

LAM RESEARCH CORP  
Form 424B5  
March 06, 2015  
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**Filed Pursuant to Rule 424(b)(5)**  
**Registration No. 333-202110**

**CALCULATION OF REGISTRATION FEE**

<b>Title of each Class of</b>	<b>Proposed Maximum Aggregate</b>	<b>Amount of</b>
<b>Securities to be Registered</b>	<b>Offering Price</b>	<b>Registration Fee<sup>(1)</sup></b>
2.750% Senior Notes due 2020	\$500,000,000	\$58,100
3.800% Senior Notes due 2025	\$500,000,000	\$58,100
Total	\$1,000,000,000	\$116,200

(1) The filing fee is calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

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**PROSPECTUS SUPPLEMENT**

**(To Prospectus dated February 13, 2015)**

**LAM RESEARCH CORPORATION**

**\$500,000,000 2.750% Senior Notes due 2020**

**\$500,000,000 3.800% Senior Notes due 2025**

We are offering \$500 million aggregate principal amount of our 2.750% Senior Notes due 2020 (the 2020 Notes ) and \$500 million aggregate principal amount of our 3.800% Senior Notes due 2025 (the 2025 Notes and, together with the 2020 Notes, the notes ). We will pay interest semi-annually on the notes on March 15 and September 15 of each year, beginning on September 15, 2015. The 2020 Notes will mature on March 15, 2020, and the 2025 Notes will mature on March 15, 2025.

In the event of a change of control triggering event with respect to each series of notes, as defined in this prospectus supplement, the holders of the applicable series may require us to purchase for cash all or a portion of their notes at a purchase price equal to 101% of the principal amount of such notes, plus accrued and unpaid interest, if any. We may redeem all or some of each series of notes at our option and from time to time at the applicable redemption prices described under Description of Notes Optional Redemption in this prospectus supplement.

The notes will be our unsecured senior obligations and will rank equally with all of our other existing and future unsecured senior indebtedness. Each series of notes will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The notes are not and will not be listed on any securities exchange or any automated quotation system.

See **Risk Factors** beginning on page S-6 of this prospectus supplement for a discussion of certain risks you should consider in connection with an investment in these notes.

<b>Public Offering Price</b>	<b>Underwriting Discount</b>	<b>Proceeds, Before Expenses, to Us</b>
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Per 2020 Note <sup>(1)</sup>	99.916%	0.600%	99.316%
Total	\$ 499,580,000	\$ 3,000,000	\$ 496,580,000
Per 2025 Note <sup>(1)</sup>	99.958%	0.650%	99.308%
Total	\$ 499,790,000	\$ 3,250,000	\$ 496,540,000

(1) Plus accrued interest, if any, from March 12, 2015, if settlement occurs after that date.

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

The notes will be ready for delivery in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, *société anonyme*, and Euroclear Bank, S.A./N.V., as operator for the Euroclear System, on or about March 12, 2015.

*Joint Book-Running Managers*

**BofA Merrill Lynch**

**J.P. Morgan**

*Co- Managers*

**Goldman, Sachs & Co.  
BNP PARIBAS**

**Barclays  
Citigroup**

**Deutsche Bank Securities  
MUFG**

**The date of this prospectus supplement is March 5, 2015.**

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You should carefully read this prospectus supplement, the accompanying prospectus and any free writing prospectus we have authorized. You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus that we have authorized. We 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. We are offering to sell, and seeking offers to buy, the notes only in jurisdictions where such offers and sales are permitted. The information contained in this prospectus supplement and the accompanying prospectus is accurate only as of the date of this prospectus supplement or the date of the accompanying prospectus and the information in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate only as of the date of those respective documents, regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or of any sale of the notes. If the information varies between this prospectus supplement and the accompanying prospectus, the information in this prospectus supplement supersedes the information in the accompanying prospectus.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is comprised of two parts. The first part is this prospectus supplement, which contains the terms of this offering of notes and other information. The second part is the accompanying prospectus dated February 13, 2015, which is part of our Registration Statement on Form S-3 and contains more general information, some of which does not apply to this offering.

This prospectus supplement may add to, update or change the information in the accompanying prospectus. If information in this prospectus supplement is inconsistent with information in the accompanying prospectus, this prospectus supplement will apply and will supersede that information in the accompanying prospectus.

It is important for you to read and consider all information contained or incorporated by reference into this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information in the documents to which we have referred you in [Where You Can Find More Information](#) and [Incorporation of Certain Documents by Reference](#) in this prospectus supplement and the accompanying prospectus.

No person is authorized to give any information or to make any representation that is different from, or in addition to, those contained or incorporated by reference into this prospectus supplement, the accompanying prospectus and, if given or made, such information or representations must not be relied upon as having been authorized. Neither the delivery of this prospectus supplement, the accompanying prospectus, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in our affairs since the date of this prospectus supplement, or that the information contained or incorporated by reference into this prospectus supplement or the accompanying prospectus is correct as of any time subsequent to the date of such information.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in certain jurisdictions may be restricted by law. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell, or an invitation on our behalf or the underwriters or any of them, to subscribe for or purchase any of the notes, and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. See [Underwriting](#).

In this prospectus supplement, unless otherwise stated or the context otherwise requires, references to [Lam Research](#), [Lam](#), [we](#), [us](#), [our](#) and [company](#) refer to Lam Research Corporation, a Delaware corporation. If we use a capitalization term in this prospectus supplement and do not define the term in this document, it is defined in the accompanying prospectus.

**FORWARD-LOOKING STATEMENTS**

This prospectus supplement, the accompanying prospectus and the information incorporated by reference in this prospectus supplement and the accompanying prospectus may include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Certain, but not all, of the forward-looking statements in this prospectus supplement, the accompanying prospectus and the information incorporated by reference in this prospectus supplement and the accompanying prospectus are specifically identified as forward-looking, by use of phrases and words such as [believe](#), [anticipate](#), [expect](#), [may](#), [should](#), [could](#) and other future-oriented terms. The identification of certain statements as forward-looking is not intended to mean that other statements not specifically identified are not forward-looking. Forward-looking statements include, but are not limited to, statements that relate to: trends in the global economic environment and the semiconductor industry; the anticipated levels of, and rates of change in, future shipments, margins, market share, capital expenditures, revenue and operating expenses generally; management's

plans and objectives for our current and

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future operations and business focus; volatility in our quarterly results; customer and end user requirements, and our ability to satisfy those requirements; our ability to address critical steps in the fabrication process; our ability to develop technologies and productivity solutions that benefit our customers, and to facilitate our customers' ability to meet more stringent performance or design standards; customer capital spending and their demand for our products, the reliability of indicators of change in customer spending and demand; and the effect of variability in our customers' business plans on demand for our equipment and services; changes in demand for our products and in our market share resulting from, among other things, increases in our customers' proportion of capital expenditures (with respect to certain technology inflections); our ability to defend our market share and to gain new market share; factors that affect our tax rates; anticipated growth in the industry and the total market for wafer-fabrication equipment and our growth relative to such growth; levels of research and development expenditures; outsourced activities; the estimates we make, and the accruals we record, in order to implement our critical accounting policies (including but not limited to the adequacy of prior tax payments, future tax liabilities and the adequacy of our accruals relating to them); our access to capital markets; our intention to pay quarterly dividends and the amounts thereof, if any; our ability and intention to repurchase our shares; our ability to manage and grow our cash position; and the sufficiency of our financial resources to support future business activities (including but not limited to operations, investments, debt service requirements and capital expenditures). Such statements are based on current expectations and are subject to risks, uncertainties, and changes in condition, significance, value, and effect, including without limitation those discussed under the heading "Risk Factors" in our most recent quarterly report on Form 10-Q and other documents we file from time to time with the SEC, such as our most recent annual report on Form 10-K and our current reports on Form 8-K. Such risks, uncertainties and changes in condition, significance, value, and effect could cause our actual results to differ materially from those expressed in this prospectus supplement, the accompanying prospectus and the information incorporated by reference in this prospectus supplement and the accompanying prospectus, and in ways not readily foreseeable. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof and are based on information currently and reasonably known to us. We do not undertake any obligation to release the results of any revisions to these forward-looking statements, which may be made to reflect events or circumstances that occur after the date hereof or to reflect the occurrence or effect of anticipated or unanticipated events.

**WHERE YOU CAN FIND MORE INFORMATION**

We are subject to the informational reporting requirements of the Securities Exchange Act of 1934, or the Exchange Act, and in accordance with these requirements file reports, proxy statements and other information with the SEC. The reports, proxy statements and other information we file may be inspected and copied at the SEC's Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The SEC file number for documents filed by us under the Exchange Act is 000-12933. Our SEC filings are also available to the public at the SEC's Web site at [www.sec.gov](http://www.sec.gov).

**INCORPORATION BY REFERENCE OF CERTAIN DOCUMENTS**

We incorporate by reference into this prospectus supplement and the accompanying prospectus the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus supplement or the accompanying prospectus, as applicable, 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 or the accompanying prospectus, as applicable. In other words, in the case of a conflict or inconsistency between information set forth in this prospectus supplement or the accompanying prospectus and information incorporated by reference into this prospectus supplement or the accompanying prospectus, you should rely on the information contained in this prospectus supplement or the





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accompanying prospectus unless the information incorporated by reference was filed after the date of this prospectus supplement or the accompanying prospectus. We incorporate by reference:

our annual report on Form 10-K for the fiscal year ended June 29, 2014;

our quarterly report on Form 10-Q for the quarterly period ended September 28, 2014, and our quarterly report on Form 10-Q for the quarterly period ended December 28, 2014;

our current reports on Form 8-K filed on November 12, 2014 and January 16, 2015;

portions of our definitive proxy statement on Schedule 14A filed on September 23, 2014 that are incorporated by reference into Part III of our annual report on Form 10-K for the fiscal year ended June 29, 2014; and

the description of our common stock contained in our registration statement on Form 8-B dated April 11, 1990, including any amendment or report updating such description.

To the extent that any information contained in any current report on Form 8-K, or any exhibit thereto, was furnished to, rather than filed with, the SEC, such information or exhibit is specifically not incorporated by reference in this prospectus supplement or the accompanying prospectus unless specifically stated otherwise.

We also incorporate by reference any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, until we sell all of the securities we are offering with this prospectus supplement.

We will provide to you a copy of any or all of the above filings that have been incorporated by reference into this prospectus supplement and the accompanying prospectus, excluding exhibits to those filings, upon your request, at no cost. Any request may be made by writing or calling us at the following address or telephone number:

Lam Research Corporation

4650 Cushing Parkway

Fremont, California 94538

Attn: Investor Relations

Telephone: (510) 572-0200

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**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights selected information from, or incorporated by reference in, this prospectus supplement or the accompanying prospectus, but does not contain all the information that may be important to you. You should carefully consider all of the information set forth in this prospectus supplement, the accompanying prospectus, any free writing prospectus with respect to this offering filed by us with the SEC and the documents incorporated by reference herein and therein, including the Risk Factors and the financial statements and the related notes, before making an investment decision.*

**Lam Research Corporation**

Lam Research is a global supplier of innovative wafer fabrication equipment and services to the semiconductor industry. Our market-leading products are designed to help our customers build smaller, faster and more power-efficient devices that are used in a variety of electronic products, including cell phones, tablets, computers, storage devices and networking equipment. Our customer base includes leading semiconductor memory, foundry and integrated device manufacturers that make products such as DRAM, NAND memory and logic devices. We design, manufacture, market, refurbish and service semiconductor processing equipment used in the fabrication of integrated circuits.

Our principal executive offices are located at 4650 Cushing Parkway, Fremont, California 94538, and our telephone number is (510) 572-0200. We maintain a Web site at [www.lamresearch.com](http://www.lamresearch.com). Except for documents filed with the SEC that are incorporated by reference into this prospectus supplement or the accompanying prospectus, no information contained in, or that can be accessed through, our Web site is to be considered as part of this prospectus supplement or the accompanying prospectus.

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*The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of Notes section of this prospectus supplement contains a more detailed description of the terms and conditions of the notes.*

Issuer	Lam Research Corporation, a Delaware corporation.
Notes Offered	<p>\$500,000,000 aggregate principal amount of 2.750% Senior Notes due 2020 (the 2020 Notes ).</p> <p>\$ 500,000,000 aggregate principal amount of 3.800% Senior Notes due 2025 (the 2025 Notes and, together with the 2020 Notes, the notes ).</p>
Maturity	<p>The 2020 Notes will mature on March 15, 2020.</p> <p>The 2025 Notes will mature on March 15, 2025.</p>
Interest	Interest on the 2020 Notes will accrue at the rate of 2.750% per year, payable semi-annually in arrears on March 15 and September 15, beginning on September 15, 2015. Interest on the 2025 Notes will accrue at the rate of 3.800% per year, payable semi-annually in arrears on March 15 and September 15, beginning on September 15, 2015.
Ranking	The notes will be the senior unsecured obligations of Lam Research Corporation and will rank equally with all of our existing and future senior indebtedness from time to time outstanding and will be effectively subordinated in right of payment to any future secured indebtedness to the extent of the assets securing such indebtedness. All existing and future liabilities of subsidiaries of Lam Research Corporation will be effectively senior to the notes.
Use of Proceeds	We intend to use the net proceeds from the sale of the notes for general corporate purposes, including working capital and capital expenditures. We may also use a portion of the net proceeds for repayment of indebtedness, to acquire other businesses, products or technologies, or to repurchase shares of our common stock under our stock repurchase program. See Use of Proceeds.

Further Issuances

Lam Research Corporation may create and issue additional notes of a series ranking equally and ratably with a particular series of notes offered by this prospectus supplement in all respects, so that such additional notes will be consolidated and form a single series with the notes of the applicable series offered by this prospectus supplement; provided that if such additional notes are not fungible with such notes for U.S. federal income tax purposes, the additional notes will have a separate CUSIP number.

Sinking Fund

None.

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Covenants	The notes and the indenture, including the supplemental indenture applicable to the notes (which together we refer to in this prospectus supplement as the indenture ), contain certain covenants applicable to us. See Description of Notes.
Optional Redemption	Lam Research Corporation may redeem some or all of either series of notes at any time and from time to time at the redemption prices indicated under the heading Description of Notes Optional Redemption.
Purchase Upon a Change of Control	Upon the occurrence of a Change of Control Triggering Event, we will be required to make an offer to purchase the notes at a price equal to 101% of their principal amount plus accrued and unpaid interest to the date of repurchase. See Description of Notes Purchase of Notes upon a Change of Control Triggering Event.
Trading	The notes are new issues of securities with no established trading market. We do not intend to apply for listing of the notes on any securities exchange.
Form and Denomination	The notes of each series will be issued in the form of one or more fully registered global securities, without coupons, in denominations of \$2,000 in principal amount and integral multiples of \$1,000 in excess thereof. These global securities will be deposited with the trustee as custodian for, and registered in the name of, a nominee of The Depository Trust Company, or DTC. Except in the limited circumstances described under Description of Notes Book-Entry Delivery and Form, notes in certificated form will not be issued or exchanged for interests in global securities.
Governing Law	The notes and the indenture will be governed by the laws of the State of New York.
Trustee	The Bank of New York Mellon Trust Company, N.A.
Risk Factors	You should carefully consider all of the information in this prospectus supplement and the accompanying prospectus and the documents incorporated herein by reference. In particular, you should evaluate the information set forth under Forward-Looking Statements and Risk Factors in this prospectus supplement and in our annual report on Form 10-K for the fiscal year ended June 29, 2014, which is incorporated by reference herein, before deciding whether to invest in the notes.

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The following table summarizes our consolidated financial data. We have derived the following consolidated statement of operations data for the fiscal years ended June 29, 2014, June 30, 2013 and June 24, 2012 and the consolidated balance sheet data as of June 29, 2014 and June 30, 2013 from our audited consolidated financial statements, incorporated by reference into this prospectus supplement. We have derived the consolidated balance sheet data as of June 24, 2012 from our audited consolidated financial statements, which have not been incorporated by reference in this prospectus supplement. We have derived the summary consolidated statement of operations data for the six months ended December 28, 2014 and December 29, 2013 and the summary consolidated balance sheet data as of December 28, 2014 from our unaudited consolidated financial statements, incorporated by reference into this prospectus supplement. We have derived the consolidated statement of operations data for the twelve months ended December 28, 2014 by adding our financial data for the year ended June 29, 2014 to the financial data for the six months ended December 28, 2014 and subtracting the financial data for the six months ended December 29, 2013. Results for the six months ended December 28, 2014 are not necessarily indicative of results to be expected for the full fiscal year. You should read the consolidated financial data provided below in conjunction with our consolidated financial statements and accompanying notes which are incorporated by reference into this prospectus supplement.

	Six Months Ended		Twelve Months Ended	Fiscal Year Ended		
	December 28, 2014	December 29, 2013	December 28, 2014	June 29, 2014	June 30, 2013	June 24, 2012
	(unaudited)		(unaudited)			
(in thousands, except per share data)						
<b>Consolidated Statement of Operations Data:</b>						
Revenue	\$ 2,384,609	\$ 2,131,120	\$ 4,860,798	\$ 4,607,309	\$ 3,598,916	\$ 2,665,192
Cost of goods sold	1,342,413	1,211,473	2,730,768	2,599,828	2,195,857	1,581,123
Gross margin	1,042,196	919,647	2,130,030	2,007,481	1,403,059	1,084,069
Research and development	385,702	345,044	757,129	716,471	683,688	444,559
Selling, general and administrative	299,455	304,721	608,075	613,341	601,300	401,777
Total operating expenses	685,157	649,765	1,365,204	1,329,812	1,284,988	846,336
Operating income	357,039	269,882	764,826	677,669	118,071	237,733
Gain on sale of real estate			83,090	83,090		
Other expense, net	(15,447)	(18,099)	(34,744)	(37,396)	(51,413)	(33,315)
Income before income taxes	341,592	251,783	813,172	723,363	66,658	204,418
Income tax expense	23,571	17,285	97,360	91,074	(47,221)	35,695



(benefit)

Net income	\$ 318,021	\$ 234,498	715,812	\$ 632,289	\$ 113,879	\$ 168,723
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	As of December 28, 2014 (Unaudited)	As of June 29, 2014	As of June 30, 2013	As of June 24, 2012
	(In thousands)			
<b>Consolidated Balance Sheet Data:</b>				
Working capital	\$ 3,206,156	\$ 3,201,661	\$ 2,389,354	\$ 2,988,181
Total assets	8,110,689	7,993,306	7,250,315	8,004,652
Total liabilities	2,928,749	2,780,222	2,574,523	2,682,528
Total stockholders equity	5,000,435	5,029,735	4,488,872	5,131,781

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**RISK FACTORS**

*Investing in the notes involves risks. In considering whether to purchase the notes, you should carefully consider all of the information set forth in this prospectus supplement, the accompanying prospectus, any free writing prospectus with respect to this offering filed by us with the SEC and the documents incorporated by reference herein and therein. In particular, you should carefully consider the specific risks described below in addition to the risks described under the heading **Risk Factors** contained in our annual report on Form 10-K for the fiscal year ended June 29, 2014, which is incorporated by reference herein. You could lose part or all of your investment.*

*The risks and uncertainties discussed in this prospectus supplement and in the documents incorporated by reference herein are those we currently believe may materially affect us. Additional risks and uncertainties not presently known to us or that we currently believe are immaterial also may materially and adversely affect our business, financial condition and results of operations.*

***Your ability to transfer the notes may be limited since there is no public market for the notes and we do not know if an active trading market will ever develop, or, if a market does develop, whether it will be sustained.***

The notes will constitute a new issue of securities for which there is no existing trading market, and no trading market might ever develop. If the notes are traded after their initial issuance, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, the ratings of our indebtedness assigned by the various credit rating agencies, our performance and other factors. To the extent that an active trading market does not develop, the liquidity and trading prices for the notes may be harmed.

We do not intend to apply for listing or quotation of the notes on any securities exchange or stock market. We cannot assure you as to the development or liquidity of any trading market for the notes. The underwriters have advised us that they currently intend to make a market in the notes, as permitted by applicable laws and regulations. However, the underwriters are not obligated to do so, and any market-making with respect to the notes may be discontinued at any time without notice. If no active trading market develops, you may be unable to resell your notes at any price or at their fair market value.

The liquidity of any market for the notes will depend on a number of factors, including:

the number of holders of the notes;

our results of operations and financial condition;

our credit ratings with major credit rating agencies;

the prevailing interest rates being paid by other companies similar to us;

the overall condition of the financial markets; and

the interest of securities dealers in making a market for the notes.

An active or liquid trading market for the notes may not develop. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Such fluctuations could have an adverse effect on the price of the notes. Therefore, we cannot assure you that you will be able to sell your notes at a particular time or the price that you receive when you sell your notes will be favorable.

***Changes in our credit ratings may adversely affect the value of the notes.***

In connection with this offering, we expect to receive credit ratings for the notes from Moody's Investors Service, Inc. and Standard & Poor's Ratings Services. Such ratings are limited in scope, and do not address all

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material risks related to structure, market or other factors related to the value of the notes, but rather reflect only the view of each rating agency at the time the rating is issued. An explanation of the significance of such rating may be obtained from such rating agency. There can be no assurance that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in each rating agency's judgment, circumstances so warrant. Increases in the level of our outstanding indebtedness, repurchases of our equity by us, or other events could cause the rating agencies to downgrade, place on negative watch or change their outlook on our debt credit rating generally, and the ratings on the notes, which could adversely impact the trading prices for, or the liquidity of, the notes. Additionally, credit rating agencies evaluate the industries in which we operate as a whole and may change their credit rating for us based on their overall view of such industries. Actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, could affect the market value of the notes and increase our corporate borrowing costs.

***We may be unable to generate the cash flow to service our debt obligations, including the notes.***

We cannot assure you that our business will generate sufficient cash flow to enable us to service our indebtedness, including the notes, or to make anticipated capital expenditures. Our ability to pay our expenses and satisfy our debt obligations, refinance our debt obligations and fund planned capital expenditures will depend on our future performance, which will be affected by general economic, financial, competitive, legislative, regulatory and other factors beyond our control. Based upon current levels of operations, we believe cash flow from operations and available cash will be adequate for the foreseeable future to meet our anticipated requirements for working capital, capital expenditures and scheduled payments of principal and interest on our indebtedness, including the notes. However, if we are unable to generate sufficient cash flow from operations or to borrow sufficient funds in the future to service our debt, we may be required to sell assets, reduce capital expenditures, refinance all or a portion of our existing debt (including the notes) or obtain additional financing. We cannot assure you that we will be able to refinance our debt, sell assets or borrow more money on terms acceptable to us, if at all.

***We may still be able to incur substantially more debt.***

We may be able to incur substantial indebtedness in the future. The terms of the indenture governing the notes will not prohibit us from doing so. If we incur any additional indebtedness that ranks equally with the notes, the holders of that debt will be entitled to share ratably with the holders of the notes in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of our company.

***The limited covenants in the indenture for the notes and the terms of the notes do not provide protection against some types of important corporate events and may not protect your investment.***

The indenture for the notes does not:

require us to maintain any financial ratios or specific levels of net worth, revenues, income, cash flow or liquidity and, accordingly, does not protect holders of the notes in the event that we experience significant adverse changes in our financial condition or results of operations;

limit our subsidiaries' ability to incur indebtedness, which could effectively rank senior to the notes;

limit our ability to incur substantial secured indebtedness that would effectively rank senior to the notes to the extent of the value of the assets securing the indebtedness;

limit our ability to incur indebtedness that is equal in right of payment to the notes;

restrict our subsidiaries' ability to issue securities or otherwise incur indebtedness that would be senior to our equity interests in our subsidiaries;

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restrict our ability to repurchase or prepay our securities;

restrict our ability to enter into highly leveraged transactions; or

restrict our ability to make investments or to repurchase or pay dividends or make other payments in respect of our common stock or other securities ranking junior to the notes.

Furthermore, the indenture for the notes contains only limited protections in the event of a change in control. We could engage in many types of transactions, such as certain acquisitions, refinancings or recapitalizations that could substantially affect our capital structure and the value of the notes. For these reasons, you should not consider the covenants in the indenture as a significant factor in evaluating whether to invest in the notes.

***The provisions of the notes will not necessarily protect you in the event of a highly leveraged transaction.***

The terms of the notes will not necessarily afford you protection in the event of a highly leveraged transaction that may adversely affect you, including a reorganization, recapitalization, restructuring, merger or other similar transactions involving us. As a result, we could enter into any such transaction even though the transaction could increase the total amount of our outstanding indebtedness, adversely affect our capital structure or credit ratings or otherwise adversely affect the holders of the notes. These transactions may not involve a change in voting power or beneficial ownership or result in a downgrade in the ratings of the notes, or, even if they do, may not necessarily constitute a Change of Control Triggering Event (as defined under Description of the Notes Purchase of Notes Upon a Change of Control Triggering Event in this prospectus supplement) that affords you the protections described in this prospectus supplement. If any such transaction should occur, the value of your notes may decline.

***The negative covenants in the indenture that govern the notes may have a limited effect.***

The indenture governing the notes contains covenants limiting our ability and the ability of our subsidiaries to create certain liens on principal property or the capital stock of subsidiaries, enter into certain sale and leaseback transactions with respect to principal property, and consolidate or merge with, or convey, transfer or lease all or substantially all our assets, taken as a whole, to, another person. The covenants limiting liens and sale and leaseback transactions contain exceptions that will allow us and our subsidiaries to incur liens with respect to material assets. See Description of Notes Certain Covenants in this prospectus supplement. In light of these exceptions and other factors described above, holders of the notes may be structurally or contractually subordinated to new lenders.

***The notes will be effectively subordinated in right of payment to any future secured indebtedness to the extent of the assets securing such indebtedness.***

The notes are our senior unsecured general obligations and will be effectively subordinated in right of payment to any future secured indebtedness to the extent of the assets securing such indebtedness. As of December 28, 2014, we had no secured indebtedness. Although the indenture limits our ability to incur liens on any of our Properties (as defined under Description of the Notes Certain Covenants in this prospectus supplement) or Properties of our subsidiaries, the notes will be effectively subordinated to any future debt secured by our Properties or Properties of our subsidiaries to the extent permitted by the indenture or by any of our other assets. In the event of our liquidation or insolvency or other events of default on any such future secured debt or upon acceleration of the notes in accordance with their terms, we will be permitted to make payment on the notes only after any such future secured debt has been paid in full. After paying any such future secured debt in full, we may not have sufficient assets remaining to pay any or all amounts due on the notes. In the event of our bankruptcy, liquidation or reorganization or upon acceleration of the

notes, payment on the notes could be less, ratably, than on any such future secured debt.

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***The notes are our obligations exclusively and a substantial portion of our operations are conducted through, and a substantial portion of our consolidated assets are held by, our subsidiaries. The notes will be structurally subordinated to any indebtedness of our subsidiaries. Structural subordination increases the risk that we will be unable to meet our obligations on the notes.***

The notes are our obligations exclusively and are not guaranteed by any of our subsidiaries. A substantial portion of our consolidated assets are held by our subsidiaries. Accordingly, our ability to service our debt, including the notes, depends on the results of operations and cash flows of our subsidiaries and upon the ability of such subsidiaries to provide us with cash, whether in the form of dividends, loans or otherwise, to pay amounts due on our obligations, including the notes. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to make payments on the notes or to make any funds available for that purpose. As a result, claims of holders of the notes will be effectively subordinated to the indebtedness and other liabilities of our subsidiaries. In addition, dividends, loans or other distributions to us from such subsidiaries may be subject to contractual and other restrictions and are subject to other business considerations. In the event of a bankruptcy, liquidation or reorganization of any of our subsidiaries, creditors of our subsidiaries will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to us. Even if we were a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interests in the assets of our subsidiaries and any indebtedness of our subsidiaries senior to that held by us and may otherwise be subordinated to other indebtedness and payables due to equitable or other considerations.

In addition to the notes offered hereby, the indenture for the notes permits us and our subsidiaries to incur additional indebtedness. The notes will be structurally subordinated to any indebtedness incurred by our subsidiaries, including approximately \$710 million of indebtedness of our subsidiaries outstanding as of December 28, 2014. See Capitalization.

***We may not be able to purchase the notes upon a Change of Control Triggering Event.***

Upon the occurrence of a Change of Control Triggering Event, we will be required to offer to purchase all outstanding notes at a purchase price in cash equal to 101% of the principal amount of the notes, plus accrued and unpaid interest, if any, to, but not including, the date of purchase (subject to the right of holders of notes on the relevant interest record date to receive interest due on the relevant interest payment date). However, we may not be able to purchase the notes upon a Change of Control Triggering Event because we may not have sufficient funds to do so. In the event we are required to purchase outstanding notes pursuant to a Change of Control Triggering Event, we expect that we would seek third party financing to the extent we do not have available funds to meet our purchase obligations. However, we cannot assure you that we would be able to obtain such financing. In addition, our ability to purchase the notes for cash may be limited by law or the terms or other agreements relating to our indebtedness outstanding at the time. Our failure to repurchase the notes upon a Change of Control Triggering Event would cause a default under the indenture that will govern the notes, which could result in defaults under our other debt agreements and have material adverse consequences for us and the holders of the notes.

***You may not be able to determine when a Change of Control Triggering Event has occurred and may not be able to require us to purchase the notes as a result of a change in the composition of the directors on our board.***

The definition of change of control, which is a condition precedent to a Change of Control Triggering event, includes a phrase relating to the sale, lease or transfer of all or substantially all of our assets. There is no precisely established definition of the phrase substantially all under applicable law. Accordingly, your ability to require