

# SEARS HOLDINGS CORPORATION

## OFFER TO PURCHASE FOR CASH

### Up to an Aggregate Principal Amount of \$1,000,000,000 of the Outstanding 6<sup>5</sup>/<sub>8</sub>% Senior Secured Notes due 2018

Title of Security/CUSIP No.	Outstanding Principal Amount	Tender Cap	Tender Offer Consideration <sup>(1)</sup>	Early Tender Premium <sup>(2)</sup>	Total Consideration <sup>(1)(3)</sup>
6 <sup>5</sup> / <sub>8</sub> % Senior Secured Notes due 2018 (CUSIP Nos. 812350AE6, 812350AD8, 812350AC0 and U8124CAB0)	\$1,238,000,000	\$1,000,000,000	\$960	\$30	\$990

- (1) Per \$1,000 principal amount of Notes (as defined below) validly tendered (and not validly withdrawn) and accepted for purchase. Holders (as defined below) of Notes will also receive accrued and unpaid interest on Notes accepted for purchase up to, but excluding, the Early Settlement Date or the Final Settlement Date (each as defined below), as applicable.
- (2) Per \$1,000 principal amount of Notes validly tendered (and not validly withdrawn) on or prior to the Early Tender Date and accepted for purchase.
- (3) Consists of the Tender Offer Consideration and the Early Tender Premium.

**The Offer (as defined below) will expire at 11:59 p.m., New York City time, on August 28, 2015, unless extended or earlier terminated (such date and time, as the same may be extended or earlier terminated, the “Expiration Date”). If you choose to tender and wish to qualify to receive the Total Consideration (as defined below), you must validly tender and not validly withdraw your Notes (as defined below) at or prior to 5:00 p.m., New York City time, on August 14, 2015, unless extended (such date and time, as the same may be extended, the “Early Tender Date”). Notes validly tendered may not be validly withdrawn after 5:00 p.m., New York City time, on August 14, 2015, unless extended (such date and time, as the same may be extended, the “Withdrawal Deadline”). Notes validly tendered and not validly withdrawn at or prior to the Early Tender Date are expected to settle on August 17, 2015 (the “Early Settlement Date”). If you validly tender your Notes after the Early Tender Date but at or prior to the Expiration Date and do not validly withdraw your Notes, you will qualify to receive only the Tender Offer Consideration, which is equal to the Total Consideration minus the Early Tender Premium (as defined below). Notes validly tendered after the Early Tender Date, but at or prior to the Expiration Date, are expected to settle on August 31, 2015 (the “Final Settlement Date”).**

The Dealer Manager for the Offer is:

**Jefferies**

The date of this Offer to Purchase is August 3, 2015.

Sears Holdings Corporation, a Delaware corporation (the “*Company*,” “*us*” or “*we*”), hereby offers to purchase for cash up to an aggregate principal amount of \$1,000,000,000 (such amount, the “*Tender Cap*”) of its outstanding 6<sup>5</sup>/<sub>8</sub>% Senior Secured Notes due 2018 (the “*Notes*”). We refer to the offer to purchase the Notes as the “*Offer*.” The Offer is being made upon the terms and subject to the conditions set forth in this Offer to Purchase (as it may be amended or supplemented from time to time, this “*Offer to Purchase*”) and the accompanying Letter of Transmittal (as it may be amended or supplemented from time to time, the “*Letter of Transmittal*”), including that the principal amount of Notes purchased in the Offering may be prorated as set forth herein. The Offer is open to all registered holders (individually, a “*Holder*,” and collectively, the “*Holder*s”) of the Notes. As of the date of this Offer to Purchase, the aggregate principal amount of Notes outstanding is \$1,238,000,000.

Holder of Notes that are validly tendered at or prior to the Early Tender Date, not validly withdrawn at or prior to the Withdrawal Deadline and accepted for purchase will receive the “*Total Consideration*,” which includes the Early Tender Premium (the “*Early Tender Premium*”), in the amounts set forth in the table on the front cover of this Offer to Purchase. Holders of Notes that are validly tendered after the Early Tender Date but at or prior to the Expiration Date and accepted for purchase will receive only the Total Consideration minus the Early Tender Premium (the “*Tender Offer Consideration*”). In addition to the Total Consideration or the Tender Offer Consideration, as the case may be, Holders who validly tender and do not validly withdraw their Notes and whose Notes are accepted for purchase in the Offer will also be paid any applicable accrued and unpaid interest from, and including, the last interest payment date up to, but excluding, the applicable Settlement Date (as defined below). The Tender Offer Consideration, the Early Tender Premium, if any, and any applicable accrued and unpaid interest will be payable on the applicable Settlement Date.

The principal amount of the Notes purchased pursuant to the Offer will not exceed the Tender Cap, which is \$1,000,000,000 unless otherwise changed or amended. **Notes validly tendered after the Early Tender Date but at or prior to the Expiration Date will be eligible for purchase only if and to the extent that the aggregate principal amount of the Notes purchased on the Early Settlement Date, which the Company expects to be August 17, 2015, is less than the Tender Cap.** If Holders of Notes validly tender (and do not validly withdraw) Notes in an aggregate principal amount in excess of the Tender Cap, we will accept an aggregate principal amount of the Notes up to the Tender Cap and any tendered Notes may be subject to proration (as described below).

Valid tenders of Notes pursuant to the Offer will be accepted only in principal amounts of \$2,000 or integral multiples of \$1,000 in excess thereof, as described below in “Terms of the Offer—Tender Cap and Proration.” In the application of the proration calculation for the Offer, the Company will round the principal amount of the Notes to be accepted for purchase from each Holder down to \$2,000 or the nearest integral multiple of \$1,000 in excess thereof, as described below in “Terms of the Offer—Tender Cap and Proration.”

Subject to the terms and conditions set forth in this Offer to Purchase and the Letter of Transmittal including that the principal amount of Notes purchased in the Offering may be prorated as set forth herein, the Total Consideration plus any accrued and unpaid interest from, and including, the last interest payment date up to, but excluding, the Early Settlement Date to

which a Holder that tenders (and does not validly withdraw) at or prior to the Early Tender Date is entitled pursuant to the Offer will be paid on the Early Settlement Date, which the Company expects to be August 17, 2015, and the Tender Offer Consideration plus any accrued and unpaid interest from, and including, the last interest payment date up to, but excluding, the Final Settlement Date (together with the Early Settlement Date, each, a “*Settlement Date*”), to which a Holder that tenders (and does not validly withdraw) after the Early Tender Date but at or prior to the Expiration Date is entitled pursuant to the Offer will be paid on the Final Settlement Date, which the Company expects to be August 31, 2015. Under no circumstances will any interest on the Total Consideration or the Tender Offer Consideration, as applicable, be payable because of any delay in the transmission of funds to Holders.

**Tenders of Notes may be validly withdrawn at any time at or prior to the Withdrawal Deadline but, except as provided herein or as required by law (as determined by the Company in its sole discretion), not thereafter.** The Company may extend or otherwise amend the Early Tender Date or the Expiration Date, or change the Tender Cap, without extending or otherwise reinstating the withdrawal rights of Holders, unless required by law (as determined by the Company in its sole discretion).

**Notwithstanding any other provision of the Offer, the Company’s obligation to accept for purchase, and to pay for, any Notes validly tendered (and not validly withdrawn) pursuant to the Offer is subject to and conditioned upon the satisfaction of, or the Company’s waiver of, the conditions described in this Offer to Purchase under the heading “Terms of the Offer—Conditions of the Offer” (collectively, the “*Conditions*”). The Conditions are for the sole benefit of the Company and may be asserted by the Company, regardless of the circumstances giving rise to any such Condition (including any action or inaction by the Company). The Company reserves the right, in its sole discretion, to waive or modify any one or more of the Conditions, in whole or in part, at any time. See “Terms of the Offer—Conditions of the Offer.”** The Offer is not conditioned on any minimum amount of Notes being tendered.

The Company expressly reserves the right, in its sole discretion, subject to applicable law, to (1) terminate the Offer and not accept for purchase any of the Notes not theretofore accepted for purchase, (2) waive any and all of the Conditions at or prior to the time the Notes are accepted for purchase, (3) accept for purchase and pay for all Notes validly tendered at or prior to the Early Tender Date or Expiration Date and not validly withdrawn at or prior to the Withdrawal Deadline and to keep the Offer open or extend the Early Tender Date, Withdrawal Deadline or Expiration Date to a later date and time or (4) otherwise amend the terms and conditions of the Offer. The foregoing rights are in addition to the Company’s right to delay acceptance for purchase of Notes tendered in the Offer or to delay the payment for Notes accepted for purchase to comply in whole or in part with any applicable law, subject to Rule 14e-1(c) under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), which requires that an offeror pay the consideration offered or return the securities deposited by or on behalf of the holders thereof promptly after the expiration or withdrawal of a tender offer.

All of the Notes are held in book-entry form. In the event of a termination or withdrawal of the Offer, Notes will be promptly credited to the Holder through The Depository Trust Company (“*DTC*”) and the Holder’s DTC participant. In the event tendered Notes are not

purchased due to proration, the Tender Cap or because the Offer is terminated or withdrawn, they will be promptly credited to the Holder's account in the same manner. Upon the terms and subject to the conditions of the Offer, we will notify D.F. King & Co., Inc. (which is the Tender Agent in the Offer, as well as the Information Agent for the Offer, which we refer to variously as "*Tender Agent*," "*Information Agent*" and "*Tender and Information Agent*"), promptly after the Early Tender Date or the Expiration Date, as applicable, which Notes validly tendered (and not validly withdrawn) are accepted for purchase and payment pursuant to the Offer.

**This Offer to Purchase (including the documents incorporated by reference herein) and the accompanying Letter of Transmittal should be read carefully before a decision is made with respect to the Offer.**

## IMPORTANT INFORMATION

In order to validly tender Notes, a Holder should request its broker, dealer, commercial bank, trust company or other nominee to effect the transaction for such Holder under the procedures for book-entry delivery set out in this Offer to Purchase and the accompanying Letter of Transmittal. Only registered Holders of Notes are entitled to tender Notes. **A beneficial owner whose Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if such beneficial owner desires to tender Notes and instruct such broker, dealer, commercial bank, trust company or other nominee to tender the Notes on behalf of such beneficial owner. See “Terms of the Offer—How to Tender Notes.”**

DTC has authorized DTC participants that hold Notes on behalf of beneficial owners through DTC to tender their Notes as if they were beneficial owners. To effect such a tender, DTC participants must deliver such Notes to the Tender Agent, through book-entry transfer as set forth in “Terms of the Offer—How to Tender Notes,” and either (1) deliver to the Tender Agent a completed and signed Letter of Transmittal (or a facsimile) and have the signature guaranteed if required by the terms of the Letter of Transmittal or (2) electronically submit their acceptance, if any (the “*Request Message*”), through the DTC Automated Tender Offer Program (“*ATOP*”), for which the transaction will be eligible.

We have not provided guaranteed delivery provisions in connection with the Offer. You must tender your Notes in accordance with the procedures set forth under “Terms of the Offer—How to Tender Notes.”

Requests for additional copies of this Offer to Purchase and the Letter of Transmittal and requests for assistance relating to the procedures for tendering Notes may be directed to the Information Agent at the address and telephone number on the back cover of this Offer to Purchase. Requests for assistance relating to the terms and conditions of the Offer may be directed to the Dealer Manager at the address and telephone numbers on the back cover of this Offer to Purchase. Beneficial owners whose Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance regarding the Offer.

**THIS OFFER TO PURCHASE DOES NOT CONSTITUTE AN OFFER TO PURCHASE NOTES IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER UNDER APPLICABLE SECURITIES OR BLUE SKY LAWS. THE DELIVERY OF THIS OFFER TO PURCHASE SHALL NOT, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE OR THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION SET FORTH HEREIN OR IN THE LETTER OF TRANSMITTAL OR RELATED DOCUMENTS OR ANY DOCUMENTS INCORPORATED HEREIN BY REFERENCE OR IN OUR AFFAIRS SINCE THE DATE HEREOF.**

**THIS OFFER TO PURCHASE HAS NOT BEEN FILED WITH OR REVIEWED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY**

**AUTHORITY OF ANY JURISDICTION, NOR HAS ANY SUCH COMMISSION OR AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFER TO PURCHASE OR THE LETTER OF TRANSMITTAL OR ANY RELATED DOCUMENTS. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL AND MAY BE A CRIMINAL OFFENSE.**

See “Certain U.S. Federal Income Tax Considerations” for a discussion of certain U.S. federal income tax considerations that should be considered carefully in evaluating the Offer.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Offer to Purchase, and, if given or made, such information or representation may not be relied upon as having been authorized by us, the Dealer Manager, the Tender and Information Agent, the Trustee or any registrar, paying agent or any of their respective affiliates.

At any time and from time to time before, during and following the Offer, we or our affiliates may purchase additional Notes in the open market, in privately negotiated transactions, through tender offers, exchange offers or otherwise, or may redeem or defease Notes pursuant to the terms of the Indenture (the “*Indenture*”), dated as of October 12, 2010, among the Company, the guarantors party thereto and Wilmington Trust, National Association, as successor trustee (the “*Trustee*”), which governs the Notes.

Any future purchases may be on the same terms and conditions or on terms, including prices, and conditions that are more or less favorable to Holders of Notes than the terms and conditions of the Offer and could be for cash or other consideration. Any future purchases, redemptions or defeasances by us will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives or combinations thereof we may pursue in the future.

In addition, affiliates of the Company may be beneficial owners of the Notes and may participate in the Offer on the same terms, and subject to the same conditions and limitations, as those who are not affiliates of the Company. The Company has been advised that ESL Investments, Inc. and its affiliates intend to tender at least fifty percent (50%) of the Notes they beneficially own in the Offer, although they have not entered into any agreement with the Company obligating them to do so.

**THIS OFFER TO PURCHASE AND THE LETTER OF TRANSMITTAL (AND THE DOCUMENTS INCORPORATED BY REFERENCE HEREIN) CONTAIN IMPORTANT INFORMATION THAT YOU SHOULD READ CAREFULLY BEFORE YOU MAKE ANY DECISION WITH RESPECT TO A TENDER OF NOTES PURSUANT TO THE OFFER.**

**NONE OF THE COMPANY, OUR BOARD OF DIRECTORS, THE TENDER AND INFORMATION AGENT, THE DEALER MANAGER, THE TRUSTEE OR ANY OF THEIR RESPECTIVE AFFILIATES IS MAKING ANY RECOMMENDATION AS TO WHETHER OR NOT YOU SHOULD TENDER ANY OR ALL OF YOUR NOTES IN THE OFFER OR REFRAIN FROM TENDERING ANY OR ALL OF YOUR NOTES,**

**AND NONE OF THEM HAS AUTHORIZED ANY PERSON TO MAKE ANY SUCH RECOMMENDATION. HOLDERS ARE URGED TO EVALUATE CAREFULLY ALL INFORMATION IN THE OFFER DOCUMENTS, CONSULT THEIR OWN INVESTMENT AND TAX ADVISORS AND MAKE THEIR OWN DECISIONS WHETHER TO TENDER ANY OR ALL NOTES, AND, IF SO, THE PRINCIPAL AMOUNT OF NOTES TO BE TENDERED.**

## Important Dates

Holders of Notes should be aware of the following dates in connection with the Offer:

<b>Date</b>	<b>Calendar Date and Time</b>	<b>Event</b>
Launch Date .....	August 3, 2015.	Commencement of the Offer.
Early Tender Date .....	5:00 p.m., New York City time, on August 14, 2015, unless extended, or the Offer is earlier terminated, by the Company in its sole discretion.	The last time and day for Holders to tender Notes to qualify for payment of the Total Consideration.
Withdrawal Deadline .....	5:00 p.m., New York City time, on August 14, 2015, unless extended, or the Offer is earlier terminated, by the Company in its sole discretion and except in certain limited circumstances where additional withdrawal rights are required by law.	The last time and day for Holders who have tendered Notes to validly withdraw such Notes.
Early Settlement Date .....	The Company expects that the Early Settlement Date will be August 17, 2015. The Company may, in its sole discretion, modify this date if the Early Tender Date is extended.	The day on which the Company will deposit with DTC, upon the Tender Agent's instructions, the amount of cash necessary to pay to each Holder whose Notes are validly tendered (and not validly withdrawn) at or prior to the Early Tender Date and accepted for purchase, subject to any applicable proration, the Total Consideration plus any accrued and unpaid interest in respect of the applicable Notes.
Expiration Date .....	11:59 p.m., New York City time, on August 28, 2015, unless the Offer is extended or earlier terminated by the	The last time and day for Holders to tender Notes to qualify for payment of the Tender Offer Consideration



	Company in its sole discretion.	for Notes tendered after the Early Tender Date.
Final Settlement Date.....	The Company expects that the Final Settlement Date for the Offer will be August 31, 2015. The Company may, in its sole discretion, modify this date if the Expiration Date is extended with respect to the Offer.	The day on which the Company will deposit with DTC, upon the Tender Agent's instructions, the amount of cash necessary to pay to each Holder whose Notes are validly tendered (and not validly withdrawn) after the Early Tender Date and at or prior to the Expiration Date and accepted for purchase, subject to proration, the Tender Offer Consideration plus any applicable accrued and unpaid interest in respect of such Notes.

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## SUMMARY

The following summary is qualified in its entirety by reference to the more detailed information appearing elsewhere or incorporated by reference in this Offer to Purchase and the Letter of Transmittal. Capitalized terms not otherwise defined in this summary have the meanings assigned to them elsewhere in this Offer to Purchase.

The Offeror ..... The Offer is being made by Sears Holdings Corporation, a Delaware corporation.

The Notes .....	<u>Title of Security</u>	<u>CUSIP Nos.</u>	<u>Principal Amount Outstanding</u>
	6 <sup>5</sup> / <sub>8</sub> % Senior Secured Notes due 2018	812350AE6, 812350AD8, 812350AC0 and U8124CAB0	\$1,238,000,000

The Notes are governed by the Indenture.

The Offer..... The Company is offering to purchase for cash, upon the terms and subject to the conditions set forth in this Offer to Purchase (including, without limitation, the Tender Cap), Notes at the prices per Note set forth in this Offer to Purchase.

Tender Cap..... The Offer is subject to the Tender Cap of \$1,000,000,000. We may change the Tender Cap at any time before the Early Settlement Date or the Final Settlement Date in our sole discretion, subject to applicable law (as determined in our sole discretion). If Holders of the Notes validly tender Notes in an aggregate principal amount in excess of the Tender Cap at the Early Tender Date or the Expiration Date, we will accept an aggregate principal amount of Notes up to the Tender Cap and any tendered Notes will be subject to proration.

Purpose of the Offer; Source of Funds ..... We are undertaking the Offer to retire a portion of our outstanding debt. Any Notes that are tendered and accepted for purchase by us in the Offer will be cancelled. We will fund purchases of Notes pursuant to the Offer with cash on hand.

Expiration Date ..... The Offer will expire at 11:59 p.m., New York City time, on August 28, 2015, unless it is extended or earlier terminated. If a broker, dealer, commercial bank, trust company or other nominee holds your

	Notes, such nominee may have an earlier deadline for you to accept the Offer. You should promptly contact the broker, dealer, commercial bank, trust company or other nominee that holds your Notes to determine its deadline.
Early Tender Premium.....	Each Holder who validly tenders and does not validly withdraw its Notes at or prior to the Early Tender Date and whose Notes are accepted for purchase will be entitled to receive the Total Consideration, which includes the Early Tender Premium, with respect to the Notes so tendered and accepted for purchase. A Holder validly tendering its Notes after the Early Tender Date but at or prior to the Expiration Date will receive only the Tender Offer Consideration with respect to the Notes so tendered (and not validly withdrawn) and accepted for purchase.
Early Tender Date.....	The Early Tender Date for the Offer will be at 5:00 p.m., New York City time, on August 14, 2015, unless extended, or the Offer is earlier terminated, by the Company in its sole discretion.
Consideration for the Offer.....	<p>The consideration for each \$1,000 principal amount of Notes tendered and accepted for payment will be determined in the manner described in this Offer to Purchase. Holders who validly tender and do not validly withdraw their Notes at or prior to the Early Tender Date and whose Notes are accepted for purchase will receive the Total Consideration.</p> <p>Holders who validly tender their Notes and do not validly withdraw their Notes after the Early Tender Date but at or prior to the Expiration Date and whose Notes are accepted for purchase will receive only the Tender Offer Consideration.</p>
Total Consideration.....	The Total Consideration, which includes the Early Tender Premium, is \$990 per \$1,000 principal amount of Notes validly tendered at or prior to the Early Tender Date, not validly withdrawn at or prior to the Withdrawal Deadline and accepted for purchase. The Early Tender Premium is included in the Total Consideration and is NOT paid in addition to the Total Consideration.

Early Tender Premium .....	\$30 per \$1,000 principal amount of Notes validly tendered at or prior to the Early Tender Date, not validly withdrawn at or prior to the Withdrawal Deadline and accepted for purchase.
Tender Offer Consideration .....	The Total Consideration minus the Early Tender Premium per \$1,000 principal amount of Notes validly tendered, not validly withdrawn at or prior to the Withdrawal Deadline and accepted for purchase.
Accrued Interest .....	Subject to the terms and conditions of the Offer, in addition to the Total Consideration or the Tender Offer Consideration, as the case may be, Holders who validly tender and do not validly withdraw their Notes and whose Notes are accepted for purchase in the Offer will also be paid any applicable accrued and unpaid interest from, and including, the last interest payment date up to, but excluding, the applicable Settlement Date, payable on the applicable Settlement Date.
Settlement Dates .....	<p>The Early Settlement Date will occur promptly after the Early Tender Date. Assuming the Early Tender Date is not extended or the Offer earlier terminated, the Company expects that the Early Settlement Date for the Offer will be August 17, 2015.</p> <p>The Final Settlement Date will occur promptly after the Expiration Date. Assuming the Offer is not extended or earlier terminated, the Company expects that the Final Settlement Date for the Offer will be August 31, 2015.</p>
Proration.....	<p>The Offer is subject to the Tender Cap as set forth on the cover page of this Offer to Purchase. In the event that the aggregate principal amount of Notes validly tendered and not validly withdrawn exceeds the Tender Cap, then the principal amount of the Notes purchased will be limited to the Tender Cap and the purchase thereof will be prorated as set forth in this Offer to Purchase. Any tendered Notes that are not accepted for purchase as a result of proration will be returned to the tendering Holders by book-entry delivery through DTC to the accounts of the tendering Holders promptly after the Expiration Date.</p> <p>Because the Offer features both an Early Settlement Date and a Final Settlement Date, Notes validly tendered (and not validly withdrawn) at or prior to the</p>

Early Tender Date will have priority over Notes validly tendered (and not validly withdrawn) after the Early Tender Date but at or prior to the Expiration Date. Notes validly tendered (and not validly withdrawn) after the Early Tender Date but at or prior to the Expiration Date will be eligible for purchase only if and to the extent that the principal amount of the Notes accepted for purchase on the Early Settlement Date is less than the Tender Cap.

Acceptance of Tendered Notes and Payment.....

Subject to the terms and conditions of the Offer, the Company will (1) accept for purchase Notes validly tendered (or defectively tendered, if the Company has waived such defect in its sole discretion) and not validly withdrawn, subject to the Tender Cap and the resulting possible proration as described in this Offer to Purchase, and (2) promptly pay the Total Consideration or Tender Offer Consideration, as the case may be, plus any applicable accrued and unpaid interest, on the applicable Settlement Date for all Notes accepted for purchase thereon.

The Company reserves the right, subject to applicable law, with respect to any Notes to (1) accept for purchase and pay for all Notes validly tendered at or prior to the Early Tender Date or Expiration Date and not validly withdrawn at or prior to the Withdrawal Deadline and to keep the Offer open or extend the Early Tender Date, Withdrawal Deadline and/or Expiration Date to a later date and time as announced by the Company, (2) waive any or all Conditions to the Offer, (3) change the Tender Cap or (4) terminate or otherwise amend the Offer. The Company may exercise these rights in its sole discretion.

Conditions of the Offer .....

The Company's obligation to accept for purchase, and to pay for, Notes validly tendered and not validly withdrawn is subject to, and conditioned upon, the satisfaction or, where applicable, waiver of the Conditions, including, among others, the condition that no change or changes have occurred or are threatened that, in the Company's reasonable judgment, would, or would reasonably be expected to, materially and adversely affect the Company and its subsidiaries or the ability to consummate or the contemplated benefits of the Offer to the Company. See "Terms of the Offer—

	<p>Conditions of the Offer.” The Offer is not conditioned on any minimum amount of Notes being tendered. Subject to applicable law, the Company expressly reserves the right, in its sole discretion, to terminate the Offer at any time. If the Offer is terminated at any time, then the Notes tendered pursuant to the Offer will be promptly returned to the tendering Holders by book-entry delivery through DTC to the accounts of the tendering Holders.</p>
How to Tender Notes .....	<p>See “Terms of the Offer—How to Tender Notes.” For further information, call the Information Agent or consult your broker, dealer, commercial bank, trust company or other nominee for assistance.</p>
Withdrawal Rights .....	<p>Notes tendered pursuant to the Offer may only be validly withdrawn at any time at or prior to the Withdrawal Deadline, but not thereafter, by following the procedures described herein. The Withdrawal Deadline will be 5:00 p.m., New York City time, on August 14, 2015, unless extended by the Company. <b>Any Notes tendered after the Withdrawal Deadline but at or prior to the Expiration Date may not be withdrawn, except in certain limited circumstances where additional withdrawal rights are required by law.</b> See “Terms of the Offer—Withdrawal of Tendered Notes.”</p>
Certain Considerations.....	<p>See “Terms of the Offer—Certain Significant Considerations” for a discussion of certain factors that should be considered in evaluating the Offer.</p>
Extensions, Amendments and Termination.....	<p>The Company reserves the right to extend the Early Tender Date, the Withdrawal Deadline and/or the Expiration Date, to change the Tender Cap and, subject to applicable law, to terminate the Offer and not accept for purchase any Notes not theretofore accepted for purchase pursuant to the Offer, and otherwise amend the terms of the Offer in any respect. However, the Company is not required to, and most likely will not, permit withdrawal in connection with any such extension or amendment. Any such extension, amendment or change in the Tender Cap, or termination by the Company, will be followed as promptly as practicable by announcement thereof. Without limiting the manner in which the Company may choose to make</p>



	such announcement, the Company will not, unless otherwise required by law, have any obligation to advertise or otherwise communicate any such announcement other than by issuing a press release or by such other means of announcement as the Company may deem appropriate.
Certain U.S. Federal Income Tax Considerations.....	Generally, the sale of the Notes for cash pursuant to the Offer will be a taxable event for U.S. federal income tax purposes. For a discussion of certain U.S. federal income tax considerations of the Offer applicable to Holders of Notes, see “Certain U.S. Federal Income Tax Considerations.”
Dealer Manager.....	Jefferies LLC is serving as Dealer Manager (the “ <i>Dealer Manager</i> ”) in connection with the Offer. The contact information for the Dealer Manager appears on the back cover of this Offer to Purchase.
Tender and Information Agent.....	D.F. King & Co., Inc. is serving as the Tender Agent and the Information Agent in connection with the Offer. Requests for additional copies of this Offer to Purchase should be directed to the Information Agent. The contact information for the Information Agent appears on the back cover of this Offer to Purchase.
Further Information.....	Questions may be directed to the Dealer Manager and additional copies of this Offer to Purchase, the Letter of Transmittal and related materials may be obtained by contacting the Information Agent.
No Recommendation .....	None of the Company, the Company’s Board of Directors, the Dealer Manager, the Tender and Information Agent, the Trustee or any of our or their respective affiliates is making any recommendation as to whether Holders should tender their Notes, whether Holders should tender before or after the Early Tender Date, or with respect to the principal amount, if any, that they should tender. Holders must make their own decisions with regard to tendering Notes and the principal amount tendered.

## FORWARD-LOOKING STATEMENTS

Certain statements made in this Offer to Purchase, the documents incorporated by reference herein, other documents that we file with the Securities and Exchange Commission (the “SEC”) and other public announcements by us contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are subject to risks and uncertainties that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements include information concerning our future financial performance, business strategy, plans, goals and objectives. Statements preceded or followed by, or that otherwise include, the words “believes,” “expects,” “anticipates,” “intends,” “estimates,” “plans,” “forecast,” “is likely to” and similar expressions or future or conditional verbs such as “will,” “may” and “could” are generally forward-looking in nature and not historical facts. Such statements are based upon the current beliefs and expectations of the Company’s management and are subject to significant risks and uncertainties. Actual results may differ materially from those set forth in the forward-looking statements.

The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: our ability to offer merchandise and services that our customers want, including our proprietary brand products; our ability to successfully implement our integrated retail strategy to transform our business; our ability to successfully manage our inventory levels; our ability to successfully implement initiatives to improve our liquidity through inventory management and other actions; competitive conditions in the retail and related services industries; worldwide economic conditions and business uncertainty, including the availability of consumer and commercial credit, changes in consumer confidence and spending, the impact of rising fuel prices, and changes in vendor relationships; vendors’ lack of willingness to provide acceptable payment terms or otherwise restricting financing to purchase inventory or services; possible limits on our access to our domestic credit facility, which is subject to a borrowing base limitation and a springing fixed charge coverage ratio covenant, capital markets and other financing sources, including additional second lien financings, with respect to which we do not have commitments from lenders; our ability to successfully achieve our plans to generate liquidity through potential transactions or otherwise; potential liabilities in connection with the separation of Lands’ End, Inc. and disposition of a portion of our ownership interest in Sears Canada, Inc.; our extensive reliance on computer systems, including legacy systems, to implement our integrated retail strategy, process transactions, summarize results, maintain customer, member, associate and Company data, and otherwise manage our business, which may be subject to disruptions or security breaches; the impact of seasonal buying patterns, including seasonal fluctuations due to weather conditions, which are difficult to forecast with certainty; our dependence on sources outside the United States for significant amounts of our merchandise; our reliance on third parties to provide us with services in connection with the administration of certain aspects of our business and the transfer of significant internal historical knowledge to such parties; impairment charges for goodwill and intangible assets or fixed-asset impairment for long-lived assets; our ability to attract, motivate and retain key executives and other associates; our ability to protect or preserve the image of our brands; the outcome of pending and/or future legal proceedings, including shareholder litigation, product liability and qui tam claims and

proceedings with respect to which the parties have reached a preliminary settlement; and the timing and amount of required pension plan funding.

Certain of these and other factors are discussed in more detail in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended January 31, 2015, which is incorporated herein by reference. For additional information identifying risk factors and uncertainties, see our reports on Forms 10-K, 10-Q and 8-K filed with the SEC from time to time, including, but not limited to, the information included in our Forms 10-K and 10-Q under the headings “Business,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Legal Proceedings” and in the notes to the financial statements included in our Forms 10-K and 10-Q. While we believe that our forecasts and assumptions are reasonable, we caution that actual results may differ materially. We intend the forward-looking statements to speak only as of the time made and do not undertake to update or revise them as more information becomes available, except as required by law. You should read this Offer to Purchase, the Letter of Transmittal and the documents that we incorporate by reference with the understanding that actual future results may be materially different from what we expect. We may not update these forward-looking statements, even if our situation changes in the future. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

**You should read carefully the factors described in the documents incorporated by reference in this Offer to Purchase for a description of certain risks that could, among other things, cause actual results to differ from these forward-looking statements, including the risks described in the “Risk Factors” and “Information Regarding Forward-Looking Statements” sections in the Company’s Annual Report on Form 10-K for the year ended January 31, 2015. See “The Company.”**

## THE COMPANY

The Company is the parent company of Kmart Holding Corporation (“Kmart”) and Sears, Roebuck and Co. (“Sears”). The Company was formed as a Delaware corporation in 2004 in connection with the merger of Kmart and Sears on March 24, 2005. The Company is an integrated retailer with significant physical and intangible assets, as well as virtual capabilities enabled through technology. It operates a national network of stores with 1,704 full-line and specialty retail stores in the United States, as of June 30, 2015, operating through Kmart and Sears. Further, the Company operates a number of websites under the sears.com and kmart.com banners which offer millions of products and provide the capability for its members and customers to engage in cross-channel transactions such as *free store pickup; buy in store/ship to home; and buy online, return in store*. The Company is also the home of Shop Your Way<sup>®</sup>, a free member-based social shopping platform that offers rewards, personalized services and a unique experience. Shop Your Way<sup>®</sup> connects all of the ways members shop – in store, at home, online and by phone. The Company is the leading home appliance retailer, as well as a leader in tools, lawn and garden, fitness equipment and automotive repair and maintenance. Key proprietary brands include *Kenmore<sup>®</sup>, Craftsman<sup>®</sup> and DieHard<sup>®</sup>*. The Company also maintains a broad apparel and home offering including such well-known labels as Jaclyn Smith, Joe Boxer, Route 66, Cannon, Sandra Lee, Ty Pennington Style and Levi’s and also offers *Lands’ End<sup>®</sup>* merchandise in some of its full-line stores. Additionally, the Company offers the Adam Levine and Nicki Minaj collections in 500 Kmart stores and on [shopyourway.com/kmart.com](http://shopyourway.com/kmart.com). The Company is the nation’s largest provider of home services, with more than 13 million service and installation calls made annually.

The Company’s principal executive offices are located at 3333 Beverly Road, Hoffman Estates, Illinois 60179, telephone: (847) 286-2500.

## RECENT DEVELOPMENTS

On July 7, 2015, the Company completed previously announced transactions in which it sold 234 of its owned properties, one of its ground leased properties and its joint venture interests in three joint ventures to Seritage Growth Properties, L.P., a Delaware limited partnership and the operating subsidiary of the recently formed Seritage Growth Properties, a Maryland real estate investment trust, for cash proceeds of \$2.72 billion, with the substantial majority of such properties being leased back to the Company.

## DOCUMENTS INCORPORATED BY REFERENCE

We are “incorporating by reference” information into this Offer to Purchase, which means we are disclosing important information to you by referring you to another document that we have filed separately with the SEC. The information incorporated by reference is considered to be part of this Offer to Purchase, and information that we file later with the SEC will automatically update and supersede this information. SEC rules and regulations also permit us to “furnish” rather than “file” certain reports and information with the SEC. Any such reports or information which we “furnish” or have “furnished” shall not be deemed to be incorporated by reference into or otherwise become a part of this Offer to Purchase, regardless of when furnished to the SEC, except to the extent we expressly provide otherwise. The Company incorporates by reference into this Offer to Purchase the following documents or information filed with the SEC (other than any portion of such filings that are furnished under applicable SEC rules rather than filed, except as expressly provided otherwise below):

- Annual Report on Form 10-K for the fiscal year ended January 31, 2015;
- Definitive Proxy Statement for the Company’s 2015 Annual Meeting of Stockholders, filed with the SEC on March 17, 2015;
- Quarterly Report on Form 10-Q for the quarterly period ended May 2, 2015;
- Current Reports on Form 8-K filed with the SEC on February 26, 2015 (except for Item 2.02 and Exhibit 99.1), April 1, 2015, April 13, 2015, April 30, 2015, May 7, 2015, June 1, 2015 (except for Item 7.01), June 9, 2015, July 6, 2015, July 8, 2015, July 13, 2015, July 21, 2015 and August 3, 2015 (including, without limitation, Item 2.02 and Exhibit 99.1); and
- any future filings that the Company makes with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act, excluding any information furnished to, rather than filed with, the SEC, on or after the date of this Offer to Purchase and before the termination of the Offer under this Offer to Purchase.

The Company will provide without charge to each person, including any beneficial owner, to whom this document is delivered, upon his or her written or oral request, a copy of any or all documents referred to above which have been or may be incorporated by reference into this Offer to Purchase, excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You may request a copy of these filings at no cost, by writing or telephoning us at the following address:

Sears Holdings Corporation  
3333 Beverly Road  
Hoffman Estates, IL 60179

Telephone: (847) 286-2500  
Attention: Public Affairs

The Company is subject to the informational requirements of the Exchange Act and files reports and other information with the SEC. You may read and copy all materials that the Company files with the SEC at the SEC's public reference room, located at 100 F Street, N.E., Washington, D.C. 20549, as well as on the Internet website maintained by the SEC at [www.sec.gov](http://www.sec.gov). Please call the SEC at 1-800-SEC-0330 for more information on the public reference room. The Company's website address is [www.searsholdings.com](http://www.searsholdings.com). The information contained on or linked to the Company's website is not a part of, and is not incorporated by reference into, this Offer to Purchase.

## TERMS OF THE OFFER

### General

Upon the terms and subject to the conditions set forth in this Offer to Purchase and in the Letter of Transmittal, the Company hereby offers to purchase for cash up to an aggregate principal amount of the Notes equal to the Tender Cap, which is \$1,000,000,000. Any Notes purchased may be subject to proration, as described below in the subsection entitled “—Tender Cap and Proration.” The Company may change the Tender Cap subject to and in accordance with applicable law.

Holders who validly tender and do not validly withdraw Notes at or prior to the Early Tender Date that are accepted for purchase pursuant to the Offer will receive the Total Consideration with respect to the Notes accepted for purchase, plus any accrued and unpaid interest from, and including, the last interest payment date to which interest has been paid to, but excluding, the Early Settlement Date, payable on the Early Settlement Date. Holders who validly tender and do not validly withdraw Notes after the Early Tender Date but at or prior to the Expiration Date that are accepted for purchase pursuant to the Offer will receive the Tender Offer Consideration with respect to the Notes accepted for purchase, plus any accrued and unpaid interest from, and including, the last interest payment date to which interest has been paid to, but excluding, the Final Settlement Date, payable on the Final Settlement Date. Valid tenders of Notes pursuant to the Offer will be accepted only in principal amounts of \$2,000 or integral multiples of \$1,000 in excess thereof as described below in “—Tender Cap and Proration.” In the application of the proration calculations for the Offer, the Company will round the principal amount of the Notes to be accepted for purchase from each Holder down to \$2,000 or the nearest integral multiple of \$1,000 in excess thereof as described below in “—Tender Cap and Proration.”

Tenders of Notes with respect to the Offer may be validly withdrawn at any time at or prior to the Withdrawal Deadline, but after such time may only be validly withdrawn before settlement with respect to such Notes if the Company reduces the amount of the Tender Offer Consideration or, if applicable, Total Consideration or is otherwise required by law to permit withdrawal. In the event of a termination of the Offer before settlement on the Early Settlement Date or Final Settlement Date, as applicable, the Notes tendered pursuant to the Offer will be promptly returned to the tendering Holders by book-entry delivery through DTC to the accounts of the tendering Holders.

Payments for Notes validly tendered and not validly withdrawn at or prior to the Early Tender Date and accepted for purchase will be made on the Early Settlement Date, which will be promptly following the Early Tender Date. Payments for Notes validly tendered and not validly withdrawn after the Early Tender Date but at or prior to the Expiration Date and accepted for purchase will be made on the Final Settlement Date, which will be promptly following the Expiration Date. If Notes are to be accepted for purchase promptly after the Early Tender Date, all Conditions with respect to the Offer must be either satisfied or waived by the Company in its sole discretion at or prior to the Early Tender Date. If Notes are to be accepted for purchase promptly after the Expiration Date, all Conditions with respect to the Offer must be either satisfied or waived by the Company in its sole discretion at or prior to the Expiration Date.

As described herein, subject to applicable securities laws and the terms set forth in this Offer to Purchase, the Company reserves the right to, before the expiration of the Offer at the Expiration Date, (1) waive any and all conditions to the Offer, (2) terminate the Offer or extend the Early Tender Date or the Expiration Date for the Offer or (3) otherwise amend the Offer in any respect, including, without limitation, by changing the size of the Tender Cap. The rights reserved by the Company in this paragraph are in addition to the Company's rights described in "—Conditions of the Offer" and may be exercised in our sole discretion.

Any extension, amendment or termination of the Offer or change of the Tender Cap will be followed as promptly as practicable by public announcement thereof, which, in the case of an extension of the Expiration Date for the Offer, will be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. Without limiting the manner in which any public announcement may be made, the Company shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a press release or such other means of announcement as the Company may deem appropriate.

None of the Company, the Company's Board of Directors, the Dealer Manager, the Tender and Information Agent, the Trustee or any of our or their respective affiliates is making any recommendation as to whether Holders should tender their Notes, whether Holders should tender before or after the Early Tender Date or the principal amount, if any, that they should tender. Holders must make their own decisions with respect to tendering Notes and the principal amount tendered.

### **Consideration for the Offer**

Holders of Notes that are validly tendered at or prior to the Early Tender Date, not validly withdrawn at or prior to the Withdrawal Deadline and accepted for purchase will receive the Total Consideration, which includes the Early Tender Premium, in the amount set forth in the table on the front cover of this Offer to Purchase. Holders of Notes that are validly tendered after the Early Tender Date but at or prior to the Expiration Date, not validly withdrawn at or prior to the Withdrawal Deadline and accepted for purchase will receive the Tender Offer Consideration, which will be equal to the Total Consideration minus the Early Tender Premium. All Holders of any purchased Notes will also receive accrued and unpaid interest on those Notes from, and including, the last interest payment date up to, but excluding, the applicable Settlement Date.

### **Tender Cap and Proration**

The principal amount of the Notes purchased will be based on (1) the Tender Cap available for purchase on the applicable Settlement Date, (2) how much of such principal amount was tendered at or prior to the Early Tender Date or thereafter but at or prior to the Expiration Date and (3) any downward rounding adjustments that the Company deems necessary.

Any Notes validly tendered and not validly withdrawn after the Early Tender Date but at or prior to the Expiration Date will be eligible for purchase only if and to the extent that the aggregate principal amount of Notes purchased on the Early Settlement Date is less than the



Tender Cap. Because the Offer features both an Early Settlement Date and a Final Settlement Date, Notes validly tendered and not validly withdrawn at or prior to the Early Tender Date will have priority over Notes validly tendered after the Early Tender Date but at or prior to the Expiration Date.

The principal amount of the Notes purchased will not exceed the Tender Cap. If Holders of the Notes validly tender Notes in an aggregate principal amount in excess of the Tender Cap at the Early Tender Date or the Expiration Date, we will accept an aggregate principal amount of Notes up to the Tender Cap and any tendered Notes will be subject to proration. In the event that proration of tendered Notes is required, the Company will determine the final proration factor as soon as practicable after the Early Tender Date or the Expiration Date, as applicable. The Company will announce results of proration by press release or such other means of announcement as the Company deems appropriate. Holders may obtain such information from the Information Agent or the Dealer Manager and may be able to obtain such information from their brokers. Any tendered Notes that are not accepted for purchase as a result of proration will be returned to the tendering Holders by book-entry delivery through DTC to the accounts of the tendering Holders promptly after the Expiration Date.

Notes will be accepted only in minimum denominations of \$2,000 and only in integral multiples of \$1,000 in excess thereof. In the case of Notes purchased on the Early Settlement Date and the Final Settlement Date, the Company will make such downward rounding adjustments as may be necessary and appropriate to ensure that Notes are purchased only in increments of \$1,000 and that Notes are returned to Holders only in increments of \$1,000. If the Notes would be returned in a minimum amount of less than \$2,000, then no Notes included in such tender will be purchased from a Holder tendering in that amount and all such Notes not purchased will be returned to the tendering Holder.

The Offer is not conditioned on any minimum level of participation. We will not be able to determine whether the Offer is oversubscribed or what the effects of proration may be until after the Early Tender Date or the Expiration Date, as applicable, has passed.

### **Conditions of the Offer**

Notwithstanding any other provision of the Offer, the Company will not be obligated to accept for purchase, and pay for, validly tendered Notes pursuant to the Offer and may terminate, extend or amend the Offer, and may (subject to Rule 14e-1(c) under the Exchange Act, which requires that the Company pay the consideration offered or return the Notes deposited by or on behalf of Holders promptly after the termination or withdrawal of the Offer) postpone the acceptance for purchase of, and payment for, Notes with respect to the Offer so tendered, if any of the following Conditions shall have occurred on or after the date of this Offer to Purchase and before the Expiration Date :

- in each case in the Company's reasonable judgment, (1) any general suspension of trading in, or limitation on prices for, trading in securities in the U.S. or foreign credit, securities or financial markets (whether or not mandatory) or any other significant adverse change in the U.S. credit, securities or financial markets, (2) any significant changes in the prices for the Notes or any other debt or equity securities of

the Company or its affiliates which are adverse to the Company or its affiliates, (3) any material impairment in the trading market for debt generally, (4) any declaration of a banking moratorium or any suspension of payments in respect of banks in the U.S. by federal or state authorities (whether or not mandatory), (5) any limitation (whether or not mandatory) by any U.S. or foreign government or governmental, administrative or regulatory authority or agency or instrumentality, domestic or foreign, on, or other event that, in the judgment of the Company might affect, the nature or extension of credit by banks or other lending institutions in the United States, (6) any attack on, outbreak or escalation of hostilities, acts of terrorism or any declaration of a national emergency, commencement of war, armed hostilities or other national or international crisis directly or indirectly involving the United States, (7) any change in U.S. or international financial, political or economic conditions or currency exchange rates or exchange controls as would or would reasonably be expected to, in the Company's judgment, materially impair the Company's contemplated benefits of the Offer or the purchase of the Notes pursuant to the Offer, (8) any major disruption of settlements of securities or clearance services in the United States or (9) in the case of any of the foregoing existing at the time of the commencement of the Offer, any material acceleration, escalation or worsening thereof;

- any order, statute, rule, regulation, executive order, stay, decree, judgment or injunction shall have been proposed, enacted, entered, issued, promulgated, enforced or deemed applicable by any U.S. or foreign government, court or governmental, administrative or regulatory authority or agency or instrumentality that, in the Company's reasonable judgment, (1) would or would be reasonably expected to, in the Company's judgment, prohibit, prevent, restrict or delay consummation of the Offer, (2) is, or is reasonably expected to, in the Company's judgment, be materially adverse to the business, operations, properties, condition (financial or otherwise), income, assets, liabilities or prospects of the Company or its affiliates or would or would be expected to, in the Company's judgment, materially impair the contemplated benefits of the Offer or be material to Holders in deciding whether to accept the Offer or (3) would, or would be reasonably expected to, in the Company's judgment, directly or indirectly impose material limitations on the contemplated benefits of the Offer to the Company or the scope, validity or effectiveness of the ability of the Company to acquire or hold or exercise full rights of ownership of the Notes;
- there shall have been instituted, threatened or pending any action or proceeding before or by any U.S. or foreign government, court or governmental, administrative or regulatory authority or agency or instrumentality, or by any other person, that is or is reasonably expected to be, in the Company's judgment, materially adverse to the business, operations, properties, condition (financial or otherwise), income, assets, liabilities or prospects of the Company or its affiliates or which would or would be reasonably expected to, in the Company's judgment, prohibit, prevent, restrict or delay consummation of the Offer or otherwise adversely affects the Offer in any material manner;

- any other actual or threatened legal impediment to the Offer or any other circumstances that would materially adversely affect the transactions contemplated by the Offer or the contemplated benefits of the Offer to the Company;
- any event or circumstance affecting the business, operations, properties, condition (financial or otherwise), income, assets, liabilities or prospects of the Company or its affiliates that, in the Company's reasonable judgment would or would be reasonably expected to, in the Company's judgment, (1) prohibit, prevent, restrict or delay the consummation of the Offer, (2) make it impractical or inadvisable to proceed with the Offer or (3) be materially adverse to the business, operations, properties, condition (financial or otherwise), income, assets, liabilities or prospects of the Company or affiliates; or
- any third party makes any objection to, or takes any action that would, or would reasonably be expected to, in the Company's judgment, materially and adversely affect the consummation of the Offer, or takes any action that challenges the validity or effectiveness of the procedures used by the Company in the making of the Offer or in the acceptance or purchase of the Notes.

The foregoing Conditions are solely for the Company's benefit and may be asserted by the Company, in its sole discretion, regardless of the circumstances giving rise to any such Condition, including any action or inaction by the Company, and may be waived by the Company, in its sole discretion, in whole or in part, before the Early Tender Date or Expiration Date, as applicable. The Company has not made a decision as to what circumstances would lead it to waive any such Condition and any such waiver would depend on circumstances prevailing at the time of such waiver. Any determination by the Company concerning the events described in this section will be final and binding upon all Holders. All Conditions with respect to the Offer will, if the Notes are to be accepted for payment on the Early Tender Date or the Expiration Date in the Offer, be either satisfied or waived by the Company, as applicable, prior to the Early Tender Date or the Expiration Date. The failure by the Company at any time to exercise any of the foregoing rights will not be deemed a waiver of any other right, and each right will be deemed an ongoing right that may be asserted at any time and from time to time prior to the Early Tender Date or Expiration Date, as applicable.

If any of the Conditions shall not have been satisfied or waived by the Company with respect to the Offer, the Company may, but will not be obligated to, subject to applicable law:

- (1) terminate the Offer and return tendered Notes to Holders who tendered them;
- (2) extend the Offer; or
- (3) amend the Offer in any respect by giving written notice of such amendment to the Tender Agent.

**Although the Company does not have present plans or arrangements to do so, it reserves the right to amend, at any time, the terms of the Offer. The Company will give Holders notice of such amendments as may be required by applicable law.**

## Certain Significant Considerations

In deciding whether to participate in the Offer, each Holder should consider carefully, in addition to the other information contained in, and incorporated by reference in, this Offer to Purchase, the matters discussed below.

*Consummation of the Offer may affect the liquidity, market value and price volatility of the Notes.* Depending on, among other things, the amount of the Notes that remain outstanding after the Offer, the liquidity, market value and price volatility of the Notes may be adversely affected by the consummation of the Offer. To the extent that Notes are tendered and accepted in the Offer, any existing trading market for the remaining Notes will become more limited. Notes with a smaller outstanding principal amount available for trading (a smaller “float”) may command a lower price than would comparable securities with a greater float. Consequently, the liquidity, market value and price volatility of Notes that remain outstanding after the Offer may be adversely affected. Holders of unpurchased Notes may attempt to obtain quotations for the Notes from their brokers. However, there can be no assurance that any trading market will exist for the Notes and no assurance as to the price at which the Notes may trade following the consummation of the Offer. The extent of the public market for the Notes and the price at which the Notes may trade following consummation of the Offer would depend upon a number of factors, including, without limitation, the number of Holders remaining at such time and the interest in maintaining a market in the Notes on the part of securities firms.

*There is limited market and trading information with respect to the Notes.* The Notes are not listed on any national or regional securities exchange nor are they reported on a national quotation system. To the extent that Notes are traded, prices of the Notes may fluctuate greatly depending on the trading volume and the balance between buy and sell orders. In addition, quotations for securities that are not traded, such as the Notes, may differ from actual trading prices and should be viewed as approximations. Holders of Notes are urged to contact their brokers to obtain the best available information as to current market prices for Notes.

*There is limited ability to withdraw tendered Notes.* Tenders of Notes made before the Withdrawal Deadline may be validly withdrawn at any time at or prior to the Withdrawal Deadline, but not thereafter, unless required by applicable law. In addition, we may, in our sole discretion subject to applicable law, extend the Withdrawal Deadline or the Expiration Date or, at any time prior to the Final Settlement Date, terminate the Offer. We may also extend the Early Tender Deadline without extending the Withdrawal Deadline. Payment of the Tender Offer Consideration or the Total Consideration (including the Early Tender Premium) will not be made prior to the Early Settlement Date or the Final Settlement Date, as applicable, the occurrence of which is dependent upon the satisfaction or waiver of the conditions to the Offer. Therefore, Holders that tender Notes at or prior to the Withdrawal Deadline could be forced to wait for an extended period of time before receiving payment, if at all, and will not have the ability to withdraw or trade tendered Notes during that time unless we extend the Withdrawal Deadline.

*Effects of proration; All tendered Notes may not be accepted for purchase.* We will not be able to definitively determine whether the Offer is oversubscribed or what the effects of proration may be with respect to the Notes until, at the earliest, after the Early Tender Date has

passed. Except in limited circumstances, you will not be able to withdraw tenders of your Notes after the Early Tender Date and, therefore, you may not be able to withdraw tenders of your Notes at the time we establish the proration percentage (if any) for the Notes to be purchased. It is possible that the principal amount of the Notes accepted for purchase on the Early Tender Date will equal the Tender Cap and no additional Notes will be purchased at the Expiration Date.

*Conditions of the Offer.* The consummation of the Offer is subject to the satisfaction or waiver by the Company of several conditions. See “—Conditions of the Offer.” The Company cannot assure you that the Offer will be consummated or that such failure to consummate the Offer will not have a negative effect on the market price and liquidity of the Notes.

*The Disposition of Notes pursuant to the Offer will be a taxable transaction for U.S. federal income tax purposes.* See “Certain U.S. Federal Income Tax Considerations” for a discussion of certain U.S. federal income tax consequences of the Offer.

*Notes may be acquired outside of the Offer at different prices and on different terms.* At any time and from time to time before, during and following the Offer, we or our affiliates may purchase additional Notes in the open market, in privately negotiated transactions, through tender offers, exchange offers or otherwise, or may redeem or defease Notes pursuant to the terms of the Indenture governing the Notes. Any future purchases may be on the same terms and conditions or on terms, including prices, and conditions that are more or less favorable to Holders of Notes than the terms and conditions of the Offer and could be for cash or other consideration. Any future purchases, redemptions or defeasances by us will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) we will pursue in the future.

In addition, the Company reserves the right to change the Tender Cap at any time, which could result in the Company purchasing a greater principal amount of Notes than \$1,000,000,000 in the Offer. Subject to applicable law, if the Company changes the Tender Cap to permit acceptance for purchase of additional Notes in a principal amount that is more than 2% of the aggregate principal amount of Notes outstanding, the Offer will remain open for at least 10 business days thereafter. However, the Company is not required to, and most likely will not, permit withdrawal in connection with any such extension. If you tender more Notes than you expect to be accepted for purchase based on the aggregate principal amounts of Notes outstanding and the Tender Cap and the Company subsequently changes the Tender Cap, you may not be able to withdraw any of your previously tendered Notes. Accordingly, any Notes tendered may be accepted for purchase and, therefore, you should not tender any Notes that you do not wish to be accepted for purchase.

*The Company may redeem or acquire other of its obligations.* At any time and from time to time before, during and following the Offer, we or our affiliates may purchase obligations of and interests in the Company other than the Notes in the open market, in privately negotiated transactions, through tender offers, exchange offers, redemption or otherwise. Such obligations may include unsecured debt or equity interests of the Company. Any future purchases, redemptions or defeasances by us will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) we will pursue in the future.

## **Compliance with “Short Tendering” Rule**

It is a violation of Rule 14e-4 under the Exchange Act for a person, directly or indirectly, to tender Notes for such person’s own account unless the person so tendering (1) has a net long position equal to or greater than the aggregate principal amount of Notes being tendered and (2) will cause such Notes to be delivered in accordance with the terms of the Offer. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

A tender of Notes pursuant to the Offer under any of the procedures described herein will constitute a binding agreement between the tendering Holder and the Company with respect to the Offer upon the terms and subject to the conditions of the Offer, including the tendering Holder’s acceptance of the terms and conditions of the Offer, as well as the tendering Holder’s deemed representation and warranty that (1) such Holder has a net long position in the Notes being tendered pursuant to the Offer within the meaning of Rule 14e-4 under the Exchange Act and (2) the tender of such Notes complies with Rule 14e-4.

## **Acceptance for Payment and Payment for Notes**

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment) and applicable law, the Company will purchase by accepting for payment, and will promptly pay for, Notes validly tendered and not validly withdrawn up to the Tender Cap. Such payment will be made by the Company, promptly after the Early Tender Date, with respect to Notes validly tendered and not validly withdrawn at or prior to the Early Tender Date and accepted for purchase, and promptly after the Expiration Date, with respect to Notes validly tendered and not validly withdrawn after the Early Tender Date but at or prior to the Expiration Date and accepted for purchase, by deposit of the aggregate Total Consideration or the aggregate Tender Offer Consideration, as the case may be, and any accrued and unpaid interest for the Notes accepted for purchase from, and including, the last interest payment date to, but excluding, the Early Settlement Date or the Final Settlement Date, as applicable, in immediately available funds. DTC will transmit such payment to tendering Holders. Under no circumstances will interest on the Total Consideration or the Tender Offer Consideration, as the case may be, be paid by the Company or its affiliates by reason of any delay in payment being made. The Company expressly reserves the right, in its sole discretion and subject to Rule 14e-1(c) under the Exchange Act, to delay acceptance for payment of or payment for Notes in order to comply with any applicable law. See “—Conditions of the Offer.” In all cases, payment to Holders or beneficial owners of the Total Consideration or the Tender Offer Consideration, as the case may be, for Notes purchased pursuant to the Offer will be made only after receipt by the Tender Agent of (1) timely confirmation of a book-entry transfer of such Notes into the Tender Agent’s account at DTC pursuant to the procedures set forth in the section “—How to Tender Notes,” (2) either (a) a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof) or (b) a properly transmitted Agent’s Message through ATOP and (3) any other documents required by the Letter of Transmittal. The term “*Agent’s Message*” means a message transmitted by DTC to, and received by, the Tender Agent and forming a part of the Book-Entry Confirmation (as defined below), which states that DTC has received an express and unconditional acknowledgment from the participant in DTC described in such Agent’s Message,

stating (1) the aggregate principal amount of Notes that have been tendered by such participant pursuant to the Offer, (2) that such participant has received this Offer to Purchase and agrees to be bound by the terms of the Offer and (3) that the Company may enforce such agreement against the participant.

If the aggregate principal amount of Notes validly tendered and not validly withdrawn exceeds the Tender Cap, then the tendered Notes may be purchased on a pro rata basis. See “—Tender Cap and Proration.” In such an event, a Holder who validly tenders and does not validly withdraw Notes may, subject to the applicable proration factor, have a portion of its Notes accepted for purchase pursuant to the Offer and a portion returned to it by book-entry delivery through DTC to the account of the tendering Holder promptly after the Expiration Date.

Notes will be accepted for purchase only in principal amounts of \$2,000 or integral multiples of \$1,000 in excess thereof as described above in “—Tender Cap and Proration.” In the application of the proration calculation for the Offer, the Company will round the principal amount of the Notes to be accepted for purchase from each Holder down to the nearest \$1,000, as described above in “—Tender Cap and Proration.”

For purposes of the Offer, tendered Notes will be deemed to have been accepted for purchase, if, as and when the Company gives oral or written notice thereof to the Tender Agent.

Tendering Holders will not be obligated to pay brokerage fees or commissions to the Company, the Dealer Manager, the Information Agent, the Tender Agent or the Trustee, or, except as set forth in Instruction 7 of the Letter of Transmittal, transfer taxes on the purchase of Notes pursuant to the Offer or the payment of the Tender Offer Consideration or the Total Consideration, as the case may be. If you hold Notes through a broker, dealer, commercial bank, trust company or other nominee, you should consult that institution as to whether it charges any service fees.

The Company reserves the right to transfer or assign, in whole at any time or in part from time to time, to one or more affiliates, the right to purchase Notes tendered pursuant to the Offer, but any such transfer or assignment will not relieve the Company of its obligations under the Offer or prejudice the rights of tendering Holders to receive payment of the Total Consideration or the Tender Offer Consideration, as the case may be, for Notes accepted for purchase pursuant to the Offer.

The Tender Offer Consideration or the Total Consideration, and in each case, accrued and unpaid interest, if any, will be payable on the applicable Settlement Date.

## **How to Tender Notes**

The tender of Notes pursuant to the Offer and in accordance with the procedures described below and in the Letter of Transmittal will constitute a valid tender of Notes.

Any beneficial owner whose Notes are held through a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender Notes should promptly contact such broker, dealer, commercial bank, trust company or other nominee and instruct such nominee to submit instructions on such beneficial owner’s behalf at or prior to the Expiration Date or, if

such beneficial owner would like to receive the Total Consideration, then at or prior to the Early Tender Date. **Beneficial owners should be aware that their broker, dealer, commercial bank, trust company or other nominee may establish its own earlier deadline for participation in the Offer. Accordingly, beneficial owners wishing to participate in the Offer should contact their broker, dealer, commercial bank, trust company or other nominee as soon as possible in order to determine the time by which such owner must take action in order to so participate in the Offer.** In some cases, the broker, dealer, commercial bank, trust company or other nominee may request submission of such instructions on a Beneficial Owner's Instruction Form. Please check with your broker, dealer, commercial bank, trust company or other nominee to determine the applicable procedures for such entity.

DTC participants must, at or prior to the Expiration Date, or, if such beneficial owner would like to receive the Total Consideration, then at or prior to the Early Tender Date, (1) electronically transmit their acceptance through DTC's ATOP (and thereby tender Notes) or (2) (a) deliver to the Tender Agent a properly completed Letter of Transmittal duly executed by such DTC participant, together with any other documents required by the Letter of Transmittal, and (b) deliver the tendered Notes by book-entry transfer into the Tender Agent's applicable DTC account.

Any acceptance of an Agent's Message transmitted through ATOP is at the election and risk of the person transmitting such Agent's Message and delivery will be deemed made only when actually received by the Tender Agent. Any acceptance of a tender by Letter of Transmittal is at the election and risk of the person transmitting such Letter of Transmittal and delivery will be deemed made only when the Letter of Transmittal is actually received by the Tender Agent and the related Agent's Message for the book-entry transfer of the Notes being tendered is actually received by the Tender Agent. Delivery of Notes will be deemed made only when credited to the Tender Agent's applicable DTC account.

The tender by a Holder pursuant to the procedures set forth herein and in the Letter of Transmittal will constitute an agreement between such Holder and the Company in accordance with the terms and subject to the conditions set forth in this Offer to Purchase and in the Letter of Transmittal, which agreement will be governed by, and construed in accordance with, the laws of the State of New York.

No documents should be sent to the Company, the Dealer Manager, the Trustee or any registrar or paying agent for the Notes.

**By tendering Notes pursuant to the Offer, the Holder will be deemed to have represented and warranted as provided herein and in the Letter of Transmittal, including that such Holder is a person to whom it is lawful that the Offer be made, that such Holder has full power and authority to tender, sell, assign and transfer the Notes tendered thereby and that when such Notes are accepted for purchase and payment by the Company, the Company will acquire good title thereto, free and clear of all liens, restrictions, charges, claims, equitable interests and encumbrances and not subject to any adverse claim or right. The Holder will also be deemed to have agreed to, upon request, execute and deliver any additional documents deemed by the Tender Agent or by the Company to be necessary or desirable to complete the sale, assignment and transfer of the Notes tendered and that the**



**Holder is otherwise accepting the Offer upon the terms and subject to the conditions set forth in this Offer to Purchase and the Letter of Transmittal.**

**By tendering Notes pursuant to the Offer, the Holder will be deemed to have agreed that the delivery and surrender of the Notes is not effective, and the risk of loss of the Notes does not pass to the Tender Agent, until receipt by the Tender Agent of a properly transmitted Agent's Message together with all accompanying evidences of authority and any other required documents (including a properly completed and executed Letter of Transmittal if a tender is not made using ATOP) in form satisfactory to the Company. All questions as to the form of all documents and the validity (including time of receipt) and acceptance of tenders will be determined by the Company, in its sole discretion, which determination shall be final and binding.** Alternative, conditional or contingent tenders will not be considered valid. The Company reserves the right, in its sole discretion, to reject any or all tenders of Notes that are not in proper form or the acceptance of which would, in the Company's opinion, be unlawful. The Company also reserves the right to waive, in whole or in part and in its sole discretion, any of the Conditions or any defects or irregularities in the tender of particular Notes, whether or not similar defects or irregularities are waived in respect of other Notes. The Company's interpretations of the terms and conditions of the Offer will be final and binding. Any defect or irregularity in connection with tenders of Notes must be cured within such time as the Company determines, unless waived by the Company, in its sole discretion. Tenders of Notes will not be deemed to have been made until all defects and irregularities have been waived by the Company or cured. None of the Company, the Dealer Manager, the Tender and Information Agent, the Trustee, any registrar, paying agent or other person will be under any duty to give notice of any defects or irregularities in tenders of Notes or will incur any liability to Holders for failure to give any such notice. All improperly tendered Notes will be returned without cost to the tendering Holder promptly after the Expiration Date, unless the irregularities and defects of that tender are timely cured or waived, by book-entry delivery through DTC to the accounts of the applicable DTC participants.

### **Book-Entry Transfer**

The Tender Agent will establish accounts with respect to the Notes at DTC for purposes of the Offer, and any financial institution that is a participant in DTC may make book-entry delivery of Notes by causing DTC to transfer such Notes into the Tender Agent's account in accordance with DTC's procedures for such transfer. However, although delivery of Notes may be effected through book-entry transfer into the Tender Agent's account at DTC, an Agent's Message, and any other required documents, must, in any case, be transmitted to and received by the Tender Agent at its address set forth on the back cover of this Offer to Purchase prior to the Early Tender Date or Expiration Date, as the case may be. The confirmation of a book-entry transfer into the Tender Agent's account at DTC, as described above, is referred to herein as a "*Book-Entry Confirmation*." Delivery of documents to DTC does not constitute delivery to the Tender Agent.

### **No Guaranteed Delivery**

There are no guaranteed delivery provisions provided for by the Company in conjunction with the Offer under the terms of this Offer to Purchase, the Letter of Transmittal or any other

Offer materials. Holders must tender their Notes in accordance with the procedures set forth under “—How to Tender Notes.”

### **Withholding Taxes**

All payments made pursuant to the Offer will be made net of any applicable withholding taxes. See “Certain U.S. Federal Income Tax Considerations.”

### **Signature Guarantees**

Signatures on all Letters of Transmittal must be guaranteed by a member or participant in a recognized Medallion Signature Guarantee Program approved by The Securities Transfer Association Inc., including the Securities Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program or the Stock Exchange Medallion Program, or any other “eligible guarantor institution,” as such term is defined in Rule 17Ad-15 under the Exchange Act (each, an “*Eligible Institution*”), unless the Notes are tendered (1) by a registered Holder of Notes that has not completed any of the boxes entitled “Special Payment Instructions” or “Special Delivery Instructions” in the Letter of Transmittal or (2) for the account of an Eligible Institution. If the Notes are registered in the name of a person other than the signer of the Letter of Transmittal or if Notes not tendered or not accepted for purchase are to be returned to a person other than the registered Holder, then the signature on the Letter of Transmittal accompanying the tendered Notes must be guaranteed by an Eligible Institution as described above. Beneficial owners whose Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if they desire to tender such Notes.

### **Withdrawal of Tendered Notes**

Notes may be validly withdrawn at or prior to the Withdrawal Deadline but not thereafter, except in certain limited circumstances where additional withdrawal rights are required by law. The Withdrawal Deadline is 5:00 p.m., New York City time, on August 14, 2015, unless otherwise extended by the Company. The Company, in its sole discretion, may extend the Withdrawal Deadline for any reason. See “—General” above.

For a withdrawal of tendered Notes to be valid, a written or facsimile transmission notice of withdrawal (or a properly transmitted “Request Message” through ATOP) must be received by the Tender Agent prior to the Withdrawal Deadline at its address set forth on the back cover of this Offer to Purchase.

Any such notice of withdrawal must (1) specify the participant in the book-entry transfer facility whose name appears on the security position listing as the owner of the Notes to be withdrawn, (2) contain the description of the Notes to be withdrawn and the aggregate principal amount represented by such Notes, (3) if other than a notice transmitted through ATOP, be signed by the Holder of such Notes in the same manner as the original signature on the Letter of Transmittal by which such Notes were tendered (including any required signature guarantees), or be accompanied by (a) documents of transfer sufficient to have the transfer of the Notes registered into the name of the person withdrawing such Notes and (b) a properly completed irrevocable proxy authorizing such person to effect such withdrawal on behalf of such Holder,

and (4) the name and number of the account at the book-entry transfer facility to be credited with the withdrawn Notes. If the Notes to be withdrawn have been otherwise identified to the Tender Agent, a Request Message or a signed notice of withdrawal is effective immediately upon written or facsimile notice of such withdrawal, even if physical release is not yet effected.

If you tendered your Notes through a broker, dealer, commercial bank, trust company or other nominee and wish to withdraw your Notes, you will need to make arrangements for withdrawal with such entity. Your ability to withdraw the tender of your Notes will depend upon the terms of the arrangements you have made with such entity and, if such entity is not the DTC participant tendering those Notes, the arrangements between such entity and such DTC participant, including any arrangements involving intermediaries between your broker, dealer, commercial bank, trust company or other nominee and such DTC participant.

Any valid withdrawal of tendered Notes may not be rescinded, and any Notes validly withdrawn will thereafter be deemed not validly tendered for purposes of the Offer. Notes validly withdrawn may thereafter be re-tendered at any time before the Expiration Date (or, if you wish to receive the Total Consideration, the Early Tender Date) by following the procedures described under “—How to Tender Notes.”

The Company will determine, in its sole discretion, all questions as to the form and validity (including time of receipt) of any notice of withdrawal of a tender, which determination will be final and binding. None of the Company, the Dealer Manager, the Tender and Information Agent, the Trustee, any registrar, paying agent or other person will be under any obligation to give notification of any defect or irregularity in any notice of withdrawal of a tender or incur any liability for failure to give any such notification.

Holders can withdraw the tender of their Notes only in accordance with the procedures described herein.

If the Company is delayed in its acceptance for purchase of, or payment for, any Notes or is unable to accept for purchase or pay for any Notes pursuant to the Offer for any reason, then, without prejudice to the Company's rights hereunder, but subject to applicable law, tendered Notes may be retained by the Tender Agent on behalf of the Company and may not be validly withdrawn (subject to Rule 14e-1(c) under the Exchange Act, which requires that the Company pay the consideration offered or return the Notes deposited by or on behalf of Holders promptly after the termination or withdrawal of the Offer).

## CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a general discussion of certain material U.S. federal income tax consequences to U.S. Holders and Non-U.S. Holders (each as defined below) of the disposition of their Notes pursuant to the Offer. This discussion is based on current provisions of the United States Internal Revenue Code of 1986, as amended (the “Code”), applicable United States Treasury Regulations (the “*Treasury Regulations*”) promulgated under the Code, judicial decisions and administrative rulings and published positions of the United States Internal Revenue Service (the “*IRS*”), each as in effect as of the date hereof. These authorities may change, possibly with retroactive effect, and any such change could affect the accuracy of the statements and conclusions set forth herein.

This discussion assumes that the Notes are held as “capital assets” within the meaning of Section 1221 of the Code (generally, property held for investment). Further, this discussion does not purport to consider all aspects of U.S. federal income taxation that might be relevant to Holders in light of their particular circumstances and does not apply to Holders subject to special rules under the U.S. federal income tax laws (including, for example, tax-exempt organizations, insurance companies, banks or other financial institutions, partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes or investors therein, dealers in securities, traders in securities that elect mark-to-market treatment, tax-qualified retirement plans, “controlled foreign corporations,” “passive foreign investment companies,” U.S. Holders whose “functional currency” is not the U.S. dollar, U.S. expatriates, persons liable for the alternative minimum tax, and persons who hold their Notes as part of a hedging transaction, “straddle,” “conversion transaction” or other risk reduction transaction or integrated investment). This discussion does not address the tax consequences of the ownership and disposition of the Notes arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010, and does not address any non-income tax considerations (e.g., estate or gift tax) or any state, local or foreign tax consequences.

For purposes of this discussion, the term “*U.S. Holder*” means a beneficial owner of Notes that is, for U.S. federal income tax purposes:

- (1) an individual who is a citizen or resident of the United States;
- (2) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States, any state thereof or the District of Columbia;
- (3) an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- (4) a trust (a) if a court within the United States is able to exercise primary supervision over the trust’s administration and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

For purposes of this discussion, the term “*Non-U.S. Holder*” means a beneficial owner of Notes (other than a partnership or other entity treated as a partnership for U.S. federal income tax purposes) that is not a U.S. Holder.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Notes, the tax treatment of a person treated as a partner in such partnership will generally depend upon the status of the partner and the activities of the partnership. Persons that for U.S. federal income tax purposes are treated as a partner in a partnership holding Notes should consult their own tax advisors regarding the tax consequences of the Offer and the disposition of Notes.

**THIS DISCUSSION IS FOR GENERAL INFORMATION PURPOSES ONLY AND IS NOT INTENDED TO CONSTITUTE A COMPLETE DESCRIPTION OF ALL TAX CONSEQUENCES RELATING TO THE DISPOSITION OF NOTES PURSUANT TO THE OFFER. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF DISPOSING OF THE NOTES PURSUANT TO THE OFFER (INCLUDING THE APPLICATION AND EFFECT OF ANY STATE, LOCAL OR NON-U.S. INCOME AND OTHER TAX LAWS).**

### **Considerations for Tendering U.S. Holders**

#### *Disposition of Notes Pursuant to the Offer*

The receipt of cash in exchange for Notes pursuant to the Offer generally will be a taxable transaction for U.S. federal income tax purposes. Subject to the discussion below of accrued but unpaid interest and the possible treatment of the Early Tender Premium as a separate fee, a U.S. Holder that sells Notes pursuant to the Offer generally will recognize gain or loss equal to the difference between (1) the total amount of cash received in exchange for the Notes (other than any portion of the cash received that is attributable to accrued but unpaid interest, which will be subject to U.S. federal income tax as ordinary income to the extent not previously reported as income) and (2) such U.S. Holder’s adjusted tax basis in the tendered Notes. In general, a U.S. Holder’s adjusted tax basis in a Note equals (a) such U.S. Holder’s initial cost of such Note, (b) increased by any market discount previously included in income by such U.S. Holder with respect to the Note and (c) decreased (but not below zero) by the amount of any bond premium previously amortized by the U.S. Holder with respect to the Note.

Subject to the market discount rules discussed below, any such gain or loss will generally be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder has held the Notes for more than one year at the time of disposition. Long-term capital gains recognized by certain non-corporate taxpayers may be eligible for preferential rates of taxation. The deductibility of capital losses is subject to limitations.

#### *Market Discount*

A U.S. Holder who acquired a Note at a “market discount” generally will be required to treat a portion of any gain recognized on the disposition of that Note pursuant to the Offer as ordinary income (rather than capital gain) to the extent of any “market discount” on the Note that has accrued during the period that the tendering U.S. Holder held the Note and that has not

previously been included in income by the U.S. Holder. A Note generally will be considered to be acquired with market discount if the tax basis of such Note in the hands of the U.S. Holder immediately after its acquisition was less than the principal amount of such Note (subject to a specified *de minimis* exception). Market discount accrues on a ratable basis, unless the U.S. Holder has elected to accrue the market discount using a constant-yield method.

#### *Early Tender Premium*

The U.S. federal income tax treatment of the Early Tender Premium is uncertain because there are no authorities that directly address the treatment of such payments. The Early Tender Premium may be treated as part of the amount realized by a U.S. Holder upon the disposition of Notes, in which case the Early Tender Premium would be taken into account in determining the amount of gain or loss recognized on the exchange. Alternatively, the Early Tender Premium may be treated as a separate fee, in which case the Early Tender Premium would be treated as ordinary income to a U.S. Holder. We intend to treat the Early Tender Premium paid to U.S. Holders as part of the amount realized upon the disposition of the Notes. U.S. Holders should consult their tax advisors regarding the proper tax treatment of the Early Tender Premium.

#### *Information Reporting and Backup Withholding*

Payments made to U.S. Holders pursuant to the Offer (including payments of accrued and unpaid interest) generally will be subject to information reporting, unless such holder is an exempt recipient such as a corporation. In addition, such payments may be subject to backup withholding (currently at a rate of 28%). To avoid backup withholding, a U.S. Holder that does not otherwise establish an exemption should complete and return to the Tender Agent a duly completed IRS Form W-9, certifying that such U.S. Holder is a U.S. person, the taxpayer identification number provided is correct and such U.S. Holder is not subject to backup withholding. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be refunded or credited against a U.S. Holder's U.S. federal income tax liability, if any, provided that such U.S. Holder furnishes the required information to the IRS in a timely manner.

### **Considerations for Tendering Non-U.S. Holders**

#### *Disposition of Notes Pursuant to the Offer*

Subject to the discussion below under “—Information Reporting and Backup Withholding,” and subject to the discussion below regarding accrued and unpaid interest and payment of the Early Tender Premium, a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on gain recognized on a disposition of Notes pursuant to the Offer, unless:

- (1) the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition and certain other conditions are satisfied; or
- (2) such gain is “effectively connected” with the conduct by the Non-U.S. Holder of a trade or business in the United States (and, if required by an applicable tax treaty, is

attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States).

Gain described in (1) above generally will be subject to U.S. federal income tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) on the amount by which such Non-U.S. Holder's U.S.-source capital gains (including any gain from the disposition of Notes pursuant to the Offer) during the taxable year of the disposition of the Notes exceed its U.S.-source capital losses during the taxable year of the disposition of the Notes, if any.

Gain described in (2) above generally will be subject to U.S. federal income tax on a net income basis at regular graduated U.S. federal income tax rates in the same manner as if the Non-U.S. Holder were a U.S. person. A Non-U.S. Holder that is a foreign corporation also may be subject to an additional branch profits tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) on its "effectively connected earnings and profits" for the taxable year, subject to certain adjustments.

Any amount received by a Non-U.S. Holder on account of any accrued but unpaid interest on the Notes generally will not be subject to U.S. federal income tax or withholding tax, provided that (1) the Non-U.S. Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of the stock of the Company that are entitled to vote; (2) the Non-U.S. Holder is not a "controlled foreign corporation" (within the meaning of the Code) that is related to the Company through actual or constructive stock ownership; (3) the Non-U.S. Holder is not a bank (within the meaning of the Code) receiving interest on a loan entered into in the ordinary course of its trade or business; (4) the interest is not effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States (or, if an income tax treaty applies, such payments are not attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States); and (5) the Tender Agent has received or receives appropriate documentation from the Non-U.S. Holder (generally, an IRS Form W-8BEN or IRS Form W-8BEN-E) establishing that the Non-U.S. Holder is not a U.S. person.

A Non-U.S. Holder that does not satisfy the above requirements generally will be subject to withholding of U.S. federal income tax at a 30% rate (or such lower rate as may be specified by an applicable income tax treaty) on payments of any accrued but unpaid interest, unless the interest is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States. If the interest is effectively connected with the conduct by a Non-U.S. Holder of a trade or business in the United States (and, if an income tax treaty applies, is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States), such interest (1) will be subject to U.S. federal income tax in the same manner as if such Non-U.S. Holder were a U.S. person and, in the case of a corporate Non-U.S. Holder, may also be subject to branch profits tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) and (2) will not be subject to U.S. federal withholding tax so long as the relevant Non-U.S. Holder provides the Tender Agent with a properly executed IRS Form W-8ECI.

### *Early Tender Premium*

Although it is not clear that U.S. federal withholding tax is applicable to the payment of the Early Tender Premium, the applicable withholding agent may withhold such tax from the payment of the Early Tender Premium at a rate of 30%, unless the non-U.S. Holder provides such withholding agent with a properly executed (a) IRS Form W-8BEN, properly claiming, under penalties of perjury, an exemption from, or reduction in the rate of, U.S. federal withholding tax under an applicable income tax treaty or (b) IRS Form W-8ECI stating that the Early Tender Premium is not subject to U.S. federal withholding tax because it is effectively connected with such Non-U.S. Holder's conduct of a trade or business within the United States. If the tax withheld results in an overpayment of tax, a refund or credit may generally be obtainable, provided the requested information is provided to the IRS in a timely manner. Non-U.S. Holders should consult their tax advisors as to the proper treatment of the Early Tender Premium and the procedures for obtaining a refund.

### *Information Reporting and Backup Withholding*

Generally, any amounts paid pursuant to the Offer to a non-U.S. Holder and the amount of tax, if any, withheld with respect to such payments, must be reported annually to such Non-U.S. Holder and the IRS. These reporting requirements apply regardless of whether withholding was reduced or eliminated by an applicable income tax treaty. This information may also be made available to the tax authorities in the country in which a Non-U.S. Holder resides or is established pursuant to the provisions of a specific treaty or agreement with such tax authorities.

U.S. backup withholding generally will not apply with respect to any amounts paid pursuant to the Offer to a Non-U.S. Holder, provided that the Non-U.S. Holder furnishes the Tender Agent with a properly executed IRS Form W-8BEN (or other applicable IRS Form W-8) certifying such Non-U.S. Holder's non-U.S. status or otherwise establishes an exemption.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a Non-U.S. Holder may be allowed as a credit against such Non-U.S. Holder's U.S. federal income tax liability and may entitle such Non-U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.



## EMPLOYEE RETIREMENT INCOME SECURITY ACT

Section 406 of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and Section 4975 of the Code prohibit a pension, profit-sharing or other employee benefit plan to which Title I of ERISA applies, an individual retirement account or Keogh plan to which Section 4975 of the Code applies, or any entity such as a collective investment fund, partnership or separate account or insurance company pooled separate account or insurance company general account whose underlying assets include the assets of such a plan (collectively, “plans”), from engaging in specified transactions involving “plan assets” with persons who are “parties in interest” under ERISA or “disqualified persons” under the Code with respect to such plan unless an applicable statutory or administrative exemption is available. A violation of those “prohibited transaction” rules may result in an excise tax or other liabilities under ERISA and/or Section 4975 of the Code for such persons. Employee benefit plans that are governmental plans, as defined in Section 3(32) of ERISA, certain church plans, as defined in Section 3(33) of ERISA, and foreign plans, as described in Section 4(b)(4) of ERISA, are not subject to the requirements of ERISA or Section 4975 of the Code but may be subject to other similar legal restrictions (“*Similar Laws*”).

The Company and its affiliates may each be considered a party-in-interest with respect to many plans. Therefore, if the tendering Holder of Notes is a plan, a fiduciary of the plan should consider whether tender of the Notes might constitute or give rise to a prohibited transaction under ERISA or the Code or under any Similar Laws.

Special caution should be exercised, therefore, by the fiduciary of the plan before the Notes are tendered by such plan. In particular, the fiduciary of the plan should consider whether exemptive relief is available under an applicable statutory or administrative exemption. The U.S. Department of Labor has issued five prohibited transaction class exemptions (each, a “PTCE”) that may provide exemptive relief for direct or indirect prohibited transactions resulting from the tender of the Notes. Those class exemptions are:

- PTCE 96-23, for specified transactions determined by in-house asset managers;
- PTCE 95-60, for specified transactions involving insurance company general accounts;
- PTCE 91-38, for specified transactions involving bank collective investment funds;
- PTCE 90-1, for specified transactions involving insurance company pooled separate accounts; and
- PTCE 84-14, for specified transactions determined by independent qualified professional asset managers.

In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide an exemption for transactions between a plan and a person who is a party-in-interest (other than a fiduciary who has or exercises any discretionary authority or control with respect to investment of the plan assets involved in the transaction or renders investment advice with respect thereto)

solely by reason of providing services to the plan (or by reason of a relationship to such a service provider), if in connection with the transaction the plan neither receives less, nor pays more, than “adequate consideration” (within the meaning of Section 408(b)(17) of ERISA).

Any tendering Holder of the Notes will be deemed to have represented by its tender that either:

- the tendered Notes do not constitute assets of any plan; or
- the tendering of the Notes by such Holder will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation of other applicable laws, including Similar Laws.

**The foregoing discussion is general in nature, is not intended to be all-inclusive, and is based on laws in effect on the date hereof. Such discussion should not be construed as legal advice. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that a fiduciary or other person considering tendering the Notes on behalf of any plan consult its legal counsel regarding the potential consequences under ERISA and the Code and the availability of exemptive relief under PTCE 96-23, 95-60, 91-38, 90-1 or 84-14 or another applicable statutory or administrative exemption.**

Tendering Holders of the Notes have the exclusive responsibility for ensuring that their tender of the Notes does not violate the prohibited transaction rules of ERISA or the Code or such other applicable laws, including Similar Laws.

## **DEALER MANAGER, TENDER AND INFORMATION AGENT**

In connection with the Offer, the Company has retained Jefferies LLC to act as Dealer Manager. The Dealer Manager may contact Holders regarding the Offer and may request brokers, dealers, commercial banks, trust companies and other nominees to forward this Offer to Purchase, the Letter of Transmittal and related materials to beneficial owners of Notes.

The Company has agreed to pay the Dealer Manager a fee for its services as Dealer Manager and to reimburse certain expenses in connection with the Offer. The Company has also agreed to indemnify the Dealer Manager and its affiliates against certain liabilities in connection with their services, including liabilities under the federal securities laws. At any given time, the Dealer Manager and its affiliates may trade the Notes or other securities of the Company and its affiliates for their own account or for the accounts of their customers and, accordingly, may hold a long or short position in the Notes. In addition, the Dealer Manager or its affiliates may tender Notes that they may hold in the Offer for their own accounts, but are under no obligation to do so. If the Dealer Manager or its affiliates tender Notes and such Notes are accepted for purchase, the Dealer Manager or its affiliates, as applicable, would receive a *pro rata* portion of the proceeds therefrom.

From time to time, the Dealer Manager and its affiliates have in the past and may continue to engage in transactions with and perform services for the Company and its affiliates in the ordinary course of their business, including, without limitation, in connection with acquisition and debt financing activity of the Company and its affiliates, for which they have received and will receive customary fees and reimbursement of expenses.

D.F. King & Co., Inc. has been appointed the Tender Agent for the Offer. All deliveries and correspondence sent to the Tender Agent should be directed to the address set forth on the back cover of this Offer to Purchase. The Company has agreed to pay the Tender Agent reasonable and customary fees for its services and to reimburse the Tender Agent for its reasonable out-of-pocket expenses in connection therewith. The Company has also agreed to indemnify the Tender Agent against certain liabilities in connection with their services, including liabilities under the federal securities laws.

D.F. King & Co., Inc. has also been appointed the Information Agent for the Offer. Requests for additional copies of documentation may be directed to the Information Agent at the address set forth on the back cover of this Offer to Purchase.

None of the Dealer Manager, the Tender and Information Agent, the Trustee, any registrar or paying agent or any of their respective affiliates assumes any responsibility for the accuracy or completeness of the information contained in, or incorporated by reference in, this Offer to Purchase or the other Offer documents or for any failure to disclose events that may have occurred and may affect the significance or accuracy of such information.

## **FEES AND EXPENSES**

The Company will not pay any fees or commissions to any broker, dealer or other person other than the Dealer Manager and the Tender and Information Agent in connection with the solicitation of tenders of Notes pursuant to the Offer. The Company will, however, reimburse brokers, dealers and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of this Offer to Purchase, the Letter of Transmittal and related documents to the beneficial owners of the Notes.

## **MISCELLANEOUS**

The Company is not aware of any jurisdiction where the making of the Offer is not in compliance with applicable law. If the Company becomes aware of any such jurisdiction, the Company will make a good faith effort to comply with applicable law or seek to have such law declared inapplicable to the Offer. If, after such good faith effort, the Company cannot comply with any such law, the Offer will not be made to (nor will tenders be accepted from or on behalf of) Holders residing in such jurisdiction.

No person has been authorized to give any information or make any representation on behalf of the Company that is not contained in this Offer to Purchase or in the Letter of Transmittal, and, if given or made, such information or representation should not be relied upon.

None of the Company, the Company's Board of Directors, the Dealer Manager, the Tender and Information Agent, the Trustee or any of our or their respective affiliates makes any recommendation to any Holder as to whether to tender any or all Notes held by such Holders. Holders must make their own decision as to whether to tender Notes.

*The Tender Agent for the Offer is:*

**D.F. King & Co., Inc.**

<i>By Regular, Registered or Certified Mail, Hand or Overnight Delivery: 48 Wall Street, 22<sup>nd</sup> Floor New York, NY 10005 Attention: Krystal Scrudato</i>	<i>By Facsimile Transmission (for Eligible Institutions Only): (212) 709-3328 Confirmation: Krystal Scrudato (212) 493-6940</i>
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Any questions regarding procedures for tendering Notes or requests for additional copies of this Offer to Purchase and the Letter of Transmittal should be directed to the Information Agent.

*The Information Agent for the Offer is:*

**D.F. King & Co., Inc.**  
48 Wall Street, 22<sup>nd</sup> Floor  
New York, New York 10005  
Attn: Krystal Scrudato

Banks and Brokers Call: (212) 269-5550  
All Others Call Toll Free: (800) 330-5136

Email: [sears@dfking.com](mailto:sears@dfking.com)

Any questions regarding the terms of the Offer should be directed to the Dealer Manager.

*The Dealer Manager for the Offer is:*

**Jefferies**

Attn: Liability Management Group  
520 Madison Avenue  
New York, NY 10022  
U.S. Toll Free: (877) 877-0696  
Collect: (212) 284-2435