

CNA HOLDINGS LLC
Form 424B5
November 07, 2012
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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 not an offer to sell these securities nor are they soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

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Subject to Completion

Preliminary Prospectus Supplement dated November 7, 2012

PROSPECTUS SUPPLEMENT

(To prospectus dated April 29, 2011)

\$500,000,000

CELANESE US HOLDINGS LLC

% Senior Notes due 2022

Celanese US Holdings LLC (the Issuer) is offering \$500,000,000 aggregate principal amount of its % Senior Notes due 2022. The notes will bear interest at a rate of % per annum. Interest on the notes will be payable semi-annually, in cash in arrears, on and of each year, commencing , 2013. The notes will mature on , 2022.

The notes will be guaranteed on a senior basis by Celanese Corporation, the Issuer's parent company (the Parent Guarantor), and each of the Issuer's current and future domestic subsidiaries that guarantee the Issuer's obligations under its senior secured credit facilities (the Subsidiary Guarantors, and collectively with the Parent Guarantor, the Guarantors).

The notes and the guarantees will be the Issuer's and the Guarantors' general unsecured senior obligations. The notes and the guarantees will be effectively subordinated to the Issuer's and the Guarantors' secured debt to the extent of the value of the assets securing such debt. The notes and the guarantees will rank equally in right of payment with all of the Issuer's and the Guarantors' existing and future unsecured senior debt and senior in right of payment to any of the Issuer's future debt that is expressly subordinated in right of payment to the notes and guarantees. The notes and the guarantees will be structurally subordinated to all of the existing and future liabilities, including trade payables, and preferred stock of the Parent Guarantor's subsidiaries that do not guarantee the notes. See Description of the Notes Ranking.

We may redeem some or all of the notes at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date, plus a make-whole premium.

Currently, there is no existing public market for the notes. We do not intend to list the notes on any securities exchange or quotation system.

Investing in the notes involves risks. See **Risk Factors** beginning on page S-8 and in our Annual Report on Form 10-K for the year ended December 31, 2011 and subsequent periodic filings with the SEC.

	Per Note	Total
Public offering price (1)	%	\$
Underwriting discount	%	\$
Proceeds, before expenses, to Issuer (1)	%	\$

(1) Plus accrued interest from November , 2012, if settlement occurs after that date.

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

The notes are expected to be ready for delivery in book-entry form only through the facilities of The Depository Trust Company on or about November , 2012.

Joint Book-Running Managers

Deutsche Bank Securities

BofA Merrill Lynch

Citigroup

HSBC

J.P. Morgan

Co-Managers

Barclays

COMMERZBANK

Goldman, Sachs & Co.

Mitsubishi UFJ Securities

Morgan Stanley

RBS

The date of this prospectus supplement is November , 2012.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document has two parts. The first part consists of this prospectus supplement, which describes the specific terms of this offering and the notes offered. The second part, the accompanying prospectus, provides more general information about securities that we may offer, some of which does not apply to this offering. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

Before purchasing any notes, you should carefully read both this prospectus supplement and the accompanying prospectus, together with the additional information described under the heading "Incorporation by Reference" herein.

No person is authorized to give any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement and the accompanying prospectus and, if given or made, such information or representations must not be relied upon as having been authorized. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities described in this prospectus supplement or an offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus supplement and the accompanying prospectus, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in our affairs since the date of this prospectus supplement, or that the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus is correct as of any time subsequent to the date of such information. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in certain jurisdictions may be restricted by law.

This prospectus supplement and the accompanying prospectus do not constitute an offer, or an invitation on our behalf or the underwriters or any one of them, to subscribe to or purchase any of the notes, and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. See "Underwriting."

As used throughout this prospectus supplement, unless the context otherwise requires or indicates:

Celanese means Celanese Corporation, and not its subsidiaries;

Celanese US and Issuer mean Celanese US Holdings LLC, a wholly-owned subsidiary of Celanese, and not its subsidiaries; and

Company we, our, and us refer to Celanese and its subsidiaries, including Celanese US, on a consolidated basis. Terms capitalized but not defined in this prospectus supplement shall have the meaning ascribed to them in the accompanying prospectus.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain parts of this prospectus supplement and the accompanying prospectus, and the documents incorporated by reference contain forward-looking statements, as defined in Section 27A of the Securities Act of 1933, as amended (Securities Act), Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act), and the Private Securities Litigation Reform Act of 1995. You can identify these statements by the fact that they do not relate to matters of a strictly factual or historical nature and generally discuss or relate to forecasts, estimates or other expectations regarding future events. Generally, words such as "anticipate," "believe,"

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estimate, expect, intend, plan, project, may, can, could, might, will and similar expressions, as they relate to us, are intended to be forward-looking statements. These statements reflect our current views and beliefs with respect to future events at the time that the statements are made, are not historical facts or guarantees of future performance and are subject to significant risks, uncertainties and other factors that are difficult to predict and many of which are outside of our control. Further, certain forward-looking statements are based upon assumptions as to future events that may not prove to be accurate and, accordingly, should not have undue reliance placed upon them.

The following factors could cause our actual results to differ materially from those results, performance or achievements that may be expressed or implied by such forward-looking statements. These factors include, among other things:

changes in general economic, business, political and regulatory conditions in the countries or regions in which we operate;

the length and depth of product and industry business cycles particularly in the automotive, electrical, textiles, electronics and construction industries;

changes in the price and availability of raw materials, particularly changes in the demand for, supply of, and market prices of ethylene, methanol, natural gas, wood pulp and fuel oil and the prices for electricity and other energy sources;

the ability to pass increases in raw material prices on to customers or otherwise improve margins through price increases;

the ability to maintain plant utilization rates and to implement planned capacity additions and expansions;

the ability to reduce or maintain at their current levels production costs and improve productivity by implementing technological improvements to existing plants;

increased price competition and the introduction of competing products by other companies;

changes in the degree of intellectual property and other legal protection afforded to our products or technologies, or the theft of such intellectual property;

costs and potential disruption or interruption of production or operations due to accidents, cyber security incidents, terrorism or political unrest, or other unforeseen events or delays in construction of facilities;

potential liability for remedial actions and increased costs under existing or future environmental regulations, including those relating to climate change;

potential liability resulting from pending or future litigation, or from changes in the laws, regulations or policies of governments or other governmental activities in the countries in which we operate;

changes in currency exchange rates and interest rates;

our level of indebtedness, which could diminish our ability to raise additional capital to fund operations or limit our ability to react to changes in the economy or the chemicals industry; and

various other factors, both referenced and not referenced in this prospectus supplement or the accompanying prospectus. Additional information regarding these and other factors may be contained in our filings with the Securities and Exchange Commission (SEC) incorporated by reference in the prospectus, especially on Forms 10-K, 10-Q and 8-K. See Incorporation by Reference herein. Many of these factors are macroeconomic in nature and are, therefore, beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results, performance or achievements may vary materially

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from those described in this prospectus supplement and the accompanying prospectus as anticipated, believed, estimated, expected, intended, planned or projected. Except as required by law, we neither intend nor undertake any obligation, and disclaim any duty, to update these forward-looking statements, which speak only as of their respective dates.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our filings with the SEC are available at the SEC's EDGAR website at www.sec.gov. You may read and copy any document that we file with the SEC at the SEC's Public Reference Room at the following address:

100 F Street, N.E.

Washington, D.C. 20549

You can call the SEC at 1-800-SEC-0330 for more information about the operation of the Public Reference Room. Our SEC filings are also available at the offices of the New York Stock Exchange (NYSE), 20 Broad Street, New York, New York 10005. For further information on obtaining copies of our public filings at the NYSE, you can call (212) 656-5060.

We also make available free of charge on or through our website, www.celanese.com, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Information contained on our Internet website is not part of this prospectus.

INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference the information that we file with it. This means that we can disclose important information to you by referring you to information and documents that we have filed with the SEC. Any information that we refer to in this manner is considered part of this prospectus. Information that we later provide to the SEC, and which is deemed filed with the SEC, will automatically update information previously filed with the SEC, and may replace information in this prospectus and information previously filed with the SEC. We specifically are incorporating by reference the following documents (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

our Annual Report on Form 10-K for the year ended December 31, 2011, filed with the SEC on February 10, 2012, including portions of our Definitive Proxy Statement on Schedule 14A filed on March 9, 2012, to the extent specifically incorporated by reference into such Annual Report on Form 10-K, and our Annual Report on Form 10-K/A, Amendment No.1, filed with the SEC on April 24, 2012;

our Quarterly Reports on Form 10-Q for the quarter ended March 31, 2012, filed with the SEC on April 24, 2012, for the quarter ended June 30, 2012, filed with the SEC on July 25, 2012 and for the quarter ended September 30, 2012, filed with the SEC on October 23, 2012; and

our current reports on Form 8-K filed with the SEC on February 27, 2012, March 20, 2012, April 23, 2012 (except for information furnished under Item 7.01 and 9.01), August 2, 2012 and August 10, 2012.

We also incorporate by reference any future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act until we sell all of notes in this offering, with the exception of any information furnished to, and not deemed file with, the SEC.

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You may request a free copy of any documents referred to above, including exhibits specifically incorporated by reference in those documents, by contacting us at the following address and telephone number:

Celanese Corporation

Attention: Investor Relations

222 W. Las Colinas Blvd., Suite 900N

Irving, Texas 75039

Telephone: (972) 443-4000

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SUMMARY

This summary highlights information more fully described elsewhere in this prospectus supplement and the accompanying prospectus. Because it is a summary, it does not contain all of the information that you should consider before deciding to invest in the notes. You should read this entire prospectus supplement and the accompanying prospectus carefully, including the section entitled "Risk Factors" beginning on page S-8 and the "Risk Factors" section in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 as well as our subsequent periodic filings with the SEC and our consolidated financial statements and the notes thereto incorporated by reference herein before making an investment decision.

Our Company

We are a global technology and specialty materials company. We are one of the world's largest producers of acetyl products, which are intermediate chemicals, for nearly all major industries, as well as a leading global producer of high performance engineered polymers that are used in a variety of high-value applications. For more information about our business, please refer to the "Business" section in our most recent Annual Report on Form 10-K filed with the SEC and incorporated by reference herein and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of our most recent Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q filed with the SEC and incorporated by reference herein.

Corporate Information

Our executive offices are located at 222 W. Las Colinas Blvd., Suite 900N, Irving, Texas 75039, and our telephone number is (972) 443-4000. Celanese's Series A common stock is listed under the symbol "CE" on the New York Stock Exchange.

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The Offering

The following summary contains basic information about the notes and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of the notes, please refer to the section entitled "Description of the Notes" in this prospectus supplement.

Issuer	Celanese US Holdings LLC.
Notes Offered	\$500,000,000 aggregate principal amount of % Senior Notes due 2022.
Maturity	The notes will mature on , 2022.
Interest Rate	Interest on the notes will accrue at a rate of % per annum. Interest on the notes will be payable semi-annually in cash in arrears on and of each year.
Guarantees	The notes will be guaranteed, jointly and severally, on a senior basis by Celanese, and the domestic subsidiaries of Celanese that guarantee the Issuer's obligations under its senior credit facilities (collectively with Celanese, the Guarantors).
Ranking	<p>The notes will be general senior unsecured obligations of the Issuer and each Guarantor and will:</p> <ul style="list-style-type: none"> rank equally in right of payment to all of the Issuer's and each Guarantor's existing and future senior unsecured debt; rank senior in right of payment to the Issuer's and each Guarantor's future debt that is expressly subordinated in right of payment to the notes and the guarantees; be effectively subordinated to the Issuer's and each Guarantor's secured indebtedness, including indebtedness under the Issuer's senior credit facilities, to the extent of the value of the collateral securing such indebtedness; and be structurally subordinated to all of the existing and future liabilities, including trade payables, and preferred stock of the Issuer's subsidiaries that do not guarantee the notes.
Optional Redemption	We may redeem some or all of the notes at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date, plus a make-whole premium. See "Description of the Notes" Optional Redemption.
Change of Control Event	If we experience a change of control event, we must offer to purchase the notes at 101% of their principal amount, plus accrued and unpaid interest. See "Description of the Notes" Repurchase at the Option of Holders Change of Control Event.

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Certain Covenants

The indenture governing the notes contains covenants that limit, among other things, the Issuer's ability and the ability of its restricted subsidiaries to:

incur additional debt;

pay dividends or make other restricted payments;

consummate specified asset sales;

enter into transactions with affiliates;

incur liens;

impose restrictions on the ability of a subsidiary to pay dividends or make payments to the Issuer and its restricted subsidiaries;

merge or consolidate with any other person; and

sell, assign, transfer, lease convey or otherwise dispose of all or substantially all of the Issuer's assets or the assets of its restricted subsidiaries.

These covenants are subject to important exceptions, limitations and qualifications as described in Description of the Notes Certain Covenants. Certain of these covenants will cease to apply at all times after the date on which the notes receive investment grade ratings from both Moody's Investors Service, Inc. (Moody's) and Standard & Poor's Rating Service, a division of McGraw Hill, Inc. (Standard & Poor's), provided no default or event of default under the indenture exits at that time. Such terminated covenants will not be reinstated if the notes lose their investment grade ratings at any time thereafter.

Use of Proceeds

We estimate that the aggregate net proceeds of the offering of the notes will be approximately \$490 million after deducting underwriting discounts and commissions and other estimated fees and expenses of this offering.

We intend to use the net proceeds from this offering, together with cash on hand, to repay a portion of the outstanding term loans under our senior credit facilities, which term loans currently bear interest at LIBOR plus a margin of 2.75% and mature October 31, 2016, and to make a cash contribution to the Celanese Americas Retirement Pension Plan. Affiliates of certain of the underwriters are lenders under our senior credit facilities and may receive a portion of the net proceeds from this offering. See Use of Proceeds.

Risk Factors

See Risk Factors and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of factors you should consider carefully before investing in the notes.

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RISK FACTORS

Investing in the notes involves various risks, including the risks described below as well as those discussed under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2011 and subsequent filings with the SEC. You should carefully consider these risks and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus before investing in the notes. These risks are not the only ones we face. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations, financial condition and results of operations. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The trading price of the notes could decline due to any of these risks, and you may lose all or part of your investment.

Risks Relating to the Notes and the Guarantees

Our level of indebtedness could diminish our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or the chemicals industry and prevent us from meeting obligations under our indebtedness.

As of September 30, 2012, our total indebtedness was approximately \$3.0 billion. In addition, as of September 30, 2012 we had \$158 million available for borrowing under our credit-linked revolving facility and \$600 million available under our revolving credit facility.

Our level of indebtedness could have important consequences, including:

increasing our vulnerability to general economic and industry conditions including exacerbating any adverse business effects that are determined to be material adverse effects for purposes of our senior credit facilities;

requiring a substantial portion of our cash flow from operations to be dedicated to the payment of principal and interest on indebtedness, therefore reducing our ability to use our cash flow to fund operations, capital expenditures and future business opportunities or pay dividends on our common stock;

exposing us to the risk of increased interest rates as certain of our borrowings are at variable rates of interest;

limiting our ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions and general corporate or other purposes; and

limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who have less debt.

We may be able to incur additional indebtedness in the future, which could increase the risks described above.

Although covenants under our senior credit facilities and the indentures governing the Issuer's outstanding 6.625% Senior Notes due 2018 and 5.875% Senior Notes due 2021 (collectively, the Outstanding Notes) limit, and the indenture governing the notes will limit, our ability to incur certain additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the indebtedness we could incur in compliance with these restrictions could be significant. To the extent that we incur additional indebtedness, the risks associated with our leverage described above, including our possible inability to service our debt, including the notes, would increase.

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Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly and affect our operating results.

Certain of our borrowings are at variable rates of interest and expose us to interest rate risk. If interest rates were to increase, our debt service obligations on our variable rate indebtedness would increase. As of September 30, 2012, we had \$1.1 billion, 210 million and CNY 999 million of variable rate debt, of which \$1.1 billion was hedged with an interest rate swap maturing January 2, 2014, leaving \$31 million, 210 million and CNY 999 million of variable rate debt subject to interest rate exposure. Accordingly, a 1% increase in interest rates would increase annual interest expense by approximately \$5 million.

We may not be able to generate sufficient cash to service our indebtedness, and may be forced to take other actions to satisfy obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations depends on the financial condition and operating performance of our subsidiaries, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the notes.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. Certain covenants in our senior credit facilities and the indentures governing the Outstanding Notes restrict, and the indenture governing the notes will restrict, our ability to dispose of assets and use the proceeds from the disposition. We may not be able to consummate those dispositions or to obtain the proceeds which we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due.

Restrictive covenants in our senior credit facilities and the indentures governing the Outstanding Notes and the notes may limit our ability to engage in certain transactions and may diminish our ability to make payments on our indebtedness.

Our senior credit facilities and the indentures governing the Outstanding Notes each contain, and the indenture governing the notes will contain, various covenants that limit our ability to engage in specified types of transactions. The indentures governing the Outstanding Notes limit, and the indenture governing the notes will limit, the Issuer's and certain of its subsidiaries' ability to, among other things, incur additional debt; pay dividends or make other restricted payments; consummate specified asset sales; enter into transactions with affiliates; incur liens, impose restrictions on the ability of a subsidiary to pay dividends or make payments to the Issuer and its restricted subsidiaries; merge or consolidate with any other person; and sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the Issuer's assets or the assets of its restricted subsidiaries. See Description of the Notes Certain Covenants.

In addition, our senior credit facilities require us to maintain a maximum first lien senior secured leverage ratio if there are outstanding borrowings under the revolving credit facility. Our ability to meet this financial ratio can be affected by events beyond our control, and we may not be able to meet this test at all.

Such restrictions in our debt instruments could cause us to require the consent of holders of the Outstanding Notes and the notes and of our lenders in order to take certain actions. Disruptions in credit markets may prevent us from obtaining or make it more difficult or more costly for us to obtain such consents. Our ability to expand our business or to address declines in our business may be limited if we are unable to obtain such consents.

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A breach of any of these covenants could result in a default, which, if not cured or waived, could have a material adverse effect on our business, financial condition and results of operations. Furthermore, a default under our senior credit facilities could permit lenders to accelerate the maturity of our indebtedness under our senior credit facilities and to terminate any commitments to lend. If we were unable to repay such indebtedness, the lenders under our senior credit facilities could proceed against the collateral granted to them to secure that indebtedness. Our subsidiaries have pledged a significant portion of our assets as collateral to secure our indebtedness under our senior credit facilities. If the lenders under our senior credit facilities accelerate the repayment of such indebtedness, we may not have sufficient assets to repay such amounts or our other indebtedness, including the notes. In such event, we could be forced into bankruptcy or liquidation and, as a result, you could lose your investment in the notes.

The Issuer and Celanese are holding companies and depend on subsidiaries to satisfy their obligations under the notes and the guarantee of the Issuer's obligations under the notes by Celanese.

As holding companies, the Issuer and Celanese, which we refer to as the Parent Guarantor, conduct substantially all of their operations through their subsidiaries, which own substantially all of our consolidated assets. Consequently, the principal source of cash to pay the Issuer's and Parent Guarantor's obligations, including obligations under the notes and the guarantee of the Issuer's obligations under the notes by the Parent Guarantor, is the cash that our subsidiaries generate from their operations. We cannot assure you that our subsidiaries will be able to, or be permitted to, make distributions to enable the Issuer or the Parent Guarantor to make payments in respect of their obligations. Each of our subsidiaries is a distinct legal entity and, under certain circumstances, applicable state laws, regulatory limitations and terms of our debt instruments may limit the Issuer's and the Parent Guarantor's ability to obtain cash from our subsidiaries. While the indenture governing the notes limits the ability of our subsidiaries to restrict their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain qualifications and exceptions, which may have the effect of significantly restricting the applicability of those limits. In the event the Issuer and the Parent Guarantor do not receive distributions from our subsidiaries, the Issuer and the Parent Guarantor may be unable to make required payments on the notes, the guarantee of the Issuer's obligations under the notes by the Parent Guarantor, or our other indebtedness.

Many of the covenants in the indenture governing the notes will cease to apply from and after the first date when the notes are rated investment grade by Moody's and Standard & Poor's, provided no default has occurred and is continuing.

Many of the covenants contained in the indenture governing the notes will cease to apply from and after the first date when the notes receive an investment grade rating from Moody's and Standard & Poor's, provided no default has occurred and is then continuing. There can be no assurance that the notes, if they are rated investment grade, will maintain such ratings. Termination of these covenants will allow us to engage in certain actions that would not have been permitted were these covenants in force. Upon termination, these covenants will no longer apply even if the notes are subsequently downgraded below investment grade. See [Description of the Notes](#) [Termination of Covenants](#).

Federal and state statutes could allow courts, under specific circumstances, to void or subordinate the notes or any of the subsidiary guarantees and require note holders to return payments received from the Issuer or the Subsidiary Guarantors.

Under federal bankruptcy law and comparable provisions of state fraudulent transfer laws, the notes or any of the guarantees thereof by the subsidiaries of Celanese, which we refer to as the Subsidiary Guarantors, could be voided, or claims in respect of the notes or any of the guarantees thereof by the Subsidiary Guarantors could

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be subordinated to all of the Issuer's indebtedness or that of the Subsidiary Guarantors if, among other things, the Issuer or a Subsidiary Guarantor, at the time the Issuer or such Subsidiary Guarantor incurred the indebtedness evidenced by the notes or such guarantee:

received less than reasonably equivalent value or fair consideration for the issuance of the notes or for the incurrence of such guarantee; and

were insolvent or rendered insolvent by reason of such incurrence; or

were engaged in a business or transaction for which the Issuer's or the Subsidiary Guarantor's remaining assets constituted unreasonably small capital; or

intended to incur, or believed that the Issuer or the Subsidiary Guarantor would incur, debts beyond the Issuer's or the Subsidiary Guarantor's ability to pay such debts as they mature; or

the Issuer or any of the Subsidiary Guarantors was a defendant in an action for money damages docketed against the Issuer or such Subsidiary Guarantor if, in either case, after final judgment, the judgment was unsatisfied.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or an antecedent debt is secured or satisfied. A bankruptcy court could also void the notes or a guarantee if it found that the Issuer or the Subsidiary Guarantors issued the notes or the guarantees with the actual intent to hinder, delay or defraud creditors.

We cannot be certain as to the standards a court would use to determine whether or not the Issuer or the Subsidiary Guarantors were solvent at the relevant time or, regardless of the standard that a court uses, whether the notes or the guarantees would be subordinated to the Issuer's or any of the Subsidiary Guarantors' other debt. In general, however, a court would deem an entity insolvent if:

the sum of its debts, including contingent and unliquidated liabilities, was greater than the fair saleable value of all of its assets;

the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they became due.

If a court were to void the issuance of the notes or the incurrence of the guarantees as the result of a fraudulent transfer or conveyance, or hold such obligations unenforceable for any other reason, holders of the notes would cease to have a claim against the Issuer or that Subsidiary Guarantor on its guarantee. A court could also subordinate the notes or any of the guarantees to the other indebtedness of the Issuer or the applicable Subsidiary Guarantor, direct that holders of the notes return any amounts paid under the notes or a guarantee to the Issuer or the applicable Subsidiary Guarantor or to a fund for the benefit of its creditors, or take other action detrimental to the holders of the notes.

Each guarantee will contain a provision intended to limit the Subsidiary Guarantor's liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer. Each Subsidiary Guarantor that makes a payment or distribution under a guarantee will be entitled to a contribution from each other Subsidiary Guarantor in an amount pro rata, based on the net assets of each Subsidiary Guarantor. Under recent case law, these provisions may not be effective to protect the guarantees from being voided under fraudulent transfer or conveyance law.

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We cannot assure you that an active trading market for the notes will exist if you desire to sell the notes.

There is no existing public market for the notes. We do not intend to have the notes listed on a national securities exchange or to arrange for quotation on any automated dealer quotation systems. Therefore, we cannot assure you as to the development or liquidity of any trading market for the notes. The liquidity of any market for the notes will depend on a number of factors, including:

the number of holders of notes;

our operating performance and financial condition;

the market for similar securities;

the interest of securities dealers in making a market in the notes; and

prevailing interest rates.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the notes. The market, if any, for the notes may face similar disruptions that may adversely affect the prices at which you could sell your notes. Therefore, you may not be able to sell your notes at a particular time and the price that you receive when you sell may not be favorable.

We may be unable to purchase the notes upon a change of control event.

Upon a change of control event, as defined in the indentures governing the Outstanding Notes and the notes, the Issuer is required to offer to purchase all of the Outstanding Notes and the notes then outstanding for cash at 101% of the principal amount thereof plus accrued and unpaid interest, if any. Similarly, the occurrence of a change of control could create an event of default under our senior credit facilities, permitting the lenders to accelerate the maturity of the indebtedness under our senior credit facilities and terminate their commitments to lend under our revolving credit facility. Our other indebtedness also may contain repayment requirements with respect to specific events that constitute a change of control. If a change of control event occurs, we may not have sufficient funds to pay the change of control purchase price with respect to the Outstanding Notes or the notes or to repay outstanding indebtedness under our senior credit facilities or our other indebtedness, and may be required to secure new third party financing to do so. We may not be able to obtain this financing on commercially reasonable terms, or on terms acceptable to us, or at all. Our failure to repurchase the notes upon a change of control event would constitute an event of default under the indenture.

The change of control event provisions in the indenture governing the notes may not protect you in the event we consummate a highly leveraged transaction, reorganization, restructuring, merger or other similar transaction, unless such transaction constitutes a change of control event under the indenture. Such a transaction may not involve a change in voting power or beneficial ownership or, even if it does, may not involve a change in the magnitude required under the definition of change of control in the indenture to trigger our obligation to repurchase the notes. Except as otherwise described above, the indenture does not contain provisions that permit the holders of the notes to require the Issuer to repurchase or redeem the notes in the event of a takeover, recapitalization or similar transaction. See Description of the Notes Repurchase at the Option of Holders Change of Control Event.

Your right to receive payments on the notes will be effectively subordinated to the right of lenders who have a security interest in our assets, to the extent of the value of those assets.

Subject to the restrictions in the indentures governing the Outstanding Notes and the notes, we, including our subsidiaries, may incur significant additional indebtedness secured by assets. If we are declared bankrupt or insolvent, or if we default under any of our existing or future indebtedness secured by assets, the holders of such

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indebtedness could declare all of the funds borrowed thereunder, together with accrued interest, immediately due and payable. If we were unable to repay such indebtedness, the holders of such indebtedness could, to the extent of such indebtedness, foreclose on such assets to the exclusion of holders of the notes. In any such event, because the notes will not be secured by our assets, remaining proceeds, if any, from the sale of such assets will be available to pay obligations on the notes only after such indebtedness has been paid in full.

The notes will be structurally subordinated to all indebtedness of our current subsidiaries that are not, and any of our future subsidiaries that do not become, guarantors of the notes.

The notes will, subject to certain exceptions, be guaranteed by those of our domestic subsidiaries that guarantee our senior credit facilities. Each of our current subsidiaries that is not, and any future subsidiary that does not become, a Subsidiary Guarantor under our senior credit facilities, and therefore under the notes, will have no obligation, contingent or otherwise, to pay amounts due under the notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payment. The notes will be structurally subordinated to all indebtedness and other obligations of any non-guarantor subsidiary such that, in the event of insolvency, liquidation, reorganization, dissolution or other winding up of any subsidiary that is not a guarantor of the notes, all of such subsidiary's creditors (including trade creditors and preferred stockholders, if any) would be entitled to payment in full out of such subsidiary's assets before we (and therefore the holders of the notes) would be entitled to any payment.

You must rely on the procedures and the relevant clearing systems to exercise your rights and remedies.

Owners of book-entry interests will not be considered owners or holders of notes. Instead, The Depository Trust Company (DTC) or its nominee will be the sole holder of the notes. Payments of principal, interest and other amounts owing on or in respect of the notes in global form will be made to the paying agent, which will make payments to DTC. Thereafter, those payments will be credited to DTC participants' accounts that hold book-entry interests in the notes in global form and credited by such participants to indirect participants. Unlike holders of certificated notes, owners of book-entry interests do not have the direct right to act upon our solicitations for consents or requests for waivers or other actions from holders of the notes. Instead, you will be permitted to act only to the extent you have received appropriate proxies to do so from DTC or, if applicable, a participant. Procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on any requested actions on a timely basis.

Table of Contents**RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth information regarding our ratio of earnings to fixed charges for the periods shown. In calculating the ratio of earnings to fixed charges, earnings represent the sum of (i) earnings (loss) from continuing operations before taxes, (ii) income distributions from equity method investees, (iii) amortization of capitalized interest and (iv) total fixed charges, minus equity in net earnings of affiliates. Fixed charges represent the sum of (i) interest expense, (ii) capitalized interest, (iii) the estimated interest portion of rent expense, (iv) cumulative preferred stock dividends and (v) guaranteed payments to minority stockholders.

	Nine Months		Year Ended December 31,				
	Ended September 30,	2011	2010	2009	2008	2007	
Ratio of earnings to fixed charges	2012	4.5x	3.8x	2.9x	1.9x	2.4x	2.3x

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USE OF PROCEEDS

We estimate that the net proceeds from this offering of the notes will be approximately \$490 million after deducting underwriting discounts and commissions and other estimated fees and expenses of this offering. We intend to use the net proceeds from this offering, together with cash on hand, to repay \$400 million of the outstanding term loans under our senior credit facilities, which term loans currently bear interest at LIBOR plus a margin of 2.75% and mature October 31, 2016, and to make a cash contribution of \$100 million to the Celanese Americas Retirement Pension Plan. Affiliates of certain of the underwriters are lenders under our senior credit facilities and may receive a portion of the net proceeds from this offering.

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The following table sets forth (i) our actual historical consolidated cash and cash equivalents and capitalization as of September 30, 2012 and (ii) our cash and cash equivalents and capitalization as adjusted to give effect to this offering of the notes and the repayment of \$400 million of the outstanding term loans under our senior credit facilities as described herein under Use of Proceeds.

The information in this table should be read in conjunction with the financial information incorporated by reference into the accompanying prospectus and the consolidated financial statements for Celanese and accompanying notes incorporated by reference herein.

	September 30, 2012	
	Actual (unaudited)	As Adjusted (unaudited)
	(in millions)	
Cash and cash equivalents	\$ 928	\$ 1,018 ^(a)
Total debt:		
Revolving credit facility	\$	\$
Term loans	1,375	975
Senior unsecured notes offered hereby		500
6.625% Senior Notes due 2018	600	600
5.875% Senior Notes due 2021	400	400
Capital leases	237	237
Industrial revenue bonds and other debt	368	368
Total debt	2,980	3,080
Total stockholders' equity	1,915	1,915
Total capitalization	\$ 4,895	\$ 4,995

- (a) Includes \$100 million of net proceeds to be used to make a cash contribution to the U.S. pension plan which will reduce our aggregate pension obligations.

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DESCRIPTION OF THE NOTES

You can find the definitions of certain terms used in this description under the subheading **Certain Definitions**. In this description, the term **Issuer** refers only to Celanese US Holdings LLC, and not to any of its subsidiaries.

The notes will be issued under a base indenture, dated as of May 6, 2011, by and among the Issuer, the Guarantors and Wells Fargo Bank, National Association, as trustee (the Trustee), as supplemented by a second supplemental indenture to be dated as of the closing date of this offering by and among the Issuer, the Guarantors and the Trustee. As used in this section, all references to the **indenture** mean the base indenture as supplemented by the second supplemental indenture. The terms of the notes include those stated in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939.

The following description is a summary of the material provisions of the indenture. It does not restate the indenture in its entirety. We urge you to read the indenture because it, and not this description, defines the rights of holders of the notes. A copy of the base indenture is available as set forth under **Incorporation by Reference**, and a copy of the second supplemental indenture will be filed on a current report on Form 8-K and available as set forth under **Incorporation by Reference**. Certain defined terms used in this description but not defined below under **Certain Definitions** have the meanings assigned to them in the indenture.

The registered holder of any note will be treated as the owner of it for all purposes. Only registered holders will have rights under the indenture.

Principal, Maturity and Interest

The Issuer will issue \$500,000,000 aggregate principal amount of notes in this offering. The notes will mature on _____, 2022. The indenture governing the notes will provide for the issuance of additional notes of the same class and series, subject to compliance with the covenants contained in the indenture. The notes will be issued in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof.

Interest on the notes will accrue at the rate of _____ % per annum and will be payable semi-annually in arrears on _____ and _____, commencing on _____, 2013. The Issuer will make each interest payment to the holders of record of the notes on the immediately preceding and _____.

Interest on the notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Payments on the Notes

Principal of, premium, if any, and interest on the notes will be payable at the office or agency maintained by the Issuer for such purposes or, at the option of the Issuer, payment of interest may be made by check mailed to the holders of the notes at their respective addresses set forth in the register of holders; *provided* that all payments of principal, premium, if any, and interest with respect to the notes represented by one or more global notes registered in the name of or held by DTC or its nominee will be made through the facilities of DTC. Until otherwise designated by the Issuer, the Issuer's office or agency will be the office of the Trustee maintained for such purpose.

Paying Agent and Registrar for the Notes

The Trustee will initially act as paying agent and registrar. The Issuer may change the paying agent or registrar without prior notice to the holders, and the Issuer or any of its Subsidiaries may act as paying agent or registrar.

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Transfer and Exchange

A holder may transfer or exchange notes in accordance with the indenture. The registrar and the Trustee may require a holder to furnish appropriate endorsements and transfer documents in connection with a transfer of notes. Holders will be required to pay all taxes due on transfer. The Issuer is not required to transfer or exchange any note selected for redemption or repurchase. Also, the Issuer is not required to transfer or exchange any note for a period of 15 days before a selection of notes to be redeemed or repurchased.

Guarantees

The notes will be guaranteed by the Parent Guarantor and each direct and indirect Restricted Subsidiary that guarantees the Issuer's obligations under the Credit Agreement. The Guarantors will jointly and severally guarantee the Issuer's obligations under the indenture and the notes on a senior unsecured, full and unconditional basis. The obligations of each Guarantor (other than a company that is a direct or indirect parent of the Issuer) under its Guarantee will be limited as necessary to prevent the Guarantee from constituting a fraudulent conveyance or fraudulent transfer under applicable law. By virtue of this limitation, a Guarantor's obligation under its Guarantee could be significantly less than amounts payable with respect to the notes, or a Guarantor may have effectively no obligation under its Guarantee. See Risk Factors Risks Related to the Notes and the Guarantees Federal and state statutes could allow courts, under specific circumstances, to void or subordinate the notes or any of the subsidiary guarantees and require note holders to return payments received from the Issuer or the Subsidiary Guarantors. In an effort to alleviate the effect of this limitation, each Guarantor that makes a payment or distribution under a Guarantee will be entitled to a contribution from each other Guarantor (if any) in an amount pro rata, based on the net assets of each Guarantor.

Each Guarantor may consolidate with or merge into or sell its assets to the Issuer or another Guarantor without limitation, or with, into or to any other Person upon the terms and conditions set forth in the indenture. See Certain Covenants Merger, Consolidation or Sale of Assets.

A Guarantor (other than a company that is a direct or indirect parent of the Issuer except in the case of clause (a)(ii) or (v) below) shall be automatically and unconditionally released and discharged from all of its obligations under its Guarantee of the notes if:

- (a) (i) all of its assets or Capital Stock is sold or transferred, in each case in a transaction in compliance with the covenant described under Repurchase at the Option of Holders Asset Sales, (ii) the Guarantor merges with or into, or consolidates with or amalgamates with, or transfers all or substantially all of its assets to, another Person in compliance with the covenant described under Certain Covenants Merger, Consolidation or Sale of Assets, (iii) such Guarantor is designated an Unrestricted Subsidiary in accordance with the terms of the indenture, (iv) in connection with any (direct or indirect) sale of Capital Stock or other transaction that results in the Subsidiary Guarantor ceasing to be a Subsidiary of the Issuer, if the sale or other transaction complies with the provisions of the covenant described under Repurchase at the Option of Holders Asset Sales; or (v) upon legal defeasance of the notes or satisfaction and discharge of the indenture as provided below under the captions Legal Defeasance and Covenant Defeasance and Satisfaction and Discharge;
- (b) such Guarantor has delivered to the Trustee a certificate of a Responsible Officer and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to such transaction have been complied with; and
- (c) such Guarantor is released from its guarantee of the Credit Agreement.

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Ranking

Senior Debt

The notes will be general unsecured obligations of the Issuer that 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 existing and future liabilities of the Issuer that are not so subordinated and will be effectively subordinated to all of the Issuer's Secured Debt (to the extent of the value of the assets securing such Indebtedness) and liabilities of our Subsidiaries that do not guarantee the notes. In the event of bankruptcy, liquidation, reorganization or other winding up of the Issuer or the Guarantors or upon a default in payment with respect to, or the acceleration of, any Indebtedness under the Credit Agreement or other senior secured Indebtedness, the assets of the Issuer and the Guarantors that secure such senior secured Indebtedness will be available to pay obligations on the notes and the Guarantees only after all Indebtedness under such Credit Agreement and other senior secured Indebtedness has been repaid in full from such assets. We advise you that there may not be sufficient assets remaining to pay amounts due on any or all the notes and the Guarantees then outstanding.

Liabilities of Subsidiaries versus Notes

Some of the Subsidiaries of the Issuer will not guarantee the notes, and, as described above under Guarantees, Guarantees of Subsidiaries may be released under certain circumstances. In addition, future Subsidiaries of the Issuer may not be required to guarantee the notes. Claims of creditors of any Subsidiaries that are not Guarantors, including trade creditors and creditors holding indebtedness or guarantees issued by such Subsidiaries, and claims of preferred stockholders of such Subsidiaries generally will have priority with respect to the assets and earnings of such Subsidiaries over the claims of creditors of the Issuer, including holders of the notes. Accordingly, the notes and each Guarantee will be effectively subordinated to creditors (including trade creditors) and preferred stockholders, if any, of such Subsidiaries that are not Guarantors.

As of September 30, 2012:

the Issuer's non-guarantor Subsidiaries collectively held \$6,575 million in assets; and

the Issuer's non-guarantor Subsidiaries had \$4,261 million of liabilities, including trade payables.

Although the indenture limits the incurrence of Indebtedness and preferred stock by the Issuer and certain of its Subsidiaries, such limitation is subject to a number of significant qualifications. Moreover, the indenture does not impose any limitation on the incurrence by such Subsidiaries of liabilities that are not considered Indebtedness under the indenture. See Certain Covenants Incurrence of Indebtedness and Issuance of Preferred Stock.

Optional Redemption

The notes may be redeemed, in whole or in part, at the option of the Issuer upon not less than 30 nor more than 60 days' prior notice sent to each holder's registered address, at a redemption price equal to 100% of the principal amount of the notes redeemed *plus* the Applicable Premium as of, and accrued and unpaid interest to the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

In addition, the Issuer may acquire notes by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws, so long as such acquisition does not otherwise violate the terms of the indenture.

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Mandatory Redemption

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

Repurchase at the Option of Holders

Change of Control Event

If a Change of Control Event occurs, each holder of notes will have the right to require the Issuer to repurchase all or any part (equal to \$1,000 or an integral multiple of \$1,000 in excess thereof) of that holder's notes pursuant to a Change of Control Offer on the terms set forth in the indenture. In the Change of Control Offer, the Issuer will offer a Change of Control Payment in cash equal to 101% of the aggregate principal amount of notes repurchased plus accrued and unpaid interest on the notes repurchased, to the date of purchase. Within 30 days following any Change of Control Event, the Issuer will send a notice to each holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase notes on the Change of Control Payment Date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is sent, pursuant to the procedures required by the indenture and described in such notice. The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a Change of Control Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the indenture by virtue of such conflict.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

- (1) accept for payment all notes or portions of notes properly tendered pursuant to the Change of Control Offer;
- (2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes properly tendered; and
- (3) deliver or cause to be delivered to the Trustee the notes properly accepted together with an officers' certificate stating the aggregate principal amount of notes or portions of notes being purchased by the Issuer.

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

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control Event will be applicable whether or not any other provisions of the indenture are applicable. Except as described above with respect to a Change of Control Event, the indenture contains no provisions that permit the holders of the notes to require that the Issuer repurchase or redeem the notes in the event of a takeover, recapitalization or similar transaction.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control Event if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the indenture applicable to a Change of Control Offer made by the Issuer and purchases all notes properly tendered and not withdrawn under the Change of Control Offer or (2) notice of redemption has been given pursuant to the indenture as described above under the caption *Optional Redemption*, unless and

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until there is a default in the payment of the applicable redemption price. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control Event or conditional upon the occurrence of a Change of Control Event, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made and such Change of Control Offer is otherwise made in compliance with the provisions of this covenant.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of all or substantially all of the properties or assets of the Issuer and its Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of notes to require the Issuer to repurchase its notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Issuer and its Subsidiaries taken as a whole to another Person or group may be uncertain.

Also see Risk Factors Risks Related to the Notes and the Guarantees We may be unable to purchase the notes upon a change of control event.

Asset Sales

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

- (1) the Issuer (or such Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the fair market value of the assets or Equity Interests issued or sold or otherwise disposed of; and
- (2) at least 75% of the consideration received in the Asset Sale by the Issuer or such Restricted Subsidiary is in the form of cash or Cash Equivalents.

For purposes of clause (2) above and for no other purpose, the amount of (i) any liabilities (as shown on the Issuer's or such Restricted Subsidiary's most recent balance sheet or in the notes thereto) of the Issuer or any Restricted Subsidiary (other than liabilities that are by their terms subordinated to the notes or the Guarantees) that are assumed by the transferee of any such assets, (ii) any securities received by the Issuer or such Restricted Subsidiary from such transferee that are converted by the Issuer or such Restricted Subsidiary into cash (to the extent of the cash received) within 180 days following the receipt thereof, (iii) the fair market value (as determined in good faith by the Issuer) of (A) any assets (other than securities) received by the Issuer or any Restricted Subsidiary to be used by it in a Permitted Business, (B) Equity Interests in a Person that is a Restricted Subsidiary or in a Person engaged in a Permitted Business that shall become a Restricted Subsidiary immediately upon the acquisition of such Person by the Issuer or any Restricted Subsidiary or (C) a combination of (A) and (B), and (iv) any Designated Non-cash Consideration received by the Issuer or any of its Restricted Subsidiaries in such Asset Sale having an aggregate fair market value (as determined in good faith by the Issuer), taken together with all other Designated Non-cash Consideration received pursuant to this clause (iv) that is at that time outstanding, not to exceed 5.0% of Total Assets at the time of the receipt of such Designated Non-cash Consideration (with the fair market value of each item of Designated Non-cash Consideration being measured at the time received without giving effect to subsequent changes in value) shall be deemed to be cash.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Issuer may apply those Net Proceeds at its option to:

- (1) permanently reduce Obligations under Secured Debt of the Issuer or a Guarantor (and to correspondingly reduce commitments with respect thereto) or Indebtedness of a Restricted Subsidiary that is not a Guarantor, in each case other than Indebtedness owed to the Issuer or a Subsidiary of the Issuer;

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- (2) make an investment in (A) any one or more businesses; *provided* that such investment in any business is in the form of the acquisition of Capital Stock and results in the Issuer or a Restricted Subsidiary owning an amount of the Capital Stock of such business such that it constitutes a Restricted Subsidiary, (B) capital expenditures or (C) other assets, in each of (A), (B) and (C), used or useful in a Permitted Business; and/or

- (3) make an investment in (A) any one or more businesses; *provided* that such investment in any business is in the form of the acquisition of Capital Stock and it results in the Issuer or a Restricted Subsidiary owning an amount of the Capital Stock of such business such that it constitutes a Restricted Subsidiary, (B) properties or (C) assets that, in each of (A), (B) and (C), replace the businesses, properties and assets that are the subject of such Asset Sale.

Any Net Proceeds from an Asset Sale not applied or invested in accordance with the preceding paragraph within 365 days from the date of the receipt of such Net Proceeds shall constitute Excess Proceeds, *provided* that if during such 365-day period the Issuer or a Restricted Subsidiary enters into a definitive binding agreement committing it to apply such Net Proceeds in accordance with the requirements of clause (2) or (3) of the immediately preceding paragraph after such 365th day, such 365-day period will be extended with respect to the amount of Net Proceeds so committed for a period not to exceed 180 days until such Net Proceeds are required to be applied in accordance with such agreement (or, if earlier, until termination of such agreement).

When the aggregate amount of Excess Proceeds exceeds \$40.0 million, the Issuer or the applicable Restricted Subsidiary will make an offer (an Asset Sale Offer) to all holders of notes and, at the option of the Issuer, Indebtedness that ranks *pari passu* with the notes and contains provisions similar to those set forth in the indenture with respect to mandatory prepayments, redemptions or offers to purchase with the proceeds of sales of assets, to purchase, on a pro rata basis (or as near a pro rata basis in accordance with the applicable rules and procedures of DTC), the maximum principal amount of notes and such other *pari passu* Indebtedness that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of principal amount plus accrued and unpaid interest to the date of purchase, and will be payable in cash.

Pending the final application of any Net Proceeds, the Issuer or such Restricted Subsidiary may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the indenture.

If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Issuer or the applicable Restricted Subsidiary may use those Excess Proceeds for any purpose not otherwise prohibited by the indenture. If the aggregate principal amount of notes tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Trustee will select the notes to be purchased on a pro rata basis (or as near a pro rata basis in accordance with the applicable rules and procedures of DTC). Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of the indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of the indenture by virtue of such conflict.

Selection and Notice

If less than all of the notes under the indenture are to be redeemed at any time, the Trustee will select notes for redemption as follows:

- (1) if the notes are listed on any national securities exchange, in compliance with the requirements of the principal national securities exchange on which the notes are listed; or

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- (2) if the notes are not listed on any national securities exchange, on a pro rata basis to the extent practicable and in accordance with the applicable rules and procedures of DTC.

However, no notes of \$1,000 or less will be redeemed in part. Notices of redemption will be sent at least 30 but not more than 60 days before the redemption date to each holder of notes to be redeemed at its registered address, except that redemption notices may be sent more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the notes or a satisfaction and discharge of the indenture. Notices of redemption may not be conditional.

If any note is to be redeemed in part only, the notice of redemption that relates to that note will state the portion of the principal amount of that note that is to be redeemed. A new note in principal amount equal to the unredeemed portion of the original note will be issued in the name of the holder of notes upon cancellation of the original note. However, no notes of \$1,000 or less will be redeemed in part. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on notes or portions of them called for redemption if funds sufficient to pay the redemption price have been deposited with a paying agent.

Termination of Covenants

If at any time after the Issue Date (i) the notes have Investment Grade Ratings from each of S&P and Moody's (or, if either (or both) of S&P and Moody's have been substituted in accordance with the definition of Rating Agencies, by each of the then applicable Rating Agencies) and (ii) no Default has occurred and is continuing under the indenture (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a Covenant Termination Event), the Issuer and its Restricted Subsidiaries will not be subject to the covenants in the indenture specifically listed under the following captions in this Description of the Notes section of this prospectus supplement (the Terminated Covenants):

- (1) Repurchase at the Option of Holders Asset Sales ;
- (2) Certain Covenants Restricted Payments ;
- (3) Certain Covenants Incurrence of Indebtedness and Issuance of Preferred Stock ;
- (4) Certain Covenants Dividend and Other Payment Restrictions Affecting Subsidiaries ;
- (5) clause (4) of the first paragraph of Certain Covenants Merger, Consolidation or Sale of Assets ;
- (6) Certain Covenants Transactions with Affiliates ; and
- (7) Certain Covenants Business Activities.

In the event that a Termination Event occurs, the Issuer and its Restricted Subsidiaries will no longer be subject to the Terminated Covenants, regardless of whether and on any subsequent date one or both of the Rating Agencies withdraw their Investment Grade Rating or downgrade the rating assigned to the notes below an Investment Grade Rating.

There can be no assurance that the notes will ever achieve or maintain an Investment Grade Rating from any Rating Agency.

Certain Covenants

Restricted Payments

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

- (1) declare or pay any dividend or make any other payment or distribution on account of the Issuer s or any of its Restricted Subsidiaries Equity Interests, including any dividend or distribution payable in

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connection with any merger or consolidation (other than (A) dividends or distributions by the Issuer payable in Capital Stock (other than Disqualified Stock) of the Issuer or in options, warrants or other rights to purchase such Capital Stock (other than Disqualified Stock) or (B) dividends or distributions by a Restricted Subsidiary to the Issuer or any other Restricted Subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a Wholly Owned Subsidiary, the Issuer or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities);

- (2) purchase, redeem or otherwise acquire or retire for value any Equity Interests of the Issuer or any direct or indirect parent corporation of the Issuer, including in connection with any merger or consolidation involving the Issuer;
 - (3) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case prior to any scheduled repayment, sinking fund payment or maturity, any Subordinated Indebtedness (other than (x) Indebtedness permitted under clauses (7) and (8) of the definition of Permitted Debt or (y) the purchase, repurchase or other acquisition of Subordinated Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of purchase, repurchase or acquisition); or
 - (4) make any Restricted Investment
- (all such payments and other actions set forth in these clauses (1) through (4) being collectively referred to as Restricted Payments), unless, at the time of and after giving effect to such Restricted Payment:
- (a) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;
 - (b) the Issuer would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described under Incurrence of Indebtedness and Issuance of Preferred Stock ; and
 - (c) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Issuer and the Restricted Subsidiaries after September 24, 2010 (excluding Restricted Payments permitted by clauses (2), (3), (4), (6), (8), (9), (10), (12), (14), (15), (17) and (18) of the next succeeding paragraph (it being understood that the declaration and payment of any Restricted Payments made pursuant to clause (1) shall be counted only once)), is less than the sum, without duplication, of
 - (i) 50% of the Consolidated Net Income of the Issuer for the period (taken as one accounting period) from October 1, 2010, to the end of the Issuer's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, in the case such Consolidated Net Income for such period is a deficit, minus 100% of such deficit), *plus*
 - (ii) 100% of the aggregate net cash proceeds and the fair market value, as determined in good faith by the Board of Directors, of property and marketable securities received by the Issuer since September 24, 2010 from the issue or sale of (x) Equity Interests of the Issuer (other than (A) Excluded Contributions, (B) Designated Preferred Stock and (C) cash proceeds and marketable securities received from the sale of Equity Interests to members of management, directors or consultants of the Issuer, any direct or indirect parent corporation of the Issuer and the Subsidiaries to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of the next succeeding paragraph) and, to the extent actually contributed to the Issuer, Equity Interests of the Issuer's direct or indirect parent entities and (y) debt securities of the Issuer that have been converted into such Equity Interests of the Issuer

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(other than Refunding Capital Stock (as defined below) or Equity Interests or convertible debt securities of the Issuer sold to a Restricted Subsidiary or the Issuer, as the case may be, and other than Disqualified Stock or debt securities that have been converted into Disqualified Stock), plus

- (iii) 100% of the aggregate amount of cash and the fair market value, as determined in good faith by the Board of Directors, of property and marketable securities contributed to the capital of the Issuer after September 24, 2010 (other than (A) Excluded Contributions and (B) contributions by a Restricted Subsidiary), *plus*
- (iv) without duplication of any amounts included in clause (4) of the paragraph below and to the extent not already included in Consolidated Net Income, 100% of the aggregate amount received in cash and the fair market value, as determined in good faith by the Board of Directors, of property and marketable securities received by means of (A) the sale or other disposition (other than to the Issuer or a Restricted Subsidiary) of Restricted Investments made by the Issuer or its Restricted Subsidiaries and repurchases and redemptions of such Restricted Investments from the Issuer or its Restricted Subsidiaries and repayments of loans or advances which constitute Restricted Investments by the Issuer or its Restricted Subsidiaries or (B) the sale (other than to the Issuer or a Restricted Subsidiary) of the Capital Stock of an Unrestricted Subsidiary or a distribution from an Unrestricted Subsidiary (other than in each case to the extent the Investment in such Unrestricted Subsidiary was made by a Restricted Subsidiary pursuant to clause (5) or (14) of the next succeeding paragraph or to the extent such Investment constituted a Permitted Investment) or a dividend from an Unrestricted Subsidiary, *plus*
- (v) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary or the merger or consolidation of an Unrestricted Subsidiary into the Issuer or a Restricted Subsidiary or the transfer of assets of an Unrestricted Subsidiary to the Issuer or a Restricted Subsidiary, the fair market value of the Investment in such Unrestricted Subsidiary, as determined by the Board of Directors in good faith at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary or at the time of such merger, consolidation or transfer of assets (other than an Unrestricted Subsidiary to the extent the Investment in such Unrestricted Subsidiary was made by a Restricted Subsidiary pursuant to clause (5) or (14) of the next succeeding paragraph or to the extent such Investment constituted a Permitted Investment).

The preceding provisions will not prohibit:

- (1) the payment of any dividend within 60 days after the date of declaration thereof, if at the date of declaration such payment would have complied with the provisions of the indenture;
- (2) (A) the redemption, repurchase, retirement or other acquisition of any Equity Interests of the Issuer or any direct or indirect parent corporation (Retired Capital Stock) or Subordinated Indebtedness, as the case may be, in exchange for or out of the proceeds of the substantially concurrent sale (other than to a Restricted Subsidiary or the Issuer) of Equity Interests of the Issuer or contributions to the equity capital of the Issuer (in each case, other than Disqualified Stock) (Refunding Capital Stock) and (B) the declaration and payment of accrued dividends on the Retired Capital Stock out of the proceeds of the substantially concurrent sale (other than to a Restricted Subsidiary or the Issuer) of Refunding Capital Stock;
- (3) the redemption, repurchase or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, new Indebtedness of the borrower thereof, which is incurred in compliance with the covenant Incurrence of Indebtedness and Issuance of Preferred Stock so long as (A) the principal amount of such new Indebtedness does not exceed the principal amount of the Subordinated Indebtedness being so redeemed, repurchased, acquired or retired for value plus the amount of any reasonable premium required to be paid, (B) such new Indebtedness is subordinated to the notes and any such applicable Guarantees at least to the same extent as such Subordinated Indebtedness so purchased, exchanged, redeemed, repurchased, acquired

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or retired for value, (C) such new Indebtedness has a final scheduled maturity date equal to or later than the final scheduled maturity date of the Subordinated Indebtedness being so redeemed, repurchased, acquired or retired and (D) such new Indebtedness has a Weighted Average Life to Maturity equal to or greater than the remaining Weighted Average Life to Maturity of the Subordinated Indebtedness being so redeemed, repurchased, acquired or retired;

- (4) a Restricted Payment to pay for the repurchase, retirement or other acquisition (or dividends to any direct or indirect parent company of the Issuer to finance any such repurchase, retirement or other acquisition) or retirement for value of common Equity Interests of the Issuer or any of its direct or indirect parent entities held by any future, present or former employee, director or consultant of the Issuer, any of its Subsidiaries or (to the extent such person renders services to the businesses of the Issuer and its Subsidiaries) the Issuer's direct or indirect parent entities, pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or arrangement; *provided, however*, that the aggregate amount of all such Restricted Payments made under this clause (4) does not exceed in any calendar year \$40.0 million (with unused amounts in any calendar year being carried over to succeeding calendar years subject to a maximum aggregate carry over amount in any given year not to exceed \$40.0 million); and *provided, further*, that such amount in any calendar year may be increased by an amount not to exceed (A) the cash proceeds from the sale of Equity Interests of the Issuer and, to the extent contributed to the Issuer, Equity Interests of any of its direct or indirect parent entities, in each case to members of management, directors or consultants of the Issuer, any of its Subsidiaries or (to the extent such person renders services to the businesses of the Issuer and its Subsidiaries) the Issuer's direct or indirect parent entities, that occurs after the Issue Date *plus* (B) the cash proceeds of key man life insurance policies received by the Issuer or its Restricted Subsidiaries, or by any direct or indirect parent entity to the extent contributed to the Issuer, after the Issue Date (*provided* that the Issuer may elect to apply all or any portion of the aggregate increase contemplated by clauses (A) and (B) above in any calendar year) less (C) the amount of any Restricted Payments previously made pursuant to clauses (A) and (B) of this clause (4);
- (5) Investments in Unrestricted Subsidiaries having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (5) that are at the time outstanding, without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of cash and/or marketable securities, not to exceed \$100.0 million at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value);
- (6) repurchases of Equity Interests deemed to occur upon exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of such options or warrants, and repurchases of Capital Stock deemed to occur upon the withholding of a portion of the Capital Stock granted or awarded to an employee to pay for the taxes payable by such employee upon such grant or award;
- (7) to the extent no Default in any payment in respect of principal or interest under the notes or the Credit Agreement or Event of Default has occurred and is continuing or will occur as a consequence thereof, the payment of regular cash quarterly dividends on the Issuer's Capital Stock, and repurchases of Capital Stock of the Issuer or any direct or indirect parent of the Issuer, in an aggregate amount not to exceed \$75.0 million in any calendar year;
- (8) Investments that are made with Excluded Contributions;
- (9) the declaration and payment of dividends to, or the making of loans to, any direct or indirect parent of the Issuer in amounts required for it to pay:
 - (A) (i) overhead, tax liabilities of (or payable by) any direct or indirect parent of the Issuer, legal, accounting and other professional fees and expenses, (ii) fees and expenses related to any equity offering, investment or acquisition permitted hereunder (whether or not successful) and (iii) other fees and expenses in connection with the maintenance of its existence and its ownership of the Issuer; and

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- (B) federal, state or local income taxes (as the case may be) to the extent such income taxes are attributable to the income of the Issuer and its Subsidiaries; *provided, however*, that the amount of such payments in respect of any tax year does not exceed the amount that the Issuer and its Subsidiaries would have been required to pay in respect of federal, state or local taxes (as the case may be) in respect of such year if the Issuer and its Subsidiaries paid such taxes directly as a stand-alone taxpayer (or stand-alone group of which the Issuer or any Subsidiary is the parent);
- (10) Distributions or payments of Securitization Fees;
- (11) Restricted Payments under hedge and warrant transactions entered into in connection with a convertible notes offering of the Parent Guarantor; *provided* that the proceeds of such offering are contributed to the Issuer;
- (12) declaration and payment of dividends to holders of any class or series of Disqualified Stock of the Issuer or any Restricted Subsidiary issued in accordance with the covenant described under Limitation on Incurrence of Indebtedness and Issuance of Preferred Stock to the extent such dividends are included in the definition of Fixed Charges;
- (13) other Restricted Payments in an aggregate amount not to exceed the greater of (x) \$200.0 million and (y) 3.0% of Total Assets;
- (14) the declaration and payment of dividends or distributions to holders of any class or series of Designated Preferred Stock issued after the Issue Date and the declaration and payment of dividends to any direct or indirect parent company of the Issuer, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preferred Stock of any direct or indirect parent company of the Issuer issued after the Issue Date; *provided, however*, that (A) for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of issuance of such Designated Preferred Stock, after giving effect to such issuance on the first day of such period (and the payment of dividends or distributions) on a pro forma basis, the Issuer would have had a Fixed Charge Coverage Ratio of at least 2.00 to 1.00 and (B) the aggregate amount of dividends declared and paid pursuant to this clause (14) does not exceed the net cash proceeds actually received by the Issuer from any such sale of Designated Preferred Stock issued after the Issue Date;
- (15) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to the Issuer or a Restricted Subsidiary of the Issuer by, Unrestricted Subsidiaries;
- (16) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Indebtedness pursuant to the provisions similar to those described under the captions Repurchase at the Option of Holders Change of Control Event and Repurchase at the Option of Holders Asset Sales ; *provided* that all notes tendered by holders of the notes in connection with the related Change of Control Offer or Asset Sale Offer, as applicable, have been repurchased, redeemed or acquired for value;
- (17) any Restricted Payments for the purpose of enabling any direct or indirect parent of the Issuer to pay (i) interest on Indebtedness issued by such Person after the Issue Date and (ii) fees and expenses incurred in connection with the issuance, refinancing, exchange or retirement of any such Indebtedness, in each case to the extent the net cash proceeds from the issuance of such Indebtedness are contributed to the Issuer (or used to refinance previously issued Indebtedness used for such purpose); and
- (18) the making of any Restricted Payment if, at the time of the making of such Restricted Payment, and after giving effect thereto (including, without limitation, the incurrence of any Indebtedness to finance such payment), the Consolidated Total Leverage Ratio would not exceed 3.50 to 1.00;

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provided, however, that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (2) (with respect to the payment of dividends on Refunding Capital Stock pursuant to clause (B) thereof), (5), (7), (11), (13), (14), (15), (16), (17) and (18) above, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof.

The Issuer will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the second to last sentence of the definition of Unrestricted Subsidiary. For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding investments by the Issuer and the Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments in an amount determined as set forth in the second paragraph of the definition of Investments. Such designation will be permitted only if a Restricted Payment in such amount would be permitted at such time under this covenant or the definition of Permitted Investments and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants described in this summary.

The indenture will not treat (1) unsecured Indebtedness as subordinated or junior to Indebtedness secured by a Lien merely because it is unsecured or (2) Indebtedness (other than Subordinated Indebtedness) as subordinated or junior to any other such Indebtedness merely because it has a junior priority with respect to the same collateral.

The amount of all Restricted Payments (other than cash) will be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Issuer or such Subsidiary, as the case may be, pursuant to the Restricted Payment. The fair market value of any assets or securities that are required to be valued by this covenant will be determined in good faith by the Board of Directors.

As of September 30, 2012, the amount of Restricted Payments permitted to be made pursuant to clause (c) of the first paragraph of this covenant was approximately \$734 million.

Incurrence of Indebtedness and Issuance of Preferred Stock

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, incur) any Indebtedness (including Acquired Debt), and the Issuer will not permit any of its Restricted Subsidiaries to issue any shares of Preferred Stock; *provided, however*, that the Issuer and any Restricted Subsidiary may incur Indebtedness (including Acquired Debt) and any Restricted Subsidiary may issue Preferred Stock if the Fixed Charge Coverage Ratio for the Issuer's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Preferred Stock is issued would have been at least 2.00 to 1.00, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period.

The first paragraph of this covenant will not prohibit the incurrence of any of the following (collectively, Permitted Debt):

- (1) Indebtedness under Credit Facilities together with the incurrence of the guarantees thereunder and the issuance and creation of letters of credit and bankers' acceptances thereunder (with letters of credit and bankers' acceptances being deemed to have a principal amount equal to the face amount thereof), up to an aggregate principal amount of \$3,500.0 million outstanding at any one time;
- (2) Indebtedness represented by the notes issued on the Issue Date (including any Guarantee);

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- (3) Existing Indebtedness (other than Indebtedness described in clauses (1) and (2));
- (4) Indebtedness (including Capitalized Lease Obligations) incurred or issued by the Issuer or any Restricted Subsidiary to finance the purchase, lease or improvement of property (real or personal) or equipment that is used or useful in a Permitted Business (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets) in an aggregate principal amount that, including all Refinancing Indebtedness incurred to renew, refund, refinance, replace defease or discharge any Indebtedness incurred pursuant to this clause (4), does not exceed the greater of (x) \$400.0 million and (y) 5.0% of Total Assets;
- (5) Indebtedness incurred by the Issuer or any Restricted Subsidiary constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business, including without limitation letters of credit in respect of workers' compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement-type obligations regarding workers' compensation claims;
- (6) customary indemnification, adjustment of purchase price or similar obligations, in each case, incurred in connection with the acquisition or disposition of any assets of Issuer or any Restricted Subsidiary (other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such assets for the purpose of financing such acquisition) and earnout provisions or contingent payments in respect of purchase price or adjustment of purchase price or similar obligations in acquisition agreements;
- (7) Indebtedness of the Issuer owed to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owed to and held by the Issuer or any Restricted Subsidiary; *provided, however*, that (A) any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of any such Indebtedness (except to the Issuer or a Restricted Subsidiary) shall be deemed, in each case, to constitute the incurrence of such Indebtedness by the issuer thereof and (B) if the Issuer or any Guarantor is the obligor on such Indebtedness owing to a Restricted Subsidiary that is not a Guarantor, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations of the Issuer with respect to the notes or of such Guarantor with respect to its Guarantee;
- (8) shares of Preferred Stock of a Restricted Subsidiary issued to the Issuer or a Restricted Subsidiary; *provided* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock (except to the Issuer or a Restricted Subsidiary) shall be deemed in each case to be an issuance of such shares of Preferred Stock;
- (9) Hedging Obligations of the Issuer or any Restricted Subsidiary (excluding Hedging Obligations entered into for speculative purposes) for the purpose of limiting (A) interest rate risk with respect to any Indebtedness that is permitted by the terms of the indenture to be outstanding or (B) exchange rate risk with respect to any currency exchange or (C) commodity risk;
- (10) obligations in respect of performance, bid, appeal and surety bonds and performance and completion guarantees provided by the Issuer or any Restricted Subsidiary or obligations in respect of letters of credit related thereto, in each case provided in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business;
- (11) Indebtedness of the Issuer or any Restricted Subsidiary or Preferred Stock of any Restricted Subsidiary not otherwise permitted hereunder in an aggregate principal amount or liquidation preference which, when aggregated with the principal amount and liquidation preference of all other Indebtedness and Preferred Stock then outstanding and incurred pursuant to this clause (11), does not at any one time outstanding exceed the greater of (x) \$500.0 million and (y) 5.0% of Total Assets;

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- (12) any guarantee by the Issuer or a Restricted Subsidiary of Indebtedness or other obligations of any Restricted Subsidiary so long as the incurrence of such Indebtedness or obligations incurred by such Restricted Subsidiary is permitted under the terms of the indenture;
- (13) the incurrence by the Issuer or any Restricted Subsidiary of Indebtedness or Preferred Stock that serves to refund or refinance any Indebtedness incurred as permitted under the first paragraph of this covenant and clause (2), (3) or (4) above, this clause (13) or clause (14) below or any Indebtedness issued to so refund or refinance such Indebtedness including additional Indebtedness incurred to pay premiums and fees in connection therewith (the Refinancing Indebtedness) prior to its respective maturity; *provided, however*, that such Refinancing Indebtedness (A) has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is incurred which is not less than the remaining Weighted Average Life to Maturity of the Indebtedness being refunded or refinanced, (B) to the extent such Refinancing Indebtedness refinances Indebtedness subordinated to the notes, such Refinancing Indebtedness is subordinated to the notes at least to the same extent as the Indebtedness being refinanced or refunded, (C) shall not include (x) Indebtedness or Preferred Stock of a Subsidiary that is not a Guarantor that refinances Indebtedness or Preferred Stock of the Issuer or a Guarantor or (y) Indebtedness or Preferred Stock of the Issuer or a Restricted Subsidiary that refinances Indebtedness or Preferred Stock of an Unrestricted Subsidiary, (D) shall not be in a principal amount in excess of the principal amount of, premium, if any, accrued interest on, and related fees and expenses of, the Indebtedness being refunded or refinanced and fees and expenses incurred in connection with such Refinancing Indebtedness and (E) shall not have a stated maturity date prior to the Stated Maturity of the Indebtedness being refunded or refinanced;
- (14) Indebtedness or Preferred Stock of Persons that are acquired by the Issuer or any Restricted Subsidiary or merged into the Issuer or a Restricted Subsidiary in accordance with the terms of the indenture; *provided* that such Indebtedness or Preferred Stock is not incurred in connection with or in contemplation of such acquisition or merger; and *provided, further*, that after giving effect to such acquisition or merger, either (A) the Issuer or such Restricted Subsidiary would be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of this covenant or (B) the Fixed Charge Coverage Ratio would be greater than immediately prior to such acquisition;
- (15) Indebtedness arising from the honoring by a bank or financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business, *provided* that such Indebtedness, other than credit or purchase cards, is extinguished within five business days of its incurrence;
- (16) Indebtedness of the Issuer or any Restricted Subsidiary of the Issuer supported by a letter of credit issued pursuant to the Credit Agreement in a principal amount not in excess of the stated amount of such letter of credit;
- (17) Indebtedness consisting of (x) the financing of insurance premiums or (y) take-or-pay obligations contained in supply arrangements, in each case, in the ordinary course of business;
- (18) Indebtedness of Foreign Subsidiaries of the Issuer incurred for working capital purposes; *provided, however*, that the aggregate principal amount of Indebtedness Incurred under this clause (18) does not exceed the greater of (x) \$500.0 million and (y) 5.0% of the consolidated assets of the Foreign Subsidiaries;
- (19) Indebtedness incurred on behalf of or representing Guarantees of Indebtedness of joint ventures not in excess of the greater of (x) \$150.0 million and (y) 2.0% of Total Assets at any time outstanding;
- (20) Indebtedness incurred by a Securitization Subsidiary in a Qualified Securitization Financing that is not recourse to the Issuer or any Restricted Subsidiary of the Issuer other than a Securitization Subsidiary (except for Standard Securitization Undertakings);

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- (21) letters of credit issued for the account of a Restricted Subsidiary that is not a Guarantor (and the reimbursement obligations in respect of which are not guaranteed by a Guarantor) in support of a Captive Insurance Subsidiary's reinsurance of insurance policies issued for the benefit of Restricted Subsidiaries and other letters of credit or bank guarantees having an aggregate face amount not in excess of the greater of (x) \$200.0 million and (y) 3.0% of Total Assets;
- (22) Indebtedness of one or more Restricted Subsidiaries organized under the laws of the People's Republic of China for their own general corporate purposes in an aggregate principal amount not to exceed \$400.0 million at any time outstanding; and
- (23) all premium (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in paragraphs (1) through (22) above.
- For purposes of determining compliance with this Incurrence of Indebtedness and Issuance of Preferred Stock covenant,
- (1) in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (23) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, the Issuer will be permitted to classify and later from time to time reclassify such item of Indebtedness in any manner that complies with this covenant, and such item of Indebtedness will be treated as having been incurred pursuant to only one of such categories;
- (2) the outstanding principal amount of any particular Indebtedness shall be counted only once such that (without limitation) any obligation arising under any guarantee, Lien, letter of credit or similar instrument supporting such Debt shall be disregarded;
- (3) accrual of interest, the accretion of accreted value and the payment of interest in the form of additional Indebtedness will not be deemed to be an incurrence of Indebtedness for purposes of this covenant;
- (4) Indebtedness under the Credit Agreement outstanding on the date on which notes are first issued and authenticated under the indenture will be deemed to have been incurred on such date in reliance on the exception provided by clause (1) of the definition of Permitted Debt;
- (5) where Debt is denominated in a currency other than U.S. dollars, the amount of such Debt will be the U.S. Dollar Equivalent determined on the date of such Incurrence; *provided, however*, that if any such Debt that is denominated in a different currency is subject to a currency Hedge Agreement with respect to U.S. dollars covering principal payable on such Indebtedness, the amount of such Indebtedness expressed in U.S. dollars will be adjusted to take into account the effect of such agreement; *provided further, however*, that if any Indebtedness is incurred to refinance other Indebtedness denominated in a currency other than U.S. dollars, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if the U.S. Dollar Equivalent is calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness (denominated in such non-U.S. dollar currency) does not exceed the principal amount of such Indebtedness being refinanced (denominated in the same currency) except to the extent that such U.S. Dollar Equivalent was determined based on a currency Hedge Agreement, in which case the principal amount of the refinancing Indebtedness will be determined in accordance with the preceding sentence; and
- (6) the maximum amount of Indebtedness that the Issuer and its Restricted Subsidiaries may incur pursuant to this covenant shall not be deemed to be exceeded, with respect to any outstanding Indebtedness, solely as a result of fluctuations in the exchange rate of currencies.

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Liens

The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume or suffer to exist any Lien (other than Permitted Liens) of any nature whatsoever against any assets of the Issuer or any Restricted Subsidiary (including Capital Stock of a Restricted Subsidiary), whether owned at the Issue Date or thereafter acquired, which Lien secures Indebtedness or trade payables, unless contemporaneously therewith:

- (1) in the case of any Lien securing an obligation that ranks pari passu with the notes or a Guarantee, effective provision is made to secure the notes or such Guarantee, as the case may be, at least equally and ratably with or prior to such obligation with a Lien on the same assets of the Issuer or such Restricted Subsidiary, as the case may be; and
- (2) in the case of any Lien securing Subordinated Indebtedness, effective provision is made to secure the notes or such Guarantee, as the case may be, with a Lien on the same assets of the Issuer or such Restricted Subsidiary, as the case may be, that is prior to the Lien securing such Subordinated Indebtedness.

Dividend and Other Payment Restrictions Affecting Subsidiaries

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any such Restricted Subsidiary to:

- (1) pay dividends or make any other distributions on its Capital Stock to the Issuer or any of its Restricted Subsidiaries, or pay any Indebtedness owed to the Issuer or any of its Restricted Subsidiaries;
 - (2) make loans or advances to the Issuer or any of its Restricted Subsidiaries; or
 - (3) sell, lease or transfer any of its properties or assets to the Issuer or any of its Restricted Subsidiaries.
- However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of: