposes. If, however, the Notes' principal amount exceeds the issue price by more than a *de minimis* amount, as determined under applicable Treasury regulations, you will be required to include such excess in gross income, as it accrues, on a constant yield method based on a compounding of interest before the receipt of cash payments attributable to this income (regardless of your method of accounting for U.S. federal income tax purposes).

***Additional payments***

If we fail to comply with certain reporting obligations, we may be required to make additional interest payments on the Notes in excess of stated interest and principal (see *Description of the Notes* *Events of default* ). The requirement to make such additional payments may implicate the provisions of Treasury regulations governing contingent payment debt instruments. However, a debt instrument is not considered a contingent payment debt instrument if, at the time of its issuance, there is only a remote likelihood that a contingency will occur. Although these rules are not entirely clear, we believe that the likelihood that we will be required to make such additional payments is remote, and we intend to take the position that the Notes are not contingent payment debt instruments at the time of their issuance.

However, there can be no assurance that the IRS will accept, or that a court would uphold, this position. If the IRS successfully challenged this position, and the Notes were treated as contingent payment debt instruments, U.S. holders would be required to accrue interest income at a rate higher than the stated interest rate on the Note (regardless of your method of accounting for U.S. federal income tax purposes) and to treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange or redemption of a Note. U.S. holders are urged to consult their own tax advisors regarding the potential application to the Notes of the contingent payment debt instrument rules and the consequences thereof. The remainder of this summary assumes that the Notes will not be subject to the Treasury regulations governing contingent payment debt instruments.

***Sale or retirement of the Notes***

Except as set out below under *Conversion of the Notes* and *Redemption or repurchase of the Notes*, on your sale or retirement of your Notes:

You will have taxable gain or loss equal to the difference between the amount received by you and your tax basis in the Notes. Your tax basis in the Notes is your cost, subject to certain adjustments.

Your gain or loss will generally be capital gain or loss, and will be long-term capital gain or loss if you held the Note for more than one year. For an individual, the maximum tax rate on long-term capital gains is currently 15% if the holder has a holding period greater than one year. The deductibility of capital losses is subject to limitations.

If you sell the Notes between interest payment dates, a portion of the amount you receive reflects interest that has accrued on the Notes but has not yet been paid by the sale date. That amount is treated as ordinary interest income and not as sale proceeds.

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**Table of Contents*****Redemption or repurchase of the Notes***

We may redeem all or part of the Notes for cash at any time after a certain date, as described above under Description of the Notes Optional redemption. Your gain or loss upon redemption will be as described above under Sale or retirement of the Notes.

You have the right to require us to repurchase all or a portion of your Notes on certain dates and under certain circumstances, as described above under Description of the Notes Purchase of Notes by us at the option of the holder and Description of the Notes Fundamental change permits holders to require us to purchase Notes. If you receive only cash, your gain or loss will be as described above under Sale or retirement of the Notes. If you receive only Common Stock, or a combination of cash and Common Stock, the repurchase will be treated as a recapitalization. In a recapitalization, you would recognize gain, but not loss, equal to the lesser of (i) the amount of cash received, if any (other than in respect of accrued and unpaid interest) and (ii) the amount of gain realized, which will be equal to the excess, if any, of the amount of cash you receive, if any (other than in respect of accrued and unpaid interest) plus the fair market value of Common Stock you receive (other than that attributable to accrued and unpaid interest), over your adjusted tax basis in the Notes. Your aggregate tax basis in Common Stock received (other than Common Stock attributable to accrued interest) will be the same as your basis in the Notes at the time of repurchase, reduced by the amount of any cash received, if any (other than in respect of accrued and unpaid interest) and increased by the amount of gain, if any, recognized. Your tax basis in the Common Stock attributable to accrued interest will equal the fair market value of the stock received. Your holding period for the Common Stock received will include your holding period for the Notes repurchased, except that the holding period of any Common Stock attributable to accrued interest will commence on the day after the date of receipt.

***Exchange in lieu of conversion***

If you surrender the Notes for conversion, we direct the Notes to be offered to a financial institution for exchange in lieu of conversion, and the designated financial institution accepts the Notes and delivers Common Stock in exchange for the Notes, you will be taxed on the transfer as a sale or exchange of the Notes, as described above under Sale or retirement of the Notes. In such case, your tax basis in any Common Stock received will equal the fair market value of the stock on the date of the exchange, and your holding period in the shares of Common Stock received will begin the day after the date of the exchange.

***Conversion of the Notes***

If you convert the Notes, you will not recognize taxable gain or loss upon conversion, except that the receipt of cash in lieu of a fractional share of Common Stock will result in capital gain or loss (measured by the difference between the cash received in lieu of the fractional share and your tax basis in the fractional share) and, except that the fair market value of Common Stock attributable to accrued interest will be taxed as a payment of ordinary interest income (as described above under Interest ). Your aggregate tax basis in the Common Stock received upon conversion of the Notes (other than Common Stock attributable to accrued interest) will equal the aggregate tax basis of the Notes that were converted, less any portion allocable to cash received in lieu of a fractional share. Your tax basis in the Common Stock attributable to accrued interest will equal the fair market value of the stock received. Your tax basis in a fractional share will be determined by allocating your tax basis in the Common Stock between the Common Stock received upon conversion and the fractional share, in accordance with their respective fair market values. Your holding period for the Common Stock received will include your holding period for the Note converted, except that the holding period of any Common Stock attributable to accrued interest will commence on the day after the date of conversion.

As the result of a merger event, you may be able to convert the Notes and receive cash and reference property, as described above under **Description of the Notes** **Conversion rights** **Conversion rate adjustments**. The conversion may be treated as a taxable disposition, but alternative treatment is possible depending on the nature of the reference property. You should consult your tax advisor regarding the U.S. federal income tax consequences to you of the receipt of reference property.

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**Table of Contents*****Possible effect of a consolidation, merger or sale of assets***

In certain situations, we may consolidate with or merge with or into another entity or sell substantially all of our assets to another entity (as described above under *Description of the Notes Consolidation, merger and sale of assets* ). Depending on the circumstances, a change in the obligor of the Notes, as a result of the consolidation, merger or sale of assets, could result in a deemed taxable exchange to a U.S. holder and the modified note could be treated as newly issued at that time, potentially resulting in the recognition of taxable gain or loss. You should consult your own tax advisor with respect to the consequences to you of such a change to the Notes.

***Constructive distributions***

The conversion price of the Notes will be adjusted in certain circumstances. See the discussion under *Description of the Notes Conversion rights Conversion rate adjustments* and *Description of the Notes Conversion rights*

*Adjustment to shares delivered upon conversion upon certain corporate transactions* above. Under Section 305(c) of the Code, adjustments (or failures to make adjustments) that have the effect of increasing your proportionate interest in our assets or earnings may, in certain circumstances, be treated as a deemed distribution to you, whether or not you ever exercise your conversion privilege. Any deemed distributions will be taxable as a dividend, return of capital or capital gain in accordance with the rules governing corporate distributions, as described below under *Distributions on Common Stock*. In particular, any adjustment in the conversion rate to compensate U.S. holders of Notes for taxable distributions of cash on any of our outstanding Common Stock will be treated as a deemed distribution of stock to the U.S. holders, which will be taxable as a dividend to the extent of our current and accumulated earnings and profits. Any deemed dividend would not be eligible for the dividends-received deduction or for preferential rates applicable to certain non-corporate U.S. holders in respect of certain dividends. In certain circumstances, the failure to make an adjustment of the conversion rate may result in a taxable distribution to holders of our Common Stock. You should carefully review the conversion rate adjustment provisions and consult your own tax advisor with respect to the tax consequences of any such adjustment.

***Distributions on Common Stock***

In general, distributions with respect to our Common Stock received upon the conversion of a Note will constitute dividends to the extent of our current or accumulated earnings and profits as determined for U.S. federal income tax purposes. If a distribution exceeds our current and accumulated earnings and profits, the excess will be treated as a non-taxable return of capital to the extent of a U.S. holder's basis in our Common Stock and thereafter as capital gain. Dividends received by a corporate U.S. holder will be eligible for the dividends-received deduction if the holder meets certain holding period and other applicable requirements.

Dividends received by a non-corporate U.S. holder will generally qualify for a reduced rate of taxation (currently effective for tax years through 2010) if the holder meets certain holding period and other applicable requirements.

***Sale or other disposition of Common Stock***

You will recognize capital gain or loss on the sale or other disposition of our Common Stock received upon the conversion of a Note. This capital gain or loss will equal the difference between the amount realized and your tax basis in our Common Stock. Your basis in Common Stock received in a conversion will be determined as described above under *Conversion of the Notes*. Capital gain of a non-corporate U.S. holder is eligible to be taxed at reduced rates where the property is held for more than one year. The deductibility of capital losses is subject to limitations.

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***Information reporting and backup withholding***

Under the tax rules concerning information reporting to the IRS:

Assuming you hold your Notes or our Common Stock through a broker or other securities intermediary, the intermediary must provide information to the IRS and to you on IRS Form 1099 concerning interest and retirement proceeds on your Notes, unless an exemption applies.

Similarly, unless an exemption applies, you must provide the intermediary with your Taxpayer Identification Number for its use in reporting information to the IRS. If you are an individual, this is your social security number. You are also required to comply with other IRS requirements concerning information reporting.

If you are subject to these requirements but do not comply, the intermediary must backup withhold at a rate that is currently 28% of all amounts payable to you on the Notes (including principal payments), dividends on our Common Stock and the proceeds from a sale or other disposition of the Notes or our Common Stock. If the intermediary withholds payments, you may use the withheld amount as a credit against your federal income tax liability.

All individuals are subject to these requirements. Some holders, including all corporations, tax-exempt organizations and individual retirement accounts, are exempt from these requirements.

**Tax consequences to non-U.S. holders**

This section applies to you if you are a non-U.S. holder. A non-U.S. holder is any holder that is not a U.S. holder.

***Withholding taxes***

Generally, payments of principal and interest on the Notes will not be subject to U.S. withholding taxes. For the exemption from withholding taxes to apply to you, however, you must meet one of the following requirements:

You provide a completed Form W-8BEN (or substitute form) to the bank, broker or other intermediary through which you hold your Notes. The Form W-8BEN contains your name, address and a statement that you are the beneficial owner of the Notes and that you are not a U.S. holder.

You hold your Notes directly through a qualified intermediary, and the qualified intermediary has sufficient information in its files indicating that you are not a U.S. holder. A qualified intermediary is a bank, broker or other intermediary that (1) is either a U.S. or non-U.S. entity, (2) is acting out of a non-U.S. branch or office and (3) has signed an agreement with the IRS providing that it will administer all or part of the U.S. tax withholding rules under specified procedures.

You are entitled to an exemption from withholding tax on interest under a tax treaty between the United States and your country of residence. To claim this exemption, you must generally complete Form W-8BEN and claim this exemption on the form. In some cases, you may instead be permitted to provide documentary evidence of your claim to the intermediary, or a qualified intermediary may already have some or all of the necessary evidence in its files.

The interest income on the Notes is effectively connected with the conduct of your trade or business in the United States and is not exempt from U.S. tax under a tax treaty. To claim this exemption, you must complete Form W-8ECI.

Even if you meet one of the above requirements, interest paid to you will be subject to withholding tax under any of the following circumstances:

The withholding agent or an intermediary knows or has reason to know that you are not entitled to an exemption from withholding tax. Specific rules apply for this test.

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The IRS notifies the withholding agent that information that you or an intermediary provided concerning your status is false.

An intermediary through which you hold the Notes fails to comply with the procedures necessary to avoid withholding taxes on the Notes. In particular, an intermediary is generally required to forward a copy of your Form W-8BEN (or other documentary information concerning your status) to the withholding agent for the Notes. However, if you hold your Notes through a qualified intermediary or if there is a qualified intermediary in the chain of title between yourself and the withholding agent for the Notes the qualified intermediary will not generally forward this information to the withholding agent.

You own 10% or more of our voting stock, you are a controlled foreign corporation related to us, or you are a bank receiving interest on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of your trade or business. In these cases, you will be exempt from withholding taxes only if you are eligible for a treaty exemption or if the interest income is effectively connected with your conduct of a trade or business in the United States, as discussed above.

Interest payments made to you will generally be reported to the IRS and to you on Form 1042-S. This reporting does not apply to you, however, if one of the following conditions applies:

You hold your Notes directly through a qualified intermediary and the applicable procedures are complied with.

You file Form W-8ECI.

The rules regarding withholding are complex and vary depending on your individual situation. They are also subject to change. In addition, special rules apply to certain types of non-U.S. holders of Notes, including partnerships, trusts, and other entities treated as pass-through entities for U.S. federal income tax purposes. We suggest that you consult with your tax advisor regarding the specific methods for satisfying these requirements.

***Sale, retirement or other disposition of the Notes or shares of Common Stock***

If you sell the Notes, or they are redeemed, or otherwise dispose of the Notes or the Common Stock, you will not be subject to U.S. federal income tax on any gain unless one of the following applies:

The gain is effectively connected with a trade or business that you conduct in the United States, in which case the rules for such gain would apply as described below under U.S. trade or business.

You are an individual, you are present in the United States for at least 183 days during the taxable year in which you dispose of the Notes or the Common Stock, and certain other conditions are satisfied.

The gain represents accrued interest, in which case the rules for interest would apply as described above under Withholding taxes.

We are or have been a U.S. real property holding corporation (a USRPHC) for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding such sale or other disposition or the non-U.S. holder's holding period. We believe that we have not been and are not currently a USRPHC, and we do not expect to become one in the future.

***U.S. trade or business***

If your interest on the Notes, dividends on the Common Stock or gain from disposing of the Notes or the Common Stock is effectively connected with a trade or business that you are conducting in the United States (and, if a treaty applies, is attributable to a permanent establishment within the United States):

You will generally be taxed in the same manner as a U.S. holder (as described above under Tax consequences to U.S. holders ), subject to an applicable income tax treaty providing otherwise.

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If you are a corporation, you may be subject to the branch profits tax of 30% (or a lower rate prescribed in an applicable income tax treaty) on your earnings that are effectively connected with your U.S. trade or business, including earnings from the Notes or the Common Stock.

***Dividends***

Dividends (including deemed dividends on the Notes described above under Tax consequences to U.S. holders Constructive distributions ) paid to you on the Common Stock generally will be subject to withholding tax at a 30% rate or a reduced rate specified by an applicable income tax treaty. In order to obtain a reduced rate of withholding, if applicable, you will be required to provide an IRS Form W-8BEN certifying your entitlement to benefits under a treaty. In addition, you will not be subject to withholding if you provide an IRS Form W-8ECI certifying that the dividends are effectively connected with your conduct of a trade or business within the United States; instead, you will be taxed as described under U.S. trade or business above.

***Information reporting and backup withholding***

U.S. rules concerning information reporting and backup withholding are described above under Tax consequences to U.S. holders Information reporting and backup withholding. These rules apply to non-U.S. holders as follows:

Principal and interest payments made in respect of Notes and proceeds of the sale or other taxable disposition of Notes or Common Stock you receive will be automatically exempt from the usual rules if you are a non-U.S. holder exempt from withholding tax on interest, as described above. The exemption does not apply if the withholding agent or an intermediary knows or has reason to know that you should be subject to the usual information reporting or backup withholding rules. In addition, as described above, interest payments made to you may be reported to the IRS on Form 1042-S.

Sale proceeds you receive on a sale of your Notes through a broker may be subject to information reporting and/or backup withholding if you are not eligible for an exemption. In particular, information reporting and backup withholding may apply if you use the U.S. office of a broker, and information reporting (but not backup withholding) may apply if you use the foreign office of a broker that has certain connections to the United States. In general, you may file Form W-8BEN to claim an exemption from information reporting and backup withholding. We suggest that you consult your tax advisor concerning information reporting and backup withholding on a sale.

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**Underwriting**

We are offering the Notes described in this prospectus supplement through a number of underwriters. J.P. Morgan Securities Inc. ( J.P. Morgan ), Morgan Stanley & Co. Incorporated and Goldman, Sachs & Co. are acting as book-running managers of the offering and as representatives of the underwriters. We will enter into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus supplement, the principal amount of Notes listed next to its name in the following table:

<b>Name</b>	<b>Principal Amount of Notes</b>
J.P. Morgan Securities Inc. Morgan Stanley & Co. Incorporated Goldman, Sachs & Co.	
Total	