HEXCEL CORP /DE/
Form 424B5
February 13, 2017
Table of Contents

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Registration No. 333-199500

The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities, nor are they soliciting offers to buy these securities, in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION

PRELIMINARY PROSPECTUS SUPPLEMENT DATED FEBRUARY 13, 2017

PROSPECTUS SUPPLEMENT

(To Prospectus dated October 21, 2014)

$

Hexcel Corporation

% Senior Notes due 2027

We are issuing $ aggregate principal amount of our % Senior Notes due 2027 in this offering (the notes). The interest rate payable on the notes will be subject to adjustments from time to time if either Moody s or S&P (or a substitute rating agency therefor) downgrades (or downgrades and subsequently upgrades) the credit rating assigned to the notes as described in Description of the Notes Interest Rate Adjustment. Interest on the notes will be payable semiannually in arrears on and of each year, beginning on , 2017. The notes will mature on , 2027 unless redeemed or repurchased prior to such date. We may, at our option, at any time and from time to time, redeem all or any portion of the notes at the cash prices therefor described herein. If a Change of Control Repurchase Event (as defined under Description of the Notes Change of Control Repurchase Event) occurs, unless we have exercised our option to redeem the notes in full, we will be required, subject to certain exceptions described herein, to make an offer to each holder of notes to repurchase all (or, at the election of such holder, any part) of such holder s notes for cash at a price equal to 101% of the principal amount of the notes to be

repurchased plus unpaid interest, if any, accrued thereon to, but not including, the repurchase date.

The notes will be our unsecured and unsubordinated indebtedness, will rank equally with each other and with all of our other existing and future unsecured and unsubordinated indebtedness, and will be effectively junior to all of the liabilities and any preferred equity of our subsidiaries, other than any wholly-owned domestic subsidiaries (as defined below) that may guarantee the notes in the future, and to all of our secured indebtedness to the extent of the value of the collateral securing such indebtedness.

Initially, the notes will not be guaranteed by any of our subsidiaries. In the future, however, if any of our wholly-owned domestic subsidiaries guarantee, or otherwise become obligated with respect to, certain of our debt (as described under Description of the Notes Possible Future Guarantees), then such subsidiary will guarantee our obligations under the notes.

Investing in the notes involves significant risks. See Risk Factors beginning on page S-6 of this prospectus supplement, as well as Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2016, which is incorporated by reference in this prospectus supplement and the accompanying prospectus, before making a decision to invest in the notes.

The notes are a new issue of securities with no established trading market. We do not intend to list the notes on any national securities exchange or to have the notes quoted on any automated dealer quotation system.

	Per Note	Total
Public offering price[1]	%	$
Underwriting discount	%	$
Proceeds, before expenses, to us	%	$

(1) Plus accrued interest from February , 2017, if settlement occurs after that date.

Neither the U.S. Securities and Exchange Commission nor any state or other 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.

The underwriters expect to deliver the notes in book-entry only form through the facilities of The Depository Trust Company and its direct and indirect participants, including Euroclear Bank S.A/N.V., as operator of the Euroclear System, and Clearstream Banking, S.A., against payment in New York, New York on or about February , 2017.

Joint-Book Running Managers

BofA Merrill Lynch **Goldman, Sachs & Co.**

The date of this prospectus supplement is February , 2017.

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

Prospectus

You should rely only on the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus and, if applicable, any free writing prospectus we may provide you in connection with this offering. We have not, and the underwriters have not, authorized anyone to provide you with any additional or different information. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale of these securities is not permitted. This document may only be used where it is legal to sell these securities. You should assume that the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus we may provide you in connection with this offering is accurate only as of their respective dates and that any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. This prospectus supplement also adds to, updates and changes information contained in the accompanying prospectus. If the description of this offering varies between this prospectus supplement (including the information incorporated by reference herein) and the accompanying prospectus, you should rely on the information in this prospectus supplement. The accompanying prospectus is part of an automatic shelf registration statement that we filed with the Securities and Exchange Commission (SEC) as a well-known seasoned issuer, as defined in Rule 405 under the Securities Act of 1933, as amended (the Securities Act). Under the shelf registration statement, we may, from time to time, sell an indeterminate amount of any combination of debt securities, common stock or preferred stock in one or more offerings.

It is important that you read and consider all of the information contained in 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 Incorporation by Reference.

In this prospectus supplement, unless otherwise indicated herein or the context otherwise indicates, the terms Hexcel, we, us, our and the Company refer to Hexcel Corporation, together with its consolidated subsidiaries. Currency amounts in this prospectus supplement are stated in United States, or U.S., dollars.

Table of Contents

FORWARD-LOOKING STATEMENTS

Certain statements contained in this prospectus supplement and the accompanying prospectus and the information incorporated by reference in this prospectus supplement and the accompanying prospectus constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to future prospects, developments and business strategies. These forward-looking statements are identified by their use of terms and phrases such as anticipate, believe, could, estimat expect, intend, may, plan, predict, project, should, would, will and similar terms and phrases, includ assumptions. Such statements are based on current expectations, are inherently uncertain, and are subject to changing assumptions.

Such forward-looking statements include, but are not limited to: (a) the estimates and expectations based on aircraft production rates made publicly available by Airbus, Boeing and others; (b) the revenues we may generate from an aircraft model or program; (c) the impact of the possible push-out in deliveries of the Airbus and Boeing backlog and the impact of delays in the startup or ramp-up of new aircraft programs or the final Hexcel composite material content once the design and material selection has been completed; (d) expectations of composite content on new commercial aircraft programs and our share of those requirements; (e) expectations of growth in revenues from space and defense applications, including whether certain programs might be curtailed or discontinued; (f) expectations regarding growth in sales for wind energy, recreation, automotive and other industrial applications; (g) expectations regarding working capital trends and expenditures; (h) expectations as to the level of capital expenditures and when we will complete the construction and qualification of capacity expansions; (i) our ability to maintain and improve margins in light of the ramp-up of capacity and new facilities and the current economic environment; (j) the outcome of legal matters; (k) our projections regarding the realizability of net operating loss and tax credit carryforwards; and (l) the impact of various market risks, including fluctuations in interest rates, currency exchange rates, environmental regulations and tax codes, fluctuations in commodity prices, and fluctuations in the market price of our common stock, the impact of work stoppages or other labor disruptions and the impact of the above factors on our expectations of 2017 financial results and beyond. In addition, actual results may differ materially from the results anticipated in the forward-looking statements due to a variety of factors, including but not limited to changing market conditions, increased competition, product mix, inability to achieve planned manufacturing improvements or to meet customer specifications, cost reductions and capacity additions, and conditions in the financial markets.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different. Such factors include, but are not limited to, the following: changes in general economic and business conditions; changes in current pricing and cost levels; changes in political, social and economic conditions and local regulations; foreign currency fluctuations; changes in aerospace delivery rates; reductions in sales to any significant customers, particularly Airbus, Boeing or Vestas; changes in sales mix; changes in government defense procurement budgets; changes in military aerospace programs technology; industry capacity; competition; disruptions of established supply channels, particularly where raw materials are obtained from a single or limited number of sources and cannot be substituted by unqualified alternatives; manufacturing capacity constraints; uncertainty regarding the likely exit of the U.K. from the European Union; and unforeseen vulnerability of our network and systems to interruptions or failures.

If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, actual results may vary materially from those expected, estimated or projected. In addition to other factors that affect our operating results and financial position, neither past financial performance nor our expectations should be considered reliable indicators of future performance. Investors should not use historical trends to anticipate results or trends in future periods. Further, our securities prices are subject to volatility. Any of the factors discussed above could have an

adverse impact on the price of our securities, including the notes offered hereby. In addition, failure of sales or income in any quarter to meet the investment community s expectations, as well as broader market trends, can have an adverse impact on the price of our securities, including the notes offered hereby. We do not undertake an obligation to update our forward-looking statements or risk factors to reflect future events or circumstances.

Table of Contents

SUMMARY

The information below is a summary of the more detailed information included elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. You should read carefully the following summary together with the more detailed information contained in this prospectus supplement, the accompanying prospectus, any free writing prospectus we may provide you in connection with this offering, and the information incorporated by reference into those documents, including the risk factors described on page S-6 of this prospectus supplement and on page 2 of the accompanying prospectus and the Risk Factors section in our Annual Report on Form 10-K for the year ended December 31, 2016.

Our Company

Hexcel Corporation, founded in 1946, was incorporated in California in 1948, and reincorporated in Delaware in 1983. Hexcel is a leading advanced composites company. We develop, manufacture, and market lightweight, high-performance structural materials, including carbon fibers, specialty reinforcements, prepregs and other fiber-reinforced matrix materials, honeycomb, adhesives, engineered honeycomb and composite structures, for use in Commercial Aerospace, Space & Defense and Industrial markets. Our products are used in a wide variety of end applications, such as commercial and military aircraft, space launch vehicles and satellites, wind turbine blades, automotive, recreational products and other industrial applications.

We serve international markets through manufacturing facilities, sales offices and representatives located in the Americas, Asia Pacific, Europe, Russia and Africa. We are also a partner in a joint venture in Malaysia, which manufactures composite structures for Commercial Aerospace applications. During 2016, the Company invested a total of $30 million in three new affiliates. The investments are each below a 20% ownership level.

We are a manufacturer of products within a single industry: Advanced Composites. Hexcel has two reportable segments: Composite Materials and Engineered Products. The Composite Materials segment is comprised of our carbon fiber, specialty reinforcements, resins, prepregs and other fiber-reinforced matrix materials, and honeycomb core product lines. The Engineered Products segment is comprised of lightweight high strength composite structures, molded components, engineered core and honeycomb products with added functionality.

Our principal executive offices are located at Two Stamford Plaza, 281 Tresser Boulevard, Stamford, Connecticut 06901-3238, and our telephone number at that location is (203) 969-0666.

Table of Contents

The Offering

The summary below describes some of the principal terms of the notes. Some of the terms and conditions described below are subject to important limitations and exceptions. See Description of the Notes for a more detailed description of the terms and conditions of the notes.

Issuer	Hexcel Corporation
Securities Offered	$ aggregate principal amount of % Senior Notes due 2027
Maturity Date	The notes will mature on , 2027, unless redeemed or repurchased prior to such date.
Interest Rate	Subject to Interest Rate Adjustment below, % per year, accruing from February , 2017.
Interest Payment Dates	and of each year, beginning on , 2017.
Interest Rate Adjustment	The interest rate payable on the notes will be subject to adjustments from time to time if either Moody s or S&P (or a substitute rating agency therefor) downgrades (or downgrades and subsequently upgrades) the credit rating assigned to the notes. See Description of the Notes Interest Rate Adjustment.
Optional Redemption	We may, at our option, redeem the notes, in whole at any time or in part from time to time, in each case prior to , (i.e., three months prior to the stated maturity date of the notes) (the Par Call Date), at a cash redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed and (2) the sum of the present values of the remaining scheduled payments of principal of and interest on the notes to be redeemed that would have been payable in respect of such notes calculated as if the stated maturity date of such notes was the Par Call Date, discounted to the applicable redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below) plus %, or basis points, plus, in each case, unpaid interest, if any, accrued thereon to, but not including, the redemption date.

	In addition, at any time on or after the Par Call Date, we may, at our option, redeem the notes, in whole at any time or in part from time to time, at a cash redemption price equal to 100% of the principal amount of the notes to be redeemed plus unpaid interest, if any, accrued thereon to, but not including, the redemption date. See Description of the Notes Optional Redemption.
Change of Control Repurchase Obligation	If a Change of Control Repurchase Event occurs, unless we have exercised our option to redeem the notes in full, we will be required, subject to certain exceptions, to make an offer to each holder of notes to repurchase all (or, at the election of such holder, any part) of such holder s notes for cash at a repurchase price equal to 101% of the

Table of Contents

	principal amount of the notes to be repurchased plus unpaid interest, if any, accrued thereon to, but not including, the repurchase date. See Description of the Notes Change of Control Repurchase Event.
Possible Future Guarantees	Initially, the notes will not be guaranteed by any of our subsidiaries. In the future, however, if any of our wholly-owned domestic subsidiaries guarantee, or otherwise become obligated with respect to, any Debt (as defined herein), then such subsidiary (a subsidiary guarantor) will guarantee our obligations under the notes on a senior unsecured basis (the subsidiary guarantee). See Description of the Notes Possible Future Guarantees.
Use of Proceeds	The net proceeds from this offering are estimated to be approximately $ million after deducting the underwriting discount and our other estimated offering expenses payable by us. We intend to use the net proceeds from this offering initially to reduce amounts outstanding under our Revolving Credit Facility (as defined herein), but without a reduction in commitment, and thereafter for general corporate purposes, including the repurchase of shares of our outstanding common stock pursuant to our authorized share repurchase program. See Use of Proceeds.
Conflicts of Interest	Certain of the underwriters and affiliates of certain of the underwriters are lenders under our Revolving Credit Facility. Upon our application of the net proceeds from this offering to reduce amounts outstanding under our Revolving Credit Facility, such underwriters or affiliates may individually receive an amount in excess of 5% of the net proceeds from this offering. See Underwriting (Conflicts of Interest) Conflicts of Interest.
Certain Covenants	The indenture governing the notes will contain certain covenants that will, among other things, restrict our ability to: incur certain indebtedness secured by mortgages, pledges and other liens on certain assets; engage in certain sale and leaseback transactions; and consolidate or merge with or into any other entity, or sell, convey, transfer or lease all or substantially all our assets to another entity.

	These covenants are subject to a number of important exceptions and qualifications. For further information, see Description of the Notes Certain Covenants and Description of the Notes Merger, Consolidation and Sale of Assets.
No Limitation on Incurrence of New Debt	Except as described under Description of the Notes Certain Covenants, the indenture will not limit the amount of indebtedness we or our subsidiaries may issue under the indenture or otherwise.

Table of Contents

Ranking	The notes will be our unsecured and unsubordinated indebtedness and will rank equally in right of payment with each other and with all of our other existing and future unsecured and unsubordinated indebtedness, and will be effectively junior to all of the liabilities and any preferred equity of our subsidiaries, other than any wholly-owned domestic subsidiaries that may guarantee the notes in the future, and to all of our secured indebtedness to the extent of the value of the collateral securing such indebtedness. As of December 31, 2016, we had outstanding $688.7 million of indebtedness, $0.5 million of which was secured and unsubordinated indebtedness, and our subsidiaries had outstanding $231.3 million of total liabilities and no preferred equity held by third parties. As of December 31, 2016, we had outstanding borrowings of $365.0 million and undrawn availability of $332.9 million, in each case, under our Revolving Credit Facility and, on an as adjusted basis, following the completion of this offering and the use of proceeds therefrom, we would have had undrawn availability under our Revolving Credit Facility of $ million.
No Public Market	The notes are a new issue of securities with no established trading market. We do not intend to list the notes on any national securities exchange or to have the notes quoted on any automated dealer quotation system. The underwriters have advised us that they presently intend to make a market in the notes, but they are not obligated to do so and may discontinue any market-making at any time without notice to, or the consent of, holders of the notes. An active trading market for the notes may not develop or continue, which would adversely affect the market price and liquidity for the notes.
Risk Factors	You should read carefully the Risk Factors in this prospectus supplement, as well as Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2016, which is incorporated by reference in this prospectus supplement and the accompanying prospectus, before making a decision to invest in the notes.
Trustee and Paying Agent	U.S. Bank National Association
Governing Law	State of New York

Table of Contents

Summary Historical Financial Data

The following table sets forth our historical consolidated financial data. You should read this information together with our consolidated financial statements, including the related notes, included in our Annual Report on Form 10-K for the year ended December 31, 2016, from which certain of such information has been derived, and which is incorporated by reference herein. Our consolidated financial statements for the year ended December 31, 2016 have been audited by Ernst & Young LLP and our consolidated financial statements for the years ended December 31, 2015 and 2014 have been audited by our previous Independent Registered Public Accounting Firm, PricewaterhouseCoopers LLP.

	Year Ended December 31,		
(In millions)	**2016**	**2015**	**2014**
Results of Operations:			
Net sales	$ 2,004.3	$ 1,861.2	$ 1,855.5
Cost of sales	1,439.7	1,328.4	1,346.7
Gross margin	564.6	532.8	508.8
Selling, general and administrative expenses	157.6	156.1	149.1
Research and technology expenses	46.9	44.3	47.9
Other expense, net			6.0
Operating income	360.1	332.4	305.8
Interest expense, net	22.1	14.2	8.0
Non-operating expense, net	0.4		0.5
Income before income taxes and equity in earnings	337.6	318.2	297.3
Provision for income taxes	90.3	83.0	89.3
Income before equity in earnings	247.3	235.2	208.0
Equity in earnings from affiliated companies	2.5	2.0	1.4
Net income	$ 249.8	$ 237.2	$ 209.4
Financial Position:			
Total assets	$ 2,400.6	$ 2,187.4	$ 2,036.4
Working capital	$ 335.1	$ 341.2	$ 371.1
Long-term notes payable and capital lease obligations	$ 684.4	$ 576.5	$ 415.0
Stockholders equity	$ 1,244.9	$ 1,179.6	$ 1,149.9

(In millions)	**As of December 31, 2016**
Consolidated Balance Sheet Data	
Cash and cash equivalents	$ 35.2
Total assets	$ 2,400.6

Total liabilities	$	1,155.7
Total stockholders equity	$	1,244.9

Table of Contents

RISK FACTORS

Before purchasing the notes, you should consider carefully the information under the heading Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, and the following risk factors, each of which could materially adversely affect our business, prospects, results of operations, liquidity and financial condition. You should also carefully consider the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus.

Risks Relating to the Notes

The structural subordination of the notes may limit our ability to meet our debt service obligations under the notes.

The notes will be our unsecured and unsubordinated indebtedness and will rank equally in right of payment with each other and with all of our existing and future unsecured and unsubordinated indebtedness. However, the notes will be effectively subordinated in right of payment to our mortgages and other secured indebtedness (to the extent of the value of the collateral securing the same) and to all liabilities, whether secured or unsecured, and any preferred equity of our subsidiaries, other than any wholly-owned domestic subsidiaries that may guarantee the notes in the future. As of December 31, 2016, our subsidiaries had liabilities of $231.3 million and no preferred equity held by third parties outstanding. In addition, as of December 31, 2016, we had $0.5 million of secured and unsubordinated debt outstanding.

The notes are not secured by any of our assets and secured creditors would have a prior claim on our assets.

The notes are not secured by any of our assets. As of December 31, 2016, we had $0.5 million of secured and unsubordinated debt outstanding. In addition, the terms of the indenture governing the notes permit us to incur additional secured debt, subject to certain limits described under Description of the Notes Certain Covenants Limitations on Liens. If payment of secured debt we incur is accelerated, the lenders under our secured debt agreements will be entitled to exercise the remedies available to a secured lender under applicable law and pursuant to agreements governing that debt, and will have a prior claim on our collateralized assets. In that event, because the notes are not secured by any of our assets, it is possible that there will be no assets remaining from which claims of the holders of notes can be satisfied or, if any assets remain, the remaining assets might be insufficient to satisfy those claims in full.

The indenture does not restrict the amount of additional indebtedness that we or our subsidiaries may incur or the amount of preferred equity that our subsidiaries may issue.

As of December 31, 2016, we had outstanding $688.7 million of indebtedness, $365.0 million of which was outstanding under our Revolving Credit Facility, resulting in $332.9 million of undrawn availability under our Revolving Credit Facility. As of December 31, 2016, on an adjusted basis, after giving effect to this offering and the application of the net proceeds from this offering, we would have had outstanding $ million of indebtedness and undrawn availability under our Revolving Credit Facility of $ million. See Use of Proceeds. Except as described under Description of the Notes Certain Covenants Limitations on Liens, the indenture will not limit the amount of indebtedness (including secured indebtedness) that we or our subsidiaries may incur or the amount of preferred equity that our subsidiaries may issue. The incurrence of any such additional indebtedness or the issuance of any such preferred equity may have important consequences for you as a holder of the notes, including making it more difficult for us to satisfy our obligations with respect to the notes or, if a wholly-owned domestic subsidiary becomes obligated to guarantee the notes in the future, for such subsidiary guarantor to satisfy its obligations with respect to its

subsidiary guarantee, a decrease in the market price of your notes and a risk that the credit ratings of the notes are lowered, placed on negative outlook or withdrawn.

Table of Contents

If a wholly-owned domestic subsidiary becomes obligated to guarantee the notes in the future, U.S. federal and state fraudulent transfer laws may permit a court to void such subsidiary guarantee and, if that occurs, you may not receive any payments on such subsidiary guarantee.

If a wholly-owned domestic subsidiary becomes obligated to guarantee the notes in the future, the issuance of its subsidiary guarantee may be subject to review under U.S. federal and state fraudulent transfer and conveyance statutes if a bankruptcy, liquidation or reorganization case or a lawsuit, including under circumstances in which bankruptcy is not involved, were commenced at some future date by such subsidiary guarantor or on behalf of the unpaid creditors of such subsidiary guarantor. While the relevant laws may vary from state to state, under such laws a guarantee will generally be a fraudulent conveyance or transfer if (i) the transfer was made with the intent of hindering, delaying or defrauding creditors or (ii) the guarantor received less than reasonably equivalent value or fair consideration in return for issuing such guarantee, and, in the case of (ii) only, one of the following is also true:

- such guarantor was insolvent or rendered insolvent by reason of issuing such guarantee;
- payment of the consideration left such guarantor with an unreasonably small amount of capital to carry on its business; or
- such guarantor intended to, or believed that it would, incur debts beyond its ability to pay as they mature.

If a court were to find that the issuance of a subsidiary guarantee by a subsidiary guarantor was a fraudulent conveyance or transfer, the court could void the payment obligations under such subsidiary guarantee or require the holders of the notes to repay any amounts received with respect to such subsidiary guarantee. In the event of a finding that a fraudulent conveyance or transfer occurred, you may not receive any payment on the notes in respect of such subsidiary guarantee.

The measures of insolvency for purposes of fraudulent conveyance laws vary depending upon the law of the jurisdiction that is being applied. Generally, an entity would be considered insolvent if, at the time it incurred indebtedness:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts and liabilities, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

We cannot be certain as to the standards a court would use to determine whether reasonably equivalent value or fair consideration was received or whether or not a subsidiary guarantor, if any, was solvent at the relevant time, or, regardless of the standard used, that the issuance of a subsidiary guarantee by it would not be voided to other

indebtedness of such subsidiary guarantor.

If we experience a Change of Control Repurchase Event and you fail to exercise your right to require us to repurchase your notes, under certain circumstances we can nevertheless repurchase your notes.

If holders of not less than 90% in aggregate principal amount of the outstanding notes validly tender and do not withdraw such notes in an offer to repurchase the notes upon a Change of Control Repurchase Event and we repurchase or any third party making an offer to repurchase the notes upon a Change of Control Repurchase Event in lieu of us as described under Description of the Notes Change of Control Repurchase Event repurchases, all of the notes validly tendered and not withdrawn by such holders, we or such third party will have the right, upon not less than 30 nor more than 60 days prior written notice, given not more than 30 days

Table of Contents

following such repurchase pursuant to the offer to repurchase the notes upon a Change of Control Repurchase Event described under Description of the Notes Change of Control Repurchase Event, to repurchase all notes that remain outstanding following such repurchase at a price in cash equal to 101% of the principal amount of such notes to be repurchased plus unpaid interest, if any, accrued thereon to, but not including, the repurchase date.

We may not be able to repurchase the notes upon a Change of Control Repurchase Event.

The terms of the notes, as well as the terms of our outstanding 4.700% senior notes due 2025 (the Existing Notes), require us to offer to repurchase such notes when a Change of Control Repurchase Event occurs. If we experience a Change of Control Repurchase Event, there can be no assurance that we would have sufficient financial resources available to satisfy, or that we would not be prohibited under other financing arrangements to satisfy, our obligations to repurchase your notes and our Existing Notes. Our failure to repurchase the notes and/or the Existing Notes in connection with a Change of Control (as defined below) would result in a default under the indenture, which could have material adverse consequences for us and the holders of the notes. Certain events constituting a Change of Control under the notes and/or Existing Notes would also be events of default under our Revolving Credit Facility.

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

The terms of the notes do not prevent us from entering into a variety of acquisition, refinancing, recapitalization or other highly leveraged transactions. As a result, we could enter into a variety of transactions that could increase the total amount of our outstanding indebtedness, adversely affect our capital structure or credit ratings or otherwise have material adverse consequences for us and the holders of the notes.

There is currently no market for the notes. We cannot assure you that an active trading market will develop, continue or be liquid.

The notes are a new issue of securities with no established trading market. We do not intend to list the notes on any national securities exchange or to have the notes quoted on any automated dealer quotation system. The underwriters have advised us that they presently intend to make a market in the notes, but they are not obligated to do so and may discontinue any market-making at any time without notice to, or the consent of, holders of the notes. We cannot assure you that an active market for the notes will develop or, if it develops, will continue or be liquid. If an active trading market for the notes does not develop or continue, the market price and liquidity of the notes will be negatively affected. If the notes are traded after their initial issuance, they may trade at a discount from their initial offering price. Future trading prices of the notes will depend on many factors, including prevailing interest rates, the market for similar securities, general economic conditions and our financial condition, liquidity, results of operations and prospects. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future, which could have an adverse effect on the market price of the notes. See Underwriting.

Adverse actions by the rating agencies would likely adversely affect our cost of financing and the market price of our debt securities.

Rating agencies rate our debt securities, including the notes, on factors that include our business, financial condition, liquidity, results of operations and prospects and their view of the general outlook for the economy generally and our industry specifically. Actions taken by the rating agencies can include maintaining, upgrading, downgrading or withdrawing the current rating of our debt securities or placing us on negative outlook for possible future downgrading. Downgrading or withdrawal of the credit rating of our debt securities or placing us on negative outlook for possible future downgrading would likely increase our cost of financing and have a negative effect on the market

price of your notes. No report of any rating agency is being incorporated by reference in this prospectus supplement or the accompanying prospectus.

Table of Contents

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges for the five years ended December 31, 2016.

	Year Ended December 31,				
	2016	2015	2014	2013	2012
Ratio of earnings to fixed charges[1]	12.4	17.1	20.9	19.0	14.4

(1) The table sets forth our ratio of earnings to fixed charges for the periods indicated. The ratio of earnings to fixed charges was calculated by dividing earnings by fixed charges. Earnings were calculated by adding pre-tax income from continuing operations before adjustment for income from equity investees and fixed charges, excluding capitalized interest. Fixed charges were calculated by adding interest on all indebtedness, including amortization of debt issuance costs and an interest component representing the estimated portion of rental expense that management believes is attributable to interest.

Table of Contents

USE OF PROCEEDS

The net proceeds from this offering are estimated to be approximately $ million, after deducting the underwriting discount and our other estimated offering expenses payable by us. We intend to use the net proceeds from this offering initially to reduce amounts outstanding under our Revolving Credit Facility, but without a reduction in commitment, and thereafter for general corporate purposes, including the repurchase of shares of our outstanding common stock pursuant to our authorized share repurchase program. As of December 31, 2016, $93 million remained authorized under our share repurchase program. On February 9, 2017, our board of directors authorized the repurchase of an additional $300 million of shares under our share repurchase program.

In June 2016, we amended and extended our $700 million Revolving Credit Facility. The maturity date of the Revolving Credit Facility was extended from September 2019 to June 2021. Borrowings under our Revolving Credit Facility bear interest, at our option, at either (i) a Eurocurrency rate, plus the Applicable Margin (as defined below) (Eurocurrency Rate Loans), or (ii) the greatest of (a) the base rate of Citizens Bank, National Association, (b) the federal funds rate plus 0.50% and (c) the Eurocurrency rate for a one-month interest period plus 1.00%, in each case plus the Applicable Margin (Base Rate Loans). The Applicable Margin fluctuates depending on our consolidated leverage ratio and ranges from 0.875% to 1.875% for Eurocurrency Rate Loans and 0% to 0.875% for Base Rate Loans. As of February 6, 2017, approximately $397.0 million of indebtedness was outstanding under our Revolving Credit Facility. Our Revolving Credit Facility permits us to issue letters of credit up to an aggregate amount of $40 million. Outstanding letters of credit reduce the amount available for borrowings under our Revolving Credit Facility. As of February 6, 2017, we had issued letters of credit under our Revolving Credit Facility totaling $2.1 million, resulting in undrawn availability under our Revolving Credit Facility as of February 6, 2017 of $300.9 million.

Certain of the underwriters and affiliates of certain of the underwriters are lenders under our Revolving Credit Facility. Upon our application of the net proceeds from this offering to reduce amounts outstanding under our Revolving Credit Facility, such underwriters or affiliates may individually receive an amount in excess of 5% of the net proceeds from this offering. See Underwriting (Conflicts of Interest) Conflicts of Interest.

Table of Contents

CAPITALIZATION

The table below sets forth our cash and cash equivalents and capitalization as of December 31, 2016:

on an actual basis; and

on an as adjusted basis to give effect to this offering and the application of the net proceeds therefrom to reduce amounts outstanding under our Revolving Credit Facility by approximately $ million.

The table below should be read in conjunction with Summary Summary Historical Financial Data and Use of Proceeds contained elsewhere in this prospectus supplement, and the consolidated annual financial statements and the notes thereto, as well as management s discussion and analysis thereof, included in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

	As of December 31, 2016	
(in millions, except share data)	**Actual (audited)**	**As Adjusted (unaudited)**
Cash and cash equivalents:	$ 35.2	$
Senior debt:		
Revolving Credit Facility[(1)]	$ 365.0	$
4.700% Senior Notes due 2025	296.8	296.8
Other debt	26.9	26.9
Notes offered hereby		
Total senior debt	$ 688.7	$
Stockholders equity:		
Common stock, $0.01 par value, 200.0 million shares authorized, 106.7 million shares issued and outstanding	$ 1.1	$ 1.1
Additional paid-in capital (net of treasury stock)	163.5	163.5
Retained earnings	1,254.7	1,254.7
Accumulated other comprehensive loss	(174.4)	(174.4)
Total stockholders equity	1,244.9	1,244.9
Total capitalization	$ 2,400.6	$

(1) As of December 31, 2016, we had undrawn availability of $332.9 million under the Revolving Credit Facility. As of February 6, 2017, we had issued letters of credit under our Revolving Credit Facility totaling $2.1 million, resulting in undrawn availability under our Revolving Credit Facility as of February 6, 2017 of $300.9 million.

Table of Contents

DESCRIPTION OF THE NOTES

The following summary of certain terms of the notes supplements, and, to the extent inconsistent, replaces, the description in the accompanying prospectus of the general terms and provisions of the debt securities, to which description reference is hereby made. The following summary of certain provisions of the notes and the indenture does not purport to be complete and is subject to, and qualified in its entirety by reference to, the actual provisions of the notes and the indenture. Certain terms used but not defined herein shall have the meanings given to them in the indenture or the notes, as the case may be. As used in this section, the terms the Company, we, us or our refer only to Hexcel Corporation and not to any subsidiaries of Hexcel Corporation.

General

The notes will be issued pursuant to an indenture, dated as of August 3, 2015 (the base indenture), between us and U.S. Bank National Association, as trustee (the trustee), as supplemented by a supplemental indenture with respect to the notes (the supplemental indenture). We refer to the base indenture and the supplemental indenture, collectively, as the indenture. You may request copies of the indenture and the form of the notes from us.

The notes will be our unsecured and unsubordinated indebtedness and will rank equally in right of payment with each other and with all of our other existing and future unsecured and unsubordinated indebtedness. However, the notes will be effectively subordinated in right of payment to our secured indebtedness to the extent of the value of the collateral securing such indebtedness and to all liabilities, whether secured or unsecured, and any preferred equity of our subsidiaries, other than indebtedness of any wholly-owned domestic subsidiaries that may guarantee the notes in the future. As of December 31, 2016, we had outstanding $688.7 million of indebtedness, $0.5 million of which was secured and unsubordinated indebtedness, and our subsidiaries had outstanding $231.3 million of total liabilities and no preferred equity held by third parties. As of December 31, 2016, on an as adjusted basis, following the completion of this offering and the use of proceeds therefrom, we would have had undrawn availability under our Revolving Credit Facility of $ million. See Use of Proceeds.

The indenture does not limit the amount of debt securities that we may issue under the indenture. We may also at any time and from time to time, without notice to or consent of the holders, issue additional debt securities of the same tenor, coupon and other terms as the notes (except for the issue date and, under certain circumstances, the issue price, the date from which interest begins to accrue and the first payment of interest), so that such debt securities and the notes shall form a single series of debt securities under the indenture. References herein to the notes shall include (unless the context otherwise requires) any further debt securities issued as described in this paragraph.

The notes will be issued only in fully registered, book-entry form, in denominations of $2,000 and integral multiples of $1,000 in excess thereof, except under the limited circumstances described below under Book-Entry System. The holder of a note will be treated as its owner for all purposes.

If any interest payment date, stated maturity date, redemption date or repurchase date is not a business day, the payment otherwise required to be made on such date will be made on the next business day without any additional payment as a result of such delay. For purposes hereof, business day means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in The City of New York are authorized or obligated by law or executive order to close. All payments will be made in U.S. dollars.

Except as described under the headings Change of Control Repurchase Event, Certain Covenants and Merger, Consolidation and Sale of Assets, the indenture will not contain any provisions that would limit our ability or the ability of our subsidiaries to incur indebtedness or the ability of our subsidiaries to issue preferred equity or that would

afford you protection in the event of:

a recapitalization or other highly leveraged or similar transaction involving us, any of our affiliates or our management;

Table of Contents

a change of control involving us; or

a merger, consolidation, reorganization or restructuring involving us or a sale, assignment, lease or other transfer of all or substantially all of our assets that may adversely affect you.

We or one of our affiliates may, to the extent permitted by applicable law, at any time purchase notes in the open market, by tender or by private agreement.

Interest

Interest on the notes will accrue at the rate of % per year from, and including, February , 2017 and will be payable semiannually in arrears on and of each year, beginning on , 2017 (each, an interest payment date). The interest rate payable on the notes will be subject to adjustments from time to time if either Moody s or S&P (or a substitute rating agency therefor) downgrades (or downgrades and subsequently upgrades) the credit rating assigned to the notes as described in Interest Rate Adjustment. The interest so payable will be paid to each holder in whose name a note is registered at the close of business on the and (whether or not a business day) immediately preceding the applicable interest payment date. Interest on the notes will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Maturity

The notes will mature on , 2027 (the stated maturity date) and will be paid against presentation and surrender thereof at the corporate trust office of the trustee, unless earlier redeemed or repurchased, as described below under Optional Redemption and Change of Control Repurchase Event, respectively. The notes will not be entitled to the benefits of, or be subject to, any sinking fund.

Possible Future Guarantees

Initially, the notes will not be guaranteed by any of our subsidiaries. In the future, however, if any of our wholly-owned subsidiaries that are incorporated or organized under the laws of the United States of America, any state thereof or in the District of Columbia (a wholly-owned domestic subsidiary) guarantee, or otherwise become obligated with respect to, any of our Debt, then such wholly-owned domestic subsidiary will provide a subsidiary guarantee as set forth below. For the avoidance of doubt, in the event that any of our Debt contains a provision that would require one or more of our wholly-owned domestic subsidiaries to guarantee, or otherwise become obligated with respect to, such Debt upon the occurrence or satisfaction of specified conditions, such wholly-owned domestic subsidiary shall not be deemed to guarantee, or otherwise be obligated with respect to, such Debt until such time as such conditions shall have been satisfied and such wholly-owned domestic subsidiary is required to guarantee, or otherwise be obligated with respect to, such Debt.

If a wholly-owned domestic subsidiary becomes obligated to guarantee the notes in the future, then we shall cause such wholly-owned domestic subsidiary, within twenty business days, to (A) execute and deliver to the trustee a supplemental indenture, in form reasonably satisfactory to the trustee, pursuant to which such wholly-owned domestic subsidiary shall guarantee all of our obligations under the notes on a senior unsecured basis and (B) deliver to the trustee an opinion of counsel to the effect that each of such supplemental indenture and such guarantee has been duly authorized, executed and delivered by, and constitutes a valid, legally binding and enforceable obligation of, such wholly-owned domestic subsidiary, except insofar as enforcement thereof may be limited by bankruptcy, insolvency or similar laws or by general principles of equity.

Any subsidiary guarantee would rank equally and ratably with all other existing and future unsecured and unsubordinated indebtedness of the applicable subsidiary guarantor, would rank senior to any unsecured and subordinated indebtedness of such subsidiary guarantor, and would effectively rank junior to any secured indebtedness of such subsidiary guarantor to the extent of the value of the collateral securing such indebtedness.

Table of Contents

Under the indenture, the holders of the notes will be deemed to have consented to the release of the subsidiary guarantee of a subsidiary guarantor, without any action required on the part of the trustee or any holder of the notes, upon such subsidiary guarantor ceasing to be a guarantor or other obligor under any of our Debt. Accordingly, if a subsidiary is released from its guarantee of all Debt and other obligations as a borrower or guarantor thereunder, such subsidiary guarantor s guarantee of the notes will automatically terminate and we will give prompt written notice to the trustee of the release of such subsidiary guarantor from its subsidiary guarantee of the notes.

In addition, a subsidiary guarantor will be automatically released from all of its obligations under its subsidiary guarantee in the following circumstances:

- upon such subsidiary guarantor no longer being wholly-owned by us and our subsidiaries or such subsidiary guarantor redomiciling outside the United States of America, any state thereof or the District of Columbia, or
- upon the sale or other transfer of all or substantially all of the assets of such subsidiary guarantor (other than to any of our affiliates unless the applicable affiliate is another subsidiary guarantor).

A subsidiary guarantor s guarantee also will be automatically released if we exercise our option to discharge our obligations with respect to the notes as described under Defeasance or if our obligations under the indenture are discharged as described under Satisfaction and Discharge.

At our written instruction, the trustee will execute and deliver any documents, instructions or instruments evidencing any automatic release of a subsidiary guarantor as described above.

The obligations of a subsidiary guarantor under its subsidiary guarantee that are released as described above will be reinstated if such wholly-owned domestic subsidiary again guarantees, or otherwise becomes obligated with respect to, any of our Debt.

The indenture will provide that the obligations of any subsidiary guarantor under any subsidiary guarantee will be limited as necessary to prevent such subsidiary guarantee from constituting a fraudulent conveyance or fraudulent transfer under applicable law. We cannot assure you that this limitation will protect any subsidiary guarantee from fraudulent conveyance or fraudulent transfer challenges or, if it does, that the remaining amount due and collectible thereunder would suffice, if necessary, to pay the notes in full when due. See Risk Factors Risks Relating to the Notes If a subsidiary becomes obligated to guarantee the notes in the future, U.S. federal and state fraudulent transfer laws may permit a court to void such subsidiary guarantee and, if that occurs, you may not receive any payments on such subsidiary guarantee.

Consolidated Net Tangible Assets has the meaning set forth under Certain Covenants Defined Terms.

Debt means any indebtedness of the Company for borrowed money in a principal amount in excess of the greater of $75.0 million and 3% of the Company s Consolidated Net Tangible Assets that is (x) in the form of, or represented by, bonds, notes, debentures or other debt securities or (y) incurred pursuant to a credit agreement, including our Revolving Credit Facility, or other agreement providing for revolving credit loans or term loans; provided that undrawn commitments shall not be considered to be Debt until such commitment is drawn upon.

Revolving Credit Facility means the Credit Agreement, dated as of June 9, 2016, among us, Hexcel Holdings Luxembourg S.à r.l., the lenders listed therein, Citizens Bank, National Association, as administrative agent, Citizens

Bank, National Association, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC, as joint book managers and joint lead arrangers, Bank of America, N.A., and Wells Fargo Bank, National Association, as syndication agents, and Sumitomo Mitsui Banking Corporation, SunTrust Bank, TD Bank, N.A. and U.S. Bank National Association, as documentation agents, as amended, amended and restated, extended, renewed, restated, supplemented or otherwise modified (in whole or in part, and without limitation as to amount, terms, conditions, covenants and other provisions) from time to time.

Table of Contents

Optional Redemption

We may, at our option, redeem the notes, in whole at any time or in part (equal to a principal amount of $2,000 or an integral multiple of $1,000 in excess thereof) from time to time, in each case prior to , (i.e., three months prior to the stated maturity date of the notes) (the Par Call Date), for cash, at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed and (2) the sum of the present values of the remaining scheduled payments of principal of and interest on the notes to be redeemed that would have been payable in respect of such notes calculated as if the stated maturity date of such notes was the Par Call Date, discounted to the applicable redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus %, or basis points, plus in each case unpaid interest, if any, accrued thereon to, but not including, such redemption date.

In addition, at any time on or after the Par Call Date, we may, at our option, redeem the notes, in whole at any time or in part (equal to a principal amount of $2,000 or an integral multiple of $1,000 in excess thereof) from time to time, for cash, at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus unpaid interest, if any, accrued thereon to, but not including, the related redemption date.

Notwithstanding any optional redemption pursuant to the foregoing, interest will be payable to holders of the notes on the regular record date applicable to an interest payment date falling on or before a redemption date.

Comparable Treasury Issue means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the notes to be redeemed (assuming, for this purpose, that the notes matured on the Par Call Date) 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 assumed remaining term of the notes.

Comparable Treasury Price means, with respect to any redemption date, (1) the average of three Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of five Reference Treasury Dealer Quotations obtained, or (2) if we obtain fewer than five such Reference Treasury Dealer Quotations, the average of all Reference Treasury Dealer Quotations obtained.

Independent Investment Banker means, with respect to any redemption date, one of the Reference Treasury Dealers appointed by us to act as Independent Investment Banker as contemplated herein.

Reference Treasury Dealer means: (i) Merrill Lynch, Pierce, Fenner & Smith Incorporated and Goldman, Sachs & Co. or their respective affiliates that are Primary Treasury Dealers; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in the United States (a Primary Treasury Dealer), we will substitute therefor another Primary Treasury Dealer; and (ii) any other Primary Treasury Dealers selected by us.

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

Treasury Rate means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity (computed as of the third business day immediately preceding such redemption date) of the Comparable Treasury Issue, assuming a price for such Comparable Treasury Issue (expressed as a percentage of its

principal amount) equal to the Comparable Treasury Price for such redemption date.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of notes to be redeemed.

Table of Contents

Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the notes or portions of the notes called for redemption. If fewer than all of the notes are to be redeemed, the trustee will select notes to be redeemed (1) if notes are listed on any national securities exchange, in compliance with the requirements of the principal national securities exchange on which notes are listed, (2) if such national securities exchange has no requirements governing redemption, or notes are not so listed but are in global form, then by lot or otherwise in accordance with the procedures of The Depository Trust Company (DTC) or (3) if notes are not so listed or if such national securities exchange has no requirements governing redemption and in either case notes are not in global form, then on a pro rata basis, by lot or in such other manner as the trustee shall deem appropriate and which may provide for the selection for redemption of a portion of the principal amount of notes.

Change of Control Repurchase Event

If a Change of Control Repurchase Event occurs, unless we have exercised our right to redeem the notes in full, we will be required to make an offer to each holder of notes to repurchase all or, at the election of such holder, any part (equal to a principal amount of $2,000 or an integral multiple of $1,000 in excess thereof) of such holder s notes for cash at a repurchase price equal to 101% of the principal amount of such notes to be repurchased plus unpaid interest, if any, accrued thereon to, but not including, the repurchase date. Notwithstanding the foregoing, interest will be payable to holders of the notes on the applicable regular record date applicable to an interest payment date falling on or before a repurchase date.

Within 30 days following any Change of Control Repurchase Event or, at our option, prior to any Change of Control, but after the public announcement of a transaction or transactions that constitute or may constitute a Change of Control, we will mail a notice to each holder of notes, with a copy to the trustee, describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase all of such notes on the repurchase 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, except in the case of an offer made in advance of a Change of Control Repurchase Event as described below. The notice shall, if mailed prior to the date of consummation of the Change of Control, state that the offer to repurchase such notes is conditioned on the Change of Control Repurchase Event occurring on or prior to the repurchase date specified in the notice.

We will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (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 Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the notes, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Repurchase Event provisions of the notes by virtue of such conflict.

On the repurchase date, we will, to the extent lawful:

(1) accept for payment all notes or portions of notes (equal to a principal amount of $2,000 or an integral multiple of $1,000 in excess thereof) properly tendered by the holders thereof pursuant to our offer;

(2) deposit with the trustee or one or more paying agents an amount equal to the aggregate repurchase price in respect of all notes or portions of notes properly tendered by the holders thereof; and

(3) deliver or cause to be delivered to the trustee the notes properly accepted by us, together with an officer s certificate stating the aggregate principal amount of notes being repurchased.

The trustee or one or more paying agents will promptly mail to each holder of notes properly tendered the repurchase price for such notes, and the trustee, upon our execution and delivery of the related notes, will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new note equal in principal amount to any unrepurchased portion of any notes properly tendered, provided that each such new note shall be in a principal amount of $2,000 or an integral multiple of $1,000 in excess thereof.

Table of Contents

We will not be required to make an offer to repurchase the notes upon a Change of Control Repurchase 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 to be made by us and such third party purchases all notes properly tendered and not withdrawn by the holders thereof under its offer.

Notwithstanding anything to the contrary herein, an offer to repurchase the notes may be made in advance of a Change of Control Repurchase Event, conditional upon the occurrence of such Change of Control Repurchase Event.

If holders of not less than 90% in aggregate principal amount of the outstanding notes validly tender and do not withdraw such notes in an offer to repurchase the notes upon a Change of Control Repurchase Event and the Company, or any third party making an offer to repurchase the notes upon a Change of Control Repurchase Event in lieu of the Company as described above, repurchases all of the notes validly tendered and not withdrawn by such holders, the Company or such third party will have the right, upon not less than 30 nor more than 60 days prior written notice, given not more than 30 days following such repurchase pursuant to the offer to repurchase the notes upon a Change of Control Repurchase Event described above, to repurchase all notes that remain outstanding following such repurchase at a price in cash equal to 101% of the principal amount of such notes to be repurchased plus unpaid interest, if any, accrued thereon to, but not including, the repurchase date.

Change of Control means the occurrence of any one of the following: (1) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person or group (as 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, measured by voting power rather than number of shares, (2) any sale, lease, exchange or other transfer (other than by way of merger or consolidation), in one transaction or a series of related transactions, of all or substantially all of our assets and the assets of our subsidiaries, taken as a whole, to any person or group of related persons for the purpose of Section 13(d)(3) of the Exchange Act, other than us or one of our subsidiaries, (3) we consolidate with, or merge with or into, any person, or any person consolidates with, or merges with or into, us, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of ours or such other person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of our Voting Stock outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving person immediately after giving effect to such transaction, (4) the replacement of a majority of our board of directors over a two-year period with directors who were not nominated for election, elected or appointed to our board of directors (or subsequently ratified) with the approval of a majority of our board of directors then still in office who either were members of our board of directors at the beginning of such period or whose election as members of our board of directors was previously so approved (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, without objection to such nomination) or subsequently ratified, or (5) the adoption of a plan relating to our liquidation, dissolution or winding up.

Notwithstanding the foregoing, a transaction or series of related transactions will not be considered to be a Change of Control if (1) we become a direct or indirect wholly-owned subsidiary of a holding company and (2)(a) immediately following that transaction, the direct or indirect holders of the Voting Stock of the holding company are substantially the same as the holders of our Voting Stock immediately prior to that transaction or (b) immediately following that transaction, no person or group (as used in Section 13(d)(3) of the Exchange Act) is the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the Voting Stock of such holding company.

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

Moody s means Moody s Investors Service, Inc. and its successors.

Table of Contents

Rating Agencies means (1) each of S&P and Moody s; and (2) if either S&P or Moody s (or any replacement agency therefor contemplated below) ceases to provide ratings services to issuers or investors generally, 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) to act as a replacement agency for S&P or Moody s (or any previous replacement agency), as the case may be.

Rating Event means, with respect to a Change of Control, if the notes carry, immediately prior to the earlier of the first public announcement of the intention to effect such Change of Control and the occurrence of such Change of Control:

an investment grade credit rating (BBB-, or equivalent, or better) from both Rating Agencies, and the rating from both Rating Agencies is, during the period commencing on the earlier of the first public announcement of the intention to effect such Change of Control and the occurrence of such Change of Control and ending 60 days after the occurrence of such Change of Control (which period shall be extended so long as the rating of the notes is under publicly announced consideration for possible downgrade by either Rating Agency), either downgraded to a non-investment grade credit rating (BB+, or equivalent, or worse) or withdrawn (and is not within such period subsequently (in the case of a downgrade) upgraded to an investment grade credit rating or (in the case of a withdrawal) replaced by an investment grade credit rating),

a non-investment grade credit rating (BB+, or equivalent, or worse) from both Rating Agencies, and the rating from both Rating Agencies is, during the period commencing on the earlier of the first public announcement of the intention to effect such Change of Control and the occurrence of such Change of Control and ending 60 days after the occurrence of such Change of Control (which period shall be extended so long as the rating of the notes is under publicly announced consideration for possible downgrade by either Rating Agency), either downgraded by one or more notches (for illustration, BB+ to BB being one notch) or withdrawn (and is not within such period subsequently (in the case of a downgrade) upgraded to its credit rating immediately prior to the commencement of such period or better by both Rating Agencies or (in the case of a withdrawal) replaced by its credit rating immediately prior to the commencement of such period or better by both Rating Agencies), or

both (i) an investment grade credit rating (BBB-, or equivalent, or better) from one Rating Agency, and the rating is, during the period commencing on the earlier of the first public announcement of the intention to effect such Change of Control and the occurrence of such Change of Control and ending 60 days after the occurrence of such Change of Control (which period shall be extended so long as the rating of the notes is under publicly announced consideration for possible downgrade by either Rating Agency), either downgraded to a non-investment grade credit rating (BB+, or equivalent, or worse) or withdrawn (and is not within such period subsequently (in the case of a downgrade) upgraded to an investment grade credit rating by such Rating Agency or (in the case of a withdrawal) replaced by an investment grade credit rating from such Rating Agency) and (ii) a non-investment grade credit rating (BB+, or equivalent, or worse) from the other Rating Agency, and the rating is, during the period commencing on the earlier of the first public announcement of the intention to effect such Change of Control and the occurrence of such Change of Control and ending 60 days after the occurrence of such Change of Control (which period shall be extended so long as the rating of the notes is under publicly announced consideration for possible downgrade by either Rating Agency), either downgraded by one or more notches (for illustration, BB+ to BB being one notch) or withdrawn (and is not within such period subsequently (in the case of a downgrade) upgraded to its credit

rating by such Rating Agency immediately prior to the commencement of such period or better or (in the case of a withdrawal) replaced by its credit rating by such Rating Agency immediately prior to the commencement of such period or better), provided, that in taking an action referred to above to downgrade or withdraw a rating, the relevant Rating Agency announces publicly or confirms in writing to us that such action resulted, in whole or in part, from the public announcement of the intention to effect such Change of Control or the occurrence of such Change of Control.

Table of Contents

S&P means S&P Global Ratings, a division of S&P Global Inc., and its successors.

Voting Stock of any specified person (as used in Section 13(d)(3) of the Exchange Act) as of any date means the capital stock of, or other ownership interests in, such person that is at the time entitled to vote generally in the election of the board of directors (or members of a comparable governing body) of such person.

Interest Rate Adjustment

The interest rate payable on the notes will be subject to adjustments from time to time if either Moody s or S&P or, if either Moody s or S&P ceases to rate the notes or fails to make a rating of the notes publicly available for reasons outside our control, a nationally recognized statistical rating organization selected pursuant to the definition of Rating Agency (a substitute rating agency), downgrades (or downgrades and subsequently upgrades) the credit rating assigned to the notes, in the manner described below.

If the rating from Moody s (or any substitute rating agency therefor) of the notes is decreased to a rating set forth in the immediately following table, the interest rate on the notes will increase such that it will equal the interest rate payable on the notes on the date of their initial issuance plus the percentage set forth opposite the ratings from the table below:

Moody s Rating*	***Percentage***
Ba1	0.25%
Ba2	0.50%
Ba3	0.75%
B1 or below	1.00%

* Including the equivalent ratings of any substitute rating agency.

If the rating from S&P (or any substitute rating agency therefor) of the notes is decreased to a rating set forth in the immediately following table, the interest rate on the notes will increase such that it will equal the interest rate payable on the notes on the date of their initial issuance plus the percentage set forth opposite the ratings from the table below:

S&P Rating*	***Percentage***
BB+	0.25%
BB	0.50%
BB-	0.75%
B+ or below	1.00%

* Including the equivalent ratings of any substitute rating agency.

If at any time the interest rate on the notes has been increased and either Moody s or S&P (or, in either case, a substitute rating agency therefor), as the case may be, subsequently upgrades its rating of the notes to any of the threshold ratings set forth above, the interest rate on the notes will be decreased such that the interest rate for the notes equals the interest rate payable on the notes on the date of their initial issuance plus the percentages set forth opposite

the ratings from the tables above in effect immediately following the upgrade in rating. If Moody s (or any substitute rating agency therefor) subsequently upgrades its rating of the notes to Baa3 (or its equivalent, in the case of a substitute rating agency) or higher, and S&P (or any substitute rating agency therefor) upgrades its rating to BBB- (or its equivalent, in the case of a substitute rating agency) or higher, the interest rate on the notes will be decreased to the interest rate payable on the notes on the date of their initial issuance (and if one such upgrade occurs and the other does not, the interest rate on the notes will be decreased so that it does not

reflect any increase attributable to the upgrading Rating Agency). In addition, the interest rates on the notes will permanently cease to be subject to any adjustment described above (notwithstanding any subsequent downgrade in the ratings by either or both rating agencies) if the notes become rated Baa2 and BBB (or the equivalent of either such rating, in the case of a substitute rating agency) or higher by Moody s and S&P (or, in either case, a substitute rating agency therefor), respectively (or one of these ratings if the notes are only rated by one rating agency).

Each adjustment required by any downgrade or upgrade in a rating set forth above, whether occasioned by the action of Moody s or S&P (or, in either case, a substitute rating agency therefor), shall be made independent of any and all other adjustments. In no event shall (1) the interest rate for the notes be reduced to below the interest rate payable on the notes on the date of their initial issuance or (2) the total increase in the interest rate on the notes exceed 2.00% above the interest rate payable on the notes on the date of their initial issuance.

No adjustments in the interest rate of the notes shall be made solely as a result of a Rating Agency ceasing to provide a rating of the notes. If at any time Moody s or S&P ceases to provide a rating of the notes, we will use our commercially reasonable efforts to obtain a rating of the notes from a substitute rating agency, to the extent one exists, and if a substitute rating agency exists, for purposes of determining any increase or decrease in the interest rate on the notes pursuant to the tables above (a) such substitute rating agency will be substituted for the last Rating Agency to provide a rating of the notes but which has since ceased to provide such rating, (b) the relative rating scale used by such substitute rating agency to assign ratings to senior unsecured debt will be determined in good faith by an independent investment banking institution of national standing appointed by us and, for purposes of determining the applicable ratings included in the applicable table above with respect to such substitute rating agency, such ratings will be deemed to be the equivalent ratings used by Moody s or S&P, as applicable, in such table and (c) the interest rate on the notes will increase or decrease, as the case may be, such that the interest rate equals the interest rate payable on the notes on the date of their initial issuance plus the appropriate percentage, if any, set forth opposite the rating from such substitute rating agency in the applicable table above (taking into account the provisions of clause (b) above) (plus any applicable percentage resulting from a decreased rating by the other Rating Agency).

For so long as only one Rating Agency provides a rating of the notes, any subsequent increase or decrease in the interest rate of the notes necessitated by a reduction or increase in the rating by the Rating Agency providing the rating shall be twice the percentage set forth in the applicable table above. For so long as neither Moody s nor S&P (or, in either case, a substitute rating agency therefor) provides a rating of the notes, the interest rate on the notes will increase to, or remain at, as the case may be, 2.00% above the interest rate payable on the notes on the date of their initial issuance.

Any interest rate increase or decrease described above will take effect from the first interest payment date following the date on which a rating change occurs that requires an adjustment in the interest rate. As such, interest will not accrue at such increased or decreased rate until the next interest payment date following the date on which a rating change occurs. If Moody s or S&P (or, in either case, a substitute rating agency therefor) changes its rating of the notes more than once prior to any particular interest payment date, the last change by such agency prior to such interest payment date will control for purposes of any interest rate increase or decrease with respect to the notes described above relating to such Rating Agency s action. If the interest rate payable on the notes is increased as described above, the term interest, as used with respect to the notes, will be deemed to include any such additional interest unless the context otherwise requires.

Certain Covenants

Limitations on Liens. We will not, and will not permit any Restricted Subsidiary to, create, incur, assume, as security for any Indebtedness, any mortgage, pledge or other lien on (a) any Principal Property of ours or any Restricted

Subsidiary or (b) any shares of capital stock owned by us or one of our subsidiaries of, or other ownership interests owned by us or one of our subsidiaries in, a Restricted Subsidiary, whether such Principal

Table of Contents

Property or shares of capital stock of, or other ownership interests in, a Restricted Subsidiary are owned by us or one of our subsidiaries at the date of the indenture or acquired after the date of the indenture, unless we secure, or cause such Restricted Subsidiary to secure, as the case may be, the outstanding notes equally and ratably with all Indebtedness secured by such mortgage, pledge or other lien, so long as such Indebtedness shall be so secured. This covenant will not apply in the case of:

(a) the creation of any mortgage, pledge or other lien on any Principal Property or on any shares of capital stock of, or other ownership interests in, a Restricted Subsidiary, in each case acquired after the date of the supplemental indenture (including acquisitions by way of merger or consolidation) by us or a Restricted Subsidiary contemporaneously with or prior to such acquisition and in contemplation of such acquisition or within 180 days after such acquisition, to secure or provide for the payment or financing of any part of the purchase price of such acquisition, provided that the mortgage, pledge or other lien may not extend to any other Principal Property or other shares of capital stock of, or other ownership interests in, a Restricted Subsidiary, other than subsequent improvements;

(b) any mortgage, pledge or other lien on any Principal Property or on any shares of capital stock of, or other ownership interests in, a Restricted Subsidiary existing at the date of the supplemental indenture;

(c) any mortgage, pledge or other lien on any Principal Property or on any shares of capital stock of, or other ownership interests in, a Restricted Subsidiary in favor of us or any Restricted Subsidiary;

(d) any mortgage, pledge or other lien on Principal Property being constructed or improved securing loans to finance such construction or improvements;

(e) any mortgage, pledge or other lien on any Principal Property existing at the time we or a Restricted Subsidiary acquired or leased such Principal Property, including Principal Property acquired by us or a Restricted Subsidiary through a merger or similar transaction, provided that the mortgage, pledge or other lien may not extend to any other Principal Property or other shares of capital stock of, or other ownership interests in, a Restricted Subsidiary, other than subsequent improvements;

(f) any mortgage, pledge or other lien on assets owned by any person at the time such person becomes a Restricted Subsidiary, provided that the mortgage, pledge or other lien was not created in anticipation of such person becoming a Restricted Subsidiary;

(g) any lien imposed by law for taxes, assessments or charges of any governmental authority for claims which are not overdue for a period of more than 60 days, or to the extent that such lien is being contested in good faith and adequate reserves, if any, in accordance with GAAP are being maintained thereunder;

(h) statutory liens of landlords and liens of carriers, warehousemen, mechanics, materialmen and other liens imposed by law or created in the ordinary course of business which are not delinquent or which are being contested in good faith;

(i) liens securing (i) the non-delinquent performance of bids, trade contracts (other than for borrowed money) or statutory obligations, (ii) surety bonds (excluding appeal bonds and other bonds posted in connection with court proceedings or judgments) and (iii) other non-delinquent obligations of a like nature (including those to secure health, safety and environmental obligations), in each case incurred in the ordinary course of business;

(j) liens created by or resulting from any litigation or other similar proceeding that is being contested in good faith, including liens arising out of judgments or awards against us or our subsidiaries with respect to which we or our

subsidiaries are in good faith prosecuting an appeal or proceedings for review or for which the time to make an appeal has not yet expired, and liens relating to final unappealable judgment liens which are satisfied within 60 days of the date of judgment or liens incurred by us or any of our subsidiaries for the purpose of obtaining a stay or discharge in the course of any litigation or proceeding to which we or any of our subsidiaries is a party;

Table of Contents

(k) any mortgage, pledge or other lien created in connection with a transaction financed with, and created to secure Indebtedness that is not recourse to, our assets or those of any Restricted Subsidiary;

(l) easements, rights-of-way, zoning or any other restrictions, encroachments, protrusions and other similar encumbrances on real property which in the aggregate do not materially detract from the value of such property or materially interfere with the ordinary conduct of our businesses and the businesses of our subsidiaries, taken as a whole;

(m) any mortgage, pledge or other lien on any Principal Property or on any shares of capital stock of, or other ownership interests in, a Restricted Subsidiary incurred in connection with any obligations arising under any industrial revenue bonds, pollution control bonds or any other issuance of tax-exempt governmental obligations;

(n) liens securing obligations in respect of Capital Leases on assets subject to such leases; and

(o) any mortgage, pledge or other lien renewing, extending or replacing any mortgage, pledge or other lien referred to in clauses (a) to (n) above, to the extent that (i) the principal amount of the Indebtedness secured thereby is not increased other than transaction fees and related expenses and (ii) no assets encumbered thereby other than the assets permitted to be encumbered immediately prior to such renewal, extension or replacement are encumbered thereby.

Notwithstanding the foregoing, we or any Restricted Subsidiary may create, incur or assume, as security for any Indebtedness, mortgages, pledges and other liens in addition to those permitted by clauses (a) to (o) referred to above, and renew, extend or replace such mortgages, pledges and other liens, provided that at the time of such creation, incurrence, assumption, renewal, extension or replacement, and after giving effect to such creation, incurrence, assumption, renewal, extension or replacement, Exempted Debt does not exceed 15% of Consolidated Net Tangible Assets.

Limitations on Sale and Leaseback Transactions. We will not, and will not permit any Restricted Subsidiary to, sell or otherwise transfer, directly or indirectly, except to us or a Restricted Subsidiary, any Principal Property as an entirety, or any substantial portion of any Principal Property, with the intention of taking back a lease of such Principal Property, or substantial portion of such Principal Property, except a lease for a period of three years or less; provided, however, that, we or any Restricted Subsidiary may sell any Principal Property, or any substantial portion of any Principal Property, and lease it back for a longer period (i) if we or such Restricted Subsidiary would be entitled, pursuant to the provisions described above in clauses (a) through (o) under Limitations on Liens, to create a mortgage, pledge or other lien on such Principal Property, or substantial portion of such Principal Property, to be leased securing Funded Debt in an amount equal to the Attributable Debt with respect to such sale and leaseback transaction without equally and ratably securing the outstanding notes or (ii) if (A) we promptly inform the trustee of such sale, (B) the net proceeds of such sale are at least equal to the fair value (as determined by a resolution of our board of directors) of such Principal Property, or substantial portion of such Principal Property, and (C) we cause an amount equal to the net proceeds of such sale to be applied to the retirement, within 180 days after receipt of such proceeds, of Funded Debt created, incurred, assumed or guaranteed by us or a Restricted Subsidiary; provided, further, that, in lieu of applying all of or any part of such net proceeds to such retirement, we may, within 75 days after such sale, deliver or cause to be delivered to the applicable trustee for cancellation either debentures or notes evidencing Funded Debt created, incurred, assumed or guaranteed by us or any Restricted Subsidiary previously authenticated and delivered by the applicable trustee, and not previously tendered for sinking fund purposes or called for a sinking fund or otherwise applied as a credit against an obligation to redeem or retire such debentures or notes, and to deliver an officer s certificate to the trustee stating that we elect to deliver or cause to be delivered such debentures or notes in lieu of retiring Funded Debt created, incurred, assumed or guaranteed by us or any Restricted Subsidiary. If we shall so deliver or cause to be delivered such debentures or notes and such officer s certificate, the amount of cash which we

will be required to apply to the retirement of Funded Debt under this provision shall be reduced by an amount

Table of Contents

equal to the aggregate of the then applicable optional redemption prices (not including any optional sinking fund redemption prices) of such debentures or notes or, if there are no such optional redemption prices, the principal amount of such debentures or notes, provided, that in the case of debentures or notes which provide for an amount less than the principal amount of such debentures or notes to be due and payable upon an acceleration of the maturity of such debentures or notes, such amount of cash shall be reduced by the amount of principal of such debentures or notes that would be due and payable as of the date of such acceleration of the maturity of such debentures or notes in accordance with the terms of the indenture pursuant to which such debentures or notes were issued.

Notwithstanding the foregoing, we or any Restricted Subsidiary may enter into sale and leaseback transactions in addition to those permitted by this paragraph and without any obligation for us or any Restricted Subsidiary to retire any Funded Debt or to deliver or cause to be delivered debentures or notes evidencing Funded Debt to the applicable trustee for cancellation, provided that at the time of entering into such sale and leaseback transactions and after giving effect to such transactions, Exempted Debt does not exceed 15% of Consolidated Net Tangible Assets.

Defined Terms. Set forth below are certain defined terms used in this Certain Covenants section of this prospectus supplement, as well as in the indenture. We refer you to the indenture for a full disclosure of all such terms, as well as any other capitalized terms used in this prospectus supplement or the accompanying prospectus for which no definition is provided.

Attributable Debt means, as to any particular lease under which we or a Restricted Subsidiary is at the time liable, other than a Capital Lease, and at any date as of which the amount of such lease is to be determined, the total net amount of rent required to be paid by us or such Restricted Subsidiary, as the case may be, under such lease during the initial term of such lease as determined in accordance with GAAP, discounted from the last date of such initial term to the date of determination at a rate per annum equal to the discount rate which would be applicable to a Capital Lease with a like term in accordance with GAAP. The net amount of rent required to be paid under any such lease for any such initial term shall be the aggregate amount of rent payable by the lessee with respect to such initial term after excluding amounts required to be paid on account of insurance, taxes, assessments, utility, operating and labor costs and similar charges. If any such lease is terminable by the lessee upon the payment of a penalty, such net amount shall also include the amount of such penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated. Attributable Debt means, as to a Capital Lease under which we or a Restricted Subsidiary is at the time liable and at any date as of which the amount of such Capital Lease is to be determined, the capitalized amount of such Capital Lease that would appear on the face of the consolidated balance sheet of ours and our subsidiaries in accordance with GAAP.

Capital Lease means any Indebtedness represented by a lease obligation of ours or a Restricted Subsidiary incurred with respect to real property or equipment acquired or leased by us or such Restricted Subsidiary and used in our or its business that is required to be recorded as a capital lease on the face of the consolidated balance sheet of ours and our subsidiaries in accordance with GAAP.

Consolidated Net Tangible Assets means the excess of all of our consolidated assets over our consolidated current liabilities, as set forth on the face of our most recent internal quarterly or annual consolidated balance sheet prepared in accordance with GAAP after deducting goodwill, trademarks, patents, other like intangibles and minority interests of others (calculated on a pro forma basis to give effect to any acquisitions made subsequent to the date of such consolidated balance sheet and prior to or concurrent with the determination of Consolidated Net Tangible Assets).

Exempted Debt means the sum, without duplication, of the following items outstanding on the date Exempted Debt is being determined:

Indebtedness of ours and our Restricted Subsidiaries created, incurred or assumed after the date of the indenture and secured by mortgages, pledges or other liens that are not permitted by clauses (a) to (o) under Limitations on Liens ; and

Table of Contents

Attributable Debt of ours and our Restricted Subsidiaries in respect of all sale and leaseback transactions with regard to any Principal Property, or any substantial portion of any Principal Property, that is not permitted by the first paragraph under Limitations on Sale and Leaseback Transactions.

Funded Debt means all of our and our Restricted Subsidiaries indebtedness for borrowed money (i) having a maturity of more than one year from the date of its creation or having a maturity of less than one year from the date of its creation but by its terms being renewable or extendible, at the option of the obligor in respect of such indebtedness, beyond one year from the date of its creation and (ii) ranking, in the case of our indebtedness for borrowed money, pari passu or senior with the notes.

GAAP, with respect to any computations required or permitted under the indenture, means generally accepted accounting principles in effect in the United States as in effect from time to time; provided, however if we are required by the SEC to adopt (or are permitted to adopt and so adopt) a different accounting framework, including but not limited to the International Financial Reporting Standards, GAAP shall mean such new accounting framework as in effect from time to time, including, without limitation, in each case, those accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as approved by a significant segment of the accounting profession; provided further that, absent a new transaction, any such changes in GAAP shall not be deemed to result in a mortgage, pledge or other lien or a sale and leaseback transaction.

Indebtedness means, with respect to any person, at any date, any of the following, without duplication, (i) any liability, contingent or otherwise, of such person (A) for borrowed money (whether or not the recourse of the lender is to the whole of the assets of such person or only to a portion thereof), (B) evidenced by a note, bond, debenture or similar instrument or (C) for the payment of money relating to obligations in respect of a Capital Lease or other obligation (whether issued or assumed) relating to the deferred purchase price of property; (ii) all conditional sale obligations and all obligations under any title retention agreement (even if the rights and remedies of the seller under such agreement in the event of default are limited to repossession or sale of such property), but excluding trade accounts payable; (iii) all obligations for the reimbursement of any obligor on any letter of credit, banker s acceptance or similar credit transaction other than entered into in the ordinary course of business; (iv) all indebtedness of others secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any mortgage, pledge or other lien on any asset or property (including, without limitation, leasehold interests and any other tangible or intangible property) of such person, whether or not such indebtedness is assumed by such person or is not otherwise such person s legal liability, provided, that if the obligations so secured have not been assumed in full by such person or are otherwise not such person s legal liability in full, the amount of such indebtedness for the purposes of this definition shall be limited to the amount of such indebtedness secured by such mortgage, pledge or other lien; (v) all Indebtedness of others (including all interest and dividends on any Indebtedness or preferred stock of any other person for the payment of which is) guaranteed, directly or indirectly, by such person or that is otherwise its legal liability or which such person has agreed to purchase or repurchase or in respect of which such person has agreed contingently to supply or advance funds; and (vi) obligations in respect of Currency Agreements and Interest Swap Obligations (as such capitalized terms are defined in the indenture).

Principal Property means any single property consisting of land, land improvements, buildings and associated factory equipment owned or leased pursuant to a Capital Lease and used by us or a Restricted Subsidiary primarily for processing, producing, packaging or storing our or its products, raw materials, inventories or other materials and supplies and having an acquisition cost plus capitalized improvements in excess of 2% of Consolidated Net Tangible Assets as of the date of such determination; provided that the term Principal Property does not include any such property or asset that is financed through the issuance of tax exempt governmental obligations or an industrial revenue bond, pollution control bond or similar financing arrangement with any U.S. federal, state or municipal government or

other governmental body or agency, or any such property or asset that has been determined by a resolution of our board of directors not to be of material importance to us and our subsidiaries, taken as a whole, effective as of the date such resolution is adopted.

Table of Contents

Restricted Subsidiary means any subsidiary incorporated or organized under the laws of the United States of America, any state thereof or in the District of Columbia that is (a) a subsidiary guarantor of the notes or (b) owns, or is a lessee pursuant to a Capital Lease of, any Principal Property or which owns shares of capital stock or indebtedness of, or other ownership interests in, another Restricted Subsidiary, other than:

(i) each subsidiary the major part of whose business consists of finance, banking, credit, leasing, insurance, financial services or other similar operations, or any combination of such operations; and

(ii) each subsidiary formed or acquired after the date of the supplemental indenture for the purpose of acquiring the business or assets of another person and which does not acquire all or any substantial part of the business or assets of the Company or any Restricted Subsidiary;

provided, however, the board of directors of the Company may declare by resolution any such subsidiary to be a Restricted Subsidiary effective as of the date such resolution is adopted.

Merger, Consolidation and Sale of Assets

We will not consolidate or merge with or into any other entity, or sell, convey, transfer or lease all or substantially all our assets to another entity, unless:

- either we shall be the continuing entity, or the successor, transferee or lessee entity (if other than us) shall be organized and existing under the laws of the United States or any state thereof and shall, pursuant to a supplemental indenture, expressly assume prior to or simultaneously with such consolidation, merger, sale, conveyance, transfer or lease, all obligations under the indenture and the notes to be performed or observed by us;

- immediately after such consolidation, merger, sale, conveyance, transfer or lease we or the successor, transferee or lessee entity would not be in default in the performance of any covenant or condition of the indenture; and

- we shall have delivered to the trustee an officer s certificate and an opinion of counsel, each stating that such consolidation, merger, sale, conveyance, transfer or lease and such supplemental indenture comply with the relevant section of the indenture and that all conditions precedent provided for relating to such transaction have been complied with.

Although there is a developing body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, if the Company disposes of less than all its assets by any of the means described above, the applicability of the provision described above and the ability of a holder of notes to require us to repurchase its notes if and as permitted under Change of Control Repurchase Event may be uncertain. In such a case, holders of the notes may not be able to resolve this uncertainty without resorting to legal action.

In addition, if any of our wholly-owned domestic subsidiaries guarantees the notes in the future, such subsidiary guarantor shall not consolidate or merge with or into any other entity, or sell, convey, transfer or lease all or substantially all its assets to another entity, unless such subsidiary guarantor s guarantee is released under the

circumstances discussed under Possible Future Guarantees or:

either such subsidiary guarantor shall be the continuing entity, or the successor, transferee or lessee entity (if other than such subsidiary guarantor) shall, pursuant to a supplemental indenture, expressly assume prior to or simultaneously with such consolidation, merger, sale, conveyance, transfer or lease, all obligations under the subsidiary guarantee to be performed or observed by such subsidiary guarantor; and

such subsidiary guarantor shall have delivered to the trustee an officer s certificate and an opinion of counsel, each stating that such consolidation, merger, sale, conveyance, transfer or lease and such supplemental indenture comply with the relevant section of the indenture and that all conditions precedent provided for relating to such transaction have been complied with.

Table of Contents

Events of Default

An Event of Default with respect to the notes is defined as follows:

- failure to pay interest on the notes, which continues for 30 days;

- failure to pay principal of or premium, if any, on the notes at the stated maturity date, or upon earlier redemption, repurchase or acceleration or otherwise;

- failure to perform or breach of any covenant of ours in the indenture (other than a default in the performance or breach of a covenant included in the indenture solely for the benefit of debt securities of the Company other than the notes), which continues for 90 days after written notice has been given to us by the trustee or to us and the trustee by the holders of at least 25% in aggregate principal amount of the notes then outstanding;

- any subsidiary guarantee of the notes of a Significant Subsidiary (as defined below) ceases to be in full force and effect (other than in accordance with the terms of such subsidiary guarantee and the indenture as the same may be amended from time to time) and such default continues for 30 days after notice or any subsidiary guarantor of the notes that is a Significant Subsidiary denies or disaffirms its obligations under its subsidiary guarantee;

- default by us or any of our subsidiaries under any bond, debenture, note, mortgage, indenture or instrument evidencing or securing Indebtedness that is recourse to our assets or those of our subsidiaries, which default (a) shall constitute a failure to pay an aggregate principal amount exceeding $75.0 million of such Indebtedness when due and payable after the expiration of any applicable grace period with respect thereto or (b) has resulted in such Indebtedness in an aggregate principal amount exceeding $75.0 million 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 30 days after the date of acceleration of such Indebtedness; and

- certain events of bankruptcy, insolvency or reorganization with respect to us or any subsidiary guarantor of the notes if such subsidiary guarantor is a Significant Subsidiary.

For purposes of the preceding paragraph, Significant Subsidiary shall mean any subsidiary of the Company that would be a significant subsidiary of the Company within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC.

The indenture provides that, if any Event of Default with respect to the notes occurs and is continuing (other than an Event of Default relating to certain specified events under bankruptcy, insolvency or similar laws), either the trustee or the holders of not less than 25% in principal amount of the notes then outstanding may declare the principal amount of (and all accrued and unpaid interest and premium, if any, on) all notes to be due and payable immediately. If an Event of Default relating to certain specified events under bankruptcy, insolvency or similar laws occurs and is continuing,

then the principal amount of all the outstanding notes shall automatically become due and payable immediately without any declaration or other action on the part of the trustee or the holders of the notes. Under certain conditions a declaration may be rescinded and annulled and past defaults (except, unless theretofore cured, a default in payment of principal of or premium, if any, or interest, if any, on the notes and certain other specified defaults) may be waived by the holders of not less than a majority in principal amount of the notes on behalf of the holders of all the notes.

Within 90 days after the occurrence of a default, and if known to the trustee, the trustee shall give notice to the holders of the notes of the default, unless such default shall have been cured or waived before the giving of such notice. Except in the case of a default in payment of the principal of, premium, if any, or interest on the notes, the trustee shall be protected in withholding such notice, if the trustee in good faith determines that the withholding of such notice is in the interests of the holders. For purposes of the provision described in this paragraph, the term default with respect to any notes means any event which is, or after notice or lapse of time or both, would become an Event of Default specified in the indenture with respect to the notes.

Table of Contents

The trustee is required, during a default, to act with the standard of care provided in the Trust Indenture Act of 1939, as amended (the Trust Indenture Act). The indenture provides that the holders of a majority in principal amount of the notes may direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee with respect to the notes. However, the indenture contains a provision entitling the trustee to be indemnified to its satisfaction by holders of the notes before proceeding to exercise any right or power vested in it under the indenture at the request or direction of the holders of the notes. The terms of the indemnification required by the trustee will depend on the nature of the right or power requested or directed to be exercised by the holders and the circumstances that exist at that time. Generally, the trustee would expect to be fully protected for all actions.

Modification and Waiver

Modifications and amendments may be made by us and the trustee to the indenture, without the consent of any holder of the notes, to, among other things:

add to the covenants and agreements with respect to us and to add Events of Default, in each case for the protection or benefit of the holders, or to surrender any right or power conferred upon us;

evidence the succession of another corporation to us, or successive successions, and the assumption by such successor of the covenants and obligations of ours;

evidence and provide for the acceptance of appointment under the indenture by a successor trustee and add to or change any of the provisions of the indenture as shall be necessary for or to facilitate the administration of the trusts thereunder by more than one trustee;

secure the notes or add subsidiary guarantors or other guarantors or co-obligors with respect to the notes;

release guarantees as provided by the terms of the indenture;

cure any ambiguity or correct or supplement any provision contained in the indenture which may be defective or inconsistent with any other provision in the indenture;

add to or change or eliminate any provision of the indenture as shall be necessary or desirable in accordance with any amendments to the Trust Indenture Act;

make any change that does not adversely affect in any material respect the interests of the holders of the notes;

provide for uncertificated securities in addition to certificated securities;

permit or facilitate the defeasance and discharge of the notes, provided that any such action shall not adversely affect the interests of the holders of the notes or any other series of securities issued under the indenture; or

conform the terms of the indenture or the notes to the description thereof contained in this prospectus supplement, the accompanying prospectus or other offering material distributed to investors by us and the underwriters.

The indenture contains provisions permitting us and the trustee, with the consent of the holders of a majority in aggregate principal amount of the notes then outstanding, to execute supplemental indentures adding any provisions to or changing or eliminating any of the provisions of the indenture or modifying the rights of the holders of the notes, except that no such supplemental indenture may, without the consent of the holder of each note affected thereby:

extend the stated maturity date of the principal of, or change any interest payment date applicable to, the notes, or reduce the principal amount thereof or interest thereon or any premium payable on the stated maturity date or earlier redemption of the notes or change the place of payment where, or the

Table of Contents

currency in which the principal of and premium, if any, or interest on the notes is denominated or payable (except those provisions relating to the covenant described above under Change of Control Repurchase Event);

reduce the percentage in principal amount of the notes, the consent of whose holders is required for any supplemental indenture or for waiver of compliance with certain provisions of the indenture or certain defaults thereunder;

reduce the percentage of holders of the notes required to consent to any waiver of defaults, covenants or supplemental indentures; or

modify, without the written consent of the trustee, the rights, duties or immunities of the trustee.

The holders of a majority in aggregate principal amount of the outstanding notes may, on behalf of all the holders of all notes:

waive compliance by us with certain restrictive provisions of the indenture, as detailed in the indenture; or

waive any past default or Event of Default under the indenture and its consequences, except a default or Event of Default in the payment of any amount due with respect to any note, or in respect of any provision which under the indenture cannot be modified or amended without the consent of the holder of each outstanding note affected.

Satisfaction and Discharge

The indenture will cease to be of further effect with respect to the notes if:

all notes (other than destroyed, lost or stolen notes which have been replaced or paid and notes, the payment for which has been held in trust and thereafter repaid to us or discharged from such trust) have been delivered to the trustee for cancellation; or

all notes not previously delivered to the trustee for cancellation have become due and payable or are by their terms to become due and payable at their stated maturity date within one year or are to be called for redemption within one year under arrangements satisfactory to the trustee, and we have deposited with the trustee, as trust funds, an amount sufficient to pay and discharge the entire indebtedness on the notes for principal and any premium and interest to the date of such deposit or to the stated maturity date or date of earlier redemption, as the case may be.

Such trust may only be established if:

we have paid or caused to be paid all other sums payable by us under the indenture; and

we have delivered to the trustee an officer s certificate and an opinion of counsel, each stating that all conditions precedent provided for in the indenture relating to the satisfaction and discharge of the indenture have been complied with.

Defeasance

The notes will provide us with the option to discharge our, and, if applicable, any subsidiary guarantor s, obligations with respect to the notes or to cease to be obligated to comply with the covenants described above under Certain Covenants Limitations on Liens and Certain Covenants Limitations on Sale and Leaseback Transactions. In order to exercise such option, we will be required to deposit with the trustee money and/or U.S. government obligations which, through the payment of interest and principal in respect thereof in accordance with their terms, will provide money in an amount sufficient to pay the principal of, and premium, if any, and interest on, the notes at the stated maturity of such payments in accordance with the terms of the indenture and such notes.

Table of Contents

Such trust may only be established if:

- no default or event that with notice or lapse of time or both would become an Event of Default shall have occurred and be continuing on the date of such deposit (other than a default resulting from the borrowing of funds that are the subject of such deposit or the imposition of liens in connection therewith in respect of assets other than such deposit);

- we have delivered to the trustee:

  - an opinion of counsel, stating that the holders of the notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of our exercise of this defeasance option and will be subject to U.S. federal income tax on the same amounts and in the same manner and at the same times as would have been the case if we had not exercised this option; and

  - in the case of the notes being discharged, accompanied by a ruling to that effect received from or published by the U.S. Internal Revenue Service (the IRS).

In the event we effect covenant defeasance with respect to the notes and the notes are declared due and payable because of the occurrence of any Event of Default other than an Event of Default with respect to the covenants as to which covenant defeasance has been effected, which covenants would no longer be applicable to the notes after covenant defeasance, the amount of moneys and/or government obligations deposited with the trustee to effect covenant defeasance may not be sufficient to pay amounts due on the notes at the time of any acceleration resulting from that Event of Default. However, we would remain liable to make payment of those amounts due at the time of acceleration.

Calculations in Respect of the Notes

Except as explicitly specified otherwise herein, we will be responsible for making all calculations required under the notes. We will make all these calculations in good faith and, absent manifest error, our calculations will be final and binding on holders of the notes. The trustee is entitled to rely upon the accuracy of such calculations without independent verification.

Trustee

U.S. Bank National Association will initially act as the trustee, registrar and paying agent for the notes, subject to replacement at our option.

Book-Entry System

The notes will be issued in the form of one or more fully registered global securities (Global Securities) that will be deposited with, or on behalf of, DTC and registered in the name of DTC s partnership nominee, Cede & Co. Except under the circumstance described below, the notes will not be issuable in certificated form. Unless and until it is exchanged in whole or in part for the individual notes it represents, a Global Security may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC or by DTC or any

nominee of DTC to a successor depository or any nominee of such successor.

Investors may elect to hold their interest in the Global Securities through either DTC, Clearstream Banking, S.A. (Clearstream) or Euroclear Bank S.A./N.V. (Euroclear) if they are participants in these systems, or indirectly through organizations which are participants in these systems. Clearstream and Euroclear will hold interests on behalf of their participants though customers securities accounts in Clearstream and Euroclear s names on the books of their respective depositaries, which in turn will hold interests in customers securities accounts in the depositaries names on the books of DTC. At the present time, Citibank, N.A. acts as U.S. depositary for Clearstream and JPMorgan Chase Bank, N.A. acts as U.S. depositary for Euroclear.

Table of Contents

DTC has advised us of the following information regarding DTC: DTC 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 holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments that DTC s participants (Direct Participants) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (DTCC). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (Indirect Participants). The DTC rules applicable to its participants are on file with the SEC.

Purchases of Global Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Global Securities on DTC s records. The ownership interest of each actual purchaser of each Global Security (Beneficial Owner) is in turn to be recorded on the Direct and Indirect Participants records. Beneficial Owners will not r