HCA INC/TN
Form 424B2
February 06, 2006

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Filed Pursuant to Rule 424(b)(2)
Registration No. 333-121520

PROSPECTUS SUPPLEMENT

(To Prospectus dated April 21, 2005)

$1,000,000,000

HCA Inc.

6.500% Notes due 2016

We will pay interest on the notes on February 15 and August 15 of each year, beginning on August 15, 2006. The notes will mature on February 15, 2016 and will bear interest at a rate of 6.500%. Interest on the notes will accrue from February 8, 2006. We may redeem some or all of the notes at any time at the redemption prices described on page S-10.

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

	Per Note Due	Total
Public Offering Price	99.570%	$995,700,000
Underwriting Discount	1.125%	$ 11,250,000
Proceeds to HCA Before Expenses	98.445%	$984,450,000

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

The underwriters expect to deliver the notes to investors through the book-entry delivery system of The Depository Trust Company on or about February 8, 2006.

Joint Book-Running Managers

Citigroup

Banc of America Securities LLC
Deutsche Bank Securities
JPMorgan
Merrill Lynch & Co.
Wachovia Securities

Senior Co-Managers

Mizuho International plc **Scotia Capital** **SunTrust Robinson Humphrey**

Co-Managers

BNY Capital Markets, Inc. **Calyon Securities (USA)** **KeyBanc Capital Markets**

February 3, 2006

You should read this prospectus supplement along with the attached prospectus. Both documents contain information that you should consider when making your investment decision. You should rely only on the information contained or incorporated by reference in this prospectus supplement and the attached prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement and the attached prospectus is accurate as of the date on the front cover of this prospectus supplement only. Our business, financial position, results of operations and prospects may have changed since that date.

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FORWARD-LOOKING STATEMENTS

This prospectus supplement and the attached prospectus include certain disclosures which contain forward-looking statements. Forward-looking statements include all statements that do not relate solely to historical or current facts, and can be identified by the use of words such as may, believe, will, expect, project, estimate, anticipate, plan, initiative, or continue. These forward-looking statements other things, strategic objectives and the anticipated effects of the offering. See Prospectus Supplement Summary. These forward-looking statements are based on our current plans and expectations and are subject to a number of known and unknown uncertainties and risks, many of which are beyond our control, that could significantly affect current plans and expectations and our future financial position and results of operations. These factors include, but are not limited to,

- the increased leverage resulting from the financing of our modified Dutch auction tender offer, and subsequent share repurchases,
- increases in the amount and risk of collectability of uninsured accounts and deductibles and co-pay amounts for insured accounts,
- the ability to achieve operating and financial targets and achieve expected levels of patient volumes and control the costs of providing services,
- the highly competitive nature of the health care business,
- the continuing impact of hurricanes on our facilities and the ability to obtain recoveries under the Company s insurance policies,
- the efforts of insurers, health care providers and others to contain health care costs,
- possible changes in the Medicare, Medicaid and other state programs that may impact reimbursements to health care providers and insurers,
- the outcome of governmental investigations by the United States Attorney for the Southern District of New York and the Securities and Exchange Commission,
- the ability to attract and retain qualified management and personnel, including affiliated physicians, nurses and medical support personnel,
- potential liabilities and other claims that may be asserted against us,
- fluctuations in the market value of our common stock,
- the impact of our charity care and uninsured discounting policy changes,
- changes in accounting practices,
- changes in general economic conditions,
- future divestitures which may result in charges,
- changes in revenue mix and the ability to enter into and renew managed care provider arrangements on acceptable terms,
- the availability and terms of capital to fund the expansion of our business,
- changes in business strategy or development plans,
- delays in receiving payment for services provided,

the possible enactment of federal or state health care reform,

the outcome of pending and any future tax audits, appeals and litigation associated with our tax positions,

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- the outcome of our continuing efforts to monitor, maintain and comply with appropriate laws, regulations, policies and procedures and our corporate integrity agreement with the government,
- changes in federal, state or local regulations affecting the health care industry,
- the ability to successfully consummate the hospital divestitures to LifePoint Hospitals, Inc. on a timely basis and in accordance with the definitive agreement entered into in connection therewith,
- the ability to develop and implement the payroll and human resources information systems within the expected time and cost projections and, upon implementation, to realize the expected benefits and efficiencies,
- the outcome of certain class action and derivative litigation filed with respect to us, and
- other risk factors described in this prospectus supplement, the attached prospectus or the documents incorporated by reference in this prospectus supplement and the attached prospectus.

As a consequence, current plans, anticipated actions and future financial position and results of operations may differ from those expressed in any forward-looking statements we make. You should not unduly rely on these forward-looking statements when evaluating the information presented in this prospectus supplement, the attached prospectus or the documents incorporated by reference in this prospectus supplement and the attached prospectus.

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PROSPECTUS SUPPLEMENT SUMMARY

You should read the following summary information together with the detailed information included in this prospectus supplement, the attached prospectus and the documents incorporated by reference in this prospectus supplement and the attached prospectus. As used in this prospectus supplement and the attached prospectus, the terms HCA, Company, we, us and our refer to HCA Inc. and its affiliates. The term affiliates includes our direct and indirect subsidiaries and partnerships and joint ventures in which our subsidiaries are partners.

HCA

Overview

HCA is a holding company whose affiliates own and operate hospitals and other related health care entities. At December 31, 2005, we operated 182 hospitals and 94 freestanding surgery centers (including seven hospitals and seven freestanding surgery centers operated through equity method joint ventures). Our facilities are located in 22 states, London, England and Geneva, Switzerland.

Our general, acute care hospitals typically provide a full range of services to accommodate such medical specialties as internal medicine, general surgery, cardiology, oncology, neurosurgery, orthopedics and obstetrics, as well as diagnostic and emergency services. Outpatient and ancillary health care services are provided by our general, acute care hospitals and through our freestanding surgery centers, diagnostic centers, and rehabilitation facilities. HCA s psychiatric hospitals provide a full range of mental health care services through inpatient, partial hospitalization and outpatient settings.

Business Strategy

We are committed to providing the communities we serve high quality, cost-effective, health care while maintaining consistency with our ethics and compliance program, governmental regulations and guidelines, and industry standards. As a part of this strategy, our management focuses on the following areas:

- commitment to the care and improvement of human life,
- commitment to ethics and compliance,
- focus on core communities,
- becoming the health care employer of choice,
- continuing to strive for operational excellence, and
- allocating capital to strategically complement our operational strategy and enhance stockholder value.

Summary Historical Consolidated Financial Data

The following table sets forth our summary historical consolidated financial data for the years ended December 31, 2004, 2003 and 2002 and the nine-month periods ended September 30, 2005 and 2004, certain selected ratios for the years ended December 31, 2004, 2003 and 2002 and the twelve-month periods ended September 30, 2005 and 2004, and our financial position at September 30, 2005. This financial data has been derived from, and should be read in conjunction with, our audited consolidated financial statements and the related notes filed as part of our Annual Report on Form 10-K for the year ended December 31, 2004 and the unaudited condensed consolidated financial statements and the related notes filed as part of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2005. Financial data for the nine-month periods ended September 30, 2005 and 2004 and at September 30, 2005, and the selected ratios are unaudited and, in the opinion of our management, include all adjustments necessary for a fair presentation of the data. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the entire year.

	Nine Months Ended September 30,		Year Ended December 31,		
	2005	2004	2004	2003	2002
	(unaudited)				
	(Dollars in millions)				
Income Statement Data:					
Revenues	$ 18,227	$ 17,562	$ 23,502	$ 21,808	$ 19,729
Interest expense	489	409	563	491	446
Net income	1,099	924	1,246	1,332	833
Operating Data:					
Number of hospitals at end of period(a)	180	183	182	184	173
Number of licensed beds at end of period(b)	42,119	42,044	41,852	42,108	39,932
Admissions(c)	1,245,300	1,251,600	1,659,200	1,635,200	1,582,800
Equivalent admissions(d)	1,871,600	1,847,400	2,454,000	2,405,400	2,339,400
Average length of stay(e)	4.9	5.0	5.0	5.0	5.0
Average daily census(f)	22,461	22,707	22,493	22,234	21,509
Percentage Change from Prior Year:					
Revenues	4.1%	8.3%	7.8%	10.5%	9.9%
Admissions(c)	(0.5)	2.5	1.5	3.3	1.2
Equivalent admissions(d)	1.3	2.7	2.0	2.8	1.2
Revenue per equivalent admission	2.7	5.5	5.6	7.5	8.6

	Twelve Months Ended September 30,		Year Ended December 31,		
	2005	2004	2004	2003	2002
	(unaudited)				
Selected Ratios:					
Ratio of total debt to total capitalization at end of period(g)	56%	53%	67%	56%	52%
Ratio of earnings to fixed charges	3.9x	4.1x	4.0x	4.4x	3.6x

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	At September 30, 2005
	(unaudited) (Dollars in millions)
Financial Position:	
Assets	$22,036
Working capital	1,815
Long-term debt, including amounts due within one year	9,278
Minority interests in equity of consolidated entities	813
Stockholders equity	6,359

(a) Excludes seven facilities at September 30, 2005, September 30, 2004, December 31, 2004 and December 31, 2003 and six facilities at December 31, 2002 that are not consolidated (accounted for using the equity method) for financial reporting purposes.

(b) Licensed beds are those beds for which a facility has been granted approval to operate from the applicable state licensing agency.

(c) Represents the total number of patients admitted to our hospitals and is used by management and certain investors as a general measure of inpatient volume.

(d) Management and certain investors use equivalent admissions as a general measure of combined inpatient and outpatient volume. Equivalent admissions are computed by multiplying admissions (inpatient volume) by the sum of gross inpatient revenue and gross outpatient revenue and then dividing the resulting amount by gross inpatient revenue. The equivalent admissions computation equates outpatient revenue to the volume measure (admissions) used to measure inpatient volume, resulting in a general measure of combined inpatient and outpatient volume. The 2004 amounts have been reclassified to conform to the 2005 presentation.

(e) Represents the average number of days admitted patients stay in our hospitals.

(f) Represents the average number of patients in our hospital beds each day.

(g) Total capitalization includes total debt, minority interests in equity of consolidated entities and stockholders equity.

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The Offering

Notes offered	$1,000,000,000 aggregate principal amount of 6.500% Notes due February 15, 2016.
Maturity date	The notes will mature on February 15, 2016.
Interest payment dates	February 15 and August 15 of each year, beginning August 15, 2006.
Ranking	The notes are our senior unsecured obligations. The notes will rank equally with all of our other unsecured senior indebtedness from time to time outstanding.
Redemption and sinking fund	We may redeem some or all of the notes at any time at the redemption price described under Description of the Notes Optional Redemption. There will be no sinking fund with respect to the notes.
Form of notes	One or more global securities, held in the name of Cede & Co., the nominee of The Depository Trust Company. The notes will be delivered through the book entry system of The Depository Trust Company, Clearstream, Luxembourg or Euroclear. See Description of the Notes Book-Entry System.
Additional notes	We may increase the principal amount of the notes by issuing additional notes in the future on the same terms and conditions except for differences in issue price and accrued interest. See Description of the Notes Issuance of Additional Notes.
Use of proceeds	We estimate that the net proceeds from the offering will be approximately $984.0 million. We intend to use the net proceeds from the offering to repay amounts outstanding under our $1.0 billion short-term loan facility and to pay down amounts advanced under the revolving credit portion of our $2.5 billion credit facility.

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RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the ratio of our consolidated earnings to fixed charges for the periods presented:

Nine Months Ended September 30,		Year Ended December 31,				
2005	2004	2004	2003	2002	2001	2000
3.90x	4.03x	3.96x	4.42x	3.63x	3.39x	1.85x

For the purpose of computing the ratio of earnings to fixed charges, earnings consist of income from continuing operations before minority interests, income taxes and fixed charges. Fixed charges consist of interest expense, debt amortization costs and one-third of rent expense, which approximates the interest portion of rent expense.

USE OF PROCEEDS

We estimate that the net proceeds from the offering of the notes, after deducting the underwriting discount and estimated expenses of the offering, will be approximately $984.0 million. We intend to use the net proceeds of this offering to repay amounts outstanding under our $1.0 billion short-term loan facility entered into on November 3, 2005, and to pay down amounts advanced under the revolving credit portion of our $2.5 billion credit facility. The $1.0 billion short-term loan facility was used to fund a portion of our modified Dutch auction tender offer, in which we purchased 28,739,638 shares of our Common Stock at a purchase price of $50.00 per share, totaling $1.44 billion. Immediately prior to the closing of this offering, we expect to have approximate borrowings of $625 million outstanding under our $1.0 billion short-term loan facility, which matures on or about May 21, 2006, and $1.095 billion outstanding under the revolving credit portion of our $2.5 billion credit loan facility, which matures on or about November 9, 2009. Borrowings under the $1.0 billion short-term loan facility bear interest, at our option, at an alternate base rate or at LIBOR, in each case plus a margin ranging from 0.000% to 0.250% for alternate base rate borrowings or from 0.500% to 1.250% for LIBOR borrowings. Borrowings under the $2.5 billion credit facility bear interest, at our option, at an alternate base rate, or at LIBOR, plus a margin ranging from 0.400% to 1.000%, depending on our long-term unsecured debt ratings.

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CAPITALIZATION

The following table sets forth our total capitalization as of September 30, 2005 on an historical basis and on a pro forma historical basis giving effect to the results of our tender offer and borrowings under our $1.0 billion short-term loan facility. The table also sets forth our total capitalization as of September 30, 2005 on a pro forma as adjusted basis to give effect to these events as well as to the offering of notes by this prospectus supplement.

	As of September 30, 2005		
	Historical	Pro Forma Historical(1)	Pro Forma As Adjusted(2)
	(unaudited; dollars in millions)		
Long-term debt due within one year	$ 576	$ 1,376	$ 576
Long-term debt:			
Senior collateralized debt due through 2025	183	183	183
Senior debt (fixed rate) due through 2095	6,994	6,994	7,994
Senior debt (floating rate) due through 2008	850	850	850
Term loan facility	675	675	675
Revolving credit facility			
Total long-term debt	8,702	8,702	9,702
Total debt	9,278	10,078	10,278
Minority interests in equity of consolidated entities	813	813	813
Stockholders equity:			
Common stock $.01 par value per share; authorized 1,650,000,000 shares; outstanding 452,666,600 shares actual; 423,927,000 shares pro forma	5	4	4
Capital in excess of par value	1,117		
Accumulated other comprehensive income	124	124	124
Retained earnings	5,113	4,794	4,794
Total stockholders equity	6,359	4,922	4,922
Total capitalization	$ 16,450	$ 15,813	$ 16,013

(1) Pro forma historical information reflects our purchase of 28,739,638 shares of our common stock at a purchase price of $50.00 per share in the modified Dutch auction tender offer which expired on November 14, 2005 and borrowings of $800 million under our $1.0 billion short-term loan facility.

(2) Immediately prior to the closing of this offering, we expect to have approximate borrowings of $625 million outstanding under our $1.0 billion short-term loan facility and $1.095 billion outstanding under the revolving credit portion of our $2.5 billion credit facility.

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DESCRIPTION OF THE NOTES

We will issue the notes under an indenture, dated as of December 16, 1993, between us and The First National Bank of Chicago. We will refer to the indenture, together with all supplements, as the Indenture. Bank One Trust Company, N.A. succeeded The First National Bank of Chicago as trustee, which fact is reflected in the First Supplemental Indenture to the Indenture, dated as of May 25, 2000. The Bank of New York then succeeded Bank One Trust Company, N.A. as trustee, which fact is reflected in the Third Supplemental Indenture to the Indenture, dated as of December 5, 2001. We will call The Bank of New York the Trustee.

A form of the Indenture is filed as an exhibit to the registration statement, of which the attached prospectus is a part. The following is a summary of certain provisions of the Indenture and of the notes (or debt securities, as they are referred to in the attached prospectus). This summary does not purport to be complete and is subject to, and qualified by, the Indenture.

The notes will mature on February 15, 2016. The notes will bear interest at the rate per year shown on the cover of this prospectus supplement, computed on the basis of a 360-day year of twelve 30-day months. The period during which the notes will earn interest will begin on February 8, 2006 or from the most recent interest payment date to which interest has been paid or provided for. The interest will be payable twice a year on February 15 and August 15, beginning on August 15, 2006. Interest payable on any note that is punctually paid or duly provided for on any interest payment date shall be paid to the person in whose name such note is registered at the close of business on February 1 and August 1, as the case may be, preceding such interest payment date. We may pay interest, at our option, by checks mailed to the registered holders of the notes.

The notes will be issued in book-entry form only.

You can find more detailed information regarding the terms of the notes in the attached prospectus under the heading Description of the Debt Securities.

Issuance of Additional Notes

We may, without the consent of the holders of the notes, increase the principal amount of the notes by issuing additional notes in the future on the same terms and conditions, except for any differences in the issue price and interest accrued prior to the issue date of the additional notes, and with the same CUSIP number as notes offered hereby. The notes offered by this prospectus supplement and any additional notes would rank equally and ratably for all purposes under the Indenture.

Optional Redemption

The notes will be redeemable, at our option, at any time in whole, or in part from time to time, at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the then current Treasury Rate (as defined below), plus 30 basis points. In each case, we will pay accrued and unpaid interest on the principal amount being redeemed to the date of redemption.

Treasury Rate means, with respect to any redemption date, the rate per year equal to: (1) the yield under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue; provided that, if no maturity is within three months before or after the Remaining Life of the notes to be redeemed, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or extrapolated from those yields on a straight line basis, rounding to the nearest month; or (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. The Treasury Rate shall be calculated on the third business day preceding the redemption date.

Comparable Treasury Issue means the United States Treasury security selected by an Independent Investment Banker and having a maturity comparable to the remaining term of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

Remaining Life means the maturity of a United States Treasury security selected by an Independent Investment Banker that is comparable to the remaining term of such notes.

Independent Investment Banker means one of the Reference Treasury Dealers appointed by the Trustee after consultation with us.

Comparable Treasury Price means, with respect to any redemption date, (a) the average of the Reference Treasury Dealer Quotations for the redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (b) if the Trustee obtains fewer than four Reference Treasury Dealer Quotations, the average of all the quotations.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by the Reference Treasury Dealer at 5:00 p.m. on the third business day preceding the redemption date.

Reference Treasury Dealer means each of Citigroup Global Markets Inc. and Banc of America Securities LLC and their respective successors; provided however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a Primary Treasury Dealer), we shall substitute another Primary Treasury Dealer.

We will mail notice of any redemption between 30 and 60 days preceding the redemption date to each holder of the notes to be redeemed.

The notice of the redemption for such notes will state, among other things, the principal amount of the notes to be redeemed, the redemption price and the place or places that payment will be made upon presentation and surrender of the notes to be redeemed.

Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the notes or portions called for redemption.

Same-Day Settlement and Payment

The underwriters will settle the notes in immediately available funds. So long as the Depositary continues to make its same-day funds settlement system available to us, we will make all payments of principal and interest on the notes in immediately available funds.

Book-Entry System

The Depository Trust Company, New York, New York, will act as the Depositary for the notes. The notes will be represented by one or more global securities registered in the name of Cede & Co., the nominee of the Depositary. The provisions described under Description of the Debt Securities-Book-Entry System in the attached prospectus will apply to the notes. Accordingly, beneficial interests in the notes will be shown on, and transfers thereof will be effected only through, records maintained by the Depositary and its participants.

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The Depositary has advised us and the underwriters that it is:

- a limited purpose trust company organized under the New York Banking Law,
- a banking organization within the meaning of the New York Banking Law,
- a member of the United States Federal Reserve System,
- a clearing corporation within the meaning of the New York Uniform Commercial Code, and
- a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended.

The Depositary holds securities, such as the notes, deposited by its direct participants. The Depositary also facilitates the settlement among direct participants of securities transactions in deposited securities, such as transfers and pledges, through electronic computerized book-entry changes in the direct participants accounts. This eliminates the need for physical movement of securities certificates. Direct participants include securities brokers and dealers (including the underwriters), banks, trust companies, clearing corporations and certain other organizations. The Depositary is owned by a number of its direct participants and by The New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the Depositary s book-entry system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. These entities are known as indirect participants. The rules applicable to the Depositary and its direct and indirect participants are on file with the SEC.

Principal and interest payments on the notes registered in the name of the Depositary s nominee will be made in immediately available funds to the Depositary s nominee as the registered owner of the global securities. Under the terms of the notes, we and the Trustee will treat the persons in whose names the notes are registered as the owners of the notes for the purpose of receiving payment of principal and interest on them and for all other purposes whatsoever. Therefore, neither we, the Trustee nor any paying agent has any direct responsibility or liability for the payment of principal or interest on the global securities to owners of beneficial interests in the global securities. The Depositary has advised us and the Trustee that its current practice is, upon receipt of any payment of principal or interest, to credit direct participants accounts on the payment date in accordance with their respective holdings of beneficial interests in the global securities as shown on the Depositary s records. Payments by direct and indirect participants to owners of beneficial interests in the global securities will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such direct and indirect participants and not of the Depositary, the Trustee, or HCA, subject to any statutory requirements that may be in effect from time to time. Payment of principal and interest to the Depositary s nominee is the responsibility of the Trustee or HCA. Disbursement of such payments to the direct participants shall be the responsibility of the Depositary, and disbursement of such payments to the owners of beneficial interests in the global securities shall be the responsibility of the direct and indirect participants.

Notes represented by a global security will be exchangeable for notes in definitive form of like tenor issuable in authorized denominations and registered in such names as the Depositary shall direct, only if either (1) the Depositary notifies us that it is unwilling or unable to continue as Depositary for such global security or if at any time the Depositary ceases to be a clearing agency registered under applicable law and we do not appoint a successor depositary within 90 days or (2) we, in our discretion at any time, determine not to require all of the notes to be represented by a global security and so notify the Trustee. The notes will be in denominations of $1,000 and in any greater amount that is an integral multiple thereof. Subject to the foregoing, a global security is not exchangeable, except for a global security or global securities of the same aggregate denominations to be registered in the name of the Depositary or its nominee.

Links have been established among the Depositary, Clearstream, Luxembourg and Euroclear, which are two European book-entry depositaries similar to the Depositary, to facilitate issuance of notes of each series sold outside of the United States. In addition, secondary market trading of book-entry interests in the notes of each series may take place through Euroclear and Clearstream, Luxembourg, and those participants will follow the settlement procedures that are applicable to conventional Eurobonds in registered form. Owners of book-entry interests in the notes will receive payments relating to their notes in United States dollars. Clearstream, Luxembourg and Euroclear have established electronic securities and payment transfer, processing, depositary and custodial links among themselves and others, either directly or through custodians and depositaries. These links allow securities to be issued, held and transferred among the clearing systems without the physical transfer of certificates. Special procedures to facilitate clearance and settlement have been established among these clearing systems to trade securities across borders in the