

MOTOROLA INC  
Form 424B5  
August 12, 2004

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**PROSPECTUS SUPPLEMENT**  
**(to prospectus dated October 23, 2001)**

**Filed Pursuant to Rule 424(b)(5)**  
**Registration Nos. 333-58176**  
**333-72234**

**\$1,200,000,000**

**4.608% Senior Notes Due 2007**

In October and November 2001, we issued \$1,200,000,000 aggregate principal amount of 6.50% senior notes due 2007, referred to in this prospectus supplement as the senior notes, in connection with the issuance of 24,000,000 equity security units in the form of normal units. This is a remarketing of \$1,200,000,000 aggregate principal amount of those senior notes, which is the total aggregate principal amount of senior notes outstanding, on behalf of normal unit holders holding 24,000,000 equity security units. The senior notes will mature on November 16, 2007, unless a tax event redemption occurs before November 16, 2007. We make quarterly interest payments on the senior notes in arrears on February 16, May 16, August 16 and November 16 of each year. Interest on the senior notes will be reset to 4.608% per year effective on and after August 16, 2004. The first interest payment on the remarketed senior notes will be on November 16, 2004.

We may redeem the senior notes on not less than 30 days nor more than 60 days prior written notice, in whole but not in part, upon the occurrence and continuation of a tax event under the circumstances and at the redemption price set forth under the caption Description of the Senior Notes Tax Event Redemption in this prospectus supplement.

The senior notes are unsecured and rank equally with all our other unsecured and unsubordinated indebtedness. The senior notes are effectively subordinated to all liabilities, including trade payables, of our subsidiaries. We will remarket the senior notes in denominations of \$50 and integral multiples of \$50.

**Investing in the senior notes involves risks. See Risk Factors beginning on page S-5 of this prospectus supplement.**

	<u>Per Senior Note</u>	<u>Total</u>
Price to Public(1)	101.779%	\$ 1,221,348,000
Remarketing Fee to Remarketing Agents(2)	0.254%	\$ 3,053,370
Net Proceeds to Participating Note Holders(3)	101.525%	\$ 1,218,294,630

(1) Plus accrued interest from and including August 16, 2004, if settlement occurs after that date.

(2) Reflects 0.25% of the total proceeds received from the remarketing of the senior notes.

(3) Includes amount used to purchase the treasury portfolio on behalf of the holders of normal units.

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

We expect the senior notes to be ready for delivery in book-entry form only through The Depository Trust Company on or about August 16, 2004.

*Lead Remarketing Agents*

**JPMorgan**

**Merrill Lynch & Co.**

**Banc of America Securities LLC**

**Deutsche Bank Securities**

**Goldman, Sachs & Co.**

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The date of this prospectus supplement is August 11, 2004.

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**You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the remarketing agents have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the remarketing agents are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein is accurate only as of their respective dates; provided, however, that any information that we file with the Securities and Exchange Commission, or the SEC, subsequent to the date of this prospectus supplement that is incorporated by reference in the accompanying prospectus will automatically update this prospectus supplement and the accompanying prospectus. Our business, financial condition, results of operations and prospects may have changed since those dates. See **Where You Can Find More Information**.**

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MOTOROLA and the Stylized M Logo are registered in the U.S. Patent and Trademark Office. All other product or service names are the property of their respective owners.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part, which is this prospectus supplement, describes the specific terms of this remarketing. The second part, which is the accompanying prospectus, gives more general information, some of which may not apply to this remarketing.

If the description of this remarketing that is contained in this prospectus supplement differs from the description contained in the accompanying prospectus, you should rely on the information in this prospectus supplement.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public on the Internet at the SEC's website at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at its public reference facilities at 450 Fifth Street, N.W., Washington, D.C. 20549. You can also obtain copies of the documents at prescribed rates by writing to the Public Reference Room of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities. Our SEC filings are also available at the office of the New York Stock Exchange. For further information on obtaining copies of our public filings at the New York Stock Exchange, you should call (212) 656-5060.

The SEC allows us to incorporate by reference the information that we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus supplement and information that we subsequently file with the SEC will automatically update and supercede information in this prospectus supplement and in our other filings with the SEC. We incorporate by reference the documents listed below, which we have already filed with the SEC, and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, or the Exchange Act, until the offering of the senior notes under this prospectus supplement is completed:

Annual Report on Form 10-K for the year ended December 31, 2003;

Quarterly Report on Form 10-Q for the quarter ended April 3, 2004;

Quarterly Report on Form 10-Q for the quarter ended July 3, 2004; and

Current Reports on Form 8-K filed on June 24, 2004, July 19, 2004 and August 11, 2004.

You may request a copy of these filings, other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing, at no cost, by writing or calling us at the following address:

A. Peter Lawson  
Secretary, Motorola, Inc.  
1303 East Algonquin Road  
Schaumburg, Illinois 60196  
Telephone: (847) 576-5000

You can also find information about us at our Internet website at <http://www.motorola.com>. Information contained on our website does not constitute part of this prospectus supplement.

We have also filed a registration statement with the SEC relating to the senior notes described in this prospectus supplement. This prospectus supplement is part of the registration statement. You may obtain from the SEC a copy of the registration statement and exhibits that we filed with the SEC when we registered the senior notes. The registration statement may contain additional information that may be important to you.

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**SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS**

Statements in this prospectus supplement that are not historical facts are forward-looking statements based on current expectations that involve risks and uncertainties. The factors below and those on pages 76 through 85 of our 2003 Annual Report on Form 10-K and in our other SEC filings could cause our actual results to differ materially from those stated in the forward-looking statements. These factors include: (1) the uncertainty of current economic and political conditions, as well as the economic outlook for the telecommunications, semiconductor, broadband and automotive industries; (2) our ability to increase profitability and market share in our wireless handset business, particularly in light of competition in the China handset market; (3) demand for our products, including products related to new technologies; (4) our ability to introduce new products and technologies in a timely manner; (5) the impact of ongoing consolidations in the telecommunications and cable industries; (6) risks related to dependence on certain key manufacturing suppliers; (7) risks related to our high volume of manufacturing and sales in Asia; (8) our ability to purchase sufficient materials, parts and components to meet customer demand, including, without limitation, semiconductor products; (9) the creditworthiness of our customers, particularly purchasers of large infrastructure systems; (10) unexpected liabilities or expenses, including unfavorable outcomes to any pending or future litigation, including any relating to the Iridium project; (11) the levels at which design wins become actual orders and sales; (12) the impact of foreign currency fluctuations; (13) our ability to use our valuable deferred tax assets; (14) the impact on us from continuing hostilities in Iraq and conflict in other countries; (15) our ability and cost to repatriate additional funds; (16) unexpected effects on us and Freescale Semiconductor, Inc. as a result of the recent initial public offering of Freescale; and (17) our ability to successfully implement the complete separation of our semiconductor operations, which success is dependent upon a wide variety of factors, many of which are outside of our control. The words believe, expect, anticipate, estimate, could, should, intend and expressions generally identify forward-looking statements. You are cautioned not to place undue reliance on such forward-looking statements which are being made as of the date of this prospectus supplement. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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**PROSPECTUS SUPPLEMENT SUMMARY**

*You should read the following summary together with the more detailed information included or incorporated by reference in this prospectus supplement and the accompanying prospectus about us and the senior notes offered pursuant to this prospectus supplement and the accompanying prospectus. Unless the context otherwise requires, references in this prospectus supplement to Motorola, we, us and our mean Motorola, Inc. and its subsidiaries.*

**MOTOROLA, INC.**

We are a global leader in wireless, broadband and automotive communications technologies and embedded electronic products.

**Wireless**

**Handsets:** We are one of the world's leading providers of wireless handsets, which transmit and receive voice, text, images and other forms of information and communication.

**Wireless Networks:** We also develop, manufacture and market public and enterprise wireless infrastructure communications systems, including hardware and software.

**Mission-Critical Information Systems:** In addition, we are a leading provider of customized, mission-critical radio communications and information systems.

**Broadband**

We are a global leader in developing and deploying end-to-end digital broadband entertainment, communication and information systems for the home and for the office. Our broadband technology enables network operators and retailers to deliver products and services that connect consumers to what they want, when they want it.

**Automotive**

We are the world's market leader in embedded telematics systems that enable automated roadside assistance, navigation and advanced safety features for automobiles. We also provide integrated electronics for the powertrain, chassis, sensors and interior controls.

**Semiconductor**

We also are a leading producer of embedded processing and connectivity products for the automotive, networking and wireless communications industries through our majority-owned subsidiary, Freescale Semiconductor, Inc.

We are a corporation organized under the laws of the State of Delaware as the successor to an Illinois corporation organized in 1928. Our principal executive offices are located at 1303 East Algonquin Road, Schaumburg, Illinois 60196 (telephone number: (847) 576-5000).

**RECENT DEVELOPMENTS**

**Freescale Semiconductor, Inc.**

During the second quarter, we completed the legal separation of our semiconductor operations into a separate subsidiary, Freescale Semiconductor, Inc. On July 21, 2004, Freescale completed an initial public offering, or an IPO, of approximately 121.6 million shares of Freescale Class A common stock. The net proceeds to Freescale from the IPO, as well as the subsequent sale of an additional 8.4 million shares of Class A common stock in connection with the exercise of the over-allotment option, were approximately \$1.6 billion. Following these transactions, approximately 32.5% of the total outstanding common stock of Freescale is held by the general public and 67.5% is held by us. We own all of Freescale's Class B common stock, which is entitled to five votes per share and represents approximately 91.2% of Freescale's

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total voting power. At the same time as the IPO, Freescale issued senior debt securities in an aggregate principal amount of \$1.25 billion, consisting of \$400 million of floating rate notes due 2009, \$350 million of 6.875% notes due 2011 and \$500 million of 7.125% notes due 2014. Freescale distributed approximately \$1.1 billion of proceeds to us. We intend to use the proceeds we received from Freescale to partially effect the tender offer for, and redemption of, the debt described below.

As a majority owned subsidiary, Freescale's financial results are currently fully consolidated into our financial results. We currently intend to distribute our remaining 67.5% ownership interest in Freescale to our common stockholders before the end of 2004. However, the completion of the distribution is subject to conditions, some of which are beyond our control. Subsequent to such a distribution, Freescale will no longer constitute a part of our business operations and the related operating results of Freescale will be reflected as discontinued operations for all periods presented.

### **Second-Quarter 2004 Financial Results**

On July 20, 2004, we announced our second-quarter 2004 financial results, including:

sales of \$8.7 billion in the second quarter of 2004, compared to \$6.2 billion in the second quarter of 2003;

second-quarter 2004 GAAP pre-tax earnings of \$800 million, compared to second-quarter 2003 GAAP pre-tax earnings of \$112 million;

a second-quarter 2004 GAAP loss of \$203 million, or (\$.09) per share, compared to second-quarter 2003 GAAP earnings of \$119 million, or \$.05 per share. Second-quarter 2004 GAAP results include, among other items: (1) a non-cash tax expense of \$898 million, or (\$.38) per share, related to the establishment of a deferred tax asset valuation reserve associated with the initial public offering of Freescale Semiconductor, Inc., and (2) a tax benefit of \$197 million, or \$.08 per share, resulting from the reversal of tax reserves due to the settlement of certain tax audit items; and

second-quarter 2004 positive operating cash flow of \$994 million, allowing us to complete the quarter with net cash of \$1.8 billion, compared to net debt of \$41 million at the end of 2003.

For the six months ended July 3, 2004, our unaudited consolidated ratio of earnings to fixed charges was 7.6 to 1.

### **Debt Repurchases**

On July 26, 2004, we announced plans to retire up to \$1.7 billion of outstanding debt. On August 10, 2004, we completed a cash tender offer for any and all of our \$300 million aggregate principal amount of outstanding 7.60% Notes due 2007. We repurchased an aggregate principal amount of \$182 million of validly tendered 7.60% Notes for an aggregate purchase price of approximately \$202 million. In addition, we have called for the redemption of all of our \$1.4 billion of outstanding 6.75% Notes due 2006. These repurchases of debt will be paid partially through proceeds received from Freescale Semiconductor, Inc. and partially through available cash balances.

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**THE REMARKETING**

<b>Issuer</b>	Motorola, Inc., a Delaware corporation.
<b>Securities Remarketed</b>	\$1,200,000,000 aggregate principal amount of 6.50% senior notes due 2007.
<b>Maturity</b>	The senior notes will mature on November 16, 2007, unless a tax event redemption occurs before November 16, 2007.
<b>Interest</b>	The senior notes will bear interest at 4.608% per year on and after August 16, 2004. Interest on the senior notes is payable quarterly in arrears on February 16, May 16, August 16 and November 16 of each year. The first interest payment on the remarketed senior notes will be made on November 16, 2004.
<b>Tax Event Redemption</b>	We may redeem the senior notes at our option on not less than 30 days nor more than 60 days prior written notice, in whole but not in part, upon the occurrence and continuation of a tax event under the circumstances and at the redemption price set forth under the caption Description of the Senior Notes Tax Event Redemption in this prospectus supplement.
<b>Ranking</b>	The senior notes are senior unsecured obligations of ours and rank equally with all of our other unsecured senior indebtedness. The notes will be effectively subordinated to all our existing and future secured indebtedness to the extent of the assets securing that indebtedness. The notes will also be structurally subordinated to the indebtedness and other liabilities, including trade payables, of our subsidiaries.
<b>The Remarketing</b>	<p>We issued the senior notes in October and November 2001 in connection with our issuance and sale to the public of our equity security units. Each equity security unit initially consisted of both a purchase contract and a senior note. Pursuant to the terms of the equity security units, the remarketing agents will remarket the senior notes on behalf of current holders of normal units in accordance with a remarketing agreement among Motorola, the remarketing agents and Wachovia Trust Company, National Association, as purchase contract agent and as attorney-in-fact for holders of purchase contracts. See Remarketing in this prospectus supplement.</p> <p>The terms of the equity security units and senior notes require the remarketing agents to use their reasonable efforts to remarket the senior notes of holders participating in the remarketing at a price equal to approximately 100.50% of the purchase price for the treasury portfolio described in this prospectus supplement. In the remarketing, J.P. Morgan Securities Inc., Merrill Lynch, Pierce, Fenner &amp; Smith Incorporated, Banc of America Securities LLC, Deutsche Bank Securities Inc., Goldman, Sachs &amp; Co. and HSBC Securities (USA) Inc., as remarketing agents, have reset the interest rate on the senior notes to a rate sufficient to cause the price of all then outstanding senior notes to be at least 100.50% of the purchase price for the treasury portfolio described in this prospectus supplement.</p>



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<b>Use of Proceeds</b>	The proceeds from the remarketing of the senior notes are estimated to be \$1,221,348,000, before application of the remarketing agents' fee. We will not receive any proceeds of the remarketing. Instead, the proceeds from the remarketing will be used to purchase the treasury portfolio described in this prospectus supplement, which treasury portfolio will then be pledged to secure the stock purchase obligations of the holders of the normal units, with any proceeds in excess of the treasury portfolio purchase price being applied to pay the remarketing agents' fee. After deducting the remarketing fee, the remarketing agents will remit the remaining portion of the proceeds to the holders of the normal units that were remarketed. The remarketing fee will be an amount equal to 0.25% of the total proceeds from the remarketing. See "Use of Proceeds" in this prospectus supplement.
<b>U.S. Federal Income Taxation</b>	The senior notes should be classified as contingent payment debt instruments for U.S. federal income tax purposes. The regulations governing contingent payment debt instruments are complex, and their application to the senior notes following the remarketing is not entirely clear. We believe that the application described in this prospectus supplement is a reasonable interpretation of the contingent payment debt regulations. If you report your income in the manner described in this prospectus supplement, the net amount of interest income that you recognize in respect of the senior notes generally should approximate the economic accrual of income on the senior notes to you. See "Material United States Federal Income Tax Consequences."
<b>Listing</b>	The senior notes will not be listed on any national securities exchange.

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**RISK FACTORS**

*Before purchasing the senior notes, you should carefully consider the following risk factors together with the other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, including the information under Business Risk Factors on pages 76 through 85 of our 2003 Annual Report on Form 10-K.*

**We may redeem the senior notes upon the occurrence of a tax event.**

We may redeem the senior notes, in whole but not in part, at any time if a tax event occurs and continues under the circumstances described in this prospectus supplement. If we exercise this option, we will redeem the senior notes at the redemption price plus accrued and unpaid interest, if any. If we redeem the senior notes, we will pay the redemption price in cash to the holders of the senior notes. A tax event redemption will be a taxable event to the holders of the senior notes.

**We could enter into various transactions that could increase the amount of our outstanding debt, or adversely affect our capital structure or credit rating, or otherwise adversely affect holders of the senior notes.**

The terms of the senior notes do not prevent us from entering into a variety of acquisition, change of control, refinancing, recapitalization or other highly leveraged transactions. As a result, we could enter into any transaction even though the transaction could increase the total amount of our outstanding indebtedness, adversely affect our capital structure or credit rating or otherwise adversely affect the holders of the senior notes.

**Uncertainties with respect to the proper application of the contingent payment debt regulations may affect the timing and character of income, gain or loss realized by holders of the senior notes.**

Assuming that you report your income in a manner consistent with our discussion in the section of this prospectus supplement entitled Material United States Federal Income Tax Consequences, the amount of income that you will recognize for United States federal income tax purposes in respect of the senior notes generally will correspond to the economic accrual of income on the senior notes to you and the amount of income you would have recognized on an accrual basis for United States federal income tax purposes if the senior notes were not subject to the contingent payment debt regulations. However, the proper application of the contingent payment debt regulations to the senior notes following the remarketing is uncertain in a number of respects, and no assurance can be given that the Internal Revenue Service, which we refer to as the IRS, will not successfully assert a different treatment of the senior notes that could affect the timing and character of income, gain or loss with respect to an investment in the senior notes.

**The senior notes are obligations of Motorola and not of our subsidiaries and will be effectively subordinated to the claims of the subsidiaries' creditors.**

The senior notes are obligations exclusively of Motorola and not of our subsidiaries. Our operations are partially conducted through our subsidiaries. As a result, our cash flow and our ability to service our debt, including the senior notes, depends upon the earnings of our subsidiaries. In addition, we depend on the distribution of earnings, loans or other payments by our subsidiaries to us.

Our subsidiaries are separate and distinct legal entities. Our subsidiaries have no obligation to pay any amounts due on the senior notes or to provide us with funds for our payment obligations, whether by dividends, distributions, loans or other payments. In addition, any payment of dividends, distributions, loans or advances by our subsidiaries to us could be subject to statutory or contractual restrictions. Payments to us by our subsidiaries will also be contingent upon our subsidiaries' earnings and business considerations.

Our right to receive any assets of any of our subsidiaries upon their liquidation or reorganization, and therefore the right of the holders of the senior notes to participate in those assets, will be effectively

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subordinated to the claims of that subsidiary's creditors, including senior debenture and note holders, and bank trade creditors. In addition, even if we were a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any indebtedness of our subsidiaries senior to that held by us. As of July 3, 2004, our subsidiaries had approximately \$6.3 billion of total liabilities, including trade payables.

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**USE OF PROCEEDS**

We will not receive any proceeds from the remarketing of the senior notes on behalf of holders of normal units.

We estimate that the total proceeds from the remarketing of senior notes will be approximately \$1,221,348,000. These proceeds will be used as follows:

a portion will be used to purchase a specified portfolio of U.S. Treasury securities, or treasury portfolio, that will be pledged to us, on behalf of holders of normal units, as security for the stock purchase contract obligations of such holders;

a portion equal to 25 basis points (0.25%) of the total proceeds from the remarketing of the senior notes will be deducted and retained by the remarketing agents as a remarketing fee; and

the amount in excess of the purchase price for the treasury portfolio and the remarketing fee will be remitted to Wachovia Trust Company, National Association, as the purchase contract agent, for payment to the holders of normal units.

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**DESCRIPTION OF THE SENIOR NOTES**

**General**

The senior notes to be remarketed were issued under our indenture dated May 1, 1995 between Motorola and J.P. Morgan Trust Company, National Association (as successor in interest to Bank One Trust Company, N.A., as successor trustee to BNY Midwest Trust Company and Harris Trust and Savings Bank), as trustee. The following description is qualified in its entirety by reference to the provisions of the indenture. You should read the indenture carefully to fully understand the terms of the senior notes.

We have summarized the material provisions of the indenture in the accompanying prospectus under the caption Description of Debt Securities. The indenture has been filed as an exhibit to the registration statement and you should read the indenture for provisions that may be important to you. In the summary in the accompanying prospectus, we have included references to section numbers of the indenture so that you can easily locate these provisions. Capitalized terms used in the summary have the meaning specified in the indenture. You can obtain copies of the indenture by following the directions described under the caption Where You Can Find More Information. In this section, references to our, we and similar terms mean Motorola, Inc., excluding its subsidiaries.

We initially issued the senior notes in October and November 2001 in connection with our issuance of equity security units. Each equity security unit consists of a unit, referred to as a normal unit, which is comprised of (1) a purchase contract under which the holder agrees to purchase shares of our common stock from us on November 16, 2004 and (2) a 6.50% senior note in the principal amount of \$50 due November 16, 2007. Holders of normal units may substitute zero-coupon U.S. Treasury securities for the senior notes that are part of their normal units under certain circumstances. In that event, a second type of equity security unit, referred to as a stripped unit, is created, with the senior note being released to the stripped unit holder as a result. Senior notes that are part of normal units are pledged to us to secure the obligation that the normal unit holders have to purchase our common stock. We designated JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank) as collateral agent to hold the pledged senior notes and any other pledged securities.

This prospectus supplement relates to the remarketing of the senior notes on behalf of the normal unit holders.

The aggregate principal amount of the senior notes is \$1,200,000,000. The entire principal amount of the senior notes will mature and become due and payable, together with any accrued and unpaid interest, on November 16, 2007, unless a tax event redemption occurs before November 16, 2007. Except for a tax event redemption, the senior notes will not be redeemable by us before their stated maturity.

The senior notes will not be subject to a sinking fund provision.

The indenture does not limit the amount of additional indebtedness that we or any of our subsidiaries may incur. The senior notes will be our exclusive obligations. Since our operations are partially conducted through subsidiaries, primarily overseas, our cash flow and the consequent ability to service debt, including our senior notes, are partially dependent upon the earnings of our subsidiaries and the distribution of those earnings to, or upon other payments of funds by those subsidiaries to, us. The subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due on the senior notes or to make funds available for such payments, whether by dividends, loans or other payments. In addition, the payment of dividends and the making of loans and advances to us by our subsidiaries may be subject to statutory or contractual restrictions, are contingent upon the earnings of those subsidiaries, and are subject to various business considerations.

Any right to receive the assets of any of our subsidiaries upon their liquidation or reorganization (and the resulting right of the holders of the senior notes to participate in those assets) will be effectively subordinated to the claims of that subsidiary's creditors (including trade creditors), except to the extent that we are recognized as a creditor of such subsidiary, in which case our claims would be subordinated to

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any security interests in the assets of such subsidiary and any indebtedness of such subsidiary senior to that held by us. As of July 3, 2004, our subsidiaries had outstanding approximately \$6.3 billion of total liabilities, including trade payables.

We may, without the consent of the holders of the senior notes, create and issue additional notes ranking equally with the senior notes and otherwise similar in all respects so that such further notes would be consolidated and form a single series of notes.

### **Denominations; Transfer and Exchange**

The senior notes will be remarketed in registered form, without coupons, in denominations of \$50 and integral multiples of \$50, and may be transferred or exchanged, without service charge but upon payment of any taxes or other governmental charges payable in connection with the transfer or exchange, at the offices described below.

### **Payments on the Senior Notes**

Payments on senior notes issued as a global security following this remarketing will be made to the depository, a successor depository or, in the event that no depository is used, to the paying agent for the senior notes. Principal and interest with respect to certificated senior notes will be payable, the transfer of the senior notes will be registrable and the senior notes will be exchangeable for notes of other denominations of a like aggregate principal amount, at the office or agency maintained by us for this purpose in the Borough of Manhattan, The City of New York. However, at our option, payment of interest may be made by check mailed to the address of the holder entitled to payment or by wire transfer to an account designated by the holder entitled to payment. We have appointed J.P. Morgan Trust Company, National Association, as initial paying agent, transfer agent and registrar for the senior notes. We may at any time designate additional transfer agents and paying agents with respect to the senior notes, and may remove any transfer agent, paying agent or registrar for the senior notes. We will at all times be required to maintain a paying agent and transfer agent of the senior notes in the Borough of Manhattan, The City of New York.

Any monies deposited with the trustee or paying agent, or held by us, in trust, for the payment of principal of or interest on any senior note and remaining unclaimed for two years after such principal or interest has become due and payable will, at our request, be repaid to us or released from trust, as applicable, and the holder of the senior note will thereafter look, as a general unsecured creditor, only to us for the payment thereof.

### **Interest**

Each senior note will bear interest at the rate of 4.608% per year effective on and after August 16, 2004. Interest on the senior notes will be payable quarterly in arrears on February 16, May 16, August 16 and November 16 of each year, each an interest payment date. The first interest payment on the remarketed senior notes will be on November 16, 2004. Interest will be payable to the person in whose name the senior note is registered at the close of business on the first day of the month in which the interest payment date falls.

The amount of interest payable for any period will be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of interest payable for any period shorter than a full quarterly period for which interest is computed will be computed on the basis of the actual number of days elapsed in the 90-day period. In the event that any date on which interest is payable on the senior notes is not a business day, the payment of the interest payable on that date will be made on the next succeeding day that is a business day, without any interest or other payment in respect of the delay.

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**Tax Event Redemption**

If a tax event, as defined below, occurs and is continuing, we may, at our option, redeem all of the outstanding senior notes (whether underlying normal units or otherwise) in whole, but not in part, at any time at a price, which we refer to as the redemption price, equal to, for each senior note, the redemption amount described below plus accrued and unpaid interest, if any, to the date of redemption. Installments of interest on senior notes which are due and payable on or before a redemption date will be payable to the holders of the senior notes registered as such at the close of business on the relevant record dates. If, following the occurrence of a tax event after the completion of this remarketing, we exercise the option to redeem the senior notes, the proceeds of the redemption will be payable in cash to the holders of the senior notes.

Tax event means our receipt of an opinion of nationally recognized independent tax counsel experienced in such matters (which may be McDermott, Will & Emery LLP) to the effect that there is more than an insubstantial risk that interest or original issue discount paid or accrued by us on the senior notes would not be deductible, in whole or in part, by us for United States federal income tax purposes as a result of any amendment to, change in, or announced proposed change in, the laws, or any regulations thereunder, of the United States or any political subdivision or taxing authority thereof or therein affecting taxation, any amendment to or change in an official interpretation or application of any such laws or regulations by any legislative body, court, governmental agency or regulatory authority or any official interpretation or pronouncement that provides for a position with respect to any such laws or regulations that differs from the generally accepted position on October 31, 2001 (the date the senior notes were originally issued), which amendment, change or proposed change is effective or which interpretation or pronouncement is announced on or after that date.

Tax event treasury portfolio means a portfolio of zero-coupon U.S. Treasury securities consisting of principal or interest strips of U.S. Treasury securities which mature on or before November 16, 2004 in an aggregate amount equal to the aggregate principal amount of the senior notes outstanding on the tax event redemption date and, with respect to each scheduled interest payment date on the senior notes that occurs after the tax event redemption date and no later than November 16, 2007, interest or principal strips of U.S. Treasury securities which mature on or before that interest payment date in an aggregate amount equal to the aggregate interest payment that would be due on the aggregate principal amount of the senior notes outstanding on the tax event redemption date.

Redemption amount means, in the case of a tax event redemption occurring before a successful remarketing of the senior notes, for each senior note the product of the principal amount of the senior note and a fraction whose numerator is the tax event treasury portfolio purchase price and whose denominator is the aggregate principal amount of the senior notes included in normal units, and in the case of a tax event redemption date occurring after a successful remarketing of the senior notes, the par value of the senior notes.

Tax event treasury portfolio purchase price means the lowest aggregate price quoted by a primary U.S. government securities dealer in New York City to the quotation agent on the third business day immediately preceding the tax event redemption date for the purchase of the tax event treasury portfolio for settlement on the tax event redemption date.

Quotation agent means any of J.P. Morgan Securities Inc. or Merrill Lynch Government Securities Inc. or their respective successors or any other primary U.S. government securities dealer in New York City selected by us.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each registered holder of senior notes to be redeemed at its registered address. Unless we default in payment of the redemption price, on and after the redemption date interest shall cease to accrue on the senior notes. In the event any senior notes are called for redemption, neither we nor the trustee will be required to register the transfer of or exchange the senior notes to be redeemed.

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### **Book-Entry and Settlement**

We have obtained the information in this section concerning The Depository Trust Company, or DTC, and its book-entry system and procedures from sources that we believe to be reliable, but we take no responsibility for the accuracy of this information.

The senior notes initially will be represented by one or more fully registered global securities, respectively. Each global security will be deposited with, or on behalf of, DTC or any successor thereto and registered in the name of Cede & Co., DTC's nominee.

You may hold your interests in a global security in the United States through DTC, either as a participant in such system or indirectly through organizations which are participants in such system. So long as DTC or its nominee is the registered owner of the global securities representing the senior notes, DTC or such nominee will be considered the sole owner and holder of the senior notes for all purposes of the senior notes and the indenture. Except as provided below, owners of beneficial interests in the senior notes will not be entitled to have the senior notes registered in their names, will not receive or be entitled to receive physical delivery of the senior notes in definitive form and will not be considered the owners or holders of the senior notes under the indenture, including for purposes of receiving any reports that we or the trustee deliver pursuant to the indenture. Accordingly, each person owning a beneficial interest in a senior note must rely on the procedures of DTC or its nominee and, if that person is not a participant, on the procedures of the participant through which that person owns its interest, in order to exercise any rights of a holder of senior notes.

Unless and until we issue the senior notes in fully certificated form under the limited circumstances described below under the heading **Certificated Senior Notes**

you will not be entitled to receive physical delivery of a certificate representing your interest in the senior notes;

all references in this prospectus supplement or in the accompanying prospectus to actions by holders will refer to actions taken by DTC upon instructions from its direct participants; and

all references in this prospectus supplement or in the accompanying prospectus to payments and notices to holders will refer to payments and notices to DTC or Cede & Co., as the registered holder of the senior notes, for distribution to you in accordance with DTC procedures.

### **The Depository Trust Company**

DTC will act as securities depository for the senior notes. The senior notes will be issued as fully registered securities registered in the name of Cede & Co. DTC is:

a limited-purpose trust company organized under the New York Banking Law;

a banking organization under the New York Banking Law;

a member of the Federal Reserve System;

a clearing corporation under the New York Uniform Commercial Code; and

a clearing agency registered under the provision of Section 17A of the Securities Exchange Act of 1934.

DTC holds securities that its direct participants deposit with DTC. DTC also facilitates the settlement among direct participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in direct participants' accounts, thereby eliminating the need for physical movement of securities certificates.

Direct participants of DTC include securities brokers and dealers (including underwriters), banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its direct participants and by The New York Stock Exchange, Inc., the American Stock Exchange, Inc. and



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the National Association of Securities Dealers, Inc. Indirect participants of DTC, such as securities brokers and dealers, banks and trust companies, can also access the DTC system if they maintain a custodial relationship with a direct participant.

If you are not a direct participant or an indirect participant and you wish to purchase, sell or otherwise transfer ownership of, or other interests in, the senior notes, you must do so through a direct participant or an indirect participant.

DTC agrees with and represents to DTC participants that it will administer its book-entry system in accordance with its rules and by-laws and requirements of law. The SEC has on file a set of the rules applicable to DTC and its direct participants.

Purchases of the senior notes under DTC's system must be made by or through direct participants, which will receive a credit for the senior notes on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct participants and indirect participants. Beneficial owners will not receive written confirmation from DTC of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participants through which the beneficial owners entered into the transaction. Transfers of ownership interests in the senior notes are to be accomplished by entries made on the books of direct and indirect participants acting on behalf of beneficial owners. Beneficial owners will not receive physical delivery of certificates representing their ownership interests in the senior notes, except as provided below in Certificated Senior Notes.

To facilitate subsequent transfers, all senior notes deposited with DTC are registered in the name of DTC's nominee, Cede & Co. The deposit of senior notes with DTC and their registration in the name of Cede & Co. has no effect on beneficial ownership. DTC has no knowledge of the actual beneficial owners of the senior notes. DTC's records reflect only the identity of the direct participants to whose accounts the senior notes are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants and by direct and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

### **Book-Entry Format**

Under the book-entry format, the trustee will pay interest or principal payments to Cede & Co., as nominee of DTC. DTC will forward the payment to the direct participants, who will then forward the payment to the indirect participants or to the beneficial owners. You may experience some delay in receiving your payments under this system.

DTC is required to make book-entry transfers on behalf of its direct participants and is required to receive and transmit payments of principal, premium, if any, and interest on the senior notes. Any direct participant or indirect participant with which you have an account is similarly required to make book-entry transfers and to receive and transmit payments with respect to senior notes on your behalf. We and the trustee have no responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the senior notes or for maintaining, supervising or reviewing any records relating to those beneficial ownership interests.

The trustee will not recognize you as a holder of any senior notes under the indenture, and you can only exercise the rights of a holder indirectly through DTC and its direct participants. DTC has advised us that it will only take action regarding a senior note if one or more of the direct participants to whom the senior note is credited direct DTC to take the action. DTC can only act on behalf of its direct participants. Your ability to pledge senior notes to indirect participants, and to take other actions, may be limited because you will not possess a physical certificate that represents your senior notes.

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**Certificated Senior Notes**

The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of the securities in certificated form. These laws may impair the ability to transfer beneficial interests in a global security.

Except as provided below, owners of beneficial interests in a global security will not be entitled to receive physical delivery of senior notes in certificated form and will not be considered the holders (as defined in the indenture) of the senior notes for any purpose under the indenture, and no global security representing senior notes will be exchangeable, except for another global security of like denomination and tenor to be registered in the name of the depositary or its nominee or a successor depositary or its nominee. Accordingly, each beneficial owner must rely on the procedures of the securities depositary or, if that person is not a participant, on the procedures of the participant through which that person owns its interest, to exercise any rights of a holder under the indenture.

In the event that:

the depositary notifies us that it is unwilling or unable to continue as a depositary for the global securities and no successor depositary has been appointed within 90 days after this notice, or

the depositary at any time ceases to be a clearing agency registered under the Securities Exchange Act of 1934 when the depositary is required to be so registered to act as the depositary and no successor depositary has been appointed within 90 days after we learn that the depositary has ceased to be so registered, or

we determine in our sole discretion that we will no longer have debt securities represented by global securities or permit any of the global security certificates to be exchangeable or an event of default under the indenture has occurred and is continuing, then

certificates for the senior notes will be printed and delivered in exchange for beneficial interests in the global security certificates. Any global security that is exchangeable pursuant to the preceding sentence will be exchangeable for note certificates registered in the names directed by the depositary. We expect that these instructions will be based upon directions received by the depositary from its participants with respect to ownership of beneficial interests in the global security certificates.

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**MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES**

The following summary describes the material United States federal income tax consequences of the purchase, ownership and disposition of the senior notes. Unless otherwise stated, this summary deals only with senior notes held as capital assets (generally, assets held for investment) by holders that purchase senior notes in the remarketing at the remarketing offering price. The tax treatment of a holder may vary depending on that holder's particular situation. This summary does not address all of the tax consequences that may be relevant to holders that may be subject to special tax treatment such as, for example, insurance companies, broker-dealers, tax-exempt organizations, regulated investment companies, persons holding senior notes as part of a straddle, hedge, conversion transaction or other integrated investment, persons holding senior notes through a partnership or other pass-through entity and U.S. holders whose functional currency is not the U.S. dollar. In addition, this summary does not address any aspects of state, local or foreign tax laws. This summary is based on the United States federal income tax laws, regulations, rulings and decisions in effect as of the date of this prospectus supplement, which are subject to change or differing interpretations, possibly on a retroactive basis. **YOU SHOULD CONSULT YOUR OWN TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES TO YOU OF PURCHASING, OWNING AND DISPOSING OF THE SENIOR NOTES, INCLUDING THE APPLICATION AND EFFECT OF UNITED STATES FEDERAL, STATE, LOCAL AND FOREIGN TAX LAWS.**

No statutory, administrative or judicial authority directly addresses the treatment of the senior notes or instruments similar to the senior notes for United States federal income tax purposes. As a result, no assurance can be given that the IRS will agree with the tax consequences described below.

**U.S. Holders**

For purposes of this summary, the term "U.S. holder" means a beneficial owner of senior notes who is one of the following:

a citizen or resident of the United States, as determined for United States federal income tax purposes,

a legal entity (1) created or organized in or under the laws of the United States, any state in the United States or the District of Columbia and (2) treated as a corporation for United States federal income tax purposes,

an estate the income of which is subject to United States federal income taxation regardless of its source, or

a trust if (1)(x) a court within the United States is able to exercise primary supervision over the administration of the trust and (y) one or more United States persons have the authority to control all substantial decisions of the trust or (2) the trust has in effect a valid election to be treated as a domestic trust for United States federal income tax purposes.

*Original Issue Discount*

*General.* Because of the manner in which the interest rate on the senior notes is reset, the senior notes should be classified as contingent payment debt instruments subject to the "noncontingent bond method" for accruing original issue discount, as set forth in the applicable United States Treasury regulations (the "contingent payment debt regulations"). We have consistently treated (and intend to continue to treat) the senior notes as such, and the remainder of this discussion assumes that the senior notes will be so treated.

The proper application of the contingent payment debt regulations to the senior notes following the remarketing is not entirely clear. We believe, based on the advice of our counsel, McDermott, Will & Emery LLP, that the application of the contingent payment debt regulations described below is a reasonable interpretation of these regulations. If you report your income in the manner described below,

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the net amount of interest income that you recognize in respect of the senior notes generally should approximate the economic accrual of income on the senior notes to you. No assurance can be given that the IRS will agree with the application of the contingent payment debt regulations described below. A different application could affect the amount, timing and character of income, gain or loss with respect to an investment in the senior notes. Accordingly, you are urged to consult your tax advisor regarding the application of the contingent payment debt regulations to the senior notes.

Under the contingent payment debt regulations, you are required to accrue original issue discount on a constant yield-to-maturity basis (regardless of your usual method of accounting for United States federal income tax purposes) based on the comparable yield of the senior notes, subject to the adjustments described below. Under these rules, you may recognize original issue discount income in a taxable year in advance of the receipt of corresponding cash. The comparable yield of the senior notes generally is the rate at which we could have issued, as of the original issue date of the senior notes, a fixed rate debt instrument with no contingent payments with terms and conditions similar to the senior notes. Pursuant to the contingent payment debt regulations, we determined, as of the original issue date of the senior notes on October 31, 2001, that the comparable yield was 7.45% and projected interest payments on the senior notes per \$50 of principal amount would be \$0.96 on February 16, 2002, \$0.81 for each subsequent quarter ending on or prior to August 16, 2004, and \$1.06 for each quarter ending after August 16, 2004.

By purchasing senior notes you will be deemed to have agreed, for United States federal income tax purposes, to be bound by our determination of the comparable yield and projected payment schedule. The comparable yield and the projected interest payments are not provided for any purpose other than the determination of your interest accruals and adjustments thereof in respect of the senior notes and do not constitute a representation regarding the actual amount of the payment on the senior notes.

Subject to the discussion under *Adjustments to Original Issue Discount* below, the amount of original issue discount on a senior note for each accrual period is determined by multiplying the comparable yield of the senior note (adjusted for the length of the accrual period) by the senior note's adjusted issue price at the beginning of the accrual period. The amount of original issue discount so determined is then allocated on a ratable basis to each day in the accrual period that you hold the senior note. We have determined that the adjusted issue price of a senior note purchased in the remarketing will be \$51.46 per \$50 principal amount as of August 16, 2004. For any accrual period thereafter, the adjusted issue price of a senior note will be \$51.46 per \$50 principal amount, increased by any original issue discount accrued on such senior note in any prior accrual period beginning on or after August 16, 2004 (disregarding any adjustments to original issue discount described below), and decreased by the projected payments on the senior notes in any prior accrual period beginning on or after August 16, 2004.

*Adjustments to Original Issue Discount.* As a result of the remarketing, the interest rate on the senior notes will be reset to 4.608% per year, and all remaining payments on the senior notes will become fixed. The senior notes will be subject to special rules that become applicable to contingent payment debt instruments when all of the contingent payments have become fixed substantially contemporaneously. Under these special rules, you must take into account positive or negative adjustments to the projected payment schedule in a reasonable manner over the period to which such adjustments relate. Based on the annual reset rate of 4.608%, interest payments on the senior notes, per \$50 principal amount, will be \$0.576 for each quarterly payment date after August 16, 2004. The difference between the amount of the remaining payments (as fixed) and the projected amount of the payments (according to the projected payment schedule) must be taken into account, as a negative adjustment, in a reasonable manner over the period to which the payments relate.

In addition, if the remarketing offering price differs from the adjusted issue price of the senior notes at the time of the remarketing (i.e. \$51.46 per \$50 principal amount), the amount of any such difference should be allocated to the daily portion of original issue discount over the remaining term of the senior notes and taken into account by you as such daily portion accrues, either as a positive adjustment (if the

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remarketing offering price is less than the adjusted issue price) or a negative adjustment (if the remarketing offering price is greater than the adjusted issue price).

The amount by which total negative adjustments on your senior notes in a taxable year exceed the total positive adjustment on the senior notes in the taxable year will reduce the amount of original issue discount on the senior notes for the taxable year. Any excess is then allowed as an ordinary loss to you to the extent your total interest inclusion on the senior notes in prior years exceeds your net negative adjustments treated as ordinary loss in prior years. The ordinary loss is not subject to the two percent floor limitation imposed on miscellaneous deductions under Section 67 of the United States Internal Revenue Code of 1986, as amended, or the Code.

In general, by reporting income in the manner described above, you will recognize net interest income on the senior notes in an amount that should approximate the economic accrual of income on the senior notes to you.

Certain U.S. holders will receive IRS Form 1099-OID reporting original issue discount accruals on their senior notes. Those forms generally will not, however, reflect any adjustment to original issue discount attributable to the difference between the remarketing offering price and the adjusted issue price of the senior notes. U.S. holders are urged to consult their tax advisors regarding any adjustments that they may need to make to the amount reported on IRS Form 1099-OID based on their particular situations.

### *Adjustment to Tax Basis in Senior Notes*

Your initial tax basis in a senior note acquired by you in the remarketing will equal the amount that you pay for such senior note. You can determine your adjusted tax basis in a senior note by adding to your initial tax basis in the senior note the net amount of original issue discount included in your income with respect to the senior note (disregarding any positive or negative adjustments, other than those described in the next paragraph) and then subtracting the total amount of the projected payments on the senior note for all previous accrual periods starting from the date of the remarketing.

In addition, as discussed above, certain positive or negative adjustments must be made over the remaining term of the senior note if your initial adjusted tax basis in a senior note acquired in the remarketing differs from the adjusted issue price of such senior note at the time of the remarketing. The adjusted tax basis of a senior note will be decreased by any such negative adjustments and increased by any such positive adjustments.

### *Sales, Exchanges or Other Taxable Dispositions of Senior Notes*

You will recognize gain or loss on a disposition of a senior note in an amount equal to the difference between your amount realized and your adjusted tax basis in the senior note. Any such gain or loss generally will be treated as capital gain or loss (except to the extent attributable to accrued but unpaid interest and possibly positive adjustments not yet accrued and included in income, which are separately treated as ordinary income) and will be long-term capital gain or loss if you held the senior note for more than one year immediately prior to such disposition. It is possible, however, that gain recognized on a disposition of a senior note during the six-month period beginning on August 16, 2004 will be treated as interest income. Long-term capital gains of individuals are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

### *Backup Withholding Tax and Information Reporting*

Unless you are an exempt recipient (such as a corporation), payments of interest (including original issue discount) on the senior notes and proceeds on the sale of senior notes will be subject to information reporting and also will be subject to United States federal backup withholding tax (which is currently 28%), if you fail to supply an accurate taxpayer identification number or otherwise fail to comply with applicable United States information reporting or certification requirements.

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Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a credit against your United States federal income tax liability, provided that you timely furnish the required information to the IRS.

**Non-U.S. Holders**

The following discussion applies to you if you are a holder that is neither a U.S. holder as defined above nor a partnership (or other entity treated as a partnership for United States federal income tax purposes). Special rules may apply to you or your shareholders if you are a controlled foreign corporation, passive foreign investment company or foreign personal holding company or are otherwise subject to special treatment for United States federal income tax purposes. You should consult your own tax advisor to determine the United States federal, state, local and other tax consequences that may be relevant to you in your particular circumstances.

*United States Federal Withholding Tax*

The 30% United States federal withholding tax should not apply to any payment of principal or interest (including original issue discount) on the senior notes, provided that:

you do not actually or constructively own 10% or more of the total combined voting power of all classes of our voting stock within the meaning of the Code, and the United States Treasury regulations;

you are not a controlled foreign corporation that is related to us through stock ownership;

you are not a bank whose receipt of interest on the senior notes is described in section 881(c)(3)(A) of the Code; and

(a) you provide your name and address on an IRS Form W-8BEN (or a suitable substitute form), and certify, under penalties of perjury, that you are not a United States person; or (b) a qualified intermediary holding the senior notes on your behalf provides us with an IRS Form W-8IMY (or a suitable substitute form) that, among other things, certifies under penalty of perjury that it has determined that you are not a U.S. person.

Special certification and other rules apply to certain non-U.S. holders that are pass-through entities rather than individuals.

**WE DO NOT INTEND TO WITHHOLD ON PAYMENTS OF PRINCIPAL AND INTEREST ON THE NOTES IF THE ABOVE REQUIREMENTS ARE MET.**

If you cannot satisfy the requirements described above, payments made to you on the senior notes generally will be subject to the 30% United States federal withholding tax. If a treaty applies, however, you may be eligible for a reduced rate of withholding. Similarly, payments on the senior notes that are effectively connected with your conduct of a trade or business within the United States (and, where a tax treaty applies, are attributable to a United States permanent establishment or fixed base that you maintain), are not subject to the withholding tax, but instead are subject to United States federal income tax, as described below. In order to claim any such exemption or reduction in the 30% withholding tax, you should provide a properly executed (a) IRS Form W-8BEN (or a suitable substitute form) claiming a reduction of or an exemption from withholding under an applicable tax treaty or (b) IRS Form W-8ECI (or a suitable substitute form) stating that such payments are not subject to withholding because they are effectively connected with your conduct of a trade or business in the United States.

In general, the 30% United States federal withholding tax will not apply to any gain or income that you realize on the sale, exchange, or other disposition of the senior notes.

In general, no backup withholding will be required with respect to payments we make with respect to the senior notes if the certification requirements described above have been satisfied and we do not have actual knowledge or reason to know that you are a U.S. person. In addition, no backup withholding will be

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required on the payment of proceeds of the sale of senior notes made within the United States or conducted through certain United States financial intermediaries if the payor receives the statement described above and does not have actual knowledge or reason to know that you are a United States person, or you otherwise establish an exemption.

*United States Federal Income Tax*

If you are engaged in a trade or business in the United States (and, if a tax treaty applies, if you maintain a permanent establishment or fixed base within the United States) and interest (including original issue discount) on the senior notes is effectively connected with the conduct of that trade or business (and if a treaty applies, of that permanent establishment or fixed base), you will be subject to United States federal income tax (but not the 30% United States federal withholding tax), on such income on a net income basis in the same manner as if you were a U.S. person. In addition, if you are a foreign corporation, you may be subject to an additional branch profits tax at a 30% rate (or such lower rate or exemption as may be specified by an applicable tax treaty).

Any gain or income realized on the disposition of a senior note generally will not be subject to United States federal income tax unless:

that gain or income is effectively connected with your conduct of a trade or business in the United States; or

you are an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met.

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**REMARKETING**

Under the terms and conditions contained in the remarketing agreement, dated August 2, 2004, we have agreed that J.P. Morgan Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Banc of America Securities LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co., and HSBC Securities (USA) Inc., as the remarketing agents, will use their reasonable efforts to remarket the senior notes on August 11, 2004 at an aggregate price of approximately 100.50% of the treasury portfolio purchase price described below. In connection with the remarketing, J.P. Morgan Securities Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as lead remarketing agents, have reset the rate of interest payable on the senior notes so that the senior notes can be remarketed at that price. The proceeds from the remarketing of the senior notes that are held as part of normal units equal to the treasury portfolio purchase price of approximately \$1,215,266,000 will be applied to purchase, on behalf of the holders of those normal units, a portfolio of U.S. Treasury securities consisting of:

interest or principal strips of U.S. Treasury securities that mature on or before November 16, 2004 in an aggregate amount equal to the principal amount of the senior notes included in normal units, and

interest or principal strips of U.S. Treasury securities that mature on or before November 16, 2004 in an aggregate amount equal to the aggregate interest payment that would be due on the aggregate principal amount of the senior notes on November 16, 2004 if the interest rate on the senior notes had not been reset in connection with this remarketing.

The treasury portfolio described above will be substituted for the senior notes that are components of normal units and will be pledged to the collateral agent to secure the normal unit holders' obligation to purchase our common stock under the purchase contracts.

At the maturity of the purchase contracts, proceeds of the treasury portfolio in an amount equal to the principal amount of the senior notes will be automatically applied to satisfy the holders' obligation to purchase our common stock under the purchase contracts. Any additional proceeds of the treasury portfolio will be distributed to the normal unit holders.

As used in this context, treasury portfolio purchase price means the lowest aggregate price quoted by a primary U.S. government securities dealer in New York City to the quotation agent for the purchase of the treasury portfolio on August 16, 2004.

Quotation agent means any of J.P. Morgan Securities Inc. or Merrill Lynch Government Securities Inc. or their respective successors or any other primary U.S. government securities dealer in New York City selected by us.

The remarketing agreement provides that the remarketing agents must remarket the senior notes at a price equal to or greater than the treasury portfolio purchase price. The remarketing agreement provides that the remarketing is subject to customary conditions precedent, including the delivery of legal opinions.

In the case of senior notes that are held as part of normal units, the remarketing agents may deduct a remarketing fee from any amount of the proceeds in excess of the treasury portfolio purchase price. The remarketing agents will remit the remaining proceeds, less those proceeds used to purchase the treasury portfolio, to the holders of the normal units that were remarketed.

The remarketing fee will be an amount equal to 0.25% of the total proceeds from the remarketing of the senior notes. Normal unit holders will not otherwise be responsible for the payment of any remarketing fees in connection with the remarketing.

The senior notes have no established trading market. The remarketing agents have advised us that they intend to make a market in the senior notes, but they have no obligation to do so and may discontinue market making at any time without providing any notice. No assurance can be given as to the liquidity of any trading market for the senior notes.



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In order to facilitate the remarketing of the senior notes, the remarketing agents may engage in transactions that stabilize, maintain or otherwise affect the price of the senior notes. These transactions consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the senior notes. In general, purchases of a security for the purpose of stabilization could cause the price of the security to be higher than it might be in the absence of these purchases. We and the remarketing agents make no representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the senior notes. In addition, we and the remarketing agents make no representation that the remarketing agents will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

We have agreed to indemnify the remarketing agents against certain liabilities, including liabilities under the Securities Act of 1933, arising out of or in connection with their duties under the remarketing agreement. The remarketing agents and certain of their affiliates have in the past provided, and may in the future provide, investment banking, commercial banking, financial advisory and underwriter services to us and our affiliates for which they have received, or will receive, customary compensation. J.P. Morgan Trust Company, National Association, an affiliate of J.P. Morgan Securities Inc., is the trustee for the senior notes to be remarketed under the remarketing agreement, dated August 2, 2004. JPMorgan Chase Bank, an affiliate of J.P. Morgan Securities Inc., is the collateral agent under the pledge agreement dated October 31, 2001 entered into in relation to the issuance of the equity security units.

J.P. Morgan Securities Inc. will make the senior notes available for distribution on the Internet through a proprietary website and/or a third-party system operated by MarketAxess Corporation, an Internet-based communications technology provider. MarketAxess Corporation is providing the system as a conduit for communications between J.P. Morgan Securities Inc. and its customers and is not a party to any transactions. MarketAxess Corporation, a registered broker-dealer, will receive compensation from J.P. Morgan Securities Inc. based on transactions J.P. Morgan Securities Inc. conducts through the system. J.P. Morgan Securities Inc. will make the senior notes available to its customers through the Internet distributions, whether made through a proprietary or third-party system, on the same terms as distributions made through other channels.

**LEGAL MATTERS**

Jeffrey A. Brown of our Law Department, Winston & Strawn LLP, Chicago, Illinois and McDermott, Will & Emery LLP, Chicago, Illinois, with respect to tax matters, will pass on certain legal matters for us with respect to the remarketing of the senior notes. As of the date of this prospectus supplement, Mr. Brown owned approximately 2,150 shares of our common stock and held options to purchase 63,300 shares of our common stock, of which options to purchase 24,000 shares were currently exercisable. Shearman & Sterling LLP, New York, New York will pass on certain legal matters for the remarketing agents.

**EXPERTS**

KPMG LLP, independent registered public accounting firm, have audited our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2003, as set forth in their report, included therein, which is incorporated by reference in the accompanying prospectus. Our financial statements are incorporated by reference in reliance on KPMG LLP's report, given on their authority as experts in accounting and auditing.

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**PROSPECTUS**

**\$2,000,000,000**

**Debt Securities and Debt Securities Warrants**

**Common Stock and Common Stock Warrants  
Stock Purchase Contracts and Stock Purchase Units**

We may use this prospectus to offer and sell securities from time to time. The types of securities we may sell include:

unsecured senior debt securities

unsecured subordinated debt securities

warrants to purchase debt securities

common stock

warrants to purchase common stock

stock purchase contracts

stock purchase units

units consisting of any combination of these securities

We will provide the specific terms of these securities in supplements to this prospectus prepared in connection with each offering. The securities offered will contain other significant terms and conditions. Please read this prospectus and the applicable prospectus supplement carefully before you invest.

These securities have not been approved by the Securities and Exchange Commission or any state securities commission, nor have they determined if this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is October 23, 2001.

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