

ARCHER DANIELS MIDLAND CO

Form 424B3

March 31, 2011

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<b>Title of each class of securities registered</b>	<b>Maximum amount to be registered</b>	<b>Maximum offering price per security</b>	<b>Amount of aggregate offering price</b>	<b>Registration fee(1)</b>
4.479% Notes due 2021	\$750,000,000	101.160%	\$758,700,000	\$88,085
5.765% Debentures due 2041	\$1,000,000,000	101.168%	\$1,011,680,000	\$117,456

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933.

**Filed Pursuant to Rule 424(b)(3)**  
**Registration No. 333-165627**

**PROSPECTUS SUPPLEMENT**  
**(To Prospectus dated March 23, 2010)**

**\$1,750,000,000**

**ARCHER-DANIELS-MIDLAND COMPANY**

**\$750,000,000 4.479% Notes due 2021**  
**\$1,000,000,000 5.765% Debentures due 2041**

This prospectus supplement relates to the remarketing of \$1,750,000,000 aggregate principal amount of our 4.70% debentures due 2041 (the "4.70% debentures"), originally issued as components of the 35,000,000 Equity Units we issued in June 2008, on behalf of holders of Corporate Units. The 4.70% debentures are being remarketed into two series of debt securities: \$750 million aggregate principal amount of 4.479% notes due 2021 (the "4.479% notes") and \$1 billion aggregate principal amount of 5.765% debentures due 2041 (the "5.765% debentures" and, together with the 4.479% notes, the "debt securities").

Interest on the 4.70% debentures currently is payable quarterly in arrears on March 1, June 1, September 1 and December 1 of each year, and following April 4, 2011 (the "remarketing settlement date"), interest on the debt securities will be payable semi-annually in arrears on March 1 and September 1 of each year, beginning September 1, 2011. From and after the remarketing settlement date, the interest rate on the 4.70% debentures will be reset to 4.479% per year, in the case of the 4.479% notes, and 5.765% per year, in the case of the 5.765% debentures. The 4.479% notes will mature on March 1, 2021, and the 5.765% debentures will mature on March 1, 2041.

At any time on or after June 1, 2013, we may redeem the debt securities of either series in whole or in part at the applicable redemption price set forth under "Description of the Remarketed Debentures - Optional Redemption." If we experience a change of control triggering event, we may be required to offer to purchase the debt securities from holders at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest.

The debt securities will be our senior unsecured obligations and will rank equally in right of payment with all of our other senior unsecured obligations from time to time outstanding. The debt securities will be issued only in registered form in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof.

We will not receive any proceeds from the remarketing. See *Use of Proceeds* in this prospectus supplement.

**Investing in the debt securities involves risks, including those that are described under *Risk Factors* beginning on page S-5.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the debt securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	<b>Per Debt Security</b>	<b>Total</b>
Public offering price of 4.479% notes(1)	100.729%	\$ 755,467,500
Public offering price of 5.765% debentures(2)	100.738%	\$ 1,007,380,000
Proceeds, before remarketing fee and other expenses(3)		\$ 1,770,380,000
Remarketing fee to remarketing agents(4)		\$ 12,125,000

- (1) Plus accrued interest at the rate of 4.70% per year from and including March 1, 2011 to, but not including, the remarketing settlement date, and any accrued interest at the rate of 4.479% per year from the remarketing settlement date.
- (2) Plus accrued interest at the rate of 4.70% per year from and including March 1, 2011 to, but not including, the remarketing settlement date, and any accrued interest at the rate of 5.765% per year from the remarketing settlement date.
- (3) Consists of \$758,700,000 with respect to the 4.479% notes and \$1,011,680,000 with respect to the 5.765% debentures. We will not receive any proceeds from the remarketing. See *Use of Proceeds* in this prospectus supplement.
- (4) We will pay all fees and expenses of the remarketing agents. The remarketing fee equals 0.450% of the principal amount of the 4.479% notes plus 0.875% of the principal amount of the 5.765% debentures.

The remarketing agents expect to deliver the debt securities to purchasers in book-entry form only through The Depository Trust Company for the accounts of its participants, including Clearstream Banking, société anonyme and Euroclear Bank, S.A./N.V., as operator of the Euroclear System, on or about April 4, 2011.

*Joint Lead Remarketing Agents*

**BofA Merrill Lynch**

**Citi**

**J.P. Morgan**

*Co-Remarketing Agents*

**Barclays Capital**

**BNP PARIBAS**

**Deutsche Bank Securities**

**HSBC**

**Morgan Stanley**

March 30, 2011.

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You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any date after the dates on the front of this prospectus supplement or the accompanying prospectus, as applicable, or for information incorporated by reference, as of the dates of that information.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this prospectus supplement, which contains the terms of this remarketing. The second part is the prospectus dated March 23, 2010, which is part of our Registration Statement on Form S-3 (No. 333-165627).

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

It is important for you to read and consider all information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information in the documents to which we have referred you in *Where You Can Find More Information* in the accompanying prospectus.

No person is authorized to give any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement or the accompanying prospectus and, if given or made, such information or representations must not be relied upon as having been authorized. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities described in this prospectus supplement or an offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus supplement and the accompanying prospectus, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in our affairs since the date of this prospectus supplement, or that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is correct as of any time subsequent to the date of such information.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the debt securities in certain jurisdictions may be restricted by law. This prospectus supplement and the accompanying prospectus do not constitute an offer, or an invitation on our behalf or the remarketing agents or any of them, to subscribe to or purchase any of the debt securities, and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. See *Remarketing*.

In this prospectus supplement, unless otherwise stated or the context otherwise requires, references to *we*, *us* and *our* refer to Archer-Daniels-Midland Company and its consolidated subsidiaries.

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**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights selected information about us and this offering. It may not contain all of the information that is important to you in deciding whether to purchase debt securities. We encourage you to read the entire prospectus supplement, the accompanying prospectus and the documents that we have filed with the SEC that are incorporated by reference prior to deciding whether to purchase debt securities.*

**Archer-Daniels-Midland Company**

Every day, the 29,000 people of Archer-Daniels-Midland Company turn crops into renewable products that meet the demands of a growing world. At more than 240 processing plants, we convert corn, oilseeds, wheat and cocoa into products for food, animal feed, chemical and energy uses. We operate the world's premier crop origination and transportation network, connecting crops and markets in more than 60 countries.

We were incorporated in Delaware in 1923 as the successor to a business formed in 1902. Our executive offices are located at 4666 Faries Parkway, Box 1470, Decatur, Illinois 62525. Our telephone number is (217) 424-5200. We maintain an Internet website at <http://www.adm.com>. Information contained on our website is not incorporated by reference into this prospectus, and you should not consider information contained on our website as part of this prospectus.

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**The Remarketing**

Issuer	Archer-Daniels-Midland Company
Securities Remarketed	<p>\$750,000,000 aggregate principal amount of 4.479% notes due 2021</p> <p>\$1,000,000,000 aggregate principal amount of 5.765% debentures due 2041</p>
Maturity	<p>The 4.479% notes will mature on March 1, 2021</p> <p>The 5.765% debentures will mature on March 1, 2041</p>
Interest	<p>The interest rate on the 4.70% debentures will be reset to 4.479% per year, in the case of the 4.479% notes, and 5.765% per year, in the case of the 5.765% debentures (in each case, the reset rate ), effective from and after the remarketing settlement date. Interest on the 4.70% debentures currently is payable quarterly in arrears on March 1, June 1, September 1 and December 1 of each year, and following the remarketing settlement date, interest on the debt securities will be payable semi-annually in arrears on March 1 and September 1 of each year, beginning September 1, 2011. On September 1, 2011, the first interest payment date of the debt securities, we will pay interest on the debt securities in an amount equal to (a) interest at the rate of 4.70% per year from and including March 1, 2011 to, but not including, the remarketing settlement date and (b) interest at the applicable reset rate from and including the remarketing settlement date to, but not including, such interest payment date.</p>
Optional Redemption	<p>On or after June 1, 2013, we may redeem the debt securities of either series at our option, at any time in whole or from time to time in part at a redemption price equal to the greater of:</p> <p style="padding-left: 40px;">100% of the principal amount of the debt securities being redeemed; and</p> <p style="padding-left: 40px;">the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the date of redemption), discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Rate (as defined in this prospectus supplement), plus 15 basis points, in the case of the 4.479% notes, and 20 basis points, in the case of the 5.765% debentures.</p> <p>We will also pay the accrued and unpaid interest on the debt securities to the redemption date.</p>
Repurchase at the Option of Holders Upon a Change of Control Triggering Event	<p>If we experience a change of control triggering event with respect to a series of debt securities, we will be required, unless we have exercised our right to redeem the related debt securities, to offer to purchase the debt securities of such series at a purchase price equal to 101% of their</p>



principal amount, plus accrued and unpaid interest.

Ranking

The debt securities will be our senior unsecured obligations and will rank equal in right of payment to our other senior unsecured obligations from time to time outstanding.

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The Remarketing

The 4.70% debentures were issued by us in June 2008 in connection with our issuance and sale to the public of Equity Units. Each Equity Unit initially consisted of both a purchase contract and a 1/20, or 5.0%, undivided beneficial interest in \$1,000 principal amount of the 4.70% debentures, together, called a Corporate Unit. In order to secure their obligations under the purchase contracts, holders of the Equity Units pledged their undivided beneficial ownership interests in the 4.70% debentures to us through a collateral agent.

Pursuant to the terms of the Equity Units, the remarketing agents are remarketing the 4.70% debentures on behalf of current holders of Corporate Units under the terms of and subject to the conditions in the remarketing agreement among us, the remarketing agents, and The Bank of New York Mellon, as purchase contract agent and as attorney-in-fact for holders of Equity Units. See Remarketing in this prospectus supplement.

The terms of the remarketing agreement require the remarketing agents to use their reasonable efforts to remarket the 4.70% debentures that are included in the Corporate Units at a public offering price that will result in proceeds sufficient to purchase the treasury portfolio at the treasury portfolio purchase price, as described in this prospectus supplement. The public offering price will include accrued and unpaid interest on the 4.70% debentures (prior to the reset of the interest rate) to, but not including, the remarketing settlement date.

Use of Proceeds

The proceeds from the remarketing of the 4.70% debentures are estimated to be \$1,770,380,000. We will not receive any proceeds from the remarketing. Instead, the proceeds from the remarketing of the 4.70% debentures will be used to purchase the treasury portfolio described in this prospectus supplement, which treasury portfolio will then be pledged to secure the purchase contract obligations of the holders of the Corporate Units. Any remaining proceeds will be remitted ratably to holders of the Corporate Units as of 11:00 a.m., New York City time, on March 28, 2011. On June 1, 2011, the purchase contract settlement date, a portion of the proceeds from the treasury portfolio will be paid to us in settlement of the obligations of the holders of Corporate Units under the purchase contracts in exchange for the shares of our common stock that are to be issued to such holders pursuant to the purchase contracts. See Use of Proceeds.

Further Issues

The 4.479% notes and the 5.765% debentures will each be a separate series under the indenture. We may from time to time, without notice to or the consent of the holders of the debt securities of any series, create and issue additional debt securities having the same terms (except for the issue date and the public offering price) and ranking equally and ratably with the debt securities of any series offered hereby in all respects, as described under Description of the Remarketed Debentures General. Any additional

debt securities having such similar terms, together with the debt securities of such series offered hereby, will constitute a single series of securities under the indenture.

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Denomination and Form	We will issue each series of the debt securities in the form of one or more fully registered global securities registered in the name of the nominee of The Depository Trust Company, or DTC. Beneficial interests in the debt securities will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Clearstream Banking, société anonyme and Euroclear Bank, S.A./ N.V., as operator of the Euroclear System, will hold interests on behalf of their participants through their respective U.S. depositories, which in turn will hold such interests in accounts as participants of DTC. Except in the limited circumstances described in this prospectus supplement, owners of beneficial interests in the debt securities will not be entitled to have debt securities registered in their names, will not receive or be entitled to receive debt securities in definitive form and will not be considered holders of debt securities under the indenture. The debt securities will be issued only in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof.
Risk Factors	Investing in the debt securities involves risks. See <a href="#">Risk Factors</a> for a description of certain risks you should particularly consider before investing in the debt securities.
Trustee	The Bank of New York Mellon
Governing Law	New York

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**RISK FACTORS**

You should carefully consider the following risk factors, the risk factors described in Item 1A of our Annual Report on Form 10-K for the year ended June 30, 2010 as well as the other information included or incorporated by reference into this prospectus supplement and the accompanying prospectus, before making an investment decision. The following is not intended as, and should not be construed as, an exhaustive list of relevant risk factors. There may be other risks that a prospective investor should consider that are relevant to its own particular circumstances or generally.

***The debt securities are effectively subordinated to the existing and future liabilities of our subsidiaries.***

The debt securities are our senior unsecured obligations and will rank equal in right of payment to our other senior unsecured obligations from time to time outstanding. The debt securities are not secured by any of our assets. Any future claims of secured lenders with respect to assets securing their loans will be prior to any claim of the holders of the debt securities with respect to those assets.

Our subsidiaries are separate and distinct legal entities from us. Our subsidiaries have no obligation to pay any amounts due on the debt securities or to provide us with funds to meet our payment obligations on the debt securities, whether in the form of dividends, distributions, loans or other payments. In addition, any payment of dividends, loans or advances by our subsidiaries could be subject to statutory or contractual restrictions. Payments to us by our subsidiaries will also be contingent upon the subsidiaries' earnings and business considerations. Our right to receive any assets of any of our subsidiaries upon their bankruptcy, liquidation or reorganization, and therefore the right of the holders of the debt securities to participate in those assets, will be effectively subordinated to the claims of that subsidiary's creditors, including trade creditors. In addition, even if we are a creditor of any of our subsidiaries, our right as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any indebtedness of our subsidiaries senior to that held by us.

***The indenture does not restrict the amount of additional debt that we may incur.***

The debt securities and indenture under which the debt securities will be issued do not place any limitation on the amount of unsecured debt that may be incurred by us. Our incurrence of additional debt may have important consequences for you as a holder of the debt securities, including making it more difficult for us to satisfy our obligations with respect to the debt securities, a loss in the trading value of your debt securities, if any, and a risk that the credit rating of the debt securities is lowered or withdrawn.

***Our credit ratings may not reflect all risks of your investments in the debt securities.***

Our credit ratings are an assessment by rating agencies of our ability to pay our debts when due. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the debt securities. These credit ratings may not reflect the potential impact of risks relating to structure or marketing of the debt securities. Agency ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization. Each agency's rating should be evaluated independently of any other agency's rating.

***If an active trading market does not develop for the debt securities, you may be unable to sell your debt securities or to sell your debt securities at a price that you deem sufficient.***

The remarketed debt securities are new issues of securities for which there currently is no established trading market. We do not intend to list the debt securities on a national securities exchange. While the remarketing agents have advised us that they intend to make a market in the debt securities, the remarketing agents will not be obligated to do so and may stop their market making at any time. No assurance can be given:

that a market for the debt securities will develop or continue;

as to the liquidity of any market that does develop; or

as to your ability to sell any debt securities you may own or the price at which you may be able to sell your debt securities.

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

Upon the occurrence of specific kinds of change of control events, unless we have exercised our right to redeem the debt securities, each holder of debt securities will have the right to require us to repurchase all or any part of such holder's debt securities at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of purchase. If we experience a change of control triggering event, there can be no assurance that we would have sufficient financial resources available to satisfy our obligations to repurchase the debt securities. Our failure to purchase the debt securities as required under the indenture governing the debt securities would result in a default under the debt securities, which could have material adverse consequences for us and the holders of the debt securities. See Description of the Remarketed Debentures Change of Control Offer.

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**USE OF PROCEEDS**

We are remarketing \$1,750,000,000 aggregate principal amount of 4.70% debentures to investors on behalf of holders of Corporate Units through the offering of \$750,000,000 aggregate principal amount of 4.479% notes and \$1,000,000,000 aggregate principal amount of 5.765% debentures. The proceeds from the remarketing are estimated to be \$1,770,380,000, including the payment by new investors of accrued and unpaid interest on the 4.70% debentures (prior to the reset of the interest rate) from March 1, 2011 to, but not including, the remarketing settlement date. We will not receive any cash proceeds from the remarketing of the 4.70% debentures. Instead, the proceeds from the remarketing will be used as follows:

\$1,770,208,888 of these proceeds will be applied to purchase the treasury portfolio at the treasury portfolio purchase price as described below, which will be pledged to the collateral agent to secure the Corporate Unit holders' obligations to purchase our common stock under the purchase contracts on June 1, 2011; and

any proceeds from the remarketing of the 4.70% debentures remaining after deducting the purchase price for the treasury portfolio will be remitted ratably to holders of the Corporate Units as of 11:00 a.m., New York City time, on March 28, 2011.

The treasury portfolio consists of

U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to May 31, 2011 in an aggregate amount equal to the principal amount of the 4.70% debentures included in Corporate Units, and

U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to May 31, 2011 in an aggregate amount at maturity equal to the aggregate interest payment (assuming no reset of the interest rate on the 4.70% debentures) that would have been due on June 1, 2011 on the principal amount of the 4.70% debentures included in the Corporate Units.

As used herein: treasury portfolio purchase price means the lowest aggregate ask-side price quoted by a primary U.S. government securities dealer to the quotation agent between 9:00 a.m. and 4:00 p.m., New York City time, on March 30, 2011 for the purchase of the treasury portfolio for settlement on the remarketing settlement date.

The quotation agent means any primary U.S. Government securities dealer selected by us.

On June 1, 2011, the purchase contract settlement date, a portion of the proceeds from the treasury portfolio will be paid to us in settlement of the obligations of the holders of Corporate Units under the purchase contracts in exchange for the shares of our common stock that are to be issued to such holders pursuant to the purchase contracts.



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Set forth below is our consolidated ratio of earnings to fixed charges for each of the periods presented.

	<b>Fiscal Year Ended June 30,</b>					<b>Six Months Ended December 31, 2010</b>
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	
Ratio of Earnings to Fixed Charges	5.23x	6.54x	4.54x	4.84x	4.78x	5.61x

The ratio of earnings to fixed charges is calculated as follows:

(earnings)

(fixed charges)

For purposes of calculating the ratios, earnings consist of:

pre-tax income from continuing operations before adjustment for noncontrolling interests in income from consolidated subsidiaries or income or loss from equity investees;

fixed charges;

amortization of capitalized interest;

distributed income of equity investees; and

our share of pre-tax losses of equity investees for which charges arising from guarantees are included in fixed charges;

minus capitalized interest;

minus preference security dividend requirements of consolidated subsidiaries; and

minus the noncontrolling interest in pre-tax income of subsidiaries that have not incurred fixed charges.

For purposes of calculating the ratios, fixed charges consist of:

interest expensed and capitalized;

amortized premiums, discounts and capitalized expenses related to indebtedness;

an estimate of the interest portion of rental expense on operating leases; and

preference security dividend requirements of consolidated subsidiaries.



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**DESCRIPTION OF THE REMARKETED DEBENTURES**

*The following description of the particular terms of the debt securities supplements the description of the general terms and provisions of the debt securities set forth in the accompanying prospectus, to which reference is made. References to we, us and our in this section are only to Archer-Daniels-Midland Company and not to its subsidiaries.*

**General**

The 4.70% debentures were originally issued under an indenture dated as of September 20, 2006, between us and The Bank of New York Mellon (as successor to JPMorgan Chase Bank, N.A.), as trustee, as amended and supplemented by the First Supplemental Indenture, dated as of June 3, 2008, the Second Supplemental Indenture, dated as of November 29, 2010, and the Third Supplemental Indenture, to be dated April 4, 2011. We refer to the indenture, as amended and supplemented, as the indenture.

The 4.70% debentures were issued in connection with our issuance of Equity Units. The Equity Units initially consisted of units, referred to as Corporate Units, each with a stated amount of \$50. Each Corporate Unit consists of (1) a purchase contract pursuant to which the holder (a) agrees to purchase from us, for \$50, shares of our common stock on June 1, 2011 and (b) receives from us quarterly contract adjustment payments, and (2) a 1/20, or 5.0%, undivided beneficial ownership interest in \$1,000 principal amount of 4.70% debentures issued by us (equivalent to \$50 principal amount of 4.70% debentures) originally due on June 1, 2041. The 4.70% debentures were initially issued in an aggregate principal amount of \$1,750,000,000.

This prospectus supplement relates to the remarketing of the 4.70% debentures on behalf of the holders of Corporate Units.

The 4.479% notes offered hereby will mature on March 1, 2021, and the 5.765% debentures offered hereby will mature on March 1, 2041. The debt securities will be issued only in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof.

The indenture does not limit the amount of notes, debentures or other evidences of indebtedness that we may issue under the indenture and provides that notes, debentures or other evidences of indebtedness may be issued from time to time in one or more series. We may from time to time, without giving notice to or seeking the consent of the holders of the debt securities of any series offered hereby, issue debt securities having the same terms (except for the issue date and the public offering price) and ranking equally and ratably with the debt securities of any series offered hereby. Any additional debt securities having such similar terms, together with the debt securities of such series offered hereby, will constitute a single series of securities under the indenture.

The debt securities are not subject to a sinking fund provision and are not subject to defeasance. The 4.479% notes, in an aggregate principal amount of \$750,000,000, will mature and become due and payable, together with any accrued and unpaid interest thereon, on March 1, 2021, unless earlier redeemed or repurchased by us. The 5.765% debentures, in an aggregate principal amount of \$1,000,000,000, will mature and become due and payable, together with any accrued and unpaid interest thereon, on March 1, 2041, unless earlier redeemed or repurchased by us.

**Ranking**

The debt securities are our senior unsecured obligations and rank equal in right of payment to our other senior unsecured obligations from time to time outstanding. The debt securities are effectively subordinated to all liabilities of our subsidiaries, including trade payables. Since we conduct many of our operations through our subsidiaries, our right to participate in any distribution of the assets of a subsidiary when it winds up its business is subject to the prior claims of the creditors of the subsidiary. This means that your right as a holder of our debt securities will also be subject to the prior claims of these creditors if a subsidiary liquidates or reorganizes or otherwise winds up its business. Unless we are considered a creditor of the subsidiary, your claims will be recognized behind these creditors. Since the debt securities are unsecured, the debt securities will be effectively subordinated to all of our secured obligations to the extent of the value of the assets securing such obligations.

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### **Interest**

The interest rate on the 4.70% debentures will be reset to 4.479% per year, in the case of the 4.479% notes, and 5.765% per year, in the case of the 5.765% debentures, effective from and after the remarketing settlement date. We will make interest payments on the debt securities semi-annually in arrears on March 1 and September 1 of each year, commencing September 1, 2011, to the holders of record at the close of business on the February 15 or August 15 immediately preceding such interest payment date (whether or not a business day). Interest on the debt securities will be computed on the basis of a 360-day year consisting of twelve 30-day months. On September 1, 2011, the first interest payment date of the debt securities, we will pay interest on the debt securities in an amount equal to (a) interest at the rate of 4.70% per year from and including March 1, 2011 to, but not including, the remarketing settlement date and (b) interest at the applicable reset rate from and including the remarketing settlement date to, but not including, such interest payment date.

The amount of interest payable on the debt securities for any period will be computed (1) for any full semi-annual period, on the basis of a 360-day year of twelve 30-day months and (2) for any period shorter than a full semi-annual period, on the basis of a 30-day month and, for any period less than a month, on the basis of the actual number of days elapsed per 30-day month. If an interest payment date falls on a date that is not a business day, then interest will be paid on the next day that is a business day and no interest on such payment will accrue for the period from and after such interest payment date.

### **Redemption at Our Option**

On or after June 1, 2013, the debt securities of either or both series will be redeemable, in whole at any time or in part from time to time, at our option at a redemption price equal to the greater of:

100% of the principal amount of the debt securities to be redeemed on that redemption date; and

the sum of the present values of the remaining scheduled payments of principal and interest on the debt securities being redeemed on that redemption date (not including any portion of such payments of interest accrued as of the date of redemption), discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Rate (as defined below), plus 15 basis points, in the case of the 4.479% notes, and 20 basis points, in the case of the 5.765% debentures,

plus, in each case, accrued and unpaid interest thereon to the date of redemption. Notwithstanding the foregoing, installments of interest on debt securities that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered holders as of the close of business on the relevant record date according to the debt securities and the indenture.

**Comparable Treasury Issue** means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term (as measured from the date of redemption) of the debt securities to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such debt securities.

**Comparable Treasury Price** means, with respect to any redemption date, (1) if the Quotation Agent obtains four or more Reference Treasury Dealer Quotations, the average of such quotations, after excluding the highest and lowest such quotations, or (2) if the Quotation Agent obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations, or (3) if only one Reference Treasury Dealer Quotation is received, such quotation.

**Quotation Agent** means any Reference Treasury Dealer appointed by us.

Reference Treasury Dealer means (1) each of Citigroup Global Markets Inc., J.P. Morgan Securities LLC, and Merrill Lynch, Pierce, Fenner & Smith Incorporated (or their respective affiliates that are Primary Treasury Dealers) and their respective successors; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a Primary Treasury Dealer ), we will substitute therefor another Primary Treasury Dealer, and (2) any other Primary Treasury Dealer selected by us.

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

**Treasury Rate** means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the applicable Comparable Treasury Issue, assuming a price for such Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the applicable Comparable Treasury Price for such redemption date.

## **Redemption Procedures**

We will mail, or will cause the trustee to mail notice of every redemption notice by first-class mail, postage prepaid, addressed to the holders of record of the debt securities to be redeemed at their respective last addresses appearing on our books. Such mailing will be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this paragraph will be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing of such notice, to any holder of debt securities designated for redemption will not affect the redemption of any other debt securities.

Any debt securities to be redeemed pursuant to the notice will, on the date fixed for redemption, become due and payable at the redemption price. From and after such date such debt securities will cease to bear interest. Upon surrender of any such debt securities for redemption in accordance with said notice, such debt securities will be paid by us at the redemption price, subject to certain conditions. If any debt securities called for redemption are not so paid upon surrender thereof for redemption, the redemption price will, until paid, bear interest from the redemption date at the rate prescribed therefor in the debt securities.

## **Change of Control Offer**

If a change of control triggering event occurs with respect to any series of debt securities, we will be required, unless we have exercised our right to redeem the debt securities of such series by giving the holders of such debt securities notice thereof as provided above, to make an offer (the **change of control offer**) to each holder of the debt securities of such series to repurchase all or any part (equal to \$1,000 or an integral multiple of \$1,000 in excess thereof) of that holder's debt securities on the terms set forth in the debt securities of such series. In the change of control offer, we will be required to offer payment in cash equal to 101% of the aggregate principal amount of debt securities repurchased, plus accrued and unpaid interest, if any, on the debt securities repurchased to the date of repurchase (the **change of control payment**). Within 30 days following any change of control triggering event or, at our option, prior to any change of control, but after public announcement of the transaction that constitutes or may constitute the change of control, a notice will be mailed to holders of the debt securities for which a change of control triggering event has occurred or may occur describing the transaction that constitutes or may constitute the change of control triggering event and offering to repurchase the debt securities of such series on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the **change of control payment date**). The notice will, if mailed prior to the date of consummation of the change of control, state that the offer to purchase is conditioned on the change of control triggering event occurring on or prior to the change of control payment date.

On the change of control payment date, we will, to the extent lawful:

accept for payment all debt securities or portions of debt securities properly tendered pursuant to the change of control offer;

deposit with the paying agent an amount equal to the change of control payment in respect of all debt securities or portions of debt securities properly tendered; and

deliver or cause to be delivered to the trustee the debt securities properly accepted together with an officers certificate stating the aggregate principal amount of debt securities or portions of debt securities being

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repurchased and that all conditions precedent provided for in the indenture to the change of control offer and to the repurchase by us of debt securities pursuant to the change of control offer have been complied with.

We will not be required to make a change of control offer upon the occurrence of a change of control triggering event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and the third party repurchases all debt securities properly tendered and not withdrawn under its offer. In addition, we will not repurchase any debt securities if there has occurred and is continuing on the change of control payment date an event of default under the indenture with respect to such debt securities, other than a default in the payment of the change of control payment upon a change of control triggering event.

We will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the Exchange Act ), and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the debt securities as a result of a change of control triggering event. To the extent that the provisions of any such securities laws or regulations conflict with the change of control offer provisions of the debt securities, we will comply with those securities laws and regulations and will not be deemed to have breached our obligations under the change of control offer provisions of the debt securities by virtue of any such conflict.

For purposes of the change of control offer provisions of the debt securities, the following terms will be applicable:

Change of control means the occurrence of any of the following:

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

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

the first day on which a majority of the members of our Board of Directors are not continuing directors.

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

Change of control triggering event means, with respect to each series of debt securities, the occurrence of both a change of control and a rating event.

Continuing directors means, as of any date of determination, any member of our Board of Directors who (1) was a member of such Board of Directors on the date the debt securities were originally issued or (2) was nominated for election, elected or appointed to such Board of Directors with the approval of a majority of the continuing directors

who were members of such Board of Directors at the time of such nomination, election or appointment (either by a specific vote or by approval of our proxy statement in which such member was named as a nominee for election as a director, without objection to such nomination).

Fitch means Fitch Ratings, and its successors.

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

Moody's means Moody's Investors Service Inc., a subsidiary of Moody's Corporation, and its successors.

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

Rating event means, with respect to each series of debt securities, the rating on such debt securities is lowered by each of the rating agencies and such debt securities are rated below an investment grade rating by each of the rating agencies on any day within the 60-day period (which 60-day period will be extended so long as the rating of such debt securities is under publicly announced consideration for a possible downgrade by any of the rating agencies) after the earlier of (1) the occurrence of a change of control and (2) public notice of the occurrence of a change of control or our intention to effect a change of control; provided, however, that a rating event otherwise arising by virtue of a particular reduction in rating will not be deemed to have occurred in respect of a particular change of control (and thus will not be deemed a rating event for purposes of the definition of change of control triggering event