

COMMERCIAL METALS CO  
Form 424B8  
May 17, 2013  
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Filed Pursuant to Rules 424(b)(5) and 424(b)(8)

Registration No. 333-188366

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered</b>	<b>Proposed Maximum Offering Price</b>	<b>Proposed Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee(1)</b>
4.875% Senior Notes due 2023	\$330,000,000	100.00%	\$330,000,000	\$45,012

- (1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended, and relates to the Registration Statement on Form S-3ASR (File No. 333-188366) filed by the Registrant on May 6, 2013. The filing of this prospectus supplement relates to the same offering and replaces the prospectus supplement filed pursuant to Rule 424(b)(5) on May 9, 2013.

**PROSPECTUS SUPPLEMENT**

(To Prospectus Dated May 6, 2013)

**\$330,000,000**

**Commercial Metals Company**

**4.875% Senior Notes due 2023**

The notes will bear interest at the rate of 4.875% per year. Interest on the notes is payable on May 15 and November 15 of each year, beginning on November 15, 2013. The notes will mature on May 15, 2023. We may redeem some or all the notes at any time at the prices and as described under the caption Description of the Notes Optional Redemption.

The notes will be our general unsecured obligations and will rank equally with all of our other unsecured and unsubordinated indebtedness. The notes will be effectively subordinated to any of our secured debt to the extent of the assets securing such debt and will be structurally subordinated to the indebtedness and other liabilities of our subsidiaries, including trade payables. Under certain change of control triggering events, holders of the notes will have the right to require us to repurchase all or any part of their notes at a repurchase price equal to 101% of the principal amount of the notes, plus accrued and unpaid interest, if any, to but excluding the repurchase date.

**Investing in the notes involves risks. See Risk Factors beginning on page S-15.**

**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.**

	Per Note	Total
Public Offering Price	100.00%	\$ 330,000,000
Underwriting Discount(1)	1.25%	\$ 4,125,000
Proceeds to Commercial Metals Company (before expenses)	98.75%	\$ 325,875,000

(1) See Underwriting for additional information regarding underwriting compensation.

Interest on the notes will accrue from May 20, 2013 to date of delivery.

The underwriters expect to deliver the notes to purchasers on or about May 20, 2013, only in book-entry form through the facilities of The Depository Trust Company.

*Joint Book-Running Managers*

**Citigroup**

**Deutsche Bank Securities**

**BofA Merrill Lynch**

**RBS**

**Wells Fargo Securities**

*Co-Managers*

**PNC Capital Markets LLC**

**Scotiabank**

May 8, 2013

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We are responsible for the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus and any free-writing prospectus we prepare or authorize. We have not authorized anyone to provide you with different information, and we take no responsibility for any other information others may give you. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in or incorporated by reference into this prospectus supplement or the accompanying prospectus is accurate as of any date other than its date.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document consists of two parts. The first part is the prospectus supplement, which describes the specific details regarding this offering and the notes offered hereby. The second part is the prospectus, which describes more general information, some of which may not apply to this offering. You should read this prospectus supplement and the accompanying prospectus, together with additional information incorporated by reference herein as described under "Where You Can Find More Information" in this prospectus supplement. If the description of the offering set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, in the accompanying prospectus or in any free writing prospectus that we may provide to you. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed materially since those dates. We are not, and the underwriters are not, making offers to sell the securities in any jurisdiction in which an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make an offer or solicitation. Neither this prospectus supplement nor the accompanying prospectus constitutes an offer or solicitation on our behalf or on behalf of the underwriters to subscribe for and purchase any of the notes, and neither this prospectus supplement nor the accompanying prospectus may 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.

The representations, warranties and covenants made by the Company in any agreement that is filed as an exhibit to any document that is incorporated by reference in this prospectus supplement and the accompanying prospectus were made solely for the benefit of the parties to such agreement, including, in some cases, for the purpose of allocating risk among the parties to such agreements, and should not be deemed to be a representation, warranty or covenant to you. Moreover, such representations, warranties or covenants were accurate only as of the date when made. Accordingly, such representations, warranties and covenants should not be relied on as accurately representing the current state of the Company's affairs.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports and proxy statements and other information with the Securities and Exchange Commission (SEC). Our SEC filings are available to the public through the SEC's website at <http://www.sec.gov>. You may also read and copy any document we file at the SEC's public reference room in Washington, D.C. located at 100 F Street, N.E., Washington D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our common stock is listed and traded on the New York Stock Exchange, or NYSE. You may also inspect the information we file with the SEC at the NYSE's offices at 20 Broad Street, New York, New York 10005. Information about us, including certain SEC filings, is also available free of charge through the Investor Relations section of our website, located at <http://www.cmc.com>. However, the information on our website is not a part of this prospectus supplement or the accompanying prospectus.

The SEC allows us to incorporate by reference in this prospectus supplement and the accompanying prospectus the information in other documents that we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated or deemed to be incorporated by reference is considered to be a part of this prospectus supplement, and information in documents that we file later with the SEC will automatically update and supersede information contained in documents filed earlier with the SEC or contained in this prospectus supplement.



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We incorporate by reference in this prospectus supplement and the accompanying prospectus the documents listed below and any filings that we may make with the SEC subsequent to the date of this prospectus supplement pursuant to Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, prior to the termination of the offering under this prospectus supplement and the accompanying prospectus (*provided, however*, that we are not incorporating, in each case, any documents or information deemed to have been furnished and not filed in accordance with SEC rules):

The Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2012, including those sections incorporated therein by reference from the Company's Definitive Proxy Statement on Schedule 14A filed with the SEC on December 10, 2012;

The Company's Quarterly Reports on Form 10-Q for the quarterly periods ended November 30, 2012 and February 28, 2013; and

The Company's Current Reports on Form 8-K, filed on December 7, 2012, January 30, 2013 and March 19, 2013.

You may obtain a copy of any or all of the documents referred to above which may have been or may be incorporated by reference into this prospectus supplement (excluding certain exhibits to the documents) at no cost to you by writing or telephoning us at the following address:

Commercial Metals Company

6565 N. MacArthur Boulevard, Suite 800

Irving, Texas 75039

Attn: Investor Relations

Telephone: (214) 689-4300

**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus supplement and the accompanying prospectus contains or incorporates by reference a number of forward-looking statements within the meaning of the federal securities laws, with respect to our financial condition, results of operations, cash flows and business, and our expectations or beliefs concerning future events. These forward-looking statements can generally be identified by phrases such as we or our management expects, anticipates, believes, estimates, intends, plans to, ought, could, will, should, likely, appears, probable, or other similar words or phrases. There are inherent risks and uncertainties in any forward-looking statements. Although we believe that our expectations are reasonable, we can give no assurance that these expectations will prove to have been correct, and actual results may vary materially. Except as required by law, we undertake no obligation to update, amend or clarify any forward-looking statements to reflect events, new information or otherwise. Some of the important factors that could cause actual results to differ materially from our expectations are discussed below. All subsequent written and oral forward-looking statements attributable to the Company, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements.

Factors that could cause actual results to vary materially from our expectations include the following:

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absence of global economic recovery or possible recession relapse and the pace of overall global economic activity;

solvency of financial institutions and their ability or willingness to lend;

success or failure of governmental efforts to stimulate the economy including restoring credit availability and confidence in a recovery;

continued sovereign debt problems in the Euro-zone;

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customer non-compliance with contracts;

financial covenants and restrictions on the operation of our business contained in agreements governing our debt;

construction activity or lack thereof;

decisions by governments affecting the level of steel imports, including tariffs and duties;

litigation claims and settlements;

difficulties or delays in the execution of construction contracts resulting in cost overruns or contract disputes;

metals pricing over which we exert little influence;

increased capacity and product availability from competing steel minimills and other steel suppliers including import quantities and pricing;

execution of cost reduction strategies;

ability to retain key executives;

court decisions and regulatory rulings;

industry consolidation or changes in production capacity or utilization;

global factors including political and military uncertainties;

currency fluctuations;

interest rate changes;

availability and pricing of raw materials, including scrap metal, energy, insurance and supply prices;

passage of new, or interpretation of existing, environmental laws and regulations;

business disruptions, costs and future events related to any tender offers and proxy contests initiated by an activist shareholder;

ability to make necessary capital expenditures;

unexpected equipment failures;

competition from other materials;

losses or limited potential gains due to hedging transactions;

risk of injury or death to employees, customers or other visitors to our operations;

increased costs related to health care reform legislation; and

those factors listed under Item 1A. Risk Factors included in our Annual Report filed on Form 10-K for the fiscal year ended August 31, 2012 and any subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

You should refer to the Risk Factors section of this prospectus supplement and the accompanying prospectus and to our periodic and current reports filed with the SEC for specific risks which would cause actual results to be significantly different from those expressed or implied by these forward-looking statements. It is not possible to identify all of the risks, uncertainties and other factors that may affect future results. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this prospectus supplement and the accompanying prospectus may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. Accordingly, readers of this prospectus supplement and the accompanying prospectus are cautioned not to place undue reliance on the forward-looking statements.

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**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights selected information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. Before deciding to invest in the notes, you should read the entire prospectus supplement and the accompanying prospectus carefully, including the documents incorporated by reference herein, especially the matters discussed under **Risk Factors** beginning on page S-15. See **Where You Can Find More Information** elsewhere in this prospectus supplement. Unless otherwise indicated, references in this prospectus supplement to the terms **Company**, **we**, **us** and **our** refer and relate to Commercial Metals Company and its consolidated subsidiaries. Our fiscal year ends August 31 and any reference in this prospectus supplement or the accompanying prospectus to any year or fiscal year refers to the fiscal year ended August 31 of that year unless otherwise noted.*

**THE COMPANY**

**Business Overview**

We are a recycler, manufacturer, fabricator, marketer, distributor and provider of steel and metal products and of related materials and services. We are vertically integrated and operate a network of metal recycling facilities, steel minimills, a copper tube minimill, steel fabrication and processing plants and marketing and distribution offices, with over 200 locations in over 20 countries around the world.

We have leadership positions in several areas of our business. We believe we are:

**North America**

a leading supplier and fabricator of rebar and other products to the U.S. non-residential construction industry;

one of the largest ferrous and non-ferrous scrap recyclers in North America;

the third largest long products producer in the United States;

among the industry leaders in customer service satisfaction in the U.S. steel mill business;

**International**

the largest long products producer, and the second largest supplier of wire rod and reinforcing bar ( rebar ), in Poland; and

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the third largest distributor of steel sheet and coil, and the largest marketer of imported steel, in Australia.

For the fiscal year ended August 31, 2012, our U.S. recycling operations shipped approximately 2.4 million tons of scrap metal, our steel mills in the United States and Poland shipped a combined 4.3 million tons of steel products, our U.S. fabrication operations shipped 1.1 million tons of fabricated steel and our U.S. and non-U.S. marketing and distribution operations sold on a combined basis approximately 2.1 million tons of steel products in addition to raw material commodities. For the fiscal year ended August 31, 2012, we generated net sales of \$7.8 billion, net earnings of \$207.5 million and Adjusted EBITDA of \$364.2 million. For the six months ended February 28, 2013, we generated net sales of \$3.5 billion, net earnings of \$54.3 million and Adjusted EBITDA of \$186.2 million. See [Summary Historical Consolidated Financial Data](#) for a reconciliation of earnings to Adjusted EBITDA.

We operate with a high degree of vertical integration, having five operating business segments across two geographic divisions (*i.e.*, Americas and International). Three of our five segments are in the CMC Americas

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Division: Americas Recycling, Americas Mills and Americas Fabrication. Our other two segments, International Mill and International Marketing and Distribution, are in the CMC International Division.

*Americas Recycling.* Our Americas Recycling segment processes scrap metals for use as a raw material by manufacturers of new metal products. In fiscal 2012, this segment's 33 scrap metal processing plants shipped approximately 2.2 million tons of ferrous and 0.2 million tons of nonferrous scrap metals. We sell scrap metals to steel mills and foundries, aluminum sheet and ingot manufacturers, brass and bronze ingot makers, copper refineries and mills, secondary lead smelters, specialty steel mills, high temperature alloy manufacturers and other consumers.

*Americas Mills.* Our Americas Mills segment includes our five domestic steel minimills, two scrap metal shredders and nine processing facilities that directly support these mills, and our domestic copper tube minimill. In fiscal 2012, our five steel minimills melted, rolled and shipped approximately 2.6 million, 2.2 million and 2.7 million tons, respectively, and the metal recycling plants directly supporting these mills processed approximately 0.7 tons of ferrous scrap metal. The five steel minimills are strategically located in the Sun Belt, positioning us to capitalize on growth in the region. We manufacture finished long steel products including rebar, merchant bar, wire rod, light structural, some special bar quality (SBQ) and other special sections as well as semi-finished billets for re-rolling and forging applications. Our products are sold to the construction, service center, transportation, steel warehousing, fabrication, energy, petrochemical and original equipment manufacturing industries.

*Americas Fabrication.* Our Americas Fabrication segment consists of our rebar and structural fabrication operations, fence post manufacturing plants, construction-related product facilities and plants that heat-treat steel to strengthen and provide flexibility. Our Americas Fabrication operations consists of a network of 49 facilities engaged in various aspects of steel fabrication, 23 locations from which we sell and rent construction-related products and equipment to concrete installers and other construction businesses, and three heat treating plants. Fabricated steel products are used primarily in the construction of commercial and non-commercial buildings, hospitals, convention centers, industrial plants, power plants, highways, bridges, arenas, stadiums and dams. In fiscal 2012, we shipped 1.1 million tons of fabricated steel.

*International Mill.* Our International Mill segment includes our minimill and our recycling and fabrication operations in Poland. Our Polish minimill has annual melting and rolling capacity of approximately 1.9 million tons. During fiscal 2012, the facility melted, rolled and shipped approximately 1.6 million, 1.4 million and 1.6 million tons of steel, respectively. Principal products manufactured include rebar and wire rod as well as merchant bar and billets. Our four fabrication facilities in Poland use a portion of the rebar and wire rod manufactured at the Polish minimill and have a combined annual production capacity of 0.4 million tons. Three of these fabrication facilities have a combined annual production capacity of 0.2 million tons and sell fabricated rebar, fabricated mesh, assembled rebar cages and other rebar byproducts for incorporation into construction projects. The fourth fabrication facility has an annual production capacity of 0.2 million tons and produces welded steel mesh, cold rolled wire rod and cold rolled reinforcing bar that is sold to customers including metals service centers as well as construction contractors.

*International Marketing and Distribution.* Our International Marketing and Distribution segment includes international operations for the sale, distribution and processing of steel products, ferrous and nonferrous metals and other industrial products. Additionally, this segment includes our U.S.-based marketing and distribution divisions and also operates a recycling facility in Singapore. Our International Marketing and Distribution segment buys and sells primary and secondary metals, fabricated metals, semi-finished, long and flat steel products and other industrial products. During fiscal 2012, our International Marketing and Distribution facilities sold approximately 2.1 million tons of steel products in addition to raw material commodities. We sell our products to customers, primarily manufacturers, in the steel, nonferrous metals, metal fabrication, chemical, refractory, construction and transportation businesses.

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For additional information regarding our operations, customers, properties and financial results, please refer to our Annual Report on Form 10-K for the year ended August 31, 2012 and our Quarterly Reports on Form 10-Q for the quarters ended November 30, 2012 and February 28, 2013, each of which are incorporated herein by reference. See [Where You Can Find More Information](#).

### **Competitive Strengths**

#### ***International Footprint with Key Positions in North America, Europe and Australia***

Our recycling, manufacturing, fabrication and marketing and distribution operations consist of a network of more than 200 facilities in over 20 countries. We have key positions in North America, Poland and Australia, and our international footprint provides us with access to all major steel markets worldwide. In the United States, we are strategically located in the Sun Belt, which positions us to capitalize on growth in the region as well as the longer construction season. In addition, our marketing and distribution business provides a high level of visibility into local market trends, physical product flows and demand around the world.

#### ***Vertically Integrated Manufacturing Platform***

We operate with a high degree of vertical integration. For example, our recycling operations in North America and Poland provide scrap metal to our minimills, who in turn use the scrap metal to produce and supply steel required by our fabrication operations. Our integrated platform allows us to realize efficiencies and value in various steps of the supply chain.

#### ***Efficient Manufacturing Focused on Long Products***

We believe we are among the lowest-cost steel producers in North America. Our mills are in close proximity to the markets they serve. In addition, our mills use the efficient electric arc furnace technology, enabling our manufacturing operations to have relatively low-cost production. Our newest micromill in Arizona is state-of-the-art and utilizes a continuous-continuous design, moving recycled ferrous scrap from melting to a finished product in an uninterrupted process.

#### ***Well Positioned for Non-Residential Construction Recovery***

Our financial performance has historically been closely correlated to non-residential construction activity. During the economic downturn, we have been focused on taking steps to position us for growth when non-residential construction rebounds. These steps include (i) leveraging strategic investments, (ii) optimizing product mix across our portfolio, (iii) exiting unprofitable and non-core businesses, (iv) managing our costs and (v) improving our cash flow metrics, balance sheet and financial flexibility.

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While we are still subject to the same macroeconomic factors that have affected our results since the economic downturn, we see signs of improvement in our key non-residential construction markets. According to the U.S. Census Bureau, non-residential construction spending was \$572.6 billion in calendar year 2012, an increase of \$40.0 billion over calendar year 2011 and the first year-over-year increase in four years. In addition, the American Institute of Architects reported an Architecture Billings Index (ABI) of 54.9 in February 2013, the highest level in over five and a half years. An ABI level above 50.0 typically signifies an improving construction environment and serves as a leading indicator that contractor spending is on the rise in the United States. Increased contractor spending often leads to higher demand for steel and potentially higher activity for our domestic operations.

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### ***Strong Balance Sheet and Liquidity***

During the economic downturn, we focused on managing our costs and strengthening our balance sheet. In particular, we reduced our selling, general and administrative costs by \$30.2 million in fiscal 2012 compared to fiscal 2011. In addition, we reduced our reliance on our accounts receivable securitization program and usage of deferred letters of credit. As a result, our financial ratios have improved, and our liquidity level (*i.e.*, cash and cash equivalents and available borrowings under our credit facility, receivables securitization programs and subsidiary working capital facilities) was \$820 million as of February 28, 2013. Our control and close management of capital expenditures, and emphasis on risk management, have also been key to our efforts and progress in this area. We remain committed to maintaining financial flexibility and a strong liquidity position, while investing in new and profitable growth projects.

### ***Experienced Management Team***

Our management team, led by our Chairman of the Board, President and Chief Executive Officer, Joseph Alvarado, includes executives and managers with significant industry, operational and functional experience in the metals sector. Collectively, our CEO, CFO and two divisional presidents have a combined 126 years of steel, metals or related industry experience. This team continues to direct the Company's growth strategy, as well as productivity and profit enhancement programs.

## **Business Strategy**

### ***Leverage Strategic Investments***

During the economic downturn, we continued to make investments in the business that increased our manufacturing capacity, as well as the potential for higher margin business. Contributions from these business enhancements could be realized as the non-residential construction market recovers. Since 2006, we have invested in a number of world class capacity and core infrastructure projects, including: (i) two new shredders in Texas and Oklahoma, boosting our ferrous scrap processing capacity; (ii) a state-of-the-art, highly efficient 300,000+ ton micromill in Arizona; (iii) a new flexible section mill in Poland, which has doubled our capacity for merchant products; (iv) the acquisition of G.A.M. Steel Pty. Ltd. in Australia, a leading distributor and processor of steel long products and plate; and (v) the implementation of SAP as an operational, accounting and information technology solution. We believe these investments, when fully-leveraged and operating at capacity, should result in increased profitability and returns for the Company.

### ***Optimize Product Mix Across the Portfolio***

We are focused on optimizing our product mix by continuing to shift our mix to higher margin products across our portfolio. We have added capacity through capital investments in Poland (*e.g.*, the new flexible section mill noted above). In North America, we have continued to maintain flexibility in our product offerings in order to adjust to changing market demands and conditions, striving to optimize our product mix in order to improve our operating margins.

*Effectively Manage Costs and Improve Cash Flow Metrics*

We have taken action to reduce our cost structure, rationalize capital investments and streamline operations to improve our cash flow. We implemented SAP to harness accounting and financial efficiencies across our global enterprise. In fiscal 2012, we reduced our selling, general and administrative expenses by over \$30 million compared to the prior year, and we have continued to look for further opportunities to reduce costs. We believe the steps that we have taken during the downturn, and those currently underway, should position us to seize opportunities and improve our performance when the recovery occurs.

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***Maintain Strong Balance Sheet and Financial Flexibility***

We are committed to maintaining strong financial ratios and adequate liquidity to allow us to execute our strategic plan. We plan to use the net proceeds from this offering to fund the repurchase of any and all of our \$200 million aggregate principal amount of outstanding 2013 notes, including the payment of accrued interest thereon, any applicable premiums related thereto and related expenses, and for general corporate purposes. Following the retirement of the 2013 notes, we will not have any significant debt maturities until the expiration of our revolving credit facility in 2016.

***Exit Unprofitable and Non-Core Businesses***

We are committed to continuing to focus on our core assets and improving our cost structure and cash flows. In recent years, we have identified and divested various non-core and unprofitable businesses to enhance our competitive position within the industry. For example, during fiscal 2012 and fiscal 2011, and during the six months ended February 28, 2013, we:

closed and sold the assets of our Croatian pipe mill (CMC Sisak, d.o.o.), which we did not consider core to our business, for \$41.2 million;

sold our rebar fabrication shop in Rosslau, Germany for \$11.3 million;

sold our 11% ownership interest in a Czech Republic joint-stock company to the majority owner of such joint-stock company for \$29.0 million;

closed four domestic rebar fabrication facilities and eight construction services locations, and monetized a number of these closed properties;

divested the remaining assets of our joist and deck business; and

sold the assets related to our heavy forms rental business.

We intend to continue to pursue opportunities that enable us to refocus our platform on core businesses and to provide capital to redeploy and invest in those businesses.

**RECENT DEVELOPMENT**

**Tender Offer and Consent Solicitation for 2013 Notes**

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Concurrently with this offering, we are commencing a cash tender offer to purchase any and all of our outstanding \$200.0 million aggregate principal amount of our 5.625% Notes due 2013, which we refer to as the 2013 notes. As part of the tender offer, we are soliciting consents from the holders of the 2013 notes for certain proposed amendments that would eliminate or modify certain covenants, events of default and other provisions contained in the 1995 Indenture governing the 2013 notes. Holders who tender their 2013 notes will be deemed to consent to all of the proposed amendments and holders may not deliver consents without tendering their 2013 notes. The tender offer and consent solicitation are conditioned upon the consummation of this offering, as well as other conditions. The tender offer and consent solicitation are not conditioned upon any minimum amount of 2013 notes being tendered. We intend to redeem any remaining 2013 notes that are not tendered following the expiration of the tender offer and consent solicitation.

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**CORPORATE STRUCTURE**

The following chart shows a summary of our capital structure as of February 28, 2013, as adjusted to give effect to the notes offered hereby and the use of proceeds therefrom.

- (1) On July 17, 2007, we issued \$400 million face amount of our 2017 notes.
- (2) On August 4, 2008, we issued \$500 million face amount of our 2018 notes.
- (3) Our \$300 million secured revolving credit facility currently has commitments from financial institutions to provide \$300 million of credit. Our credit facility provides for (i) a revolving credit facility in U.S. dollars and certain foreign currencies in the maximum principal amount of the U.S. Dollar equivalent of \$300.0 million, (ii) revolving borrowings to CMC International Finance, S.à r.l. (f/k/a CMCLUX, S.à r.l.), our wholly owned subsidiary (the Foreign Borrower ) (as a sub-facility of the Facility Amount) in a maximum principal amount of the U.S. Dollar equivalent of \$50.0 million, (iii) a letter of credit sub-facility in a maximum principal amount of the U.S. Dollar equivalent of \$50.0 million, (iv) a swing line sub-facility available to the Company in U.S. dollars in a maximum principal amount of \$25.0 million, and (v) a swing line sub-facility available to the Foreign Borrower in U.S. dollars and certain foreign currencies in a maximum principal amount of the U.S. Dollar equivalent of \$15.0 million.
- (4) Our credit facility is guaranteed by the Company and each of our material domestic subsidiaries (as described in the credit facility), and are secured by a pledge of (i) the present and future shares of capital stock of each of our material domestic subsidiaries and (ii) the present and future shares of capital stock of each of our foreign subsidiaries directly owned by the Company or our material domestic subsidiaries, but excluding certain designated foreign subsidiaries and limited to 65% of the voting stock of such first tier foreign subsidiaries. Furthermore, the obligations of the Foreign Borrower under the credit facility are guaranteed by CMC Poland Sp. z.o.o. (f/k/a CMC Zawiercie, S.A.), a Polish subsidiary of the Company and secured by a pledge of the capital stock of CMC Poland Sp. z.o.o.
- (5) On April 5, 2011, the Company and several of our subsidiaries (together with the Company, the Originators ) entered into a sale of accounts receivable program (as amended, the Receivables Program ). Pursuant to the Receivables Program, the Company contributes and the Originators sell certain trade accounts receivable (the Receivables ) to a special purpose wholly-owned subsidiary of the Company,

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CMC Receivables, Inc. ( CMCRV ), in accordance with a Receivables Sale Agreement between the Originators and CMCRV. CMCRV, in turn, sells the receivables in their entirety to purchasers (collectively, the Purchasers ) pursuant to a receivables purchase agreement among CMCRV, the Company, as servicer, Wells Fargo Bank, N.A., as administrative agent for the Purchasers, and the Purchasers. The Company has guaranteed the performance by the Originators of their obligations under the Receivables Sale Agreement in favor of CMCRV in accordance with a performance undertaking. On May 3, 2013, the Originators, Wells Fargo Bank, N.A. and certain other Purchasers entered into Omnibus Amendment No. 1 that, among other things, modified the receivables purchase agreement to remove an Originator, add another subsidiary of the Company as a new Originator and permit a change in the Originators' cash management system. The maximum facility size is \$200 million. The facility terminates on December 26, 2014.

**CORPORATE INFORMATION**

We were incorporated in 1946 in the State of Delaware. Our predecessor company, a metals recycling business, has existed since approximately 1915. We maintain our principal executive offices at 6565 N. MacArthur Boulevard, Suite 800, in Irving, Texas, and our telephone number is (214) 689-4300. Our common stock is listed on the New York Stock Exchange under the ticker symbol CMC. We maintain a website located at <http://www.cmc.com>. Information on our website is not a part of this prospectus supplement or the accompanying prospectus.

**Table of Contents****THE OFFERING**

The following summary contains basic information about the notes. 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 of this prospectus supplement entitled "Description of the Notes" and the section of the accompanying prospectus entitled "Description of Debt Securities." In this "The Offering" summary, unless otherwise indicated, "we," "us," "our," "Company" and similar words refer only to Commercial Metals Company and not any of its subsidiaries.

Issuer	Commercial Metals Company
Notes Offered	\$330,000,000 in aggregate principal amount of 4.875% Senior Notes due 2023.
Issue Price	4.875%
Maturity Date	May 15, 2023.
Interest	Interest on the notes will be payable in cash in arrears on May 15 and November 15 of each year, beginning on November 15, 2013.
Denominations	The notes will be issued in denominations of \$2,000 or integral multiples of \$1,000 in excess thereof.
Form of Notes	The notes will be issued as fully registered notes (to be deposited with the depository), represented by one or more global notes deposited with The Depository Trust Company, or DTC. Investors may elect to hold interests in the global notes through any of DTC, Clearstream, Luxembourg or the Euroclear System.
Ranking	The notes will be our general unsecured obligations and will rank equally with all of our other unsecured and unsubordinated indebtedness, including all other senior notes that may be issued from time to time under the indenture dated May 6, 2013 between the Company and U.S. Bank National Association (as supplemented from time to time, the "1995 Indenture") and the Indenture dated July 31, 1995 between the Company and The Bank of New York Mellon Trust Company, N.A. as successor trustee to JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank (successor to The Chase Manhattan Bank, N.A.)), the original trustee (as supplemented from time to time, the "1995 Indenture"). The notes will be effectively subordinated to any of our secured debt, including our credit facility, to the extent of the assets securing such debt and will be structurally subordinated to the indebtedness and other liabilities of our subsidiaries, including trade payables. As of February 28, 2013 after giving effect to this offering and the anticipated use of proceeds therefrom, we would have had \$1.2 billion of senior indebtedness outstanding, none of which would have been secured. In addition, as of February 28, 2013, our subsidiaries had \$47.4 million of indebtedness outstanding and total liabilities of \$580.8 million, excluding net intercompany liabilities owed to Commercial Metals Company of \$12.1 million.

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Optional Redemption	<p>At our option, we may redeem some or all of the Notes at any time at the redemption price described in Description of the Notes Optional Redemption.</p> <p>At our option, on or after February 15, 2023 (three months prior to the maturity date of the notes), we may redeem the notes in whole at any time or in part from time to time at a redemption price equal to 100% of the aggregate principal amount of the notes, plus accrued and unpaid interest thereon, if any, to, but not including, the date of redemption. See Description of Notes Optional Redemption.</p>
Change of Control	<p>Upon the occurrence of a change of control triggering event, we will be required to make an offer to repurchase all outstanding Notes at a price in cash equal to 101% of the principal amount of the Notes, plus any accrued and unpaid interest to, but not including, the purchase date. See Description of the Notes Change of Control Offer.</p>
Certain Covenants	<p>The Indenture and supplemental indenture governing the notes will include certain restrictions on liens, sale and lease-back transactions, mergers, consolidations and transfers of substantially all of our assets.</p> <p>These covenants are subject to important qualifications and exceptions. See Description of the Notes Certain Covenants in this prospectus supplement.</p>
Use of Proceeds	<p>The net proceeds from this offering, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, are estimated to be approximately \$325 million. We intend to use the net proceeds from this offering to fund the repurchase of any and all of our outstanding 2013 notes in the tender offer and consent solicitation described above under Recent Development, and to redeem any remaining 2013 notes that are not tendered following the expiration of the tender offer and consent solicitation, in each case together with accrued interest, any applicable premium payments and expenses related thereto. We intend to use the remainder of the net proceeds from this offering for general corporate purposes.</p>
Trading	<p>We do not intend to list the Notes on any national securities exchange or have them quoted on any automated dealer quotation system. The Notes will be new securities for which there is currently no public market. See Risk Factors Risks Related to the Notes Your ability to transfer the notes may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the notes.</p>
Trustee	<p>U.S. Bank National Association.</p>
Governing Law	<p>The notes and the Indenture will be governed by the laws of the State of New York.</p>

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Risk Factors

You should consider carefully all of the information included in this prospectus supplement and the accompanying prospectus and, in particular, the information in the section entitled "Risk Factors" prior to deciding to invest in the notes.

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**Table of Contents****SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA**

The following table sets forth our summary consolidated historical financial data for the periods presented below. The summary consolidated financial data as of August 31, 2012 and 2011 and for each of the years in the three-year period ended August 31, 2012 have been derived from our audited consolidated financial statements, incorporated by reference herein. The summary consolidated financial data as of August 31, 2010 have been derived from our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended August 31, 2010. The summary consolidated financial data as of February 28, 2013 and February 29, 2012 and for the six-month periods ended February 28, 2013 and February 29, 2012 have been derived from our unaudited consolidated financial statements, incorporated by reference herein. In the first quarter of 2013, we adopted guidance issued by the Financial Accounting Standards Board (FASB) on disclosure requirements for the presentation of comprehensive income. This guidance requires entities to report components of comprehensive income in either (i) a continuous statement of comprehensive income or (ii) two separate but consecutive statements. As a result of the adoption, our financial statements now include a separate consolidated statement of comprehensive income immediately following the consolidated statement of operations. The following summary financial data illustrates how the consolidated statements of comprehensive income would be reported for the historical financial statements incorporated by reference.

Our historical results are not necessarily indicative of the results of operations for future periods. You should read the following summary consolidated financial data in conjunction with our consolidated financial statements and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for our fiscal year ended August 31, 2012 and our Quarterly Reports on Form 10-Q for the quarters ended November 30, 2012 and February 28, 2013, each of which is incorporated by reference in this prospectus supplement and the accompanying prospectus. See Where You Can Find More Information elsewhere in this prospectus supplement.

(in thousands, except share data and ratios)	Year Ended August 31,			Six Months Ended, (unaudited)	
	2012	2011	2010	February 28, 2013	February 29, 2012
<b>Income Statement Data:</b>					
Net sales	\$ 7,828,440	\$ 7,863,345	\$ 6,276,928	\$ 3,518,900	\$ 3,943,564
Costs and expenses:					
Cost of goods sold	7,108,938	7,213,674	5,851,373	3,188,343	3,588,250
Selling, general and administrative expenses	486,606	516,778	508,997	241,825	250,412
Gain on sale of cost method investment				(26,088)	
Impairment of assets	607	24,466	3,766		
Interest expense	69,496	69,821	74,181	33,514	32,340
	7,665,647	7,824,739	6,438,317	3,437,594	3,871,002
Earnings (loss) from continuing operations before taxes	162,793	38,606	(161,389)	81,306	72,562
Income taxes (benefit)	(46,190)	19,328	(61,942)	27,232	(80,312)
Earnings (loss) from continuing operations	208,983	19,278	(99,447)	54,074	152,874
Earnings (loss) from discontinued operations before taxes	(9,912)	(151,670)	(102,979)	342	(25,209)
Income taxes (benefit)	(8,419)	(2,988)	2,682	120	(8,924)
Earnings (loss) from discontinued operations	(1,493)	(148,682)	(105,661)	222	(16,285)
Net earnings (loss)	\$ 207,490	\$ (129,404)	\$ (205,108)	\$ 54,296	\$ 136,589
Net earnings attributable to noncontrolling interests	6	213	236	2	2
Net earnings (loss) attributable to CMC	\$ 207,484	\$ (129,617)	\$ (205,344)	\$ 54,294	\$ 136,587

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(in thousands, except share data and ratios)	Year Ended August 31,			Six Months Ended, (unaudited)	
	2012	2011	2010	February 28, 2013	February 29, 2012
Basic earnings (loss) per share	\$ 1.79	\$ (1.13)	\$ (1.81)	\$ 0.47	\$ 1.18
Diluted earnings (loss) per share	\$ 1.78	\$ (1.12)	\$ (1.81)	\$ 0.46	\$ 1.17
Cash dividends per share	\$ 0.48	\$ 0.48	\$ 0.48	\$ 0.24	\$ 0.24
<b>Other Financial Data:</b>					
Adjusted EBITDA(1)	\$ 364,235	\$ 237,250	\$ 14,879	\$ 186,225	\$ 150,827
Ratio of earnings to fixed charges(2)	2.92	1.47	n/m	2.96	2.80
Ratio of Adjusted EBITDA to interest expense	5.24	3.40	0.20	5.56	4.66
Ratio of total debt to Adjusted EBITDA	3.26	5.20	83.63	n/m	n/m
Ratio of total debt as % of total capitalization(4)	48.8%	51.5%	49.9%	48.1%	49.5%
<b>Balance Sheet Data (at end of period):</b>					
Cash and cash equivalents	\$ 262,422	\$ 222,390	\$ 399,313	\$ 170,097	\$ 216,182
Working capital(3)	1,338,697	1,127,399	1,072,247	1,199,772	1,239,062
Total assets	3,441,246	3,683,131	3,706,153	3,409,465	3,525,368
Long-term debt	1,157,073	1,167,497	1,197,282	950,407	1,164,249
Total debt	1,185,868	1,232,605	1,244,323	1,201,882	1,216,990
Stockholders equity	1,246,507	1,160,648	1,253,374	1,296,882	1,242,117
<b>Cash Flow Data:</b>					
Capital expenditures	\$ (113,853)	\$ (73,215)	\$ (127,121)	\$ (41,849)	\$ (53,373)
Net cash flows from (used by) operating activities	195,993	27,747	44,910	(76,712)	39,074
Net cash flows from (used by) investing activities	(27,440)	(61,528)	(133,612)	(5,957)	(14,872)
Net cash flows from (used by) financing activities	(121,739)	(147,014)	84,617	(11,399)	(28,013)
<b>Statement of Comprehensive Income Data:</b>					
Net earnings (loss)	\$ 207,490	\$ (129,404)	\$ (205,108)	\$ 54,296	\$ 136,589
Other comprehensive income (loss), net of taxes:					
Foreign currency translation adjustment and other, net of taxes (benefit) of \$(41,088), \$39,301, \$(24,552), \$8,396 and \$(18,013)	(76,306)	72,987	(45,597)	15,592	(33,452)
Net unrealized gain (loss) on derivatives:					
Unrealized holding gain (loss), net of taxes (benefit) of \$(604), \$135, \$93, \$89 and \$(665)	(1,545)	823	291	374	(1,609)
Reclassification for loss (gain) included in net earnings, net of taxes (benefit) of \$132, \$(254), \$(243), \$174 and \$(368)	578	(1,018)	(370)	396	(1,136)
Net unrealized loss on derivatives, net of taxes (benefit) of \$(472), \$(119), \$(150), \$(85) and \$(297)	(967)	(195)	(79)	(22)	(473)
Defined benefit obligation					
Net loss, net of taxes (benefit) of \$(425), \$(48), \$(714), \$0 and \$0	(410)	(1,118)	(1,472)		
Prior service credit (cost), net of taxes (benefit) of \$0, \$(9), \$0, \$0 and \$0		(34)	8		
Amortization of net loss, net of taxes (benefit) of \$40, \$74, \$94, \$0 and \$0	188	261	362		
Amortization of prior service credit, net of taxes (benefit) of \$(2), \$(2), \$0, \$1 and \$0	(15)	(18)	(1)	4	
Amortization of transition asset, net of taxes (benefit) of \$0, \$13, \$0, \$0 and \$0		116	6		



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(in thousands, except share data and ratios)	Year Ended August 31,			Six Months Ended, (unaudited)	
	2012	2011	2010	February 28, 2013	February 29, 2012
Adjustment from plan changes, net of taxes (benefit) of \$(26), \$0, \$0, \$308 and \$0	\$ (99)	\$	\$	\$ 1,315	\$
Defined benefit obligation, net of taxes (benefit) of \$(413), \$28, \$(620), \$309 and \$0	(336)	(793)	(1,097)	1,319	
Other comprehensive income (loss)	(77,609)	71,999	(46,773)	16,889	(33,925)
Comprehensive income (loss)	\$ 129,881	\$ (57,405)	\$ (251,881)	\$ 71,185	\$ 102,664

- (1) Adjusted EBITDA (earnings before interest expense, income taxes, depreciation, amortization, impairment charges and net earnings attributable to noncontrolling interests) is a non-GAAP financial measure as defined in the SEC rules. In calculating Adjusted EBITDA, we exclude our largest recurring non-cash charge, depreciation and amortization, as well as impairment charges. Adjusted EBITDA provides a core operational performance measurement that compares results without the need to adjust for federal, state and local taxes which have considerable variation between domestic jurisdictions. Also, we exclude interest cost in our calculation of Adjusted EBITDA. The results are, therefore, without consideration of financing alternatives of capital employed. We use Adjusted EBITDA as one guideline to assess our unleveraged performance return on our investments. Adjusted EBITDA is also the target benchmark for our annual and long-term cash incentive performance plans for management and part of a debt compliance test for our revolving credit agreement. Adjusted EBITDA may be inconsistent with similar measures presented by other companies. Reconciliations of net earnings (loss) from continuing operations to Adjusted EBITDA are provided below:

(in thousands)	Year Ended,			Six Months Ended, (unaudited)	
	2012	2011	2010	February 28, 2013	February 29, 2012
Net earnings (loss) from continuing operations	\$ 208,983	\$ 19,278	\$ (99,447)	\$ 54,074	\$ 152,874
Less net earnings attributable to noncontrolling interests	6	213	236	2	2
Interest expense	69,496	69,821	74,181	33,514	32,340
Income taxes (benefit)	(46,190)	19,328	(61,942)	27,232	(80,312)
Depreciation and amortization	137,289	178,251	165,316	71,065	68,601
Adjusted EBITDA from continuing operations	\$ 369,572	\$ 286,465	\$ 77,872	\$ 185,883	173,501
Adjusted EBITDA from discontinued operations	(5,337)	(49,215)	(62,993)	342	(22,674)
Adjusted EBITDA	\$ 364,235	\$ 237,250	\$ 14,879	\$ 186,225	150,827

- (2) Earnings for the year ended August 31, 2010 were inadequate to cover fixed charges due to asset impairment charges and losses from discontinued operations. The coverage deficiency was approximately \$164 million for the year ended August 31, 2010. The ratio of earnings to fixed charges for the fiscal year ended August 31, 2008 was 5.48x. For purposes of calculating our ratios of earnings to fixed charges, earnings consist of earnings (loss) from continuing operations before income taxes, adjusted for undistributed earnings of less-than-fifty-percent-owned affiliates, plus interest expense, plus interest imputed on rent and amortization of capitalized interest. Fixed charges consist of capitalized interest and interest expense, plus the portion of rent expense under operating leases that we have deemed to represent the interest factor. After giving pro forma effect to the issuance and sale of the notes and the repurchase of all of our \$200.0 million outstanding aggregate principal amount of the 2013 notes pursuant to the tender offer and consent solicitation described above

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under Prospectus Supplement Summary Recent Development, the ratios of earnings to fixed charges for the six months ended February 28, 2013 and the fiscal year ended August 31, 2012 would have been 2.80x and 2.76x, respectively.

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- (3) Working capital consists of current assets less current liabilities.
- (4) Total capitalization consists of total debt and stockholders' equity attributable to Commercial Metals Company. The ratio of debt to total capitalization is a measure of debt leverage. Reconciliations to stockholders' equity attributable to Commercial Metals Company are provided below:

(in thousands)	Year Ended,			Six Months Ended, (unaudited)	
	2012	2011	2010	February 28, 2013	February 29, 2012
Stockholders' equity attributable to CMC	\$ 1,246,368	\$ 1,160,425	\$ 1,250,736	\$ 1,296,727	\$ 1,241,959
Total debt	1,185,868	1,232,605	1,244,323	1,201,882	1,216,990
Total capitalization	\$ 2,432,236	\$ 2,393,030	\$ 2,495,059	\$ 2,498,609	\$ 2,458,949

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**RISK FACTORS**

*An investment in the notes involves a high degree of risk. You should carefully consider the risks described below and all of the information contained herein or incorporated by reference into this prospectus supplement and the accompanying prospectus before deciding whether to purchase the notes. The risk factors described below may be updated from time to time by our filings with the SEC under the Exchange Act that we incorporate by reference herein. The risks and uncertainties described in such incorporated documents and described below are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of those risks actually occurs, our business, financial condition and results of operations would suffer. See Special Note Regarding Forward-Looking Statements.*

**Risks Related to Our Industry**

*Our industry is vulnerable to global economic conditions, including the slow recovery from the recent recession and the risk of a recession relapse.*

Our financial results are substantially dependent upon the overall economic conditions in the United States and the European Union. The sluggish pace of recovery from the deep global recession that began in the United States in December 2007 and officially ended in June 2009 has continued to have an adverse effect on the demand for our products and, consequently, our business, results of operations and financial condition. In addition, uncertainties in Europe regarding the financial sector and sovereign debt and the potential impact on banks in other regions of the world has continued to weigh on global and domestic growth. Metals industries have historically been vulnerable to significant declines in consumption and product pricing during prolonged periods of economic downturn. Likewise the pace of construction has historically slowed significantly during economic downturns. Our geographic concentration in the southern and southwestern United States as well as Central Europe, Australia, China, and the Middle East exposes us to the local market conditions in these regions. Economic downturns in these areas or decisions by governments that have an impact on the level and pace of overall economic activity in a particular region could also adversely affect our sales and profitability.

Although we believe that the long-term prospects for the steel industry remain bright, we are unable to predict the duration of the depressed economic conditions that are contributing to reduced demand for our products. Future economic downturns or prolonged periods of slow growth or economic stagnation could materially adversely affect our business, results of operations and financial condition.

*Our industry is cyclical and prolonged periods of slow economic growth could have a material adverse effect on our business, results of operations and financial condition.*

Our business supports cyclical industries such as commercial, residential and government construction, energy, metals service center, petrochemical and original equipment manufacturing. We may experience significant fluctuations in demand for our products from these industries based on economic conditions, energy prices, consumer demand and decisions by governments to fund infrastructure projects such as highways, schools, energy plants and airports. As a result of the volatility in the industries we serve, we may have difficulty increasing or maintaining our level of sales or profitability. Our business, results of operations and financial condition would be adversely affected if the industries we serve suffer a prolonged downturn or anemic growth. Although the residential housing market is not a significant direct factor in our business, related commercial and infrastructure construction activities, such as shopping centers, schools and roads, could be impacted by a prolonged slump in new housing construction.

Our industry is characterized by low backlogs, which means that our business, results of operations and financial condition are promptly affected by short-term economic fluctuations.

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*The scrap metal recycling industry has historically been, and is expected to remain, highly cyclical. A prolonged period of low scrap prices or a fall in scrap metal prices could result in the weakening of inbound scrap flows and thereby reduce our ability to obtain, process and sell recycled materials and this could have a material adverse effect on our metals recycling operations results.*

Scrap metal prices are volatile and operating results within the metals recycling industry, in general, have historically been cyclical, and are expected to remain, highly cyclical in nature. Similarly, but not necessarily paralleling the price fluctuations in the steel business, the purchase prices for automobile bodies and various other grades of obsolete and industrial scrap, as well as the selling prices for processed and recycled scrap metals we utilize in our own manufacturing process or we resell to others through our metals recycling operations, are also highly volatile. As a metals recycler, we may attempt to respond to changing recycled metal selling prices by adjusting the scrap metal purchase prices we pay to others, but our ability to do this may be limited by competitive or other factors during periods of low scrap prices, when inbound scrap flow may slow considerably, as scrap generators hold onto their scrap in the hope of getting higher prices later; conversely, increased foreign demand for scrap due to economic expansion in countries such as China, India, Brazil, and Turkey can result in an outflow of available domestic scrap as well as higher scrap prices that cannot always be passed on to domestic scrap consumers further reducing the available domestic scrap flows and scrap margins all of which could adversely affect our sales and profitability.

*A significant reduction in China's steel consumption or increased Chinese steel production substantially exceeding local demand may result in China becoming a large exporter of steel and disruption to world steel markets.*

Chinese economic expansion has affected the availability and heightened the volatility of many commodities that we market and use in our manufacturing process, including steel. Expansions and contractions in China's economy can have major effects on the price of our finished steel products and many commodities that affect us such as secondary metals, energy, marine freight rates, steel making supplies such as ferroalloys and graphite electrodes, and materials we market, such as iron ore and coke. If Chinese demand weakens or Chinese steel production expands to the point that it significantly exceeds the country's consumption, prices for many of the products that we both sell to and export from China may fall, causing erosion in our gross margins and subjecting us to possible renegotiation of contracts or increases in bad debts. Significant exports from China of steel in the product lines we manufacture would likely cause our selling prices to decline and negatively impact our volumes and gross margins.

*Rapid and significant changes in the price of metals could adversely impact our business, results of operations and financial condition.*

Prices for most metals in which we deal have experienced increased volatility over the last several years, and such increased price volatility impacts us in several ways. Some of our operations, such as our fabrication operations, may benefit from rapidly decreasing steel prices as their material cost for previously contracted fixed price work declines. Others, such as our Americas Mills and International Mill segments, would likely experience reduced margins and may be forced to liquidate high cost inventory at reduced margins or losses until prices stabilize. Sudden increases could have the opposite effect. Overall, we believe that rapid substantial price changes are not to our industry's benefit. Our customer and supplier base would be impacted due to uncertainty as to future prices. A reluctance to purchase inventory in the face of extreme price decreases or to sell quickly during a period of rapid price increases would likely reduce our volume of business. Marginal industry participants or speculators may attempt to participate to an unhealthy extent during a period of rapid price escalation with a substantial risk of contract default if prices suddenly reverse. Risks of default in contract performance by customers or suppliers as well as an increased risk of bad debts and customer credit exposure could increase during periods of rapid and substantial price changes.

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*Excess capacity in our industry could increase the level of steel imports into the United States, resulting in lower domestic prices which would adversely affect our sales, margins and profitability.*

Steel-making capacity exceeds demand for steel products in some countries. Rather than reducing employment by rationalizing capacity with consumption, steel manufacturers in these countries (often with local government assistance or subsidies in various forms) have traditionally periodically exported steel at prices significantly below their home market prices and which may not reflect their costs of production or capital. This supply of imports can decrease the sensitivity of domestic steel prices to increases in demand or decrease our ability to recover our manufacturing costs. The excess capacity may create downward pressure on our steel prices which would adversely affect our sales, margins and profitability.

*Compliance with and changes in environmental and remediation requirements could result in substantially increased capital requirements and operating costs.*

Existing laws or regulations, as currently interpreted or reinterpreted in the future, and future laws and regulations, may have a material adverse effect on our business, results of operations and financial condition. Compliance with environmental laws and regulations is a significant factor in our business. We are subject to local, state, Federal and international environmental laws and regulations concerning, among other matters, waste disposal, air emissions, waste and storm water effluent and disposal and employee health. New facilities that we may build, especially steel minimills, are required to obtain several environmental permits before significant construction or commencement of operations. Delays in obtaining permits or unanticipated conditions in such permits could delay the project or increase construction costs or operating expenses. Our manufacturing and recycling operations produce significant amounts of by-products, some of which are handled as industrial waste or hazardous waste. For example, our minimills generate electric arc furnace dust ( EAF dust ), which the Environmental Protection Agency (the EPA ) and other regulatory authorities classify as hazardous waste. EAF dust and other industrial waste and hazardous waste require special handling, recycling or disposal.

In addition, the primary feed materials for the shredders operated by our scrap metal recycling facilities are automobile hulks and obsolete household appliances. Approximately 20% of the weight of an automobile hull consists of unrecyclable material known as shredder fluff. After the segregation of ferrous and saleable nonferrous metals, shredder fluff remains. We, along with others in the recycling industry, interpret Federal regulations to require shredder fluff to meet certain criteria and pass a toxic leaching test to avoid classification as a hazardous waste. We also endeavor to remove hazardous contaminants from the feed material prior to shredding. As a result, we believe the shredder fluff we generate is not normally considered or properly classified as hazardous waste. If the laws, regulations or testing methods change with regard to EAF dust or shredder fluff or other by-products, we may incur additional significant expenditures.

Legal requirements are changing frequently and are subject to interpretation. New laws, regulations and changing interpretations by regulatory authorities, together with uncertainty regarding adequate pollution control levels, testing and sampling procedures, new pollution control technology and cost/benefit analysis based on market conditions are all factors that may increase our future expenditures to comply with environmental requirements. Accordingly, we are unable to predict the ultimate cost of future compliance with these requirements or their effect on our operations. We cannot predict whether such costs would be able to be passed on to customers through product price increases. Competitors in various regions or countries where environmental regulation is less restrictive, subject to different interpretation or generally not enforced, may enjoy a competitive advantage.

We may also be required to conduct additional clean up at sites where we have already participated in remediation efforts or to take remediation action with regard to sites formerly used in connection with our operations. We may be required to pay for a portion or all of the costs of clean up or remediation at sites we never owned or on which we never operated if we are found to have arranged for treatment or disposal of hazardous substances on the sites. In cases of joint and several liability, we may be obligated to pay a disproportionate share of cleanup costs if

other responsible parties are financially insolvent.

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***Increased regulation associated with climate change and greenhouse gas emissions could impose significant additional costs on both our steelmaking and metals recycling operations.***

The U.S. government and various governmental agencies have introduced or are contemplating regulatory changes in response to the potential impact of climate change. International treaties or agreements may also result in increasing regulation of greenhouse gas emissions, including the introduction of carbon emissions trading mechanisms. Any such regulation regarding climate change and greenhouse gas ( GHG ) emissions could impose significant costs on our steelmaking and metals recycling operations and on the operations of our customers and suppliers, including increased energy, capital equipment, environmental monitoring and reporting and other costs in order to comply with current or future laws or regulations concerning and limitations imposed on our operations by virtue of climate change and GHG emissions laws and regulations. The potential costs of allowances, offsets or credits that may be part of potential cap-and-trade programs or similar future regulatory measures are still uncertain. Any adopted future climate change and GHG regulations could negatively impact our ability (and that of our customers and suppliers) to compete with companies situated in areas not subject to such limitations. From a medium and long-term perspective, as a result of these regulatory initiatives, we may see an increase in costs relating to our assets that emit significant amounts of greenhouse gases. These regulatory initiatives will be either voluntary or mandatory and may impact our operations directly or through our suppliers or customers. Until the timing, scope and extent of any future regulation becomes known, we cannot predict the effect on our business, results of operations or financial condition.

## **Risks Related to Our Company**

***Potential limitations on our ability to access credit may adversely affect our business, results of operations and financial condition.***

We could be adversely affected if our banks refused to honor their contract commitments or ceased lending. Events in the global credit markets, including the failure, takeover or rescue by various government entities of major financial institutions, have created uncertainty of credit availability to an extent not experienced in recent decades. In addition, credit ratings affect our ability to obtain financing and the cost of such financing. Any downgrade or withdrawal of a rating by a rating agency that rates us or our senior unsecured debt may impair our ability to obtain additional financing and will increase the cost of the financing that we do obtain.

***Our customers inability to obtain credit may result in their default on the debts they owe to us.***

If the recent constraints on access to credit continue for a prolonged period, some of our customers may struggle or fail to meet their obligations to pay us, especially if they in turn experience defaults on receivables due from their customers. A continued economic downturn could result in our incurring bad debt costs in excess of our expectations and prior experience. In certain markets, we have experienced a consolidation among those entities to whom we sell. This consolidation, along with higher metals and other commodity prices, has resulted in an increased credit risk spread among fewer customers often without a corresponding strengthening of their financial status. We use credit insurance both in the United States and internationally to mitigate the risk of customer insolvency. However, it is possible that we may not be capable of recovering all of our insured losses if the insurers with whom our accounts receivable are insured experience significant losses threatening their viability. Additionally, credit insurance policies typically have relatively short policy periods and require pre-approval of customers with maximum insured limits established by the customer. If credit insurers incur large losses, the insurance may be more difficult and more costly to secure and may be on less favorable terms. While in many international sales transactions we require letters of credit from financial institutions, which we believe to be financially secure, we may be at risk in the event the financial institution subsequently fails and the customer is unable to pay for the products we sold. A significant amount of our accounts receivable are considered to be open account uninsured accounts receivable. We regularly maintain a substantial amount of accounts receivable (\$988.5 million at February 28, 2013).



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***Potential impact of our customers non-compliance with existing commercial contracts and commitments.***

Most consumers of the metals products we sell have been negatively impacted by the recession and the continued slow recovery therefrom. Due to their economic hardship or the contraction in their operations or due to the fact that the prices for many of the products we sell have declined since the customers entered into the contracts with us, some of our customers have sought to renegotiate or cancel their existing purchase commitments. In addition, some of our customers have breached previously agreed upon contracts to buy our products by refusing delivery of the products. Where appropriate, we have and will in the future pursue litigation to recover our damages resulting from customer contract defaults. A large number of our customers defaulting on existing contractual obligations to purchase our products could have a material adverse effect on our business, results of operations and financial condition.

***Fluctuations in the value of the U.S. dollar relative to other currencies may adversely affect our business, results of operations and financial condition.***

Fluctuations in the value of the U.S. dollar may affect our business, results of operations and financial condition. In particular, major changes in the rate of exchange of China's renminbi or the value of the euro to the U.S. dollar could adversely affect our business, results of operations and financial condition. A strong U.S. dollar makes imported metal products less expensive, resulting in more imports of steel products into the United States by our foreign competitors, while a weak U.S. dollar may have the opposite impact on imports. With the exception of exports of nonferrous scrap metal by our Americas Recycling segment, we have not recently been a significant exporter of metal products from our United States operations. Economic difficulties in some large steel producing regions of the world, resulting in lower local demand for steel products, have historically encouraged greater steel exports to the United States at depressed prices which can be exacerbated by a strong dollar. As a result, our products that are made in the United States may become relatively more expensive as compared to imported steel, which has had and in the future could have a negative impact on our business, results of operations and financial condition.

A strong U.S. dollar hampers our international marketing and distribution business. Weak local currencies limit the amount of U.S. dollar denominated products that we can import for our international operations and limit our ability to be competitive against local producers selling in local currencies.

***Operating internationally carries risks and uncertainties which could adversely affect our business, results of operations and financial condition.***

Our foreign operations generated approximately 29% of our fiscal 2012 revenue. We have significant facilities in Poland and Australia. Our marketing and trading offices are located in most major markets of the world, and our suppliers and customers are located throughout the world. Our marketing and distribution segment relies on substantial international shipments of materials and products in the ordinary course of its business. Our stability, growth and profitability are subject to a number of risks inherent in doing business internationally in addition to the currency exchange risk discussed above, including:

political, military, terrorist or major pandemic events;

legal and regulatory requirements or limitations imposed by foreign governments (particularly those with significant steel consumption or steel related production including China, Brazil, Russia and India) including quotas, tariffs or other protectionist trade barriers, adverse tax law changes, nationalization or currency restrictions;

disruptions or delays in shipments caused by customs compliance or government agencies; and  
potential difficulties in staffing and managing local operations.

These types of events may adversely affect our business, results of operations and financial condition.

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***We rely on the availability of large amounts of electricity and natural gas for our minimill operations. Disruptions in delivery or substantial increases in energy costs, including crude oil prices, could adversely affect our business, results of operations and financial condition.***

Minimills melt steel scrap in electric arc furnaces and use natural gas to heat steel billets for rolling into finished products. As large consumers of electricity and gas, often the largest in the geographic area where our minimills are located, we must have dependable delivery of electricity and natural gas in order to operate. Accordingly, we are at risk in the event of an energy disruption. Prolonged black-outs or brown-outs or disruptions caused by natural disasters such as hurricanes would substantially disrupt our production. While we have not suffered prolonged production delays due to our inability to access electricity or natural gas, several of our competitors have experienced such occurrences. Prolonged substantial increases in energy costs would have an adverse effect on the costs of operating our minimills and would negatively impact our gross margins unless we were able to fully pass through the additional expense to our customers. Our finished steel products are typically delivered by truck. Rapid increases in the price of fuel attributable to increases in crude oil prices will increase our costs and adversely affect many of our customers' financial results, which in turn could result in reduced margins and declining demand for our products. Rapid increases in fuel costs may also negatively impact our ability to charter ships for international deliveries at anticipated freight rates, thereby decreasing our margins on those transactions or causing our customers to look for alternative sources.

***If we lose the services of key employees we may not be able to successfully manage our operations and meet our strategic objectives.***

Our future success depends, in large part, on the continued service of our officers and other key employees and our ability to continue to attract and retain additional highly qualified personnel. These employees are integral to our success based on their expertise and knowledge of our business and products. We compete for such personnel with other companies, including public and private company competitors who may periodically offer more favorable terms of employment. The loss or interruption of the services of a number of our key employees could reduce our ability to effectively manage our operations due to the fact that we may not be able to find in a timely manner, appropriate replacement personnel should the need arise.

***We may have difficulty competing with companies that have a lower cost structure or access to greater financial resources.***

We compete with regional, national and foreign manufacturers and traders. Consolidation among participants in the steel manufacturing and recycling industries has resulted in fewer competitors but several which are significantly larger than us. Some of our larger competitors have greater financial resources and more diverse businesses than us. Some of our foreign competitors may be able to pursue business opportunities without regard to certain of the laws and regulations with which we must comply, such as environmental regulations. These companies may have a lower cost structure, more operating flexibility and consequently they may be able to offer better prices and more services than we can. There is no assurance that we will be able to compete successfully with these companies. Any of these factors could have a material adverse effect on our business, results of operations and financial condition.

***Our minimills require continuous capital investments that we may not be able to sustain.***

We must make regular substantial capital investments in our steel minimills to maintain the minimills, lower production costs and remain competitive. We cannot be certain that we will have sufficient internally generated cash or acceptable external financing to make necessary substantial capital expenditures in the future. The availability of external financing depends on many factors outside of our control, including capital market conditions and the overall performance of the economy. If funding is insufficient, we may be unable to develop or enhance our minimills, take advantage of business opportunities and respond to competitive pressures.



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*Scrap and other supplies for our businesses are subject to significant price fluctuations, which may adversely affect our business, results of operations and financial condition.*

We depend on ferrous scrap, the primary feedstock for our steel minimills, and other supplies such as graphite electrodes and ferroalloys for our steel minimill operations. The price of scrap and other supplies has historically been subject to significant fluctuation, and we may not be able to adjust our product prices to recover the costs of rapid increases in material prices, especially over the short-term and in our domestic fabrication segment's fixed price contracts. Our future profitability will be adversely affected if we are unable to pass on to our customers increased raw material and supply costs.

The raw material used in manufacturing copper tubing is copper scrap, supplemented occasionally by virgin copper ingot. Copper scrap is subject to rapid price fluctuations related to the price and supply of virgin copper. Price increases for high quality copper scrap could adversely affect our business, results of operations and financial condition. Our Arkansas mill does not have melting capacity, so it is dependent on an adequate supply of competitively priced used rail. The availability of used rail fluctuates with the pace of railroad abandonments, rail replacement by railroads in the United States and abroad and demand for used rail from other domestic and foreign rail rerolling mills. Price increases for used rail could adversely affect our business, results of operations and financial condition.

*Unexpected equipment failures may lead to production curtailments or shutdowns.*

Interruptions in our production capabilities would adversely affect our production costs, steel available for sales and earnings for the affected period. Our manufacturing processes are dependent upon critical pieces of steel-making equipment, such as our furnaces, continuous casters and rolling equipment, as well as electrical equipment, such as transformers. This equipment may, on occasion, be out of service as a result of unanticipated failures. We have experienced, and may in the future experience, material plant shutdowns or periods of reduced production as a result of such equipment failures. In addition to equipment failures, our facilities are also subject to the risk of catastrophic loss due to unanticipated events such as fires, explosions or violent weather conditions.

*Competition from other materials may have a material adverse effect on our business, results of operations and financial condition.*

In many applications, steel competes with other materials, such as aluminum and plastics (particularly in the automobile industry), cement, composites, glass and wood. Increased use of or additional substitutes for steel products could adversely affect future market prices and demand for steel products.

*Hedging transactions may expose us to losses or limit our potential gains.*

Our product lines and worldwide operations expose us to risks associated with fluctuations in foreign currency exchange rates, commodity prices and interest rates. As part of our risk management program, we use financial instruments, including metals commodity futures, natural gas forward contracts, freight forward contracts, foreign currency exchange forward contracts and interest rate swap contracts. While intended to reduce the effects of the fluctuations, these transactions may limit our potential gains or expose us to losses. If our counterparties to such transactions or the sponsors of the exchanges through which these transactions are offered, such as the London Metal Exchange, fail to honor their obligations due to financial distress we would be exposed to potential losses or the inability to recover anticipated gains from these transactions.

We enter into the foreign currency exchange forward contracts as economic hedges of trade commitments or anticipated commitments denominated in currencies other than the functional currency to mitigate the effects of changes in currency rates. These foreign exchange commitments are dependent on timely performance by our counterparties. Their failure to perform could result in our having to close these hedges without the anticipated underlying transaction and could result in losses if foreign currency exchange rates have changed.

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*We are involved and may in the future become involved in various environmental matters that may result in fines, penalties or judgments being assessed against us or liability imposed upon us which we cannot presently estimate or reasonably foresee and which may have a material impact on our business, results of operations and cash flows.*

Under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, called CERCLA or Superfund, or similar state statutes, we may have obligations to conduct investigation and remediation activities associated with alleged releases of hazardous substances or to reimburse the EPA (or state agencies as applicable) for such activities and to pay for natural resource damages associated with alleged releases. We have been named a potentially responsible party at several Federal and state Superfund sites because the EPA or an equivalent state agency contends that we and other potentially responsible scrap metal suppliers are liable for the cleanup of those sites as a result of having sold scrap metal to unrelated manufacturers for recycling as a raw material in the manufacture of new products. We are involved in litigation or administrative proceedings with regard to several of these sites in which we are contesting, or at the appropriate time may contest, our liability. In addition, we have received information requests with regard to other sites which may be under consideration by the EPA as potential CERCLA sites.

Although we are unable to estimate precisely the ultimate dollar amount of exposure to loss in connection with various environmental matters or the effect on our consolidated financial position, we make accruals as warranted. In addition, although we do not believe that a reasonably possible range of loss in excess of amounts accrued for pending lawsuits, claims or proceedings would be material to our financial statements, additional developments may occur, and due to inherent uncertainties, including evolving remediation technology, changing regulations, possible third-party contributions, the inherent shortcomings of the estimation process, the uncertainties involved in litigation and other factors, the amounts we ultimately are required to pay could vary significantly from the amounts we accrue, and this could have a material adverse effect on our business, results of operations and financial condition.

*We are subject to litigation which could adversely affect our business, results of operations and financial condition.*

We are involved in various litigation matters, including regulatory proceedings, administrative proceedings, governmental investigations, environmental matters and construction contract disputes. The nature of our operations also exposes us to possible litigation claims in the future. Because of the uncertain nature of litigation and coverage decisions, we cannot predict the outcome of these matters. These matters could have a material adverse effect on our business, results of operations and financial condition. Litigation is very costly, and the costs associated with prosecuting and defending litigation matters could have a material adverse effect on our business, results of operations and financial condition. Although we are unable to estimate precisely the ultimate dollar amount of exposure to loss in connection with litigation matters, we make accruals as warranted. However, the amounts that we accrue could vary significantly from the amounts we actually pay, due to inherent uncertainties and the inherent shortcomings of the estimation process, the uncertainties involved in litigation and other factors.

*Some of our operations present significant risk of injury or death.*

The industrial activities conducted at our facilities present significant risk of serious injury or death to our employees, customers or other visitors to our operations, notwithstanding our safety precautions, including our material compliance with Federal, state and local employee health and safety regulations, and we may be unable to avoid material liabilities for injuries or deaths. We maintain workers' compensation insurance to address the risk of incurring material liabilities for injuries or deaths, but there can be no assurance that the insurance coverage will be adequate or will continue to be available on terms acceptable to us, or at all, which could result in material liabilities to us for any injuries or deaths.

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*Health care legislation could result in substantially increased costs and adversely affect our workforce.*

Recently enacted health care mandates may cause us to evaluate the scope of health benefits offered to our workforce and the method in which they are delivered, and increase our and our employees' costs. If we are not able to offer a competitive level of benefits, our ability to hire and retain qualified personnel may be adversely affected. Higher health care costs may result in (i) an inability to reinvest sufficient capital in our operations, (ii) an inability to sustain dividends, (iii) lowered debt ratings and (iv) an increase in the cost of capital, all of which may have a negative effect on the price of our common stock.

## **Risks Related to the Notes**

*The principal and interest payments on our existing indebtedness may restrict and/or impair our ability to fulfill our obligations under the notes.*

As of February 28, 2013, we had \$1.2 billion of total debt outstanding. After giving pro forma effect to this offering and the application of net proceeds therefrom, our total debt outstanding at such date would have been \$1.3 billion. Each of the 1995 Indenture and the Indenture governing the notes will permit us to incur additional debt.

The amount of our debt may have important consequences to you. For instance, it could:

make it more difficult for us to satisfy our financial obligations, including those relating to the notes;

require us to use a substantial portion of our cash flow from operations to pay interest and principal on the notes and other debt, which would reduce the funds available for working capital, capital expenditures and other business purposes;

limit our ability to obtain additional financing for working capital, capital expenditures, acquisitions and other investments, or for other general corporate purposes;

heighten our vulnerability to downturns in our business, our industry or in the general economy and restrict us from exploiting business opportunities or making acquisitions;

place us at a competitive disadvantage compared to those of our competitors that may have proportionately less debt;

limit our flexibility in planning for, or reacting to, changes in our business, the industry in which we operate or general economic conditions;

increase the risk of a ratings downgrade, increasing our cost of financing and limiting our access to capital markets; and

increase the risk of a default of certain loan covenants, restricting our use of cash and financing alternatives.

***The agreements governing our notes and our other debt instruments contain financial covenants and impose restrictions on our business.***

The 1995 Indenture governing the 2013 notes, our 6.50% notes due 2017 (the 2017 notes ) and 7.35% notes due 2018 (the 2018 notes and collectively with the 2013 notes and 2017 notes, the existing senior notes ) and the Indenture governing the notes each contain restrictions on our ability to create liens, enter into sale and leaseback transactions or consolidate, merge or sell all or substantially all of our assets. The 1995 Indenture also restricts the ability of certain of our subsidiaries to incur, assume or guarantee debt. In addition to these restrictions, our credit facility contains covenants that restrict our ability to, among other things, make certain loans, investments or acquisitions, incur additional indebtedness, sell assets, pay dividends and distributions, repurchase capital stock and make certain other restricted payments, and enter into transactions with affiliates. Our credit facility also requires that we meet certain financial tests and maintain certain financial ratios, including a maximum debt to capitalization and interest coverage ratios.

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Other agreements that we may enter into in the future may contain covenants imposing significant restrictions on our business that are similar to, or in addition to, the covenants under our existing agreements. These restrictions may affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities as they arise. In addition, the restrictions contained in the 1995 Indenture, the Indenture, our credit facility and any future credit facilities or other debt instruments may also limit our ability to plan for or react to market conditions or meet capital needs, or may otherwise restrict our activities or business plans and adversely affect our ability to finance our operations, enter into acquisitions, execute our business strategy, effectively compete with companies that are not similarly restricted or engage in other business activities that would be in our interest. In the future, we may incur other debt obligations that might subject us to additional and different restrictive covenants that could also adversely affect our financial and operational flexibility.

Our ability to comply with these covenants may be affected by events beyond our control, including prevailing economic, financial and industry conditions. The breach of any of these covenants could result in a default under the 1995 Indenture, the Indenture governing the notes or under our other debt agreements. An event of default under our debt agreements would permit some of our lenders to declare all amounts borrowed from them to be due and payable, together with accrued and unpaid interest. In addition, acceleration of our other indebtedness may cause us to be unable to make interest payments on the notes.

*Our failure to generate sufficient cash flow to meet our obligations under the notes could significantly adversely affect you as a noteholder.*

Our ability to make payments with respect to the notes and to satisfy our other debt obligations will depend on our future operating performance, which will be affected by a broad range of factors, including prevailing economic, financial, business and other factors affecting our company and industry, many of which are beyond our control. If we and our subsidiaries do not generate sufficient cash flow from operations to satisfy our debt obligations, including payments on the notes, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. However, we may not be able to refinance our debt on commercially reasonable terms, if at all, or on terms that would be permitted under our various debt instruments then in effect, and we may not be able to sell assets, or, even if we are able to sell assets, the terms of the sales may not be favorable to us and may not sufficiently reduce the amount of our debt obligations. Our inability to generate sufficient cash flow to satisfy our debt obligations, or to refinance our obligations on commercially reasonable terms, would have an adverse effect on our business, financial condition and results of operations, as well as on our ability to satisfy our obligations on the notes. If for any reason we are unable to meet our debt service and repayment obligations, including those under the notes, we would be in default under the terms of the agreements governing that indebtedness, which may allow our creditors at that time to declare all such indebtedness to be due and payable.

*The notes will be effectively subordinated to our secured debt.*

The notes are unsecured and unsubordinated but will be effectively subordinated in right of payment to all of our existing and future secured indebtedness, including borrowings under our credit facility, to the extent of the value of the collateral securing those obligations. As of February 28, 2013, we did not have any secured debt outstanding, and we had \$270.7 million of available borrowing capacity under our \$300 million secured credit facility. We may in the future issue additional secured debt, including borrowings under our credit facility. If we are not able to repay amounts due under the terms of the secured debt, the holders of the secured debt could proceed against the collateral securing that indebtedness. In that event, any proceeds received upon a realization of the collateral securing that indebtedness would be applied first to amounts due under the terms of the secured debt before any proceeds would be available to make payments on the notes. If we default under any secured debt, the value of the collateral on the secured debt may not be sufficient to repay both the holders of the secured debt and the holders of the notes. In addition, upon any distribution of assets pursuant to any liquidation, dissolution, reorganization, insolvency or similar proceeding, the holders of our secured debt will be entitled to be repaid in full from the proceeds of the collateral securing such debt before the holders of the notes will be entitled to receive any payment with respect thereto.



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*The notes will be structurally subordinated to the debt and liabilities of our subsidiaries.*

The notes will not be guaranteed by our subsidiaries. Payments on the notes are required to be made only by Commercial Metals Company, the issuer of the notes. We may not have direct access to the assets of our subsidiaries unless those assets are transferred by dividend or otherwise to us. As a result, the notes will be structurally subordinated to all existing and future debt and liabilities, including trade payables, of our subsidiaries. As of February 28, 2013, our subsidiaries had total liabilities of \$580.8 million, excluding net intercompany liabilities owed to Commercial Metals Company of \$12.1 million.

*We depend in part on our subsidiaries to generate sufficient cash flow to meet our debt service obligations, including payments on the notes.*

Although Commercial Metals Company is an operating company, a substantial part of its assets consists of the capital stock or other equity interests of its subsidiaries. As a result, we depend in part on the earnings of our subsidiaries and the availability of their cash flows to us, or upon loans, advances or other payments made by these entities to us to service our debt obligations, including the notes. The ability of these entities to pay dividends or make other payments or advances to us will depend upon their operating results and will be subject to restrictions under the credit facility and other agreements to which we or they are a party and applicable laws.

*Our credit ratings may not reflect all risks of an investment in the notes.*

We expect that the notes will be rated by one or more nationally recognized statistical rating organizations. A rating is not a recommendation to purchase, hold or sell debt securities, since a rating does not predict the market price of a particular security or its suitability for a particular investor. The credit ratings assigned to the notes may not reflect the potential impact of all risks related to trading markets, if any, for, or trading value of, your notes. In addition, real or anticipated changes in our credit ratings will generally affect any trading market, if any, for, or trading value of, your notes. Any rating organization that rates the notes may lower our rating or decide not to rate the notes in its sole discretion. The ratings of the notes will be based primarily on the rating organization's assessment of the likelihood of timely payment of interest when due and the payment of principal on the maturity date. Any ratings downgrade could adversely affect the trading price of the notes, or the trading market for the notes, to the extent a trading market for the notes develops.

*We may not be able to repurchase the notes upon a change of control.*

If we experience certain kinds of changes of control coupled with a ratings downgrade with respect to the notes, we must give holders of the notes the opportunity to sell us their notes at 101% of their principal amount, plus accrued and unpaid interest. In addition, the terms of the existing senior notes include a substantially similar change of control provision, except that the 2013 notes do not have a change of control provision. As a result, we may be required to offer to repurchase all outstanding notes and existing senior notes at 101% of their respective principal amount, plus accrued and unpaid interest. However, in such an event, we might not be able to pay the required purchase price for the notes or existing senior notes presented to us because we might not have sufficient funds available at that time. The source of funds for any such purchase of the notes will be our available cash or cash generated from our subsidiaries' operations or other sources, including borrowings, sales of assets or sales of equity. Our failure to repurchase the notes or existing senior notes upon a change of control would cause a default under the Indenture or the 1995 Indenture, as applicable. Our credit facility provides that a change of control will be a default that permits lenders to accelerate the maturity of borrowings thereunder. Any of our future debt agreements may contain similar provisions.

*We may enter into transactions that would not constitute a change of control that could affect our ability to satisfy our obligations under the notes.*

Legal uncertainty regarding what constitutes a change of control and the provisions of the Indenture may allow us to enter into transactions, such as acquisitions, refinancing or recapitalizations, that would not constitute a change of control but may increase our outstanding indebtedness or otherwise affect our ability to satisfy our

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obligations under the notes. The definition of change of control for purposes of the notes includes a phrase relating to the transfer of all or substantially all of our assets 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, your ability to require the Company to repurchase the notes as a result of a transfer of less than all of our assets to another person may be uncertain.

***Your ability to transfer the notes may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the notes.***

The notes are new issues of securities for which there is no established public market. We do not intend to have the notes listed on a national securities exchange or included in any automated quotation system.

The underwriters have advised us that they intend to make a market in the notes; however, the underwriters are not obligated to make a market in the notes, and they may discontinue their market making activities at any time without notice. Therefore, an active market for the notes may not develop or, if developed, it may not continue. The liquidity of any market for the notes will depend upon the number of holders of the notes, our operating performance and financial condition, the market for similar securities, the interest of securities dealers in making a market in the notes, prevailing interest rates and other factors. A liquid trading market may not develop for the notes. If a market develops, the notes could trade at prices that may be lower than the initial offering price of the notes. If an active market does not develop or is not maintained, the price and liquidity of the notes may be adversely affected. 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 not be free from similar disruptions and any such disruptions may adversely affect the prices at which you may sell your notes. In addition, subsequent to their initial issuance, the notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar notes, our performance and other factors.

***Volatile trading prices may require you to hold the notes for an extended period of time.***

If a market develops for the notes, they might trade at prices higher or lower than the initial offering price of our previously issued notes. The trading price of the notes could be subject to significant fluctuation in response to, among other factors, change in our operating results, interest rates, the market for non-investment grade securities, general economic conditions and securities analysts' recommendations, if any, regarding our securities. In addition, subsequent to their initial issuance, the notes may trade at a discount from their initial offering price depending on the prevailing interest rates, the market for similar notes, our performance and other factors, many of which are beyond our control. The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future and any fluctuation may impact the trading price of the notes. You should be aware that you may be required to bear the financial risk of an investment in the notes for an extended period of time.

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**USE OF PROCEEDS**

We estimate the net proceeds to us from the sale of the notes will be approximately \$325 million, after deducting the underwriters' discounts and commissions and estimated offering expenses payable by us.

We intend to use the net proceeds from this offering to fund the repurchase of any and all of our outstanding 2013 notes in the tender offer and consent solicitation described under "Prospectus Supplement Summary Recent Development," and to redeem any remaining 2013 notes that are not tendered following the expiration of the tender offer and consent solicitation, in each case together with accrued interest, any applicable premium payments and expenses related thereto. We intend to use the remainder of the net proceeds from this offering for general corporate purposes. For additional information regarding the 2013 notes, see "Description of Other Indebtedness."

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The following table sets forth our consolidated capitalization as of February 28, 2013, and as adjusted to give effect to the issuance and sale of the notes and the repurchase of an aggregate principal amount of \$200.0 million of the 2013 notes pursuant to the tender offer and consent solicitation described above under Use of Proceeds. This table should be read in conjunction with our unaudited consolidated financial statements and related notes included in our Quarterly Report on Form 10-Q for the quarter ended February 28, 2013, which is incorporated by reference in this prospectus supplement and the accompanying prospectus. See Where You Can Find More Information.

	As of February 28, 2013	
	Actual	As Adjusted (unaudited)
	(in thousands, except share data)	
<b>Cash &amp; cash equivalents(1)</b>	\$ 170,097	\$ 291,136
<b>Short-term debt:</b>		
Notes payable	\$ 47,403	\$ 47,403
Current maturities of long-term debt:		
5.625% notes due 2013	\$ 200,000	\$
Other, including equipment notes(2)	4,072	4,072
<b>Total short-term debt</b>	<b>\$ 251,475</b>	<b>\$ 51,475</b>
<b>Long-term debt:</b>		
Credit facility(3)		
Domestic receivables program		
International receivables program		
Senior notes:		
6.500% notes due 2017	\$ 400,000	\$ 400,000
7.350% notes due 2018	500,000	500,000
Notes offered hereby		330,000
Other, including equipment notes(2)	9,304	9,304
Interest rate swap adjustment(4)	41,103	38,246
<b>Total long-term debt</b>	<b>\$ 950,407</b>	<b>\$ 1,277,550</b>
<b>Total debt</b>	<b>\$ 1,201,882</b>	<b>\$ 1,329,025</b>
<b>Stockholders' equity:</b>		
Common stock, par value \$0.01 per share, 200,000,000 shares authorized; 129,060,664 shares issued; 116,878,209 shares outstanding	\$ 1,290	\$ 1,290
Additional paid-in capital	362,273	362,273
Accumulated other comprehensive income (loss)	(1,247)	(1,247)
Retained earnings(5)	1,171,776	1,170,282
Less treasury stock, 12,182,455 shares at cost	(237,365)	(237,365)
<b>Total stockholders' equity attributable to the Company</b>	<b>1,296,727</b>	<b>1,295,233</b>
<b>Total capitalization</b>	<b>\$ 2,498,609</b>	<b>\$ 2,624,258</b>

(1)

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As adjusted cash and cash equivalents includes net proceeds from this offering, after underwriters' discounts and estimated offering expenses, of approximately \$325 million, reduced by (a) \$200 million to fund the repurchase of the outstanding aggregate principal amount of the 2013 notes, (b) after-tax expense of \$3.4 million in estimated accrued interest and premium payments to the holders of the 2013 notes and (c) \$1.0 million in tax expense on the unamortized gain on the termination of the fixed-to-floating interest rate swap arrangements with respect to the 2013 notes associated with the repurchase of the 2013 notes. As adjusted cash and cash equivalents does not give effect to regular interest payment obligations to the holders of the 2013 notes and our other indebtedness.

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- (2) Other, including equipment notes consists of equipment capitalized lease obligations.
- (3) On December 27, 2011, we entered into a \$300 million revolving credit facility that matures on December 27, 2016. See Description of Other Indebtedness Third Amended and Restated Credit Agreement for additional information regarding our revolving credit facility.
- (4) During the third quarter of fiscal 2012, we terminated our fixed-to-floating interest rate swap arrangements with respect to the existing senior notes and received cash proceeds of approximately \$53 million, which is amortized over the remaining term of the existing senior notes. As adjusted interest rate swap adjustment includes a reduction of \$2.9 million related to the repurchase of the 2013 notes.
- (5) As adjusted retained earnings includes \$1.9 million of unamortized gain, net of tax expense, on the termination of the fixed-to-floating interest rate swap arrangements with respect to the 2013 notes, offset by \$3.5 million loss, net of tax expense, on extinguishment of the 2013 notes related to the repurchase of the 2013 notes.

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**Table of Contents****DESCRIPTION OF OTHER INDEBTEDNESS****Third Amended and Restated Credit Agreement**

On December 27, 2011, the Company and CMC International Finance, S.à r.l. (f/k/a CMCLUX, S.à r.l.), its wholly owned subsidiary (the Foreign Borrower) and together with the Company, the Borrowers), entered into that certain Third Amended and Restated Credit Agreement (the Credit Agreement) with Bank of America, N.A. (BANA), as a lender, Administrative Agent, Swing Line Lender and a L/C Issuer, the other lenders from time to time party thereto, Wells Fargo Bank, National Association and The Royal Bank of Scotland plc, as Co-Syndication Agents, Goldman Sachs Bank USA and PNC Bank, National Association, as Co-Documentation Agents, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities, LLC and RBS Securities Inc., as Joint Lead Arrangers and Joint Book Managers. On April 29, 2013 the Borrowers, BANA and certain other lenders entered into Amendment No. 1 to Third Amended and Restated Credit Agreement that modified the Credit Agreement to permit certain additional restrictions on encumbrances in the contractual obligations of the Company and its subsidiaries. The Credit Agreement terminates on December 27, 2016 (the Maturity Date).

The Credit Agreement provides for (i) a revolving credit facility (the Revolving Loans) in U.S. dollars and certain foreign currencies in the maximum principal amount of the U.S. dollar equivalent of \$300.0 million (the Facility Amount), (ii) revolving borrowings to the Foreign Borrower (as a sub-facility of the Facility Amount) in a maximum principal amount of the U.S. dollar equivalent of \$50.0 million, (iii) a letter of credit sub-facility in a maximum principal amount of the U.S. dollar equivalent of \$50.0 million, (iv) a swing line sub-facility available to the Company in U.S. dollars (the US Swingline Loans) in a maximum principal amount of \$25.0 million, and (v) a swing line sub-facility available to the Foreign Borrower in U.S. dollars and certain foreign currencies (the Foreign Swingline Loans) in a maximum principal amount of the U.S. dollar equivalent of \$15.0 million.

**Interest Rate and Fees**

Revolving Loan borrowings under the Credit Agreement in U.S. dollars or foreign currencies bear interest at a rate equal to (a) LIBOR for the applicable interest period for the relevant currency plus an Applicable Margin or (b) at the election of the Company for Revolving Loan borrowings in U.S. dollars, the highest of (i) the federal funds effective rate plus 0.50%, (ii) the BANA prime rate, and (iii) one-month LIBOR plus 1.00%, in each case plus an Applicable Margin. US Swingline Loan borrowings under the Credit Agreement bear interest at a rate equal to one-month LIBOR plus an Applicable Margin. Foreign Swingline Loan borrowings under the Credit Agreement bear interest at a rate equal to the applicable overnight rate for the relevant currency plus an Applicable Margin.

Applicable Margin shall mean the following percentages, based on the Company's non-credit enhanced, senior unsecured long-term debt rating set forth below:

Debt Ratings S&P/Moody's	Commitment Fee	Eurocurrency Rate	
		Letters of Credit Swingline LIBOR Rate	Base Rate
BBB / Baa2	0.250%	1.250%	0.250%
BBB- / Baa3	0.300%	1.500%	0.500%
BB+ / Ba1	0.350%	1.750%	0.750%
BB / Ba2	0.400%	2.000%	1.000%
< BB /Ba2	0.450%	2.225%	1.225%

In addition to paying interest on outstanding principal under the Credit Agreement, the Borrowers are required to pay a commitment fee to the lenders in respect of the unutilized commitments under the Credit Agreement at the per annum rate set forth in the table above. The Borrowers must also pay customary letter of credit fees.

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### ***Prepayments***

The Borrowers may voluntarily repay outstanding loans under the Credit Agreement without premium or penalty, provided that prepayments on all LIBOR loans will be subject to customary breakage costs. The Borrowers may voluntarily terminate or reduce the commitments under the Credit Agreement without premium or penalty, provided that such reduced commitments will not be less than the outstanding borrowings under the Credit Agreement or the applicable sub-facility amount.

### ***Maturity***

Principal amounts, and accrued and unpaid interest outstanding under the Credit Agreement, are due and payable on the Maturity Date.

### ***Guarantee and Security***

The obligations of the Borrowers under the Credit Agreement are guaranteed by the Company and each of our material domestic subsidiaries (as described in the Credit Agreement) and are secured by a pledge of (i) the present and future shares of capital stock of each of our material domestic subsidiaries and (ii) the present and future shares of capital stock of each of our foreign subsidiaries directly owned by the Company or our material domestic subsidiaries, but excluding certain designated foreign subsidiaries and limited to 65% of the voting stock of such first tier foreign subsidiaries. Furthermore, the obligations of the Foreign Borrower under the Credit Agreement are guaranteed by CMC Poland Sp. z.o.o. (f/k/a CMC Zawiercie, S.A.), a Polish subsidiary of the Company and secured by a pledge of the capital stock of CMC Poland Sp. z.o.o. The lenders' lien on the collateral securing the Credit Agreement is subject to collateral addition, release and reinstatement provisions based on the credit ratings of our long term unsecured senior, non-credit enhanced debt. In the event of certain downgrades of such ratings, the Company and its material domestic subsidiaries may be required to grant the lenders liens on all present and future inventory and accounts (and the proceeds thereof), to the extent not already subject to the below defined Receivables Program.

### ***Certain Covenants and Events of Default***

The Credit Agreement contains a number of typical and customary affirmative covenants and negative covenants that, among other things, restrict, subject to certain exceptions, the Borrowers' and their subsidiaries' ability to:

create liens;

make certain loans, investments, or acquisitions;

incur additional indebtedness;

engage in mergers, consolidations or other fundamental changes;

sell, transfer or otherwise dispose of assets;

change the lines of business of the Company and its subsidiaries;

enter into contractual obligations that limit the Company and its subsidiaries to permit liens and other encumbrances on their assets; and

pay dividends and distributions, repurchase capital stock or make certain other restricted payments.

The Credit Agreement also requires the Company to maintain (a) an interest coverage ratio of at least 3.00 to 1.00, (b) a debt to capitalization ratio of no more than 0.60 to 1.00 and (c) liquidity of at least \$150.0 million in excess of the principal amount of the Company's 2013 Notes, to the extent that the 2013 Notes are outstanding.

Failure to comply with the covenants under the Credit Agreement may trigger an event of default. Additionally, the Credit Agreement contains typical and customary events of default, including a change of control.

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### **Receivables Program**

On April 5, 2011, the Company and several of our subsidiaries (together with the Company, the Originators ) entered into a sale of accounts receivable program (as amended, the Receivables Program ). Pursuant to the Receivables Program, the Company contributes and the Originators sell certain trade accounts receivable (the Receivables ) to a special purpose wholly-owned subsidiary of the Company, CMC Receivables, Inc. ( CMCRV ), in accordance with a Receivables Sale Agreement between the Originators and CMCRV. CMCRV, in turn, sells the receivables in their entirety to purchasers (collectively, the Purchasers ) pursuant to a receivables purchase agreement among CMCRV, the Company, as servicer, Wells Fargo Bank, N.A., as administrative agent for the Purchasers, and the Purchasers. The Company has guaranteed the performance by the Originators of their obligations under the Receivables Sale Agreement in favor of CMCRV in accordance with a performance undertaking. On May 3, 2013 the Originators, Wells Fargo Bank, N.A. and certain other Purchasers entered into Omnibus Amendment No. 1 that, among other things, modified the receivables purchase agreement to remove an Originator, add another subsidiary of the Company as a new Originator and permit a change in the Originators' cash management system. The maximum facility is \$200 million. The facility terminates on December 26, 2014.

The Company, as servicer, and the other Originators, as sub-servicers, retain collection and administrative responsibilities for the Receivables. The continuation of the Receivables Program is subject to the performance of certain obligations and covenants by the Originators and CMCRV. The Receivables Program may be terminated upon the occurrence of certain amortization events, including (a) change of control, (b) delinquency, default and dilution ratios with respect to the Receivables and (c) failure of the Company to maintain (i) an interest coverage ratio of at least 3.00 to 1.00, (ii) a debt to capitalization ratio of no more than 0.60 to 1.00 and (iii) liquidity of at least \$150.0 million in excess of the principal amount of our 2013 notes, to the extent they are outstanding.

### **Subsidiary Working Capital Facilities**

Our subsidiaries have uncommitted credit facilities available from domestic and international banks. In general, these credit facilities are used to support trade letters of credit (including accounts payable settled under bankers' acceptances), foreign exchange transactions and short-term advances which are priced at market rates. Our Polish subsidiary, CMC Poland Sp. z.o.o. (f/k/a CMC Zawiercie, S.A.), has uncommitted credit facilities of \$77.1 million with several banks with expiration dates ranging from March 31, 2013 to November 30, 2013. We intend to renew these uncommitted credit facilities upon expiration. At February 28, 2013, \$47.4 million was outstanding under these facilities and is included in our consolidated balance sheet as at February 28, 2013. The weighted average interest rate on these facilities was 5.4% at February 28, 2013.

### **Existing Senior Notes**

#### *Overview*

The 2013 notes, 2017 notes and 2018 notes are all issued under our 1995 Indenture. As discussed in Prospectus Supplement Summary Recent Development, concurrently with this offering, we are conducting an offer to purchase any and all of our outstanding 2013 notes. We intend to use the net proceeds from this offering to fund the repurchase of any and all of our outstanding 2013 notes in the tender offer and consent solicitation and to redeem any remaining 2013 notes that are not tendered following the expiration of the tender offer and consent solicitation, in each case together with accrued interest, any applicable premium payments and expenses related thereto.

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*2013 Notes.* On November 12, 2003, we issued and sold \$200 million aggregate principal amount of our 2013 notes. Proceeds from the offering were used to fund the purchase of its 7.20% Notes due 2005 pursuant to the tender offer announced by the Company on October 31, 2003, to fund the acquisition of a 71% interest in CMC Poland Sp. z.o.o. (f/k/a CMC Zawiercie, S.A.), the third largest producer of steel in Poland, and for general corporate purposes. As of the date of this prospectus supplement, \$200 million aggregate principal amount of our 2013 notes are outstanding.

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*2017 Notes.* On July 17, 2007, we issued and sold \$400 million aggregate principal amount of our 2017 notes. Proceeds from the offering were used to repay our 6.80% notes due August 1, 2007, repay certain commercial paper and other short term domestic bank borrowings, fund construction of and working capital for a micro mill in Arizona and for general corporate purposes, including acquisitions. As of the date of this prospectus supplement, \$400 million aggregate principal amount of our 2017 notes are outstanding.

*2018 Notes.* On August 4, 2008, we issued and sold \$500 million aggregate principal amount of our 2018 notes. Proceeds from the offering were used to repay our 6.75% notes due February 15, 2009, repay certain commercial paper, fund the purchase price for the acquisition of the assets of Reinforcing Post-Tensioning Services, Inc., Regional Steel Corporation, and RPS Cable Corporation based in Claremont, California and for general corporate purposes, including acquisitions. As of the date of this prospectus supplement, \$500 million aggregate principal amount of our 2018 notes are outstanding.

### ***Interest Rate***

*2013 Notes.* Interest on the 2013 notes is payable in cash and accrues at the rate of 5.625% per annum. Interest on the 2013 notes is payable semi-annually in arrears on May 15 and November 15, commencing on May 15, 2004.

*2017 Notes.* Interest on the 2017 notes is payable in cash and accrues at the rate of 6.50% per annum. Interest on the 2017 notes is payable semi-annually in arrears on January 15 and July 15, commencing on January 15, 2008.

*2018 Notes.* Interest on the 2018 notes is payable in cash and accrues at the rate of 7.350% per annum. Interest on the 2018 notes is payable semi-annually in arrears on February 15 and August 15, commencing on February 15, 2009.

### ***Ranking and Security***

The existing senior notes are senior unsecured obligations and (i) rank senior in right of payment to any existing and future subordinated indebtedness, (ii) rank equally in right of payment with all of our existing and future senior indebtedness, (iii) are effectively junior in right of payment to all existing and future secured indebtedness, including our secured credit facility and (iv) are structurally subordinated to all existing and future indebtedness and other liabilities of our subsidiaries (other than indebtedness and liabilities owed by subsidiaries to Commercial Metals Company). As of February 28, 2013, our subsidiaries had total liabilities of \$580.8 million, excluding net intercompany liabilities owed to Commercial Metals Company of \$12.1 million.

### ***Prepayments and Redemptions***

*2013 Notes and 2017 Notes.* We may redeem the 2013 notes and 2017 notes, in whole or in part, at any time and from time to time, at a price equal to the greater of (i) 100% of the principal amount of the 2013 notes or 2017 notes being redeemed, respectively, and (ii) the sum of the present values, calculated as of the redemption date, of the remaining scheduled payments of principal and interest on the 2013 notes or 2017 notes to be redeemed, respectively, (exclusive of interest accruing on the redemption date) discounted to the redemption date on a semiannual

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basis (assuming a 360-day year consisting of twelve 30-day months) at the then current treasury rate plus 20 basis points, plus, in each case, accrued and unpaid interest on the principal amount being redeemed to the redemption date.

*2018 Notes.* We may redeem the 2018 notes, in whole or in part, at any time and from time to time, at a price equal to the greater of (i) 100% of the principal amount of the 2018 notes being redeemed and (ii) the sum of the present values, calculated as of the redemption date, of the remaining scheduled payments of principal and interest on the 2018 notes to be redeemed (exclusive of interest accruing on the redemption date) discounted to

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the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the then current treasury rate plus 50 basis points, plus, in each case, accrued and unpaid interest on the principal amount being redeemed to the Redemption Date.

***Guarantees***

The existing senior notes are not guaranteed by our subsidiaries.

***Certain Covenants and Events of Default***

Subject to several enumerated exceptions, the 1995 Indenture prohibits us and certain of our subsidiaries from securing any debt or other obligation with any principal property or shares of capital stock of certain of our subsidiaries without providing that our existing senior notes shall be secured equally and ratably with the secured debt or other obligation for so long as the secured debt or other obligation remains secured, except to the extent the amount of the secured debt or other obligation, along with the value of permitted sale and lease-back transactions, does not exceed 10% of our consolidated net tangible assets, as defined in the 1995 Indenture. The 1995 Indenture restricts the ability of certain of our subsidiaries to incur, assume or guarantee debt, except to the extent the amount of the debt does not exceed 30% of our consolidated tangible net worth, as defined in the 1995 Indenture. The 1995 Indenture does not directly limit the amount of other unsecured debt that we may incur. The 1995 Indenture also restricts our ability to enter into sale and lease-back transactions as well as to consolidate, merge or sell all or substantially all of our assets. The existing senior notes have additional covenants, change of control provisions and events of default that are substantially similar to those provided with respect to the notes, except that the 2013 notes do not have a change of control provision.

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### **DESCRIPTION OF THE NOTES**

We will issue the Notes under the Indenture, dated as of May 6, 2013, between us and U.S. Bank National Association, as trustee (the *Trustee*), as supplemented by the Supplemental Indenture, to be dated as of the date of the closing of the offering of the Notes (as so supplemented, the *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, as amended. We may from time to time in the future issue additional series of debt securities under the Indenture. Such other debt securities may have terms and conditions that are different from the terms and conditions of the Notes.

The following description of the particular terms of the Notes supplements the description of the general terms and provisions of the debt securities set forth in the accompanying prospectus. It is only a summary of the material provisions of the Indenture, though, and we urge you to read the Indenture because it, not this description, defines your rights as noteholders. You may request a copy of the Indenture at our address set forth under the heading *Incorporation by Reference*. Capitalized terms not otherwise defined herein shall have the respective meanings given to them in the Indenture. In this description, the words *Company*, *we*, *us* and *our* refer only to Commercial Metals Company and not to any of its subsidiaries.

#### **Title of Notes**

4.875% Senior Notes due 2023.

#### **Principal Amount of Notes**

The Notes will be issued in an initial aggregate principal amount of \$330 million. We will issue the Notes only in book-entry form, in denominations of \$2,000 and integral multiples of \$1,000, through the facilities of The Depository Trust Company (*DTC*), and sales in book-entry form may be effected only through a participating member of DTC. See *Book-Entry System* below. We may from time to time, without notice to or the consent of the noteholders, increase the aggregate principal amount of the Notes by creating and issuing further notes under the Indenture on the same terms and conditions as the Notes being offered hereby, except for issue date, issue price, preissuance accrued interest and, in some cases, first Interest Payment Date (defined below). Any further notes will be consolidated and form a single series with the Notes and will have the same terms as to status, redemption or otherwise as the Notes. Any further notes will be issued by or pursuant to a resolution of our Board of Directors, in an officers' certificate or a supplement to the Indenture.

#### **Maturity of Notes**

The Notes will mature on May 15, 2023.

#### **Interest Rate on Notes**

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The interest rate on the Notes will be 4.875% per annum, computed on the basis of a 360-day year consisting of twelve 30-day months.

### **Date Interest Begins to Accrue on Notes**

Interest will begin to accrue on the Notes on May 20, 2013.

### **Interest Payment Dates**

We will pay interest on the Notes semi-annually on each May 15 and November 15 (each, an *Interest Payment Date* ). Interest payable on each Interest Payment Date will include interest accrued from and including May 20, 2013, or from and including the most recent Interest Payment Date to which interest has been paid or duly provided for, to but excluding the applicable Interest Payment Date.

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The Notes will not be entitled to the benefit of any sinking fund or other mandatory redemption obligation prior to maturity.

### **First Interest Payment Date**

The first Interest Payment Date for the Notes will be November 15, 2013.

### **Regular Record Dates for Interest**

We will pay interest payable on any Interest Payment Date to the person in whose name a Note, or any predecessor Note, is registered at the close of business on May 1 or November 1, as the case may be, next preceding such Interest Payment Date.

### **Paying Agent**

The Trustee will initially be the securities registrar and paying agent and will act as such at its offices in Dallas, Texas. We may at any time designate additional paying agents or rescind the designations or approve a change in the offices where they act.

### **Ranking**

The Notes will be our senior unsecured obligations and will rank equally in right of payment with all of our existing and future senior unsecured indebtedness, including the 2013 notes, 2017 notes and 2018 notes. The Notes will rank junior to any of our secured debt, including borrowings under the Company's existing credit facility, to the extent of the collateral securing such debt and will be structurally subordinated to the indebtedness and other liabilities of our subsidiaries, including trade payables. As of February 28, 2013 after giving effect to this offering and the anticipated use of proceeds therefrom, we would have had \$1.2 billion of senior indebtedness outstanding, none of which would have been secured. In addition, as of February 28, 2013, our subsidiaries had \$47.4 million of indebtedness outstanding and total liabilities of \$580.8 million, excluding net intercompany liabilities owed to Commercial Metals Company of \$12.1 million.

### **Optional Redemption**

The Notes will be redeemable in whole or in part at any time and from time to time, at our option, at a redemption price equal to the greater of:

100% of the principal amount of the Notes to be redeemed; or

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the sum of the present values, calculated as of the redemption date, of the remaining scheduled payments of principal and interest on the Notes to be redeemed (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the then current Treasury Rate plus 50 basis points

plus, in each case, we will pay accrued and unpaid interest on the principal amount being redeemed to but not including the date of redemption. If we elect to redeem fewer than all of the Notes, the Trustee will select in a fair and appropriate manner the Notes to be redeemed.

On or after February 15, 2023 (three months prior to the maturity date of the Notes), we will have the right to redeem the Notes in whole or in part at our option at any time or from time to time, at a redemption price equal to 100% of the aggregate principal amount of the Notes, plus accrued and unpaid interest thereon, if any, to, but not including, the redemption date.

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

*Comparable Treasury Price* means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

*Independent Investment Banker* means one of the Reference Treasury Dealers that we appoint to act as the Independent Investment Banker from time to time.

*Reference Treasury Dealer* means each of Citigroup Global Markets Inc. and Deutsche Bank Securities Inc., their respective successors, and two other firms that are primary U.S. Government securities dealers (each a *Primary Treasury Dealer* ) which we specify from time to time; provided, however, that if any of them ceases to be a Primary Treasury Dealer, we will substitute another Primary Treasury Dealer.

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

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

Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of record of the Notes to be redeemed at its registered address. The notice of redemption for the Notes will state, among other things, the amount of Notes to be redeemed, the redemption date, the manner of calculation of the redemption price and the place or places that payment will be made upon presentation and surrender of Notes to be redeemed. Unless we default in the payment of the redemption price, interest will cease to accrue on any Notes that have been called for redemption at the redemption date. Notices of redemption may, at our discretion, be subject to the satisfaction of one or more conditions precedent. If such redemption is subject to the satisfaction of one or more conditions precedent, the notice of redemption shall describe each such condition and, if applicable, shall state that in our discretion the redemption date may be delayed until such time as any or all of such conditions shall be satisfied or that such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date as stated in such notice, or by the redemption date so delayed.



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### **Change of Control Offer**

If a Change of Control Triggering Event occurs, unless we have exercised our option to redeem the Notes as described above, we will be required to make an offer (the *Change of Control Offer*) to each holder of the Notes to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of that holder's Notes on the terms set forth in the Notes. In the Change of Control Offer, we will be required to offer payment in cash equal to 101% of the aggregate principal amount of Notes repurchased, plus accrued and unpaid interest, if any, on the Notes repurchased to the date of repurchase (the *Change of Control Payment*). Within 30 days following any Change of Control Triggering Event or, at our option, prior to any Change of Control, but after public announcement of the transaction that constitutes or may constitute the Change of Control, a notice will be mailed to holders of the Notes describing the transaction that constitutes or may constitute the Change of Control Triggering Event and offering to repurchase the Notes on the 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 mailed (the *Change of Control Payment Date*). The notice will, if mailed prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Triggering Event occurring on or prior to the Change of Control Payment Date.

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

accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

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

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 repurchased.

We will not be required to make a Change of Control Offer upon the occurrence of a Change of Control Triggering Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and the third party repurchases all Notes properly tendered and not withdrawn under its offer. In addition, we will not repurchase any Notes if there has occurred and is continuing on the Change of Control Payment Date an Event of Default under the Indenture, other than a default in the payment of the Change of Control Payment upon a Change of Control Triggering Event.

We 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 Triggering Event. To the extent that the provisions of any such securities laws or regulations conflict with the Change of Control Offer provisions of the Notes, we will comply with those securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Offer provisions of the Notes by virtue of any such conflict.

For purposes of the Change of Control Offer provisions of the Notes, the following terms will be applicable:

*Change of Control* means the occurrence of any of the following:

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(1) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person (as that term is used in Section 13(d)(3) of the Exchange Act) becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of our Voting Stock or other Voting Stock into which our Voting Stock is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares;

(2) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or more series of related transactions, of all or substantially all of our assets and the assets of our subsidiaries, taken as a whole, to one or more persons (as that term is defined in the Indenture) (other than the Company or one of the Subsidiaries of the Company); or

(3) the first day on which a majority of the members of our Board of Directors are not Continuing Directors.

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Notwithstanding the foregoing, a transaction will not be deemed to involve a Change of Control if (1) we become a direct or indirect wholly-owned subsidiary of a holding company and (2)(A) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of our Voting Stock immediately prior to that transaction or (B) immediately following that transaction no person (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company.

*Change of Control Triggering Event* means the occurrence of both a Change of Control and a Rating Event.

*Continuing Directors* means, as of any date of determination, any member of our Board of Directors who (1) was a member of such Board of Directors on the date the Notes were issued or (2) was nominated for election, elected or appointed to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination, election or appointment (either by a specific vote or by approval of our proxy statement in which such member was named as a nominee for election as a director).

*Investment Grade Rating* means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, and the equivalent investment grade credit rating from any additional Rating Agency or Rating Agencies selected by us.

*Moody's* means Moody's Investors Service, Inc.

*Rating Agencies* means (1) each of Moody's and S&P; and (2) if either of Moody's or S&P ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside of our control, a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by us (as certified by a resolution of our Board of Directors) as a replacement agency for Moody's or S&P, or both of them, as the case may be.

*Rating Event* means the rating on the Notes is lowered by each of the Rating Agencies and the Notes are rated below an Investment Grade Rating by each of the Rating Agencies on any day within the 60-day period (which 60-day period will be extended so long as the rating of the Notes is under publicly announced consideration for a possible downgrade by any of the Rating Agencies) after the earlier of (1) the occurrence of a Change of Control and (2) public notice of the occurrence of a Change of Control or our intention to effect a Change of Control; *provided, however*, that a Rating Event otherwise arising by virtue of a particular reduction in rating will not be deemed to have occurred in respect of a particular Change of Control (and thus will not be deemed a Rating Event for purposes of the definition of Change of Control Triggering Event) if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the Trustee in writing at our or its request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control has occurred at the time of the Rating Event).

*S&P* means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

*Voting Stock* means, with respect to any specified person (as that term is used in Section 13(d)(3) of the Exchange Act) as of any date, the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

**Covenants**

See Description of Debt Securities Covenants in the accompanying prospectus.

**Events of Default**

See Description of Debt Securities Events of Default in the accompanying prospectus.

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### **Modification and Waiver**

See Description of Debt Securities Modification and Waiver in the accompanying prospectus.

### **Book-Entry System**

The Notes will be evidenced by global securities, which will be deposited on behalf of DTC and registered in the name of a nominee of DTC. Except as set forth below, the record ownership of the global securities may be transferred, in whole or in part, only to DTC, another nominee of DTC or to a successor of DTC or its nominee.

Except under circumstances described below, the Notes will not be issued in definitive form. See Certificated Securities below. Upon the issuance of a global security, DTC will credit on its book-entry registration and transfer system the accounts of persons acquiring the Notes with the respective principal amounts of the Notes represented by the global security. Ownership of beneficial interests in a global security will be limited to persons that have accounts with DTC or its nominee ( *participants* ) or persons that may hold interests through participants. Owners of beneficial interests in the Notes represented by the global securities will hold their interests pursuant to the procedures and practices of DTC. Ownership of beneficial interests in a global security will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee. The laws of some states require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a global security. DTC will have no knowledge of the actual beneficial owners of the global securities; DTC's records reflect only the identity of the participants to whose accounts such global securities are credited, which may or may not be the beneficial owners of the global securities. 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 participants and by participants to the beneficial owners of the global securities will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Transfers between participants will be effected in the ordinary way in accordance with DTC rules and will be settled in immediately available funds.

So long as DTC or its nominee is the registered owner of a global security, DTC or its nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by that global security for all purposes under the Indenture. Except as provided below, owners of beneficial interests in a global security will not be entitled to have Notes represented by that global security registered in their names, will not receive or be entitled to receive physical delivery of Notes in definitive form and will not be considered the owners or holders thereof under the Indenture. Beneficial owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participant through which the beneficial owner entered into the transaction. Beneficial owners will not be holders and will not be entitled to any rights provided to the noteholders under the global securities or the Indenture. Principal payments, premium payments, if any, interest payments and liquidated damage payments, if any, on Notes registered in the name of DTC or its nominee will be made to DTC or its nominee, as the case may be, as the registered owner of the relevant global security. None of the Company, the Trustee or the registrar for the Notes will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial interests in a global security or for maintaining, supervising or reviewing any records relating to such beneficial interests. Neither the Company nor the Trustee would be liable for any delay by DTC or any of its participants in identifying the beneficial owners of the Notes, and the Company and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes. Beneficial owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to Notes, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, beneficial owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to beneficial owners. In the alternative, beneficial owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.



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Payments of principal, premium, if any, and interest to DTC will be the responsibility of the Company or the Trustee. The disbursement of such payments to participants shall be the responsibility of DTC. We expect that DTC or its nominee, upon receipt of any payment of principal, premium, if any, or interest, if any, will credit immediately participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant global security as shown on the records of DTC or its nominee. We also expect that payments by participants to owners of beneficial interests in a global security held through such participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such participants and not DTC, the Company or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time.

If we redeem less than all of the global security, we have been advised that it is DTC's practice to determine by lot the amount of the interest of each participant in the global security to be redeemed.

DTC has advised us that it is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. DTC is owned by a number of its participants and by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the Financial Industry Regulatory Authority, Inc.

DTC holds securities deposited with it by its participants and facilitates the settlement of transactions among its participants in such securities through electronic computerized book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers, dealers (including the underwriters), banks, trust companies, clearing corporations and certain other organizations, some of whom (and/or their representatives) own the depository. Access to DTC's book-entry system is also available to others, such as banks, brokers, dealers, trust companies and clearing corporations that clear through or maintain a custodial relationship with a participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

According to DTC, the foregoing information with respect to DTC has been provided to the financial community for informational purposes only and is not intended to serve as a representation, warranty or contract modification of any kind, and we take no responsibility for the accuracy or completeness of such information.

## **Certificated Securities**

If DTC is at any time unwilling or unable to continue as a depository or if an event of default shall have occurred and be continuing under the Indenture, we will issue notes in definitive form in exchange for the entire global security for the Notes. In addition, we may at any time and in our sole discretion determine not to have the Notes represented by a global security and, in such event, will issue notes in definitive form in exchange for the entire global security relating to such Notes. In any such instance, an owner of a beneficial interest in a global security will be entitled to physical delivery in definitive form of notes represented by such global security equal in principal amount to such beneficial interest and to have such Notes registered in its name. Notes so issued in definitive form will be issued as registered notes in denominations of \$2,000 principal amount and integral multiples of \$1,000 in excess thereof, unless otherwise specified by us. The holder of a certificated note may transfer such note by surrendering it at (1) the office or agency maintained by us for such purpose in the Borough of Manhattan, The City of New York, which initially will be the office of the Trustee maintained for such purpose or (2) the office of any transfer agent we appoint.

## **Same-Day Settlement and Payment**

Settlement for the Notes will be made in immediately available or same-day funds. So long as the Notes are represented by the global securities, we will make all payments of principal and interest in immediately available funds.

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So long as the Notes are represented by the global securities registered in the name of DTC or its nominee, the Notes will trade in DTC's Same-Day Funds Settlement System. DTC will require secondary market trading activity in the Notes represented by the global securities to settle in immediately available or same-day funds on trading activity in the Notes.

**Trustee**

U.S. Bank National Association is the trustee, registrar and paying agent under the Indenture. In addition, the Company has entered into several equipment capital lease agreements with U.S. Bank National Association and its affiliates with average annual rental expenses payable by the Company of approximately \$1 million. U.S. Bank National Association also serves as the trustee under several of the Company's employee defined benefit plans.

**Governing Law**

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

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**MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS**

The following is a summary of certain United States federal income tax consequences of the purchase, ownership and disposition of the notes as of the date of this prospectus supplement. Except where noted, this summary deals only with notes that are held as capital assets (within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the Code)) by beneficial owners (as defined below) who purchase the notes for cash pursuant to this offering at their original issue price within the meaning of Section 1273 of the Code (*i.e.*, the first price at which a substantial amount of the notes is sold to the public for cash other than to bond houses, brokers or similar persons or organizations acting in the capacity of the underwriters, placement agents or wholesalers). This summary is based upon the Code and regulations, rulings and judicial decisions as of the date of this prospectus supplement. Those authorities may be changed, perhaps retroactively, so as to result in United States federal income tax consequences different from those summarized below. This summary does not address all aspects of United States federal income tax and does not deal with foreign, state, local or other tax considerations that may be relevant to particular investors in light of their personal circumstances. In addition, it does not represent a detailed description of the United States federal income tax consequences applicable to special classes of taxpayers, such as banks and other financial institutions, insurance companies, real estate investment trusts, regulated investment companies, tax-exempt organizations, partnerships (or entities properly classified as partnerships for U.S. federal income tax purposes) or other pass-through entities, dealers in securities or currencies, traders in securities that elect to use a mark-to-market method of accounting, persons liable for U.S. federal alternative minimum tax, U.S. Holders (as defined below) whose functional currency is not the U.S. dollar, former citizens or residents of the United States and persons holding the notes as part of a hedging or conversion transaction or a straddle. The discussion does not address any foreign, state, local or non-income tax consequences of (i) the acquisition, ownership or disposition of the notes to beneficial owners of the notes or (ii) the tender offer and consent solicitation or redemption of the 2013 notes.

A U.S. Holder means a beneficial owner of the notes (other than an entity treated as a partnership for United States federal income tax purposes) that is, for United States federal income tax purposes, any of the following:

an individual who is a citizen or resident of the United States;

a corporation that is created or organized under the laws of the United States, any state thereof or the District of Columbia;

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

a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

The term Non-U.S. Holder means any beneficial owner of a note who or that is not a U.S. Holder and is not a partnership or other entity properly classified as a partnership for U.S. federal income tax purposes. For the purposes of this discussion, U.S. Holders and Non-U.S. Holders are referred to collectively as Holders.

If any entity classified as a partnership for United States federal income tax purpose holds the notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership considering an investment in the notes, you should consult your tax advisors.

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If you are considering the purchase of notes, you should consult your own tax advisors concerning the particular United States federal income tax consequences to you of the purchase, ownership and disposition of the notes, as well as the consequences to you arising under other United States federal tax laws and the laws of any other taxing jurisdiction.

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### **U.S. Federal Income Taxation of U.S. Holders**

#### ***Payments of Interest***

Stated interest on notes beneficially owned by a U.S. Holder generally will be taxable as ordinary interest income at the time payments are accrued or are received in accordance with the U.S. Holders' regular method of accounting for U.S. federal income tax purposes.

#### ***Payment Contingencies***

As described above under *Description of the Notes - Optional Redemption*, we may, under certain circumstances, redeem or repurchase the notes before maturity. Also, in the event a change of control triggering event occurs, we may be required to repurchase notes at a price equal to 101% of their principal amount, plus any accrued interest to the date of repurchase, as described above under *Description of the Notes - Change of Control*. Under applicable U.S. Treasury regulations, if based on all the facts and circumstances as of the date on which the notes are issued there is a remote likelihood that a contingency will occur, or if the contingency is incidental, it is either assumed that such contingency will not occur, or the contingency is ignored until the payment is made. We intend to take the position that the likelihood of a repurchase premium becoming payable on the notes is remote and/or incidental (within the meaning of applicable Treasury regulations) as of the issue date, and that, as a result, such additional amounts need not be taken into account unless and until such additional amounts become payable, at which time such additional amounts should be taxable to a U.S. Holder in accordance with such U.S. Holder's method of accounting. Our position will be binding on all U.S. Holders except a U.S. Holder that discloses its differing position in a statement attached to its timely filed U.S. federal income tax return for the taxable year during which a note was acquired. There can be no assurance, however, that the Internal Revenue Service (IRS) will agree with our position. If our position were successfully challenged by the IRS, the notes could be treated as contingent payment debt instruments under the applicable Treasury regulations and a U.S. Holder could be required to accrue income on a note in excess of stated interest payments (regardless of the U.S. Holder's regular method of accounting for U.S. federal income tax purposes) at a rate equal to our comparable yield, and to treat as ordinary income, rather than capital gain, any gain recognized on the sale, exchange, redemption, retirement or other disposition of a note. In the event we pay a repurchase premium, U.S. Holders should consult their own tax advisors regarding the treatment of such amounts.

This discussion assumes the notes will not be treated as contingent payment debt instruments.

#### ***Sale, Exchange or Redemption of the Notes***

Upon the sale, exchange, redemption or other taxable disposition of the notes, a U.S. Holder generally will recognize gain or loss equal to the difference, if any, between (i) the amount realized upon the sale, exchange, redemption or other taxable disposition of the notes, other than amounts attributable to accrued and unpaid interest (which will be taxed as ordinary interest income to the extent such interest has not been previously included in income), and (ii) the U.S. Holder's adjusted tax basis in the notes. The amount realized by a U.S. Holder is the sum of cash plus the fair market value of all other property received on such sale, exchange, redemption or other taxable disposition. A U.S. Holder's adjusted tax basis in the notes generally will be its cost for the notes.

The gain or loss a U.S. Holder recognizes on the sale, exchange, redemption or other taxable disposition of the notes generally will be capital gain or loss. Such gain or loss generally will be long-term capital gain or loss if a U.S. Holder has held the notes for more than 12 consecutive months. For non-corporate U.S. Holders, long-term capital gains are currently taxed at a lower rate than ordinary income. The deductibility of

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capital losses is subject to limitations. A U.S. Holder should consult its own tax advisor regarding the deductibility of capital losses in its particular circumstances.

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***Medicare Tax***

A 3.8% Medicare tax is imposed on a portion or all of the net investment income of certain individuals with a modified adjusted gross income of over \$200,000 (or \$250,000 in the case of joint filers or \$125,000 in the case of married individuals filing separate returns) and on the undistributed net investment income of certain estates and trusts. For these purposes, net investment income generally will include interest (including interest paid with respect to a note) and net gain attributable to the disposition of property not held in a trade or business (including net gain from the sale, exchange, redemption or other taxable disposition of a note) and certain other income, but will be reduced by any deductions properly allocable to such income or net gain.

***Backup Withholding and Information Reporting***

In general, a U.S. Holder that is not an exempt recipient will be subject to U.S. federal backup withholding at the applicable rate (currently 28%) with respect to payments on the notes and the proceeds of a sale, exchange, redemption or other taxable disposition of the notes, unless the U.S. Holder provides its taxpayer identification number to the paying agent and certifies, under penalties of perjury, that it is not subject to backup withholding on IRS Form W-9 or a suitable substitute form and otherwise complies with the applicable requirements of the backup withholding rules. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder may be allowed as a credit against such U.S. Holder's U.S. federal income tax liability and may entitle such U.S. Holder to a refund, provided the required information is furnished to the IRS in a timely manner. In addition, payments on the notes made to, and the proceeds of a sale or other taxable disposition by, a U.S. Holder that is not an exempt recipient generally will be subject to information reporting requirements.

**U.S. Federal Income Taxation of Non-U.S. Holders**

***Payments of Interest***

Subject to the discussion below under Information Reporting and Backup Withholding, a Non-U.S. Holder will not be subject to United States federal withholding tax on interest paid on the notes under the portfolio interest rule, provided that:

interest paid on the notes is not effectively connected with the conduct of a Non-U.S. Holder's trade or business in the United States;

the Non-U.S. Holder does 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 applicable United States Treasury regulations;

the Non-U.S. Holder is not a controlled foreign corporation that is related to us through stock ownership;

the Non-U.S. Holder is not a bank whose receipt of interest on the notes is described in Section 881(c)(3)(A) of the Code; and

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either (a) the Non-U.S. Holder provides its name and address on an IRS Form W-8BEN (or other applicable form), and certifies, under penalties of perjury, that it is not a United States person as defined under the Code or (b) the Non-U.S. Holder holds the notes through certain foreign intermediaries and satisfy the certification requirements of applicable United States Treasury regulations. Special rules regarding exemption from, or reduced rates of, U.S. withholding tax may apply in the case of notes held by partnerships or certain types of trusts. Partnerships and trusts that are prospective purchasers should consult their tax advisors regarding special rules that may be applicable in their particular circumstances.

If a Non-U.S. Holder cannot satisfy the requirements described above, payments of interest made to the Non-U.S. Holder will be subject to a 30% United States federal withholding tax, unless the Non-U.S. Holder provides us with a properly executed:

IRS Form W-8BEN (or other applicable form) claiming an exemption from or reduction in withholding under the benefit of an applicable income tax treaty; or

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IRS Form W-8ECI (or other applicable form) stating that interest paid on the notes is not subject to withholding tax because it is effectively connected with the conduct of a trade or business in the United States (as discussed below under **Effectively Connected Income** ).

### ***Sale, Exchange, or Redemption of the Notes***

Generally, any gain recognized by a Non-U.S. Holder on the sale, exchange, redemption or other taxable disposition of a note (other than amounts attributable to accrued and unpaid interest, which will be treated as described under **Payments of Interest** above) will be exempt from U.S. federal income and withholding tax, unless:

- (1) the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if a treaty applies, is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States); or
- (2) the Non-U.S. Holder is an individual who is present in the United States for 183 days or more during the taxable year, and certain other conditions are met.

### ***Effectively Connected Income***

If a Non-U.S. Holder is engaged in a trade or business in the United States and interest on the notes is effectively connected with the conduct of that trade or business (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment), then the Non-U.S. Holder will generally be subject to United States federal income tax on that interest on a net income basis in the same manner as if the Non-U.S. Holder was a United States person as defined under the Code. In addition, if a Non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (or a lower applicable income tax treaty rate) of the effectively connected earnings and profits, subject to adjustments. If interest is effectively connected with the Non-U.S. Holder's conduct of a United States trade or business (whether or not an income tax treaty applies), such interest will be exempt from the 30% withholding tax, provided the certification requirements discussed above in **Payments of Interest** are satisfied.

Any gain realized on the sale or other taxable disposition (including a retirement or redemption) of a note generally will not be subject to United States federal income tax unless:

the gain is effectively connected with the conduct of a trade or business by the Non-U.S. Holder in the United States (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment), in which case such gain will generally be subject to United States federal income tax (and possibly branch profits tax) in the same manner as effectively connected interest as described above; or

the Non-U.S. Holder is 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, in which case, unless an applicable income tax treaty provides otherwise, the Non-U.S. Holder will generally be subject to a 30% United States federal income tax on any gain recognized, which may be offset by certain United States source losses.

### **Information Reporting and Backup Withholding**

Generally, we must report to the IRS and to Holders the amount of interest paid to each Holder and the amount of tax, if any, withheld with respect to those payments. Copies of the information returns reporting such interest payments and any withholding may also be made available to the tax authorities in the country in which a Non-U.S. Holder reside under the provisions of an applicable income tax treaty.

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In general, a Non-U.S. Holder will not be subject to backup withholding with respect to interest payments on the notes made to a Non-U.S. Holder provided that we do not have actual knowledge or reason to know that such Non-U.S. Holder is a United States person as defined under the Code, and we have received from you the statement described above in the fifth bullet point under Payments of Interest above.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale or other taxable disposition (including a retirement or redemption) of notes within the United States or conducted through certain United States-related financial intermediaries, unless the Non-U.S. Holder certifies under penalties of perjury that it is a Non-U.S. Holder (and the payor does not have actual knowledge or reason to know that it is a United States person as defined under the Code), or the Non-U.S. Holder otherwise establishes an exemption.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a Non-U.S. Holder's United States federal income tax liability provided the required information is timely furnished to the IRS.

Non-U.S. Holders should consult their tax advisors regarding the application of information reporting and backup withholding in their particular situations, the availability of an exemption therefrom, and the procedures for obtaining such an exemption, if available.

**Table of Contents****UNDERWRITING**

Citigroup Global Markets Inc. and Deutsche Bank Securities Inc. are acting as joint book-running managers of the offering and as representatives of the underwriters named below. Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement, each underwriter named below has severally agreed to purchase, and we have agreed to sell to that underwriter, the principal amount of notes set forth opposite the underwriter's name.

<b>Underwriter</b>	<b>Principal Amount of Notes</b>
Citigroup Global Markets Inc.	\$ 125,400,000
Deutsche Bank Securities Inc.	72,600,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	39,600,000
RBS Securities Inc.	39,600,000
Wells Fargo Securities, LLC	39,600,000
PNC Capital Markets LLC	6,600,000
Scotia Capital (USA) Inc.	6,600,000
Total	\$ 330,000,000

The underwriting agreement provides that the obligations of the underwriters to purchase the notes included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all the notes if they purchase any of the notes.

Notes sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus supplement. Any notes sold by the underwriters to securities dealers may be sold at a discount from the initial public offering price not to exceed 0.75% of the principal amount of the notes. Any such securities dealers may resell any notes purchased from the underwriters to certain other brokers or dealers at a discount from the initial public offering price not to exceed 0.45% of the principal amount of the notes. If all the notes are not sold at the initial offering price, the underwriters may change the offering price and the other selling terms.

We have agreed that, during the period commencing on the date of this prospectus supplement and ending on the date that the notes are delivered by the underwriters to purchasers, we will not, without the prior written consent of Citigroup and Deutsche Bank Securities Inc. offer, sell, contract to sell, pledge, or otherwise transfer, directly or indirectly, or announce the offering of, any debt securities issued or guaranteed by us. Citigroup and Deutsche Bank Securities Inc. in their sole discretion may release any of the securities subject to these lock-up agreements at anytime without notice.

The notes will constitute a new class of securities with no established trading market. We do not intend to list the notes on any national securities exchange. However, we cannot assure you that the prices at which the notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the notes will develop and continue after this offering. The underwriters have advised us that they currently intend to make a market in the notes. However, they are not obligated to do so and they may discontinue any market-making activities with respect to the notes at any time without notice. Accordingly, we cannot assure you as to the liquidity of, or the trading market for, the notes. The following table shows the underwriting discounts and commissions that we are to pay to the underwriters in connection with this offering (expressed as a percentage of the principal amount of the notes).

Per note

We estimate that our total expenses for this offering will be approximately \$1 million, including our agreement to reimburse the underwriters for certain of their expenses in an amount up to \$45,000.

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In connection with the offering, the underwriters may purchase and sell notes in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions and stabilizing purchases.

Short sales involve secondary market sales by the underwriters of a greater number of notes than they are required to purchase in the offering.

Covering transactions involve purchases of notes in the open market after the distribution has been completed in order to cover short positions.

Stabilizing transactions involve bids to purchase notes so long as the stabilizing bids do not exceed a specified maximum.

Purchases to cover short positions and stabilizing purchases, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the notes. They may also cause the price of the notes to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The underwriters may conduct these transactions in the over-the-counter market or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

## **Other Relationships**

The underwriters are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The underwriters and their respective affiliates have in the past performed commercial banking, investment banking and advisory services for us from time to time for which they have received customary fees and reimbursement of expenses and may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. We intend to use a portion of the net proceeds from this offering to fund the repurchase of any and all of our outstanding 2013 notes in a tender offer and consent solicitation and have appointed Citigroup Global Markets Inc. as the dealer manager and solicitation agent. Citigroup Global Markets Inc. will receive customary fees and expenses in connection therewith. In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. In addition, affiliates of some of the underwriters are lenders under our credit facility and Receivables Program.

If any of the underwriters or their affiliates has a lending relationship with us, certain of those underwriters or their affiliates routinely hedge, and certain of those underwriters or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the underwriters may be required to make because of any of those liabilities.



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**LEGAL MATTERS**

The legality of the notes being offered hereby and certain other matters will be passed upon for us by Sidley Austin LLP, Chicago, Illinois. The legality of the notes being offered hereby and certain other matters will be passed upon for the underwriters by Latham & Watkins LLP, New York, New York.

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**PROSPECTUS**

## **Commercial Metals Company**

### **Debt Securities**

We may offer debt securities from time to time in one or more series. We will provide specific terms of any offering of these debt securities, together with the terms of the offering, the public offering price and our net proceeds from the sale thereof, in supplements to this prospectus. You should read this prospectus and any prospectus supplement, as well as the documents incorporated and deemed to be incorporated by reference in this prospectus and any prospectus supplement, carefully before you invest.

We may sell these debt securities on a continuous or delayed basis through one or more agents, dealers or underwriters as designated from time to time, or directly to purchasers or through a combination of these methods. We reserve the sole right to accept, and together with any agents, dealers and underwriters, reserve the right to reject, in whole or in part, any proposed purchase of debt securities. If any agents, dealers or underwriters are involved in the sale of any debt securities, the applicable prospectus supplement will set forth any applicable commissions or discounts. Our net proceeds from the sale of debt securities will be the public offering price of those debt securities less the applicable discount, in the case of an offering made through an underwriter, or the purchase price of those debt securities less the applicable commission, in the case of an offering through an agent, and, in each case, less other expenses payable by us in connection with the issuance and distribution of those debt securities.

**Investing in our securities involves risks. You should carefully consider the information referred to under the heading **Risk Factors** on page 4 of this prospectus.**

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

**The date of this prospectus is May 6, 2013**

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You should rely only on the information contained in this prospectus and the accompanying prospectus supplement, including the information incorporated or deemed to be incorporated by reference herein or any free writing prospectus that we prepare and distribute. We have not authorized anyone to provide you with information different from that contained in or incorporated by reference into this prospectus, the accompanying prospectus supplement or any such free writing prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy by anyone in any jurisdiction in which such offer or solicitation is not authorized, or in which the person is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. Neither the delivery of this prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in our affairs since the date hereof, that the information contained herein is correct as of any time subsequent to its date, or that any information incorporated or deemed to be incorporated by reference herein is correct as of any time subsequent to its date.

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**ABOUT THIS PROSPECTUS**

This prospectus is part of an automatic shelf registration statement that we filed with the Securities and Exchange Commission, or SEC, as a well-known seasoned issuer as defined in Rule 405 under the Securities Act of 1933, as amended, or the Securities Act. Under the automatic shelf registration process, we may, at any time and from time to time, sell the debt securities described in this prospectus or in any applicable prospectus supplement in one or more offerings. The exhibits to our registration statement contain the full text of certain contracts and other important documents we have summarized in or incorporated by reference into this prospectus. Since these summaries may not contain all the information that you may find important in deciding whether to purchase the debt securities we offer, you should review the full text of these documents. The registration statement and the exhibits can be obtained from the SEC as indicated under the heading **Where You Can Find More Information**.

This prospectus provides you with only a general description of the debt securities we may offer. Each time we sell debt securities, we will provide a prospectus supplement that contains specific information about the terms of those debt securities. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement, together with the documents incorporated and deemed to be incorporated by reference in this prospectus and the additional information described below under the heading **Where You Can Find More Information**.

In this prospectus and any prospectus supplement, unless otherwise indicated, the terms **Company**, **we**, **us** and **our** refer and relate to Commercial Metals Company and its consolidated subsidiaries.

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**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports and proxy statements and other information with the SEC. Our SEC filings are available to the public through the SEC's website at <http://www.sec.gov>. You may also read and copy any document we file at the SEC's public reference room in Washington, D.C. located at 100 F Street, N.E., Washington D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our common stock is listed and traded on the New York Stock Exchange, or NYSE. You may also inspect the information we file with the SEC at the NYSE's offices at 20 Broad Street, New York, New York 10005. Information about us, including certain SEC filings, is also available free of charge through the Investor Relations section of our website, located at <http://www.cmc.com>. However, the information on our website is not a part of this prospectus or any accompanying prospectus supplement.

The SEC allows us to incorporate by reference in this prospectus the information in other documents that we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated or deemed to be incorporated by reference is considered to be a part of this prospectus, and information in documents that we file later with the SEC will automatically update and supersede information contained in documents filed earlier with the SEC or contained in this prospectus.

We incorporate by reference in this prospectus the documents listed below and any filings that we may make with the SEC subsequent to the date hereof pursuant to Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, prior to the termination of the offering under this prospectus (*provided, however*, that we are not incorporating, in each case, any documents or information deemed to have been furnished and not filed in accordance with SEC rules):

The Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2012, including those sections incorporated therein by reference from the Company's Definitive Proxy Statement on Schedule 14A filed with the SEC on December 10, 2012;

The Company's Quarterly Reports on Form 10-Q for the quarterly periods ended November 30, 2012 and February 28, 2013; and

The Company's Current Reports on Form 8-K, filed on December 7, 2012, January 30, 2013 and March 19, 2013.

You may obtain a copy of any or all of the documents referred to above which may have been or may be incorporated by reference into this prospectus (excluding certain exhibits to the documents) at no cost to you by writing or telephoning us at the following address:

Commercial Metals Company

6565 N. MacArthur Boulevard, Suite 800

Irving, Texas 75039

Attn: Investor Relations

Telephone: (214) 689-4300



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**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus, including information incorporated by reference herein, contains forward-looking statements within the meaning of the federal securities laws, with respect to our financial condition, results of operations, cash flows and business, and our expectations or beliefs concerning future events. These forward-looking statements can generally be identified by phrases such as we or our management expects, anticipates, believes, estimates, intends, plans to, ought, could, will, should, likely, appears, projects, forecasts, outlook or other. There are inherent risks and uncertainties in any forward-looking statements. Although we believe that our expectations are reasonable, we can give no assurance that these expectations will prove to have been correct, and actual results may vary materially. Except as required by law, we undertake no obligation to update, amend or clarify any forward-looking statements to reflect events, new information or otherwise. Some of the important factors that could cause actual results to differ materially from our expectations are discussed below. All subsequent written and oral forward-looking statements attributable to the Company, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements.

Factors that could cause actual results to vary materially from our expectations include the following:

absence of global economic recovery or possible recession relapse and the pace of overall global economic activity;

solvency of financial institutions and their ability or willingness to lend;

success or failure of governmental efforts to stimulate the economy including restoring credit availability and confidence in a recovery;

continued sovereign debt problems in the Euro-zone;

customer non-compliance with contracts;

financial covenants and restrictions on the operation of our business contained in agreements governing our debt;

construction activity or lack thereof;

decisions by governments affecting the level of steel imports, including tariffs and duties;

litigation claims and settlements;

difficulties or delays in the execution of construction contracts resulting in cost overruns or contract disputes;

metals pricing over which we exert little influence;

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increased capacity and product availability from competing steel minimills and other steel suppliers including import quantities and pricing;

execution of cost reduction strategies;

ability to retain key executives;

court decisions and regulatory rulings;

industry consolidation or changes in production capacity or utilization;

global factors including political and military uncertainties;

currency fluctuations;

interest rate changes;

availability and pricing of raw materials, including scrap metal, energy, insurance and supply prices;

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passage of new, or interpretation of existing, environmental laws and regulations;

business disruptions, costs and future events related to any tender offers and proxy contests initiated by an activist shareholder;

ability to make necessary capital expenditures;

unexpected equipment failures;

competition from other materials;

losses or limited potential gains due to hedging transactions;

risk of injury or death to employees, customers or other visitors to our operations;

increased costs related to health care reform legislation; and

those factors listed under Item 1A. Risk Factors included in our Annual Report filed on Form 10-K for the fiscal year ended August 31, 2012 and any subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

You should refer to the Risk Factors section of this prospectus and to our periodic and current reports filed with the SEC for specific risks which would cause actual results to be significantly different from those expressed or implied by these forward-looking statements. It is not possible to identify all of the risks, uncertainties and other factors that may affect future results. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. Accordingly, readers of this prospectus are cautioned not to place undue reliance on the forward-looking statements.

**THE COMPANY**

We manufacture, recycle and market steel and metal products, related materials and services through a network including steel minimills, steel fabrication and processing plants, construction-related product warehouses, a copper tube minimill, metal recycling facilities and marketing and distribution offices in the United States and in strategic international markets. The CMC Americas Division operates utilizing three segments: Americas Recycling, Americas Mills and Americas Fabrication. The CMC International Division operates utilizing two segments: International Mill (comprised of all mill, recycling and fabrication operations located outside of the United States) and International Marketing and Distribution, which includes all marketing and distribution operations located outside the United States as well as two U.S.-based trading and distribution divisions, CMC Cometals, located in Fort Lee, New Jersey and CMC Cometals Steel, located in Irving, Texas.

We were incorporated in 1946 in the State of Delaware. Our predecessor company, a metals recycling business, has existed since approximately 1915. We maintain our principal executive offices at 6565 N. MacArthur Boulevard, Suite 800, in Irving, Texas, and our telephone number is (214) 689-4300. Our fiscal year ends August 31 and any reference in this prospectus or any accompanying prospectus supplement to any year refers to the fiscal year ended August 31 of that year unless otherwise noted. Our common stock is listed on the New York Stock Exchange

under the ticker symbol CMC.

## **RISK FACTORS**

An investment in our debt securities involves significant risks. Before purchasing any debt securities, you should carefully consider and evaluate all of the information included and incorporated by reference or deemed to be incorporated by reference in this prospectus or the applicable prospectus supplement, including the risk factors incorporated by reference herein from our Annual Report on Form 10-K for the fiscal year ended

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August 31, 2012, as updated by annual, quarterly and other reports and documents we file with the SEC after the date of this prospectus and that are incorporated by reference herein or in the applicable prospectus supplement. Our business, financial position, results of operations or liquidity could be adversely affected by any of these risks. The risks and uncertainties we describe are not the only ones facing us. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business or operations. Any adverse effect on our business, financial condition or operating results could result in a decline in the value of the securities and the loss of all or part of your investment.

**USE OF PROCEEDS**

Unless otherwise specified in a prospectus supplement accompanying this prospectus, the net proceeds from the sale of the debt securities to which this prospectus relates will be used for general corporate purposes. General corporate purposes may include repayment of debt, acquisitions, additions to working capital, capital expenditures and investments in our subsidiaries. Net proceeds may be temporarily invested prior to use.

**RATIOS OF EARNINGS TO FIXED CHARGES**

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

	<b>Six Months Ended</b>	<b>Six Months Ended</b>	<b>Fiscal Years Ended August 31,</b>				
	<b>February 28, 2013</b>	<b>February 29, 2012</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Ratio of earnings to fixed charges	2.96x	2.80x	2.92x	1.47x	*	1.34x	4.84x

\* Earnings for the year ended August 31, 2010 were inadequate to cover fixed charges due to asset impairment charges and losses from discontinued operations. The coverage deficiency was approximately \$164 million for the year ended August 31, 2010.

For purposes of calculating our ratios of earnings to fixed charges, earnings consist of earnings (loss) from continuing operations before income taxes, adjusted for undistributed earnings of less-than-fifty-percent-owned affiliates, plus interest expense, plus interest imputed on rent and amortization of capitalized interest. Fixed charges consist of capitalized interest and interest expense, plus the portion of rent expense under operating leases that we have deemed to represent the interest factor.

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**DESCRIPTION OF DEBT SECURITIES**

*The following summary describes the general terms and provisions of the debt securities covered by this prospectus. When we offer to sell a particular series of debt securities, we will describe the specific terms of the debt securities in a prospectus supplement.*

**General**

We will issue the debt securities under an indenture (the *Indenture* ), dated May 6, 2013 (the *Original Indenture Date* ), between us and U.S. Bank National Association, as trustee (the *Trustee* ). The Indenture is subject to and governed by the Trust Indenture Act of 1939, as amended (the *Trust Indenture Act* ). We may issue debt securities under the Indenture from time to time in one or more series, each in an amount we authorize prior to issuance. Unless we inform you otherwise in a prospectus supplement, the Indenture will not limit the aggregate amount of debt securities we may issue under the Indenture. The debt securities will be our general unsecured obligations and will rank equally with all our other unsecured and unsubordinated indebtedness. Capitalized terms not otherwise defined herein shall have the respective meanings given to them in the Indenture. In this description, the words *Company*, *we*, *us* and *our* refer only to Commercial Metals Company and not to any of its subsidiaries.

The prospectus supplement relating to any series of debt securities being offered will include specific terms relating to the offering. These terms will include some or all of the following:

the title of the debt securities of the series;

the authorized denominations and aggregate principal amount offered and any limit on future issues of additional debt securities of the same series;

whether we will issue the debt securities as individual certificates to each holder or in the form of global securities held by a depository on behalf of holders;

the date or dates on which the principal of the debt securities of the series is payable;

any interest rate on the debt securities, any date from which interest will accrue, any interest payment dates and regular record dates for interest payments, or the method used to determine any of the foregoing and the basis for calculating interest, if other than a 360-day year of twelve 30-day months;

the place or places where the principal of and any premium and interest on any debt securities of the series will be payable;

any provisions that would determine payments on the debt securities by reference to a formula, index or other method;

whether and under what circumstances any additional amounts with respect to the debt securities will be payable;

any mandatory or optional sinking fund or analogous provisions;

any provisions for optional or mandatory redemption or repurchase;

the portion of the principal amount of the debt securities that will be payable if the maturity is accelerated, if other than the entire principal amount;

any provisions for the defeasance of the debt securities;

the currency in which payments of principal of and any premium and interest on the debt securities will be payable, if other than U.S. dollars;

any addition to or change in the events of default or covenants which applies to any debt securities of the series, and any change in the right of the Trustee or the requisite holders of such debt securities to declare the principal amount thereof due and payable;

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any restrictions or other provisions relating to the transfer or exchange of the debt securities;

if the principal amount payable at the maturity of any debt securities of the series will not be determinable as of any one or more dates prior to the maturity, the amount which will be deemed to be the principal amount of such debt securities as of any such date for any purpose; and

any other terms not inconsistent with the provisions of the Indenture.

Unless we inform you otherwise in a prospectus supplement, the debt securities will be unsecured obligations and will rank equally with all of our other unsecured and unsubordinated indebtedness. The debt securities will be issuable in denominations of \$2,000 and integral multiples of \$1,000, or in such other denominations as may be set out in the terms of the debt securities of any particular series.

## **Covenants**

The covenants summarized below will apply to each series of debt securities as long as any debt securities of that series are outstanding, unless we inform you otherwise in a prospectus supplement.

### *Limitation on Liens*

The Company shall not, and shall not permit any Principal Subsidiary to, incur or suffer to exist any Lien upon any Principal Property, or upon any shares of stock of any Principal Subsidiary, whether such Principal Property or shares were owned as of the Original Indenture Date or thereafter acquired, to secure any Debt without making, or causing such Principal Subsidiary to make, effective provision for securing the debt securities issued under the Indenture (and no other indebtedness of the Company or any Principal Subsidiary except, if the Company shall so determine, any other indebtedness of the Company which is not subordinate in right of payment to the debt securities or of such Principal Subsidiary) (x) equally and ratably with such Debt as to such Principal Property or shares for as long as such Debt shall be so secured unless (y) such Debt is Debt of the Company which is subordinate in right of payment to the debt securities, in which case prior to such Debt as to such Principal Property or shares for as long as such Debt shall be so secured.

The foregoing restrictions will not apply to Liens existing at the Original Indenture Date or to the following:

- (1) Liens securing only debt securities issued under the Indenture;
- (2) Liens in favor of only the Company;
- (3) Liens on property of a Person existing at the time such Person is merged into or consolidated with the Company or any Principal Subsidiary but only to the extent such Liens cover such property;

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- (4) Liens on property existing immediately prior to the time of acquisition thereof and not in anticipation of the financing of such acquisition;
- (5) any Lien upon a Principal Property (including any property that becomes a Principal Property after acquisition thereof) to secure Debt incurred for the purpose of financing all or any part of the purchase price or the cost of construction or improvement of the property subject to such Lien; *provided, however*, that (A) the principal amount of any Debt secured by such Lien (1) does not exceed 100% of such purchase price or cost and (2) is incurred not later than six months after such purchase or the completion of such construction or improvement, whichever is later, and (B) such Lien does not extend to or cover any other property other than such item of property and any improvements on such item;
- (6) Liens to secure Debt incurred to extend, renew, refinance or refund Debt secured by any Lien referred to in the foregoing clauses (1) to (5) or any Lien existing at the Original Indenture Date, in each case, as long as such Lien does not extend to any other property and the original amount of the Debt so secured is not increased;

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- (7) any Lien securing Debt owing by the Company to a wholly owned Principal Subsidiary of the Company (provided that such Debt is at all times held by a Person which is a wholly owned Principal Subsidiary of the Company); *provided, however*, that for purposes of this covenant and the covenant described in Limitation on Sale and Leaseback Transactions, upon either (A) the transfer or other disposition of Debt secured by a Lien so permitted to a Person other than the Company or another wholly owned Principal Subsidiary of the Company or (B) the issuance, sale, lease, transfer or other disposition of shares of capital stock of any such wholly owned Principal Subsidiary to a Person other than the Company or another wholly owned Principal Subsidiary of the Company, the provisions of this clause (7) shall no longer be applicable to such Lien and such Lien shall be subject (if otherwise subject) to the requirements of this covenant without regard to this clause (7); and
- (8) Liens to secure (or to secure letters of credit, bankers' acceptances or bank guarantees in connection with) the performance of statutory obligations (including obligations under workers' compensation, unemployment insurance or similar legislation), surety or appeal bonds, customs bonds, performance bonds, leases, bids, agreements or other obligations of a like nature, in each case incurred in the ordinary course of business.

In addition to the foregoing, the Company and its Principal Subsidiaries may incur and suffer to exist a Lien to secure any Debt or enter into a Sale and Leaseback Transaction without equally and ratably securing the debt securities if, after giving effect thereto, the sum of (i) the principal amount of Debt secured by all Liens incurred after the Original Indenture Date and otherwise prohibited by the Indenture and (ii) the Attributable Debt of all Sale and Leaseback Transactions entered into after the Original Indenture Date and otherwise prohibited by the Indenture does not exceed 10% of the Consolidated Net Tangible Assets of the Company.

*Attributable Debt* means the present value (discounted at the per annum rate of interest publicly announced by Citibank, N.A. as its Reference Rate or Prime Rate on the date of any calculation under the Indenture, provided, that if Citibank, N.A. is no longer announcing a Reference Rate or Prime Rate, the per annum rate of interest shall be the Prime Rate most recently published in The Wall Street Journal, in either case compounded monthly), of the obligations for rental payments required to be paid during the remaining term of any lease of more than 12 months under which any Person is at the time liable.

*Capital Expenditures* means, for any period, any expenditures of the Company or its Subsidiaries (whether payable in cash, assets or other property or accrued as a liability (but without duplication)) during such period that, in conformity with generally accepted accounting principles consistently applied, are required to be included in fixed asset accounts as reflected in the consolidated balance sheets of the Company or its Subsidiaries.

*Capital Lease Obligation* of any Person means the obligation to pay rent or other payment amounts under a lease of (or other indebtedness arrangements conveying the right to use) real or personal property of such Person which is required to be classified and accounted for as a capital lease or a liability on the face of a balance sheet of such Person in accordance with generally accepted accounting principles. The stated maturity of such obligation, as of any date (the *measurement date*), shall be the date of the last payment of rent or any other amount due under such lease prior to the first date after the measurement date upon which such lease may be terminated by the lessee, at its sole option, without payment of a penalty.

*Consolidated Net Tangible Assets* means, as of any date of determination, the net book value of all assets of the Company and its Consolidated Subsidiaries, excluding any amounts carried as assets for shares of capital stock held in treasury, debt discount and expense, goodwill, patents, trademarks and other intangible assets, less all liabilities of the Company and its Consolidated Subsidiaries (except Funded Debt, minority interests in Consolidated Subsidiaries, deferred taxes and general contingency reserves of the Company and its Consolidated Subsidiaries), which in each case would be included on a consolidated balance sheet of the Company and its Consolidated Subsidiaries as of the date of determination, all as determined on a consolidated basis in accordance with generally accepted accounting principles.



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*Consolidated Subsidiaries* of any Person means all other Persons that would be accounted for as consolidated Persons in such Person's financial statements in accordance with generally accepted accounting principles.

*corporation* means a corporation, association, company (including any limited liability company), joint-stock company, limited partnership or business or statutory trust.

*Debt* means, without duplication, with respect to any Person the following:

- (1) every obligation of such Person for money borrowed;
- (2) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar facilities issued for the account of such Person; and
- (4) every obligation of the type referred to in clauses (1) through (3) of another Person the payment of which such Person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise (but only, in the case of this clause (4), to the extent such Person has guaranteed or is responsible or liable for such obligations).

*Funded Debt* means the following:

- (1) all Debt of the Company and each Principal Subsidiary of the Company maturing on, or renewable or extendable at the option of the obligor to, a date more than one year from the date of the determination thereof;
- (2) Capital Lease Obligations payable on a date more than one year from the date of the determination thereof;
- (3) guarantees, direct or indirect, and other contingent obligations of the Company and each Principal Subsidiary of the Company in respect of, or to purchase or otherwise acquire or be responsible or liable for (through the investment of funds or otherwise), any obligations of the type described in the foregoing clauses (1) or (2) of others (but not including contingent liabilities on customers receivables sold with recourse); and
- (4) amendments, renewals, extensions and refundings of any obligations of the type described in the foregoing clauses (1), (2) or (3).

*Lien* means, with respect to any property or assets, any mortgage or deed of trust, pledge, hypothecation, assignment, security interest, lien, encumbrance, or other security arrangement of any kind or nature whatsoever on or with respect to such property or assets, including any conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing.

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

*Principal Property* means (i) any facility, together with the land on which it is erected and fixtures comprising a part thereof, used primarily for manufacturing, processing, research, warehousing or distribution, owned or leased by the Company or a Subsidiary of the Company and having a net book value in excess of 3% of Consolidated Net Tangible Assets, other than any such facility or portion thereof which is a pollution control facility financed by state or local government obligations or is not of material importance to the total business conducted or assets owned by the Company and its Subsidiaries as an entirety, or (ii) any assets or properties acquired with Net Available Proceeds (defined below) from a Sale and Leaseback Transaction that are irrevocably designated by the Company as a Principal Property, which designation shall be made in writing to the Trustee.

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*Principal Subsidiary* means any Subsidiary of the Company that owns or leases a Principal Property or owns or controls stock which under ordinary circumstances has the voting power to elect a majority of the Board of Directors of a Principal Subsidiary.

*Sale and Leaseback Transaction* of any Person means an arrangement with any lender or investor or to which such lender or investor is a party providing for the leasing by such Person of any Principal Property that within 12 months of the start of such lease and after the Reference Date, has been or is being sold, conveyed, transferred or otherwise disposed of by such Person to such lender or investor or to any Person to whom funds have been or are to be advanced by such lender or investor on the security of such property. The term of such arrangement, as of any date (the *measurement date*), shall end on the date of the last payment of rent or any other amount due under each arrangement on or prior to the first date after the measurement date on which such arrangement may be terminated by the lessee, at its sole option, without payment of a penalty.

*Sale Transaction* means any such sale, conveyance, transfer or other disposition. The *Reference Date* means, for any property that becomes a Principal Property, the last day of the sixth month after the date of the acquisition, completion of construction and commencement of operation of such property.

*Subsidiary* means any corporation of which the Company directly or indirectly owns or controls stock which under ordinary circumstances, not dependent upon the happening of a contingency, has the voting power to elect a majority of the board of directors of such corporation.

### *Limitation on Sale and Leaseback Transactions*

The Company shall not, and shall not permit any Principal Subsidiary of the Company to, enter into any Sale and Leaseback Transaction (except for a period not exceeding 36 months) unless:

- (1) the Company or such Principal Subsidiary would be entitled to enter into such Sale and Leaseback Transaction pursuant to the provisions of the covenant described in *Limitation on Liens* without equally and ratably securing the debt securities; or
- (2) the Company or such Principal Subsidiary applies or commits to apply, within 270 days before or after the Sale Transaction pursuant to such Sale and Leaseback Transaction, an amount equal to the Net Available Proceeds therefrom to any combination of the following: (i) the repayment of Funded Debt, (ii) the purchase of other property which will constitute Principal Property that has an aggregate value of at least the consideration paid therefor or (iii) Capital Expenditures with respect to any Principal Property; *provided* that the amount to be applied or committed to the repayment of such Funded Debt shall be reduced by (a) the principal amount of any debt securities delivered within six months before or after such Sale Transaction to the Trustee for retirement and cancellation, and (b) the principal amount of such Funded Debt as is voluntarily retired by the Company within six months before or after such Sale Transaction (it being understood that no amount so applied or committed and no debt securities so delivered or indebtedness so retired may be counted more than once for such purpose); *provided, further*, that no repayment or retirement referred to in this clause (2) may be effected by payment at maturity or pursuant to any mandatory sinking fund payment or any mandatory prepayment provision.

*Net Available Proceeds* from any Sale Transaction by any Person means cash or readily marketable cash equivalents received (including by way of sale or discounting of a note, installment receivable or other receivable, but excluding any other consideration received in the form of assumption by the acquiree of indebtedness or obligations relating to the properties or assets that are the subject of such Sale Transaction or received in any other noncash form) therefrom by such Person, net of the following:

- (1)

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all legal, title and recording tax expenses, commissions and other fees and expenses incurred and all federal, state, provincial, foreign and local taxes required to be accrued as a liability as a consequence of such Sale Transaction;

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- (2) all payments made by such Person or its Principal Subsidiaries on any indebtedness which is secured in whole or in part by any such properties and assets in accordance with the terms of any Lien upon or with respect to any such properties and assets or which must, by the terms of such Lien or in order to obtain a necessary consent to such Sale Transaction or by applicable law, be repaid out of the proceeds from such Sale Transaction; and
- (3) all distributions and other payments made to minority interest holders in Principal Subsidiaries of such Person or joint ventures as a result of such Sale Transaction.

*Reports by the Company*

The Company shall deliver to the Trustee within 15 days after the same is required to be filed with the SEC, copies of the quarterly and annual reports and of the information, documents and other reports, if any, that the Company is required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act (giving effect to any grace period provided by Rule 12b-25 under the Exchange Act), and the Company shall otherwise comply with the requirements of Trust Indenture Act Section 314(a). Any quarterly or annual report or other information, document or other report that the Company files with the SEC pursuant to Section 13 or 15(d) of the Exchange Act on the SEC's EDGAR system (or any successor thereto) or any other publicly available database maintained by the SEC shall be deemed to constitute delivery of such filing to the Trustee.

*Limitations on Merger and Sale of Assets*

The Company shall not consolidate with or merge into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, and the Company shall not permit any Person to consolidate with or merge into the Company or convey, transfer or lease its properties and assets substantially as an entirety to the Company, unless:

- (1) in case the Company shall consolidate with or merge into another Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, the Person formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Company substantially as an entirety (for purposes of this covenant, a *Successor Company*) shall be a corporation, partnership or trust, shall be organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental to the Indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of and interest on all the debt securities and the performance or observance of every covenant of the Indenture on the part of the Company to be performed or observed;
- (2) immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of the Company or a Principal Subsidiary of the Company as a result of such transaction as having been incurred by the Company or such Principal Subsidiary at the time of such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing;
- (3) if, as a result of any such consolidation or merger of such conveyance, transfer or lease, properties or assets of the Company or any Principal Subsidiary of the Company would become subject to a Lien which would not be permitted by the Indenture, the Company or if applicable the Successor Company, as the case may be, shall take such steps as shall be necessary effectively to secure the debt securities equally and ratably with (or prior to) all Debt secured by such Lien; and

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- (4) the Company has delivered to the Trustee an officers certificate and an opinion of counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture complies with this covenant and that all conditions precedent provided for relating to such transaction have been complied with.

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### **Events of Default**

Unless we inform you otherwise in a prospectus supplement, each of the following is an Event of Default for the debt securities of any series:

- (1) default in the payment of any interest upon any debt security of that series when it becomes due and payable, and continuance of such default for a period of 30 days;
- (2) default in the payment of the principal of (or premium, if any) on any debt security of that series at its Maturity;
- (3) default in the deposit of any sinking fund payment, when and as due by the terms of a debt security of that series;
- (4) default in the performance, or breach, of any covenant or warranty of the Company in the Indenture (other than a covenant or warranty a default in whose performance or whose breach is elsewhere herein specifically dealt with or which has expressly been included in the Indenture solely for the benefit of series of debt securities other than that series), and continuance of such default or breach for a period of 60 days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the holders of at least 25% in principal amount of the outstanding debt securities of that series a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a Notice of Default ;
- (5) a default under any bond, debenture, note or other evidence of indebtedness for money borrowed by the Company or any Principal Subsidiary of the Company having an aggregate principal amount outstanding in excess of an amount equal to 3% of Consolidated Net Tangible Assets or under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by the Company or any Principal Subsidiary of the Company having an aggregate principal amount outstanding in excess of an amount equal to 3% of Consolidated Net Tangible Assets, whether such indebtedness existed on the Original Indenture Date or was thereafter created, which default shall constitute a failure to pay any portion of the principal of such indebtedness when due and payable after the expiration of any applicable grace period with respect thereto (which grace period, if such portion of the principal is less than an amount equal to 1% of Consolidated Net Tangible Assets in the aggregate, shall be deemed to be no less than 5 days) or shall have resulted in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, without such indebtedness having been discharged, or such acceleration having been rescinded or annulled, within a period of 10 days after there shall have been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the holders of at least 25% in principal amount of the outstanding debt securities of that series a written notice specifying such default and requiring the Company to cause such indebtedness to be discharged or cause such acceleration to be rescinded or annulled and stating that such notice is a Notice of Default ;
- (6) certain events of bankruptcy, insolvency or reorganization; or
- (7) any other Event of Default provided with respect to debt securities of that series.

If an Event of Default occurs and is continuing, the Trustee or the holders of not less than 25% in principal amount of each series of debt securities outstanding may, by a notice in writing to us, and to the Trustee if given by such holders, declare to be due and payable immediately the principal amount of all of the debt securities of that series. However, at any time after such a declaration of acceleration of the debt securities has been made, but before a judgment or decree for payment of the money due has been obtained by the Trustee, the holders of a majority in the principal amount of such series of debt securities outstanding may, subject to certain conditions, rescind and annul such acceleration. For information as to waiver of defaults, see Modification and Waiver herein.



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In case an Event of Default under the Indenture occurs and is continuing, then, subject to the provisions of the Indenture and the Trust Indenture Act relating to the duties of the Trustee under the Indenture, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the holders of the debt securities, unless such holders shall have offered to the Trustee reasonable indemnity. The holders of a majority in aggregate outstanding principal amount of any series of debt securities outstanding shall have the right, subject to such provisions for indemnification of the Trustee, to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee under the Indenture or exercising any trust or power conferred on the Trustee with respect to the debt securities of such series.

No holder of any debt securities of any series will have any right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such holder of debt securities shall have previously given to the Trustee written notice of a continuing Event of Default with respect to the debt securities of such series and unless the holders of at least 25% in aggregate principal amount of such series of debt securities outstanding shall have made written request, and offered reasonable indemnity, to the Trustee to institute such proceeding as trustee, and the Trustee shall not have received from the holders of a majority in aggregate principal amount of such series of debt securities outstanding a direction inconsistent with such request and the Trustee shall have failed to institute such proceeding within 60 days.

However, such limitations do not apply to a suit instituted by a holder of debt securities for enforcement of payment of the principal of, and premium, if any, and any interest on the debt securities on or after the respective due dates expressed in the debt securities.

We will be required to furnish to the Trustee annually a statement as to whether we are in default in the performance and observance of any of the terms, provisions and conditions of the Indenture. The Indenture provides that the Trustee may withhold notice to the holders of the debt securities of any default, except in payment of principal, any premium or interest, if it considers it in the interest of such holders to do so; provided, however, that in the case of any default of the character specified in paragraph (4) above, no such notice to holders will be given until at least 30 days after the occurrence of the default.

## **Modification and Waiver**

Together with the Trustee, we may modify the Indenture without the consent of the holders of the debt securities for limited purposes, including but not limited to adding to our covenants or events of default, securing the debt securities, establishing terms of new debt securities, appointing a substitute trustee, curing ambiguities and making other changes that do not adversely affect the rights of the holders of the debt securities in any material respect. In addition, we and the Trustee may make modifications and amendments to the Indenture with the consent of the holders of not less than a majority in aggregate principal amount of each series of debt securities outstanding affected by such modification; *provided, however*, that no such modification or amendment may, without the consent of the holder of each such outstanding debt security affected thereby, (1) change the stated maturity of the principal of, or any installment of principal or interest on any debt security, (2) reduce the principal amount of or the rate of interest or the premium, if any, on any debt security, (3) change the place or currency of payment of principal of or interest or the premium, if any, on any debt security, (4) impair the right to institute suit for the enforcement of any payment with respect to the debt securities on or after the stated maturity thereof, (5) reduce the percentage in principal amount of outstanding debt securities the consent of whose holders is required for any such modification, or (6) reduce the percentage of outstanding debt securities the consent of whose holders is required for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults thereunder.

We may, in the circumstances permitted by the Trust Indenture Act, set any day as the record date for the purpose of determining the holders of the debt securities of any series entitled to give or take any request, demand, authorization, direction, notice, consent, waiver or other action, or vote on any action, authorized or permitted to be given by holders of debt securities of that series by the Indenture.



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The holders of a majority in aggregate principal amount of each series of debt securities outstanding may on behalf of the holders of all such debt securities waive, insofar as such debt securities are concerned (but not as to any other series of debt securities issued under the Indenture), compliance by the Company with the covenants limiting Liens and Sale and Leaseback Transactions contained in the Indenture. The holders of a majority in aggregate principal amount of each series of debt securities outstanding may on behalf of the holders of all such debt securities waive any past default under the Indenture except a default in the payment of the principal of, or premium, if any, or any interest on such debt securities or in respect of a provision which under the Indenture cannot be modified or amended without the consent of the holder of each outstanding debt security affected.

For purposes of the Indenture, the debt securities outstanding will be deemed to exclude those held by persons that control, are controlled by or are under direct or indirect common control with the Company, provided that any person who does not own, directly or indirectly, more than 5% of the outstanding voting securities of the Company will not be deemed to control the Company.

## **Defeasance**

*Discharge.* The Indenture provides that the Company may be discharged from all of its obligations under the Indenture (except as otherwise provided in the Indenture) when (1) either (i) all debt securities authenticated and delivered have been delivered to the Trustee for cancellation, or (ii) all debt securities not delivered to the Trustee for cancellation have become due and payable, or will become due and payable at their stated maturity within one year, or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company, and the Company, in each case, has deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose an amount in U.S. dollars or U.S. Government Obligations maturing as to principal and interest in such amounts and at such time as will insure (without consideration of any reinvestment of interest) the availability of cash, or a combination thereof, in amounts that will be sufficient to pay and discharge the entire indebtedness on those debt securities not delivered to the Trustee for cancellation, for principal and any premium and accrued interest to the date of such deposit (in the case of debt securities which have become due and payable) or to the stated maturity date or redemption date, as the case may be; (2) the Company has paid or caused to be paid all other sums payable by the Company under the Indenture; and (3) the Company has delivered to the Trustee an officers certificate and an opinion of counsel, each stating that all conditions precedent relating to the satisfaction and discharge of the Indenture have been complied with.

*Legal Defeasance.* The Indenture provides that the Company may elect to deposit or cause to be deposited with the Trustee as trust funds in trust, for the benefit of the holders of outstanding debt securities of any series, money and/or U.S. Government Obligations sufficient to pay and discharge the principal of, and premium, if any, and any interest on and any mandatory sinking fund payments or analogous payments in respect of the debt securities of that series on the stated maturity of such payments in accordance with the terms of the Indenture and the debt securities, and thereby be discharged from its obligations with respect to the outstanding debt securities of that series (hereinafter called *Defeasance* ) on and after the date that, among other things, the Company provides to the Trustee an opinion of counsel to the effect that (1) the Company has received from, or there has been published by, the Internal Revenue Service a ruling, or (2) there has been a change in the applicable federal income tax law, in each case to the effect that the holders of debt securities of that series will not recognize gain or loss for federal income tax purposes as a result of the deposit, Defeasance and discharge to be effected with respect to the debt securities and will be subject to federal income tax on the same amount, in the same manner and at the same times as would be the case if such deposit, Defeasance and discharge were not to occur. For this purpose, such Defeasance means that the Company will be deemed to have paid and discharged the entire indebtedness represented by such outstanding debt securities of that series and to have satisfied all its other obligations under the debt securities of that series and the Indenture insofar as the debt securities of that series are concerned, except for certain continuing administrative responsibilities. In the event of any such Defeasance, holders of the debt securities of that series would be able to look only to such trust for payment of principal of, and premium, if any, and any interest on and any mandatory sinking fund payments in respect of the debt securities.

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*Covenant Defeasance.* The Indenture provides that the Company may elect to deposit or cause to be deposited with the Trustee as trust funds in trust, for the benefit of the holders of outstanding debt securities of any series, money and/or U.S. Government Obligations sufficient to pay and discharge the principal, and premium, if any, of and any interest on and any mandatory sinking fund payments or analogous payments in respect of the debt securities on the stated maturity of such payments in accordance with the terms of the Indenture and such debt securities of that series, and thereby (1) be released from its obligations with respect to the debt securities under certain covenants in the Indenture, including the covenants relating to limitation on Liens, limitation on Sale and Leaseback Transactions and mergers and sales of assets and (2) have the occurrence of certain defaults in performance, or breach, of covenants under the Indenture and defaults under other obligations of the Company not be deemed to be or result in an Event of Default, in each case with respect to the outstanding debt securities of that series (hereinafter called

*Covenant Defeasance* ), on and after the date that, among other things, the Company provides to the Trustee an opinion of counsel that the holders of outstanding debt securities of that series will not recognize gain or loss for federal income tax purposes as a result of the deposit and Covenant Defeasance to be effected with respect to the debt securities of that series and will be subject to federal income tax on the same amount, in the same manner and at the same times as would be the case if such deposit and Covenant Defeasance were not to occur. For this purpose, such Covenant Defeasance means that the Company may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such specified Indenture provision, whether directly or indirectly by reason of any reference elsewhere in the Indenture to any such provision or by reason of any reference in any such provision to any other provision of the Indenture or in any other document, but the remainder of the Indenture and the debt securities of that series shall be unaffected thereby. The obligations of the Company under the Indenture and the debt securities of that series other than with respect to the covenants referred to above and the Events of Default other than the Events of Default referred to above shall remain in full force and effect.

The term *U.S. Government Obligations* means securities which are (i) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (ii) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

**Book-Entry System**

Unless we inform you otherwise in a prospectus supplement, each series of debt securities will be evidenced by global securities, which will be deposited on behalf of The Depository Trust Company ( *DTC* ) and registered in the name of a nominee of DTC. Except as set forth below, the record ownership of the global securities may be transferred, in whole or in part, only to DTC, another nominee of DTC or to a successor of DTC or its nominee. Except under circumstances described below, each series of debt securities will not be issued in definitive form. See

*Certificated Securities* below. Upon the issuance of a global security, DTC will credit on its book-entry registration and transfer system the accounts of persons acquiring each series of debt securities with the respective principal amounts of the debt securities represented by the global security. Ownership of beneficial interests in a global security will be limited to persons that have accounts with DTC or its nominee ( *participants* ) or persons that may hold interests through participants. Owners of beneficial interests in each series of debt securities represented by the global securities will hold their interests pursuant to the procedures and practices of DTC.

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Ownership of beneficial interests in a global security will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee. The laws of some states require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a global security. DTC will have no knowledge of the actual beneficial owners of the global securities; DTC's records reflect only the identity of the participants to whose accounts such global securities are credited, which may or may not be the beneficial owners of the global securities.

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 participants and by participants to the beneficial owners of the global securities will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Transfers between participants will be effected in the ordinary way in accordance with DTC rules and will be settled in immediately available funds.

So long as DTC or its nominee is the registered owner of a global security, DTC or its nominee, as the case may be, will be considered the sole owner or holder of each series of debt securities represented by that global security for all purposes under the Indenture. Except as provided below, owners of beneficial interests in a global security will not be entitled to have the debt securities represented by that global security registered in their names, will not receive or be entitled to receive physical delivery of debt securities in definitive form and will not be considered the owners or holders thereof under the Indenture. Beneficial owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participant through which the beneficial owner entered into the transaction. Beneficial owners will not be holders and will not be entitled to any rights provided to the holders of the debt securities under the global securities or the Indenture. Principal payments, premium payments, if any, interest payments and liquidated damage payments, if any, on debt securities registered in the name of DTC or its nominee will be made to DTC or its nominee, as the case may be, as the registered owner of the relevant global security. None of the Company, the Trustee or the registrar for the debt securities will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial interests in a global security or for maintaining, supervising or reviewing any records relating to such beneficial interests. Neither the Company nor the Trustee would be liable for any delay by DTC or any of its participants in identifying the beneficial owners of the debt securities, and the Company and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes. Beneficial owners of debt securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to such debt securities, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, beneficial owners of debt securities may wish to ascertain that the nominee holding the debt securities for their benefit has agreed to obtain and transmit notices to beneficial owners. In the alternative, beneficial owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Payments of principal, premium, if any, and interest to DTC will be the responsibility of the Company or the Trustee. The disbursement of such payments to participants shall be the responsibility of DTC. We expect that DTC or its nominee, upon receipt of any payment of principal, premium, if any, or interest, if any, will credit immediately participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant global security as shown on the records of DTC or its nominee. We also expect that payments by participants to owners of beneficial interests in a global security held through such participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such participants and not DTC, the Company or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time.

If we redeem less than all of the applicable global security, we have been advised that it is DTC's practice to determine by lot the amount of the interest of each participant in such global security to be redeemed. DTC has



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advised us that it is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. DTC is owned by a number of its participants and by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the Financial Industry Regulatory Authority, Inc.

DTC holds securities deposited with it by its participants and facilitates the settlement of transactions among its participants in such securities through electronic computerized book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers (including the underwriters), banks, trust companies, clearing corporations and certain other organizations, some of whom (and/or their representatives) own the depository. Access to DTC's book-entry system is also available to others, such as banks, brokers, dealers, trust companies and clearing corporations that clear through or maintain a custodial relationship with a participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

According to DTC, the foregoing information with respect to DTC has been provided to the financial community for informational purposes only and is not intended to serve as a representation, warranty or contract modification of any kind, and we take no responsibility for the accuracy or completeness of such information.

## **Certificated Securities**

If DTC is at any time unwilling or unable to continue as a depository or if an event of default shall have occurred and be continuing under the Indenture, we will issue debt securities in definitive form in exchange for the entire global security for the debt securities. In addition, we may at any time and in our sole discretion determine not to have the debt securities represented by a global security and, in such event, will issue debt securities in definitive form in exchange for the entire global security relating to such debt securities. In any such instance, an owner of a beneficial interest in a global security will be entitled to physical delivery in definitive form of debt securities represented by such global security equal in principal amount to such beneficial interest and to have such debt securities registered in its name.

Debt securities so issued in definitive form will be issued as registered debt securities in denominations of \$2,000 principal amount and integral multiples of \$1,000 in excess thereof, unless otherwise specified by us. The holder of a certificated debt security may transfer it by surrendering it at (1) the office or agency maintained by us for such purpose in the Borough of Manhattan, The City of New York, which initially will be the office of the Trustee maintained for such purpose or (2) the office of any transfer agent we appoint.

## **Same-Day Settlement and Payment**

Settlement for the debt securities will be made in immediately available or same-day funds. So long as the debt securities are represented by the global securities, we will make all payments of principal and interest in immediately available funds.

So long as the debt securities are represented by the global securities registered in the name of DTC or its nominee, the debt securities will trade in DTC's Same-Day Funds Settlement System. DTC will require secondary market trading activity in the debt securities represented by the global securities to settle in immediately available or same-day funds on trading activity in the debt securities.

**No Personal Liability of Directors, Officers, Employees and Stockholders**

No past, present or future director, officer, employee, incorporator, agent, member or stockholder or affiliate of the Company will have any liability for any obligations of the Company under the debt securities, or the

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Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of the debt securities, by accepting a debt security, waives and releases all such liability. Such waivers and releases are part of the consideration for issuance of the debt securities and may not be effective to waive liabilities under the U.S. federal securities laws.

**Concerning our Relationship with Trustee**

U.S. Bank National Association is the trustee, registrar and paying agent under the Indenture. In addition, the Company has entered into several equipment capital lease agreements with U.S. Bank National Association and its affiliates with average annual rental expenses payable by the Company of approximately \$1 million. U.S. Bank National Association also serves as the trustee under several of the Company's employee defined benefit plans.

**Governing Law**

The Indenture and the debt securities will be governed by and construed in accordance with the laws of the New York.

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**PLAN OF DISTRIBUTION**

We may sell the debt securities:

through underwriters or dealers;

through agents; or

directly to purchasers.

The debt securities may be sold in one or more transactions at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices relating to prevailing market prices or at negotiated prices.

We will describe in a prospectus supplement the particular terms of any offering of the debt securities, including the following:

the names of any underwriters or agents;

the proceeds we will receive from the sale;

any discounts and other items constituting underwriters' or agents' compensation;

any discounts or concessions allowed or reallocated or paid to dealers; and

any securities exchanges on which the applicable debt securities may be listed.

If we use underwriters in the sale, such underwriters will acquire the debt securities for their own account. The underwriters may resell the debt securities in one or more transactions, at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices relating to prevailing market prices or at negotiated prices.

The debt securities may be offered to the public through underwriting syndicates represented by managing underwriters or by underwriters without a syndicate. The obligations of the underwriters to purchase the debt securities will be subject to certain conditions. The underwriters will be obligated to purchase all the debt securities of the series offered if any of the debt securities are purchased.

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We may sell debt securities through agents or dealers designated by us. Any agent or dealer involved in the offer or sale of the debt securities for which this prospectus is delivered will be named, and any commissions payable by us to that agent or dealer will be set forth, in the prospectus supplement. Unless indicated in the prospectus supplement, the agents will agree to use their reasonable efforts to solicit purchases for the period of their appointment and any dealer will purchase debt securities from us as principal and may resell those debt securities at varying prices to be determined by the dealer.

We also may sell debt securities directly. In this case, no underwriters or agents would be involved.

Underwriters, dealers and agents that participate in the distribution of the debt securities may be underwriters as defined in the Securities Act, and any discounts or commissions received by them from us and any profit on the resale of the debt securities by them may be treated as underwriting discounts and commissions under the Securities Act.

We may enter into agreements with the underwriters, dealers and agents to indemnify them against cer