

**OFFER TO PURCHASE**

**The Southern Company**

**Offers to Purchase for Cash Any and All of Its Outstanding:**

**1.85% Senior Notes due July 1, 2019**

**Series 2014B 2.15% Senior Notes due September 1, 2019**

Title of Security	CUSIP Number	Principal Amount Outstanding	U.S. Treasury Reference Security	Bloomberg Reference Page	Fixed Spread
1.85% Senior Notes due July 1, 2019	842587 CQ8	\$1,000,000,000	1.25% due June 30, 2019	PX3	+15 bps
Series 2014B 2.15% Senior Notes due September 1, 2019	842587 CL9	\$350,000,000	1.25% due August 31, 2019	PX3	+10 bps

**Series 2018A Floating Rate Senior Notes due February 14, 2020**

Title of Security	CUSIP Number	Principal Amount Outstanding	Consideration Per \$1,000 Principal Amount
Series 2018A Floating Rate Senior Notes due February 14, 2020	144A: 842587 DB0 Reg S: U84258 AE9	\$750,000,000	\$1,000

EACH TENDER OFFER WILL EXPIRE AT 5:00 P.M., EASTERN TIME, ON WEDNESDAY, JANUARY 23, UNLESS EXTENDED (SUCH TIME AND DATE, AS IT MAY BE EXTENDED, THE “EXPIRATION DATE”). HOLDERS OF THE NOTES MUST VALIDLY TENDER THEIR NOTES, OR DELIVER A PROPERLY COMPLETED AND DULY EXECUTED NOTICE OF GUARANTEED DELIVERY, AT OR PRIOR TO THE EXPIRATION DATE TO BE ELIGIBLE TO RECEIVE THE APPLICABLE TENDER OFFER CONSIDERATION, PLUS ACCRUED INTEREST. THERE IS NO LETTER OF TRANSMITTAL FOR THE TENDER OFFERS.

NOTES TENDERED PURSUANT TO THE TENDER OFFERS MAY BE WITHDRAWN PRIOR TO THE EARLIER OF (I) THE EXPIRATION DATE AND (II) IF ANY TENDER OFFER IS EXTENDED, THE 10<sup>TH</sup> BUSINESS DAY AFTER COMMENCEMENT OF SUCH TENDER OFFER (THE “WITHDRAWAL DEADLINE”). NOTES MAY ALSO BE VALIDLY WITHDRAWN AT ANY TIME AFTER THE 60<sup>TH</sup> BUSINESS DAY AFTER COMMENCEMENT OF ANY TENDER OFFER IF FOR ANY REASON SUCH TENDER OFFER HAS NOT BEEN CONSUMMATED WITHIN 60 BUSINESS DAYS AFTER COMMENCEMENT OF SUCH TENDER OFFER. EACH TENDER OFFER IS SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS, AS SET FORTH UNDER THE HEADING “THE TERMS OF THE TENDER OFFERS—CONDITIONS OF THE TENDER OFFERS.”

*The Dealer Manager for the Tender Offers is:*

**Citigroup**

January 16, 2019

The Southern Company (the “Company” or “Southern Company”) is offering to purchase for cash (each, a “Tender Offer” and, collectively, the “Tender Offers”) from each registered holder (each, a “Holder” and, collectively, the “Holders”) of the Company’s 1.85% Senior Notes due July 1, 2019 (the “1.85% Notes”), the Company’s Series 2014B 2.15% Senior Notes due September 1, 2019 (the “2.15% Notes” and, together with the 1.85% Notes, the “Fixed Rate Notes”) and the Company’s Series 2018A Floating Rate Senior Notes due February 14, 2020 (the “Floating Rate Notes” and, together with the Fixed Rate Notes, the “Notes”), upon the terms and 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 related Notice of Guaranteed Delivery (as it may be amended or supplemented from time to time, the “Notice of Guaranteed Delivery”), any and all of the outstanding Notes issued by the Company under the following supplemental indentures (the “Supplemental Indentures”) to the Senior Note Indenture, dated as of January 1, 2007, between the Company and Wells Fargo Bank, National Association, as trustee (the “Indenture”): (i) the Thirteenth Supplemental Indenture, dated as of May 24, 2016 relating to the 1.85% Notes (the “1.85% Notes Supplemental Indenture”), (ii) the Tenth Supplemental Indenture, dated as of August 22, 2014 relating to the 2.15% Notes (the “2.15% Notes Supplemental Indenture”), and (iii) the Twentieth Supplemental Indenture, dated as of August 17, 2018 relating to the Floating Rate Notes (the “Floating Rate Notes Supplemental Indenture”).

The consideration (the “Tender Offer Consideration”) offered per each \$1,000 principal amount of Notes validly tendered and accepted for purchase pursuant to the applicable Tender Offer: (i) with respect to each series of the Fixed Rate Notes, will be determined in the manner described in this Offer to Purchase by reference to the applicable fixed spread for such series of Fixed Rate Notes (the “Fixed Spread”) specified in the table on the cover page plus the applicable yield (the “Reference Yield”) based on the bid-side price of the applicable U.S. Treasury Reference Security for such series of Fixed Rate Notes specified in the table on the cover page (the “Reference Security”) as quoted on the Bloomberg Bond Trader PX3 series of pages (the “Reference Page”) at 11:00 a.m., Eastern time, on January 23, 2019 (such time and date as it may be extended, the “Price Determination Date”), and (ii) with respect to the Floating Rate Notes, will be equal to the amount set forth in the “Consideration Per \$1,000 Principal Amount” column in the table on the cover page relating to the Floating Rate Notes. The sum of the applicable Fixed Spread and the applicable Reference Yield with respect to each series of the Fixed Rate Notes is referred to as the applicable “Repurchase Yield.”

In addition to the applicable Tender Offer Consideration, all Holders of Notes accepted for purchase will also receive accrued and unpaid interest on Notes validly tendered and accepted for purchase from the last interest payment date for such Notes up to, but not including, the Settlement Date (as defined below) (“Accrued Interest”), payable on the Settlement Date or the Guaranteed Delivery Settlement Date (as defined below), as applicable. For the avoidance of doubt, the Company will not pay accrued interest for any periods following the Settlement Date in respect of any Notes accepted in the Tender Offers.

From time to time after completion of each Tender Offer, the Company or its affiliates may purchase additional Notes in the open market, in privately negotiated transactions, through tender or exchange offers, or otherwise, or the Company may redeem Notes that the Company is permitted to redeem pursuant to their terms. Southern Company intends to redeem any Fixed Rate Notes not purchased pursuant to the Tender Offers in accordance with the Indenture and the 1.85% Notes Supplemental Indenture or the 2.15% Notes Supplemental Indenture, as applicable, each of which currently provides for a make-whole redemption price, plus accrued and unpaid interest to, but not including, the redemption date. Southern Company intends to redeem, on or after February 14, 2019, any Floating Rate Notes not purchased pursuant to the Tender Offers in accordance with the Indenture and the Floating Rate Notes Supplemental Indenture, which provides for a redemption price of 100% of the principal amount of such Floating Rate Notes, plus accrued and unpaid interest to, but not including, the redemption date. Any redemption of Notes would be made solely pursuant to a notice of redemption delivered pursuant to the Indenture and the applicable Supplemental Indenture governing such Notes and the information in this Offer to Purchase is not a notice of redemption with respect to any Notes.

**Although the Company intends to redeem the Notes that are not tendered and accepted in the Tender Offers, the Company is not obligated to do so, and there can be no assurance the Company will do so.** Any future purchases may be on the same terms or on terms that are more or less favorable to Holders of the Notes than the terms of the Tender Offers. Any future purchases by the Company or its affiliates 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) the Company or its affiliates may choose to pursue in the future.

Each Tender Offer is open to all Holders of the applicable series of Notes. All of the Notes are held in book-entry form through the facilities of The Depository Trust Company (“DTC”). If a Holder wishes to tender Notes, the Holder must transfer such Notes through DTC’s Automated Tender Offer Program (“ATOP”), for which the Tender Offers will be eligible. Upon receipt of your acceptance through ATOP, DTC will verify the acceptance and send an Agent’s Message (as defined below) to Global Bondholder Services Corporation (the “Depository and Information Agent”) for its acceptance.

If you hold Notes through a broker, dealer, commercial bank, trust company or other nominee (each, a “Custodian”), you should contact such Custodian if you wish to tender your Notes. **Beneficial owners should be aware that a Custodian may establish its own earlier deadline for participation in the Tender Offers. Accordingly, beneficial owners wishing to participate in any Tender Offer should contact their Custodians as soon as possible in order to determine the time by which such beneficial owner must take action in order to participate in such Tender Offer. If you hold your Notes through a Custodian, you should ask your Custodian if you will be charged a fee to tender your Notes through the Custodian.**

Holders must tender their Notes in accordance with the procedures set forth under “The Terms of the Tender Offers—Procedures for Tendering.” A Holder who wishes to tender Notes but who cannot comply with the procedures set forth herein for a tender on a timely basis or whose Notes are not immediately available may tender such Notes by following procedures for guaranteed delivery set forth below under “The Terms of the Tender Offers—Procedures for Tendering—Guaranteed Delivery,” including physical delivery of the Notice of Guaranteed Delivery to the Depository and Information Agent.

The Company will fund the purchase of the Notes pursuant to the Tender Offers with cash on hand received from the proceeds from the consummation of the sale of the Company’s former subsidiary, Gulf Power Company, to NextEra Energy, Inc. on January 1, 2019.

The Company’s obligation to accept for purchase and to pay for the Notes in each Tender Offer is subject to the satisfaction or waiver of a number of conditions set forth in “The Terms of the Tender Offers—Conditions of the Tender Offers.”

In this Offer to Purchase, the Company has used the convention of referring to all Notes that have been validly tendered and not validly withdrawn as having been “validly tendered.”

Each Tender Offer will expire at 5:00 p.m., Eastern time, on January 23, 2019, or any other time and date to which the Company extends such Tender Offer. Payment for the Notes that are validly tendered and accepted for purchase will be made on either the date referred to as the “Settlement Date” or, in the case of Notes tendered by Notice of Guaranteed Delivery and purchased pursuant to any Tender Offer, the date referred to as the “Guaranteed Delivery Settlement Date.” The Settlement Date for the Notes will be promptly following the Expiration Date. It is anticipated that the Settlement Date for each Tender Offer will be January 24, 2019, the first business day after the Expiration Date, assuming that the Expiration Date is not extended. The Guaranteed Delivery Settlement Date in respect of Notes with respect to which a properly completed and duly executed Notice of Guaranteed Delivery is delivered at or prior to the Expiration Date (to the extent that such Notes are not delivered prior to the Expiration Date) that are accepted by the Company for purchase in each Tender Offer is expected to be January 28, 2019, the third business day after the Expiration Date, assuming that the Expiration Date is not extended.

If you validly tender your Notes, you may validly withdraw your tendered Notes at any time prior to the earlier of (i) the Expiration Date and (ii) if any Tender Offer is extended, the 10<sup>th</sup> business day after commencement of such Tender Offer. Notes may also be validly withdrawn at any time after the 60<sup>th</sup> business day after commencement of any Tender Offer if for any reason such Tender Offer has not been consummated within 60 business days after commencement of such Tender Offer.

**NONE OF THE COMPANY OR ITS AFFILIATES, THEIR RESPECTIVE BOARDS OF DIRECTORS, THE DEALER MANAGER (AS DEFINED BELOW), THE DEPOSITORY AND INFORMATION AGENT OR THE TRUSTEE WITH RESPECT TO THE NOTES IS MAKING ANY**

**RECOMMENDATION AS TO WHETHER HOLDERS SHOULD TENDER ANY NOTES IN RESPONSE TO THE TENDER OFFERS, AND NEITHER THE COMPANY NOR ANY SUCH OTHER PERSON HAS AUTHORIZED ANY PERSON TO MAKE ANY SUCH RECOMMENDATION. HOLDERS MUST MAKE THEIR OWN DECISION AS TO WHETHER TO TENDER ANY OF THEIR NOTES, AND, IF SO, THE PRINCIPAL AMOUNT OF SUCH NOTES TO TENDER.**

Any questions or requests for assistance concerning the Tender Offers may be directed to Citigroup Global Markets Inc., the dealer manager for the Tender Offers (the “Dealer Manager”), at its address and telephone number set forth on the back cover of this Offer to Purchase. Requests for additional copies of this Offer to Purchase, the Notice of Guaranteed Delivery or any other documents may be directed to the Depositary and Information Agent at its address and telephone numbers set forth on the back cover of this Offer to Purchase.

For the avoidance of doubt, references to “affiliates” in this Offer to Purchase and the related Notice of Guaranteed Delivery includes, without limitation, the Company and its subsidiaries.

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

**If the Company consummates any or all of the Tender Offers, the trading market for your outstanding Notes may be significantly more limited. For a discussion of this and certain other matters to be considered in connection with the Tender Offer, see “Certain Significant Considerations for Holders.”**

Each Tender Offer may be terminated or withdrawn, subject to applicable law. The Company reserves the right, subject to applicable law, to (i) waive any and all conditions to any Tender Offer, (ii) extend or terminate any Tender Offer or (iii) otherwise amend any Tender Offer in any respect.

If the Company makes a material change in the terms of any Tender Offer or waives a material condition of any Tender Offer, the Company will disseminate additional materials related to such Tender Offer and extend such Tender Offer to the extent required by law. If the Company changes the applicable Tender Offer Consideration for any Tender Offer, the Company will extend the Expiration Date for such Tender Offer by at least five business days, if such Tender Offer would otherwise expire during such period. If the Company makes any material change to the terms of any Tender Offer (other than to the applicable Tender Offer Consideration), the Company will extend such Tender Offer for at least three business days, if such Tender Offer would otherwise expire during such period. The Company will announce any such change in a press release issued at least three business days, or in the case of a change in the applicable Tender Offer Consideration, at least five business days, prior to the expiration of such Tender Offer and prior to 10:00 a.m., Eastern time, on the first day of such five- or three-business day period, as applicable. The Company will also describe any change in the applicable Tender Offer Consideration in a Current Report on Form 8-K filed with the Securities and Exchange Commission (the “SEC”) prior to 12:00 noon, Eastern time, on the first day of such five-business day period. During any extension of any Tender Offer, all Notes previously tendered pursuant to such Tender Offer will remain subject to such Tender Offer unless validly withdrawn at or prior to the Expiration Date. In addition, the Company may, if it deems appropriate, extend any Tender Offer for any other reason. Any extension, amendment or termination will be followed promptly by public announcement thereof, the announcement in the case of an extension of any Tender Offer to be issued no later than 9:00 a.m., Eastern time, on the next business day after the previously scheduled Expiration Date. Without limiting the manner in which the Company may choose to make a public announcement of any extension, amendment or termination of any Tender Offer, the Company will not be obligated to publish, advertise or otherwise communicate any such public announcement, other than by making a timely press release and related SEC filing, as applicable. The Company will announce the determination of the applicable Tender Offer Consideration with respect to each series of the Fixed Rate Notes promptly on the Price Determination Date by issuance of a press release.

## IMPORTANT DATES

You should take note of the following dates in connection with the Tender Offers:

Date	Calendar Date and Time	Event
Commencement Date	January 16, 2019	The commencement date of the Tender Offers.
Price Determination Date (with respect to the Fixed-Rate Notes)	11:00 a.m., Eastern time, on January 23, 2019, unless the Price Determination Date is extended or the applicable Tender Offer is terminated earlier by the Company.	The time for determining the applicable Tender Offer Consideration with respect to each series of the Fixed Rate Notes.
Withdrawal Deadline	The earlier of (i) the Expiration Date and (ii) if any Tender Offer is extended, the 10 <sup>th</sup> business day after commencement of such Tender Offer. Notes may also be validly withdrawn at any time after the 60 <sup>th</sup> business day after commencement of any Tender Offer if for any reason such Tender Offer has not been consummated within 60 business days after commencement of such Tender Offer.	The last time and day for you to validly withdraw tenders of Notes.
Expiration Date	Each Tender Offer will expire at 5:00 p.m., Eastern time, on January 23, 2019, unless extended or terminated earlier by the Company.	The last time and day for you to tender Notes or deliver a properly completed and duly executed Notice of Guaranteed Delivery pursuant to any Tender Offer.
Settlement Date	A date promptly after the Expiration Date when the Company makes payment in same-day funds for Notes validly tendered (other than by Notice of Guaranteed Delivery) and purchased, assuming that the conditions to the applicable Tender Offer are satisfied or waived. It is expected that the Settlement Date will be January 24, the first business day after the Expiration Date, unless the Expiration Date is extended or the applicable Tender Offer is terminated earlier by the Company.	The date for payment of the applicable Tender Offer Consideration, plus Accrued Interest, for Notes validly tendered (other than by Notice of Guaranteed Delivery) and accepted for purchase.
Guaranteed Delivery Settlement Date	A date promptly after the Expiration Date when the Company makes payment in same-day funds for Notes with respect to which a properly completed and duly executed Notice of Guaranteed Delivery is delivered at or prior to the Expiration Date and such Notes are delivered after the Expiration Date and purchased, assuming that the conditions to the applicable Tender Offer are satisfied or waived. It is expected that the Guaranteed Delivery Settlement Date will be January 28, 2019, the third business day following the Expiration Date, unless the Expiration Date is extended or the applicable Tender Offer is terminated earlier by the Company.	The date for payment of the applicable Tender Offer Consideration, plus Accrued Interest, for your Notes validly tendered pursuant to the guaranteed delivery procedures and delivered after the Expiration Date and purchased. For the avoidance of doubt, Accrued Interest will cease to accrue on the Settlement Date for all Notes accepted in the applicable Tender Offer, including those tendered by the guaranteed delivery procedures set forth herein.

## IMPORTANT INFORMATION

**You should read this Offer to Purchase and the related Notice of Guaranteed Delivery carefully before making a decision to tender your Notes.**

**The Company has not filed this document with, and it has not been reviewed by, any federal, state or foreign securities commission or regulatory authority. No authority has passed upon the accuracy or adequacy of this document, and it is unlawful to make any representation to the contrary.**

All Notes are registered in the name of Cede & Co., the nominee of DTC. Because only registered Holders of Notes may tender Notes, beneficial owners of Notes must instruct the Custodian that holds Notes on their behalf to tender Notes on such beneficial owners' behalf at or prior to the Expiration Date in order to receive the applicable Tender Offer Consideration. Beneficial owners should be aware that their Custodian may establish its own earlier deadline for participation in any Tender Offer. Accordingly, beneficial owners wishing to participate in any Tender Offer should contact their Custodian as soon as possible in order to determine the time by which such owner must take action in order to so participate. DTC has authorized DTC participants that hold Notes on behalf of beneficial owners of Notes through DTC to tender their Notes as if they were Holders. To tender Notes, a Holder must transfer such Notes through ATOP. See "The Terms of the Tender Offers—Procedures for Tendering." A Holder who wishes to tender Notes but who cannot comply with the procedures set forth herein for a tender on a timely basis or whose Notes are not immediately available may tender such Notes by following the procedures for guaranteed delivery set forth under "The Terms of the Tender Offers—Procedures for Tendering—Guaranteed Delivery," including physical delivery of the Notice of Guaranteed Delivery to the Depositary and Information Agent. Tendering Holders will not be required to pay brokerage fees or commissions to the Dealer Manager, the Company or the Depositary and Information Agent.

Requests for additional copies of this Offer to Purchase and the Notice of Guaranteed Delivery and requests for assistance relating to the procedures for tendering Notes may be directed to the Depositary and Information Agent at its address and telephone numbers on the back cover page of this Offer to Purchase. Questions regarding the terms and conditions of the Tender Offers may be directed to the Dealer Manager at its address and telephone number on the back cover page of this Offer to Purchase. Beneficial owners may also contact their Custodian for assistance regarding the Tender Offers.

This Offer to Purchase and related documents do not constitute offers to buy or the solicitation of offers to sell Notes in any jurisdiction or in any circumstances in which such offers or solicitations are unlawful. **In those jurisdictions where the securities, blue sky or other laws require any Tender Offer to be made by a licensed broker or dealer, such Tender Offer shall be deemed to be made on the Company's behalf by the Dealer Manager or one or more registered brokers or dealers licensed under the laws of such jurisdictions.**

Neither the delivery of this Offer to Purchase and related documents nor any purchase of Notes by the Company will, under any circumstances, create any implication that the information contained in this Offer to Purchase or in any related document is current as of any time subsequent to the date of such information.

**No dealer, salesperson or other person has been authorized to give any information or to make any representations with respect to the Tender Offers other than the information and representations contained or incorporated by reference in this Offer to Purchase and in the related Notice of Guaranteed Delivery, and, if given or made, such information or representations must not be relied upon as having been authorized.**

In making your decision whether to accept any Tender Offer, you must rely on your own examination of the Company's business and the information contained in this Offer to Purchase, including your own determination of the merits and risks involved in participating in any Tender Offer. No U.S. federal or state securities commission or regulatory authority, nor any other authority of any other jurisdiction, has confirmed the accuracy or determined the adequacy of this Offer to Purchase. Any representation to the contrary is a criminal offense.

In the event that any Tender Offer is terminated, withdrawn or otherwise not consummated, the applicable Tender Offer Consideration will not become payable. In any such event, the Notes previously tendered pursuant to such Tender Offer will be promptly returned to the tendering Holders without compensation of any sort.

**Each Tender Offer and the distribution of this Offer to Purchase may be restricted by law in certain jurisdictions. Each Tender Offer is void in all jurisdictions where it is prohibited. If materials relating to the Tender Offers come into your possession, you are required to inform yourself of and to observe all of these restrictions.**

This Offer to Purchase and the Notice of Guaranteed Delivery contain important information. You should read this Offer to Purchase and the Notice of Guaranteed Delivery in their entirety before you make any decision with respect to any Tender Offer.

## WHERE YOU CAN FIND MORE INFORMATION; INCORPORATION BY REFERENCE

The Company files annual, quarterly and current reports and other information with the SEC. The Company's SEC filings are available to the public over the Internet at the SEC's website at <http://www.sec.gov>.

The Company is incorporating by reference into this Offer to Purchase certain information that the Company has filed with the SEC, which means that the Company is disclosing important information to you by referring you to other documents. Any information referred to in this way is considered part of this Offer to Purchase from the date the Company files that document with the SEC. Any reports filed by the Company with the SEC after the date of this Offer to Purchase and before the expiration of the Tender Offers will automatically update and, where applicable, supersede any information contained in, or incorporated by reference in, this Offer to Purchase.

Accordingly, the Company incorporates by reference into this Offer to Purchase the following documents or information filed with the SEC (other than, in each case, documents or information deemed furnished under Items 2.02 or 7.01 of any Current Report on Form 8-K, and no such information shall be deemed specifically incorporated by reference hereby):

- the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 (the "2017 Form 10-K");
- all information in the Company's Definitive Proxy Statement on Schedule 14A filed on April 6, 2018, to the extent incorporated by reference in the 2017 Form 10-K;
- the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2018, June 30, 2018 and September 30, 2018;
- the Company's Current Reports on Form 8-K dated February 6, 2018, February 12, 2018, April 16, 2018, May 20, 2018, May 23, 2018 (two reports), July 2, 2018, July 29, 2018, August 10, 2018, September 26, 2018, December 10, 2018 and January 1, 2019; and
- all documents filed by the Company with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), subsequent to the date of this Offer to Purchase and prior to the expiration of the Tender Offers.

The Depositary and Information Agent will provide without charge to each person to whom this Offer to Purchase is delivered, upon the request of such person, a copy of any or all of the documents incorporated by reference, other than exhibits to such documents (unless such exhibits are specifically incorporated by reference into such documents). Requests for such documents should be directed to the Depositary and Information Agent at its address and telephone numbers set forth on the back cover of this Offer to Purchase.

You may also request a copy of any or all of the documents referred to above that have been or will be incorporated by reference into this Offer to Purchase (other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing) at no cost, by writing to or telephoning the Company at the following address:

The Southern Company  
30 Ivan Allen Jr. Blvd. N.W.  
Atlanta, Georgia 30308  
Telephone: (404) 506-5000

Any questions or requests for assistance may be directed to the Dealer Manager or the Depositary and Information Agent at their respective addresses and telephone numbers as set forth on the back cover of this Offer to Purchase.



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## SUMMARY

*The following summary is provided solely for the convenience of Holders of the Notes. This summary is not intended to be complete and is qualified in its entirety by reference to, and should be read in conjunction with, the information appearing elsewhere or incorporated by reference in this Offer to Purchase or any amendments or supplements hereto. Each undefined capitalized term used in this summary has the meaning set forth elsewhere in this Offer to Purchase. Before tendering any Notes, you should read carefully this Offer to Purchase and the Notice of Guaranteed Delivery.*

The Notes ..... 1.85% Senior Notes due July 1, 2019 (CUSIP Number: 842587 CQ8). As of the date of this Offer to Purchase, \$1,000,000,000 aggregate principal amount of the 1.85% Notes was outstanding.

Series 2014B 2.15% Senior Notes due September 1, 2019 (CUSIP Number: 842587 CL9). As of the date of this Offer to Purchase, \$350,000,000 aggregate principal amount of the 2.15% Notes was outstanding.

Series 2018A Floating Rate Senior Notes due February 14, 2020 (CUSIP Number: 842587 DB0). As of the date of this Offer to Purchase, \$750,000,000 aggregate principal amount of the Floating Rate Notes was outstanding.

Purpose of the Tender Offers..... The Company is making the Tender Offers to retire all or a portion of the Notes prior to their maturity. Notes purchased in the Tender Offers will be retired and cancelled. The Company intends to redeem, in accordance with the terms of the Indenture and each applicable Supplemental Indenture, any Notes that are not tendered in the Tender Offers and such redeemed Notes will likewise be retired and cancelled.

The 1.85% Notes Supplemental Indenture and the 2.15% Notes Supplemental Indenture currently provide for a make-whole redemption price, plus accrued and unpaid interest to, but not including, the redemption date. The Fixed Rate Notes may be redeemed at any time by the Company. The Floating Rate Notes Supplemental Indenture provides for a redemption price of 100% of the principal amount of such Floating Rate Notes, plus accrued and unpaid interest to, but not including, the redemption date. The Floating Rate Notes will not be subject to redemption until February 14, 2019.

Source of Funds..... The Company will fund the purchase of the Notes pursuant to the Tender Offers (and all fees and expenses related thereto) with cash on hand received from the proceeds from the consummation of the sale of its former subsidiary, Gulf Power Company, to NextEra Energy, Inc. on January 1, 2019.

Tender Offer Consideration..... The applicable Tender Offer Consideration for each \$1,000 of outstanding principal amount of Notes validly tendered and accepted for purchase pursuant to each Tender Offer: (i) with respect to each series of the Fixed Rate Notes, will be determined in the manner described in this Offer to Purchase by reference to the applicable Fixed Spread for such series of Fixed Rate Notes specified on the front cover of this Offer to Purchase plus the applicable yield to maturity based on the bid-side price of the applicable Reference Security for such series of Fixed Rate Notes specified on the front cover of this Offer to Purchase as quoted on the Reference Page at 11:00 a.m., Eastern time, on the Price Determination

Date, and (ii) with respect to the Floating Rate Notes, will be equal to the amount of \$1,000, as set forth in the “Consideration Per \$1,000 Principal Amount” column in the table on the cover of this Offer to Purchase relating to the Floating Rate Notes. The formula for determining the applicable Tender Offer Consideration for each series of the Fixed Rate Notes is set forth on Schedule A hereto.

Subject to the terms and conditions described in this Offer to Purchase, if a Holder validly tenders its Notes pursuant to any Tender Offer at or prior to the Expiration Date, and such Holder’s Notes are accepted for purchase, such Holder will receive the applicable Tender Offer Consideration for each \$1,000 principal amount of its tendered Notes, plus Accrued Interest thereon.

Price Determination Date ..... The Price Determination Date with respect to each series of the Fixed Rate Notes will occur at 11:00 a.m., Eastern time, on January 23, 2019, unless extended.

Withdrawal Rights..... Notes tendered pursuant to each Tender Offer may be withdrawn prior to the earlier of (i) the Expiration Date and (ii) if any Tender Offer is extended, the 10th business day after commencement of such Tender Offer. Notes may also be validly withdrawn at any time after the 60th business day after commencement of any Tender Offer if for any reason such Tender Offer has not been consummated within 60 business days after commencement of such Tender Offer.

Notes withdrawn may be tendered again prior to the Expiration Date, in accordance with the procedures set forth in this Offer to Purchase.

To validly withdraw Notes from any Tender Offer, Holders must deliver a written or facsimile notice of withdrawal, with the required information (as set forth below under “The Terms of the Tender Offers—Withdrawal of Tenders”) at or prior to the Withdrawal Deadline.

Expiration Date..... Each Tender Offer will expire at 5:00 p.m., Eastern time, on January 23, 2019 unless extended or earlier terminated. If a Custodian holds your Notes, such Custodian may have an earlier deadline for accepting the Notes. You should promptly contact the Custodian that holds your Notes to determine its deadline.

Settlement Date ..... The Settlement Date for each Tender Offer will occur promptly after the Expiration Date, assuming that the conditions to such Tender Offer are satisfied or waived. It is anticipated that the Settlement Date will be January 24, 2019 for each Tender Offer, the first business day following the Expiration Date, unless the Expiration Date is extended or such Tender Offer is terminated early.

Guaranteed Delivery Settlement Date..... With respect to Notes for which a properly completed and duly executed Notice of Guaranteed Delivery is delivered prior to the Expiration Date, assuming that the conditions to the applicable Tender Offer are satisfied or waived, payment of the applicable Tender Offer Consideration for Notes validly tendered by Notice of Guaranteed Delivery will be made on the Guaranteed Delivery Settlement Date, which is anticipated to be January 28, 2019 for each Tender Offer, the third business day following the Expiration Date, unless the Expiration Date is extended or such

Tender Offer is terminated.

Settlement of Accepted Notes ..... Payment of the applicable Tender Offer Consideration plus Accrued Interest with respect to the Notes that are validly tendered at or prior to the Expiration Date and that are accepted for purchase will be made on the Settlement Date or the Guaranteed Delivery Settlement Date, as applicable. For the avoidance of doubt, the Company will not pay accrued interest for any periods following the Settlement Date in respect of any Notes accepted in any Tender Offer.

How to Tender Notes..... See “The Terms of the Tender Offers—Procedures for Tendering.” For further information, call the Depositary and Information Agent at its telephone numbers set forth on the back cover of this Offer to Purchase or consult your Custodian for assistance.

Extension; Amendment; Termination; and Conditions of the Tender Offers..... The obligation of the Company to accept and pay for Notes in each Tender Offer is subject to the satisfaction or waiver of a number of conditions set forth in “The Terms of the Tender Offers— Conditions of the Tender Offers.”

Each Tender Offer is not conditioned upon the tender of any minimum principal amount of the Notes. Subject to applicable law, the Company expressly reserves the right, in its sole discretion, but subject to applicable law, to amend, extend or terminate any Tender Offer. If any Tender Offer is terminated at any time, any Notes tendered pursuant to such Tender Offer will be promptly returned to the tendering Holders.

Untendered or Unpurchased Notes..... The Company will return any tendered Notes that it does not accept for purchase to the tendering Holder without expense to the tendering Holder. The Company intends to redeem, in accordance with the terms of the Indenture and the applicable Supplemental Indenture, any Notes that are not tendered in the Tender Offers but nothing contained herein shall constitute a notice of redemption of the Notes. Any such notice, if made, will only be made in accordance with the provisions of the Indenture and the applicable Supplemental Indenture. Although the Company intends to redeem the Notes that are not tendered and accepted in each Tender Offer, the Company is not obligated to do so, and there can be no assurance the Company will do so.

If any of the Tender Offers is consummated, the aggregate principal amount outstanding of the applicable series Notes will be reduced. This may adversely affect the liquidity of and, consequently, the market price for the Notes that remain outstanding after consummation of such Tender Offer or Tender Offers. See “Certain Significant Considerations for Holders.”

Other Purchases of Notes ..... The Company or its affiliates may from time to time, after completion of the Tender Offers, purchase additional Notes in the open market, in privately negotiated transactions, through tender or exchange offers or otherwise, or the Company may redeem Notes that are redeemable pursuant to their terms. Any future purchases, including any redemption of Notes pursuant to their terms, may be on the same terms or on terms that are more or less favorable to Holders of Notes than the terms of the Tender Offers. Any future purchases by the Company 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) the Company may choose to

pursue in the future. See “Purpose of the Tender Offers,” above.

U.S. Federal Income Tax Considerations ..... For a discussion of certain U.S. federal income tax considerations of the Tender Offers applicable to beneficial owners of Notes, see “Certain U.S. Federal Income Tax Considerations.”

Dealer Manager ..... Citigroup Global Markets Inc. is serving as Dealer Manager in connection with the Tender Offers. The Dealer Manager’s contact information appears on the back cover page of this Offer to Purchase.

Depository and Information Agent ..... Global Bondholder Services Corp. is serving as Depository and Information Agent in connection with the Tender Offers. Requests for additional copies of this Offer to Purchase or the related Notice of Guaranteed Delivery should be directed to the Depository and Information Agent using the contact information appearing on the back cover page of this Offer to Purchase.

Brokerage Commissions..... No brokerage commissions are payable by Holders to the Company, the Dealer Manager or the Depository and Information Agent.

**ALL DOCUMENTATION RELATING TO THE TENDER OFFERS, TOGETHER WITH ANY UPDATES, WILL BE AVAILABLE VIA THE TENDER OFFERS WEBSITE: [www.gbsc-usa.com/southern/](http://www.gbsc-usa.com/southern/)**

## **THE COMPANY**

The Company was incorporated under the laws of Delaware on November 9, 1945. The principal executive offices of the Company are located at 30 Ivan Allen Jr. Blvd., N.W., Atlanta, Georgia 30308, and the telephone number is (404) 506-5000.

The Company is the parent company of three traditional electric operating companies, Southern Power Company, Southern Company Gas, PowerSecure Inc. and other direct and indirect subsidiaries. The traditional electric operating companies – Alabama Power Company, Georgia Power Company (“Georgia Power”) and Mississippi Power Company – are vertically integrated utilities providing electric service in three Southeastern U.S. states. Southern Power Company (“Southern Power”) constructs, acquires, owns and manages generation assets, including renewable energy projects, and sells electricity at market-based rates in the wholesale market. Southern Company Gas distributes natural gas through the natural gas distribution utilities in four states and is involved in several other complementary businesses including gas marketing services, wholesale gas services and gas midstream operations. PowerSecure Inc. is a provider of products and services in the areas of distributed generation, energy efficiency and utility infrastructure.

On January 1, 2019, the Company completed the sale of its former subsidiary, Gulf Power Company, to NextEra Energy, Inc. for an aggregate cash purchase price of approximately \$4.5 billion, subject to customary working capital adjustments.

## PURPOSE OF THE TENDER OFFERS

The principal purpose of the Tender Offers is to acquire any and all of the outstanding Notes, and the Company is making the Tender Offers to retire all or a portion of the Notes prior to their maturity. The Company intends to redeem any Notes not purchased pursuant to the Tender Offers in accordance with the Indenture and the applicable Supplemental Indenture.

Pursuant to the Indenture and the applicable Supplemental Indenture, each series of the Fixed Rate Notes may be redeemed at any time and from time to time at the option of the Company in whole or in part upon not less than 30 nor more than 60 days' notice, at redemption prices equal to the greater of (i) 100% of the principal amount of the Notes of such series being redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal of and interest on the Fixed Rate Notes of such series being redeemed (not including any portion of such payments of interest accrued to the redemption date) discounted (for purposes of determining present value) to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at a discount rate equal to the Treasury Yield (as defined in the applicable Supplemental Indenture) plus:

- 15 basis points, with respect to the 1.85% Notes; and
- 10 basis points, with respect to the 2.15% Notes;

plus, in each case, accrued and unpaid interest on the Fixed Rate Notes of such series being redeemed to but not including the redemption date.

Pursuant to the Indenture and the Floating Rate Notes Supplemental Indenture, the Floating Rate Notes may be redeemed at any time and from time to time, on or after February 14, 2019 at the option of the Company in whole or in part upon not less than 15 nor more than 60 days' notice, at a redemption price of 100% of the principal amount of Floating Rate Notes being redeemed plus accrued and unpaid interest to but not including the redemption date.

Any redemption of Notes would be made solely pursuant to a notice of redemption delivered pursuant to the Indenture and the applicable Supplemental Indenture governing such Notes and the information in this Offer to Purchase is not a notice of redemption with respect to any Notes. **Although the Company intends to redeem the Notes that are not tendered and accepted in the Tender Offers, the Company is not obligated to do so, and there can be no assurance the Company will do so.** Any future purchases may be on the same terms or on terms that are more or less favorable to Holders of the Notes than the terms of the Tender Offers. Any future purchases by the Company or its affiliates 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) the Company or its affiliates may choose to pursue in the future.

## CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This Offer to Purchase contains forward-looking statements. Forward-looking statements include, among other things, statements concerning planned redemptions of the Notes, regulated rates, the strategic goals for the wholesale business, customer and sales growth, economic conditions, fuel and environmental cost recovery and other rate actions, projected equity ratios, costs of modernization efforts, current and proposed environmental regulations and related compliance plans and estimated expenditures, pending or potential litigation matters, access to sources of capital, financing activities, completion dates of construction projects, completion of announced dispositions, filings with state and federal regulatory authorities, impacts of The Tax Cuts and Jobs Act, federal and state income tax benefits, estimated sales and purchases under power sale and purchase agreements, and estimated construction and other plans and expenditures. In some cases, forward-looking statements can be identified by terminology such as “may,” “will,” “could,” “would,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “projects,” “predicts,” “potential,” or “continue” or the negative of these terms or other similar terminology. There are various factors that could cause actual results to differ materially from those suggested by the forward-looking statements; accordingly, there can be no assurance that such indicated results will be realized. These factors include:

- the impact of recent and future federal and state regulatory changes, including environmental laws and regulations, and also changes in tax and other laws and regulations to which the Company and its subsidiaries are subject, as well as changes in application of existing laws and regulations;
- the uncertainty surrounding the The Tax Cuts and Jobs Act, including implementing regulations and IRS interpretations, actions that may be taken in response by regulatory authorities, and its impact, if any, on the credit ratings of the Company and its subsidiaries;
- current and future litigation or regulatory investigations, proceedings, or inquiries;
- the effects, extent, and timing of the entry of additional competition in the markets in which the Company’s subsidiaries operate, including from the development and deployment of alternative energy sources;
- variations in demand for electricity and natural gas;
- available sources and costs of natural gas and other fuels;
- the ability to complete necessary or desirable pipeline expansion or infrastructure projects, limits on pipeline capacity, and operational interruptions to the Company’s natural gas distribution and transmission activities;
- transmission constraints;
- effects of inflation;
- the ability to control costs and avoid cost and schedule overruns during the development, construction, and operation of facilities, including Plant Vogtle Units 3 and 4 which includes components based on new technology that only recently began initial operation in the global nuclear industry at scale, including changes in labor costs, availability, and productivity, challenges with management of contractors, subcontractors, or vendors, adverse weather conditions, shortages, increased costs or inconsistent quality of equipment, materials, and labor, including any changes related to imposition of import tariffs, contractor or supplier delay, non-performance under construction, operating, or other agreements, operational readiness, including specialized operator training and required site safety programs, unforeseen engineering or design problems, start-up activities (including major equipment failure and system integration), and/or operational performance;



- the ability to construct facilities in accordance with the requirements of permits and licenses (including satisfaction of U.S. Nuclear Regulatory Commission (the “NRC”) requirements), to satisfy any environmental performance standards and the requirements of tax credits and other incentives, and to integrate facilities into the Company’s system upon completion of construction;
- investment performance of the Company’s system employee and retiree benefit plans and nuclear decommissioning trust funds;
- advances in technology;
- the ability to constrain operating and maintenance costs;
- ongoing renewable energy partnerships and development agreements;
- state and federal rate regulations and the impact of pending and future rate cases and negotiations, including rate actions relating to fuel and other cost recovery mechanisms;
- the ability to successfully operate the electric utilities’ generating, transmission, and distribution facilities and Southern Company Gas’ natural gas distribution and storage facilities and the successful performance of necessary corporate functions;
- legal proceedings and regulatory approvals and actions related to Plant Vogtle Units 3 and 4, including Georgia Public Service Commission approvals and NRC actions;
- under certain specified circumstances, a decision by holders of more than 10% of the ownership interests of Plant Vogtle Units 3 and 4 not to proceed with construction and the ability of other owners of the Plant Vogtle Units 3 and 4 to tender a portion of their ownership interests to Georgia Power following certain construction cost increases;
- in the event Georgia Power becomes obligated to provide funding to the Municipal Electric Authority of Georgia (“MEAG”) with respect to the portion of MEAG’s ownership interest in Plant Vogtle Units 3 and 4 involving Jacksonville Electric Authority, any inability of Georgia Power to receive repayment of such funding;
- litigation or other disputes related to the Kemper County energy facility;
- the inherent risks involved in operating and constructing nuclear generating facilities;
- the inherent risks involved in transporting and storing natural gas;
- the performance of projects undertaken by the non-utility businesses and the success of efforts to invest in and develop new opportunities;
- internal restructuring or other restructuring options that may be pursued;
- potential business strategies, including acquisitions or dispositions of assets or businesses, including the proposed disposition of the Mankato natural gas facility, which cannot be assured to be completed or beneficial to the Company or its subsidiaries;
- the ability of counterparties of the Company and its subsidiaries to make payments as and when due and to perform as required;
- the ability to obtain new short- and long-term contracts with wholesale customers;

- the direct or indirect effect on the Company system's business resulting from cyber intrusion or physical attack and the threat of physical attacks;
- interest rate fluctuations and financial market conditions and the results of financing efforts;
- changes in the Company's and any of its subsidiaries' credit ratings;
- the ability of the Company's electric utilities to obtain additional generating capacity (or sell excess generating capacity) at competitive prices;
- catastrophic events such as fires, earthquakes, explosions, floods, tornadoes, hurricanes and other storms, droughts, pandemic health events, or other similar occurrences;
- the direct or indirect effects on the Company system's business resulting from incidents affecting the U.S. electric grid, natural gas pipeline infrastructure, or operation of generating or storage resources;
- impairments of goodwill or long-lived assets;
- the effect of accounting pronouncements issued periodically by standard-setting bodies; and
- other factors discussed elsewhere herein and in other reports filed by the Company from time to time with the SEC.

The Company expressly disclaims any obligation to update any forward-looking statements.

## THE TERMS OF THE TENDER OFFERS

### General

Upon the terms and subject to the conditions of the offer to purchase described in this Offer to Purchase, the related Notice of Guaranteed Delivery and any amendments or supplements to the foregoing, the Company hereby offers to purchase for cash any and all of the Notes in the Tender Offers. The applicable Tender Offer Consideration per \$1,000 principal amount of the Notes validly tendered and accepted for purchase pursuant to each Tender Offer is discussed below under “—Tender Offer Consideration.” In addition to the applicable Tender Offer Consideration, the Company will pay Accrued Interest on purchased Notes from the last interest payment date for such Notes up to, but not including, the Settlement Date. Under no circumstances will any interest be payable because of any delay in the transmission of funds to Holders by DTC. For the avoidance of doubt, the Company will not pay accrued interest for any periods following the Settlement Date in respect of any Notes accepted in any Tender Offer. Holders whose Notes are tendered by notice of guaranteed delivery and are purchased will not receive payment in respect of any accrued and unpaid interest accruing on and after the Settlement Date.

Each Tender Offer is open to all registered Holders of the applicable series of Notes. The Company’s obligation to accept for purchase and to pay for Notes in each Tender Offer is subject to the satisfaction or waiver of the conditions discussed below under “—Conditions of the Tender Offers.” No Tender Offer is conditioned upon the tender of any minimum principal amount of Notes.

Each Tender Offer commences on January 16, 2019 and will expire on the Expiration Date. No tenders of Notes will be valid if submitted after the Expiration Date. Notes tendered pursuant to a properly completed and duly executed Notice of Guaranteed Delivery delivered prior to the Expiration Date must be delivered to the Depository and Information Agent not later than the second business day following the Expiration Date. If a Custodian holds your Notes, such Custodian may have an earlier deadline or deadlines for accepting the Notes. You should promptly contact the Custodian that holds your Notes to determine its deadline or deadlines.

If you validly tender your Notes, you may validly withdraw your tendered Notes at any time prior to the earlier of (i) the Expiration Date and (ii) if any Tender Offer is extended, the 10<sup>th</sup> business day after commencement of such Tender Offer. Notes may also be validly withdrawn at any time after the 60<sup>th</sup> business day after commencement of any Tender Offer if for any reason such Tender Offer has not been consummated within 60 business days after commencement of such Tender Offer. If a Custodian holds your Notes, such Custodian may have an earlier deadline or deadlines for receiving instructions to withdraw tendered Notes.

Any Tender Offer may be terminated or withdrawn subject to compliance with applicable law. The Company reserves the right, subject to applicable law, to (i) waive any and all conditions to any Tender Offer, (ii) extend or terminate any Tender Offer or (iii) otherwise amend any Tender Offer in any respect.

If the Company makes a material change in the terms of any Tender Offer or waives a material condition of any Tender Offer, the Company will disseminate additional materials related to such Tender Offer and extend such Tender Offer to the extent required by law. In addition, the Company may, if it deems appropriate, extend any Tender Offer for any other reason. Any extension, amendment or termination will be followed promptly by public announcement thereof. Without limiting the manner in which the Company may choose to make a public announcement of any extension, amendment or termination of any Tender Offer, the Company will not be obligated to publish, advertise or otherwise communicate any such public announcement, other than by making a timely press release and related SEC filing, as applicable. For additional information, see “—Extension, Amendment or Termination of the Tender Offers.”

**None of the Company or its affiliates, their respective boards of directors, the Dealer Manager, the Depository and Information Agent or the trustee with respect to the Notes is making any recommendation as to whether Holders should tender any Notes in response to the Tender Offers, and neither the Company nor any such other person has authorized any person to make any such recommendation. Holders must make their own decision as to whether to tender any of their Notes, and, if so, the principal amount of Notes to tender.**

## Tender Offer Consideration

### *Fixed Rate Notes*

The applicable Tender Offer Consideration offered per \$1,000 principal amount of each series of the Fixed Rate Notes validly tendered and accepted for purchase pursuant to the Tender Offers will be calculated in accordance with standard market practice, as described on Schedule A hereto, so as to result in a price as of the Settlement Date based on a yield to maturity for the applicable series of Fixed Rate Notes equal to the sum of:

- the applicable yield to maturity on the Reference Security for such series of Fixed Rate Notes, calculated in accordance with standard market practice, based on the bid-side price of the applicable Reference Security for such series of Fixed Rate Notes set forth on the front cover of this Offer to Purchase, as quoted on the Reference Page at 11:00 a.m., Eastern time, at the Price Determination Date, *plus*
- the applicable Fixed Spread with respect to such series of Fixed Rate Notes set forth on the front cover of this Offer to Purchase.

This sum for each series of Fixed Rate Notes is referred to in this Offer to Purchase as the Repurchase Yield. Specifically, the applicable Tender Offer Consideration offered per \$1,000 principal amount of each series of Fixed Rate Notes validly tendered and accepted for purchase will equal:

- the present value per \$1,000 principal amount of all remaining payments of principal and interest on such series of Fixed Rate Notes, discounted to the Settlement Date in accordance with the formula set forth on Schedule A hereto, at a discount rate equal to the applicable Repurchase Yield, *minus*
- Accrued Interest up to, but not including, the Settlement Date per \$1,000 principal amount of such series of Fixed Rate Notes.

Schedule A contains the formula to be used in calculating the applicable Tender Offer Consideration for each series of the Fixed Rate Notes.

**Because the Tender Offer Consideration applicable to each series of the Fixed Rate Notes is based on a fixed spread pricing formula linked to the yield on the applicable Reference Security for such series of Fixed Rate Notes, the actual amount of consideration that may be received by a tendering Holder of each series of Fixed Rate Notes pursuant to the Tender Offers will be affected by changes in such yield during the term of the Tender Offers prior to the Price Determination Date. After the Price Determination Date, when the Tender Offer Consideration applicable to each series of the Fixed Rate Notes is no longer linked to the yield on the applicable Reference Security, the actual amount of cash that may be received by a tendering Holder of Fixed Rate Notes pursuant to the Tender Offers will be known, and Holders will be able to ascertain the applicable Tender Offer Consideration with respect to their Fixed Rate Notes, that would be received by all tendering Holders whose Fixed Rate Notes of such series are accepted for purchase pursuant to the Tender Offers in the manner described above.**

Prior to 11:00 a.m., Eastern time, on the Price Determination Date, Holders of Fixed Rate Notes may obtain a hypothetical quote of the yield of the applicable Reference Security (calculated as of a then-recent time) and the resulting hypothetical Tender Offer Consideration with respect to their Fixed Rate Notes, by contacting the Dealer Manager at the telephone number set forth on the back cover of this Offer to Purchase. In addition, as soon as practicable after the Price Determination Date, the Company will publicly announce the pricing information for each series of Fixed Rate Notes by press release, if applicable.

### ***Floating Rate Notes***

The Tender Offer Consideration offered per \$1,000 principal amount of the Floating Rate Notes validly tendered and accepted for purchase pursuant to the Tender Offers will be a cash payment of \$1,000.

### ***Price Determination Date for the Fixed Rate Notes***

The Price Determination Date is 11:00 a.m., Eastern time, on January 23, 2019, unless extended, in which case the Price Determination Date will be such date to which the Price Determination Date is extended.

### ***Expiration Date***

The Expiration Date for each Tender Offer is 5:00 p.m., Eastern time, on January 23, 2019, unless extended or earlier terminated, in which case the Expiration Date will be such time and date to which the Expiration Date is extended or earlier terminated. The Company, in its sole discretion, but subject to applicable law, may extend the Price Determination Date or the Expiration Date or otherwise amend any Tender Offer for any purpose, including to permit the satisfaction or waiver of any or all conditions to such Tender Offer. To extend the Price Determination Date or the Expiration Date or otherwise amend any Tender Offer, the Company will notify the Depositary and Information Agent and will promptly make a public announcement thereof. Such announcement will specify whether the Company is extending such Tender Offer for a specified period or on a daily basis. Without limiting the manner in which the Company may choose to make a public announcement of any extension, amendment or termination of any Tender Offer, the Company will not be obligated to publish, advertise or otherwise communicate any such public announcement, other than by making a timely press release, and related SEC filing.

### ***General***

In the event of any dispute or controversy regarding the (i) applicable Tender Offer Consideration with respect to any Notes, (ii) applicable Reference Yield for any series of Fixed Rate Notes, (iii) applicable Repurchase Yield for any series of Fixed Rate Notes or (iv) amount of Accrued Interest for Notes validly tendered and accepted for purchase pursuant to any Tender Offer, the Company's determination shall be conclusive and binding, absent manifest error.

Subject to the terms and conditions described in this Offer to Purchase, if a Holder validly tenders its Notes pursuant to any Tender Offer at or prior to the Expiration Date, and such Holder's Notes are accepted for purchase, such Holder will receive the applicable Tender Offer Consideration for each \$1,000 principal amount of its tendered Notes.

In addition to the applicable Tender Offer Consideration, all Holders of Notes accepted for purchase will also receive Accrued Interest from the applicable last interest payment date for such Notes up to, but not including, the Settlement Date, payable on the Settlement Date or the Guaranteed Delivery Settlement Date, as applicable. For the avoidance of doubt, Accrued Interest will cease to accrue on the Settlement Date for all Notes accepted in any Tender Offer.

### **Source of Funds**

The Company will fund the purchase of the Notes pursuant to the Tender Offers with cash on hand received from the proceeds from the consummation of the sale of its former subsidiary, Gulf Power Company, to NextEra Energy, Inc. on January 1, 2019.

### **Conditions of the Tender Offers**

Notwithstanding any other provision of any Tender Offer and in addition to (and not in limitation of) the Company's right to extend or amend any Tender Offer, the Company shall not be required to accept for purchase, purchase or pay for, and may delay acceptance for purchase of, any tendered Notes, subject to Rule 14e-l(c) promulgated under the Exchange Act, and may terminate any Tender Offer, if, before such time as any Notes have been accepted for purchase pursuant to such Tender Offer, any of the following events or conditions exist or shall

occur and remain in effect or shall be determined by the Company in its reasonable judgment to exist or to have occurred:

- (i) any general suspension of trading in, or limitation on prices for, trading in securities in the United States securities or financial markets or any other significant adverse change in the United States securities or financial markets, (ii) any significant changes in the prices for the applicable series of Notes, (iii) a material impairment in the trading market for debt securities generally, (iv) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States (whether or not mandatory), (v) any limitation (whether or not mandatory) by any governmental authority on, or other event that, in the reasonable judgment of the Company, might affect the nature or extension of credit by banks or other lending institutions in the United States, (vi) 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 or (vii) any significant adverse change in the United States currency exchange rates or securities or financial markets generally or, in the case of any of the foregoing existing on the date hereof, a material acceleration, escalation or worsening thereof;
- the existence of an order, statute, rule, regulation, executive order, stay, decree, judgment or injunction that shall have been enacted, entered, issued, promulgated, enforced or deemed applicable by any court or governmental, regulatory or administrative agency or instrumentality that, in the reasonable judgment of the Company, would or would be reasonably likely to prohibit, prevent or materially restrict or delay the consummation of such Tender Offer or that is, or is reasonably likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of the Company or its subsidiaries or would materially impair the contemplated benefits of such Tender Offer or be material to Holders of Notes in deciding whether to accept such Tender Offer;
- any instituted or pending action or proceeding before or by any court or governmental, regulatory or administrative agency or instrumentality, or by any other person, that challenges the making of such Tender Offer or is reasonably likely to directly or indirectly prohibit, prevent, restrict or delay the consummation of such Tender Offer or otherwise adversely affect such Tender Offer in any material manner;
- the existence of any other actual or threatened legal impediment (including a default under an agreement, indenture or other instrument or obligation to which the Company or any of its affiliates is a party or by which the Company or any of its affiliates is bound) to such Tender Offer or any other circumstances that would materially adversely affect the transactions contemplated by such Tender Offer, or the contemplated benefits to the Company or its affiliates of such Tender Offer;
- the actual or prospective occurrence of any event or events that, in the reasonable judgment of the Company, could prevent, restrict or delay consummation of such Tender Offer or materially impair the contemplated benefits of such Tender Offer to the Company or its affiliates; or
- any change or development, including any prospective change or development, that in the reasonable judgment of the Company, has or may have a material adverse effect on the Company, the market price of the applicable series of Notes or the value of such Notes to the Company.

The conditions described above are solely for the Company's benefit 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, and may be waived by the Company, in whole or in part, at any time and from time to time prior to the Expiration Date. The Company's failure at any time to exercise any of its rights will not be deemed a waiver of any other right, and each right will be deemed an ongoing right which may be asserted at any time and from time to time.

## **Extension, Amendment or Termination of the Tender Offer**

The Company expressly reserves the right, subject to applicable law, to:

- with respect to any Tender Offer, delay accepting Notes, extend the Expiration Date, the Price Determination Date or the Withdrawal Deadline, or terminate such Tender Offer and not accept Notes; and
- amend, modify or waive at any time, or from time to time, the terms of any Tender Offer in any respect, including waiving any conditions to the consummation of any Tender Offer.

If the Company exercises any such right, the Company will give written notice thereof to the Depositary and Information Agent and will make a public announcement thereof as promptly as practicable.

With respect to a change in the applicable Tender Offer Consideration, the Company will extend the Expiration Date by at least five business days, if such Tender Offer would otherwise expire during such period. If the Company makes any material change to the terms of any Tender Offer (other than to the applicable Tender Offer Consideration), the Company will extend such Tender Offer for at least three business days, if such Tender Offer would otherwise expire during such period. The Company will announce any such change in a press release issued at least three business days, or in the case of a change in the applicable Tender Offer Consideration, at least five business days, prior to the expiration of such Tender Offer and prior to 10:00 a.m., Eastern time, on the first day of such five- or three-business day period, as applicable. The Company will also describe any change in the applicable Tender Offer Consideration in a Current Report on Form 8-K filed with the SEC prior to 12:00 noon, Eastern time, on the first day of such five-business day period. During any extension of any Tender Offer, all Notes previously tendered will remain subject to such Tender Offer unless validly withdrawn at or prior to the Expiration Date.

**Subject to applicable law, the Company expressly reserves the right, in its sole discretion, but subject to applicable law, to amend, extend or terminate any Tender Offer. If any Tender Offer is terminated at any time, Notes tendered pursuant to such Tender Offer will be promptly returned to the tendering Holders.**

## **Procedures for Tendering**

### ***General***

The following summarizes the procedures to be followed by all Holders in tendering their Notes. The tender by a Holder pursuant to the procedures set forth herein 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, if applicable, the related Notice of Guaranteed Delivery.

### ***How to Tender Notes***

All Notes are held in book-entry form. Any beneficial owner whose Notes are held in book-entry form through a Custodian and who wishes to tender Notes should contact such Custodian promptly and instruct such Custodian to submit instructions on such beneficial owner's behalf. In some cases, the Custodian may request submission of such instructions on a beneficial owner's instruction form. Please check with your Custodian to determine the procedures for such firm.

To tender Notes that are held through DTC, DTC participants must electronically transmit their acceptance through ATOP (and thereby tender Notes).

Any acceptance of an Agent's Message (as defined below) 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 Depositary and Information Agent. No documents should be sent to the Company, the trustee or the Dealer Manager.

**Subject to, and effective upon, the acceptance of, and payment of cash with respect to the Notes validly tendered in accordance with the terms and subject to the conditions of each Tender Offer, a tendering Holder, by submitting or sending an Agent's Message in connection with the tender of the Notes, will have:**

- (i) irrevocably sold, assigned and transferred to, or upon the order of, the Company, all right, title and interest in and to the Notes that are being tendered by such Holder;
- (ii) waived any and all other rights with respect to such Notes (including without limitation, any existing or past defaults and their consequences in respect of such Notes and the Indenture and applicable Supplemental Indenture);
- (iii) released and discharged the Company from any and all claims such Holder may have now, or may have in the future, arising out of, or related to, such Notes, including without limitation, any claims that such Holder is entitled to receive additional principal or interest payments with respect to such Notes or to participate in any redemption or defeasance of such Notes;
- (iv) irrevocably constituted and appointed the Depositary and Information Agent the true and lawful agent and attorney-in-fact of such Holder with respect to such Notes (with full knowledge that the Depositary and Information Agent also acts as the agent of the Company in connection with the Tender Offers), with full power of substitution and re-substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (a) present such Notes and all evidences of transfer and authenticity of, or transfer ownership of, such Notes on the account books maintained by the trustee and DTC to, or upon the order of, the Company, (b) present such Notes for transfer on the security register for the Notes, and (c) receive all benefits and otherwise exercise all rights of beneficial ownership of such Notes, all in accordance with the terms of and conditions to the applicable Tender Offer;
- (v) represented and warranted that:
  - (a) such Holder has full power and authority to tender, sell, assign and transfer such Notes, 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 and encumbrances and not subject to any adverse claim or right;
  - (b) if such Holder tenders less than all of the Notes owned by such Holder, that immediately following the acceptance for purchase of such tendered Notes, such Holder would beneficially own Notes in an aggregate principal amount of at least the authorized denomination (as set forth in "—Minimum Tender Denomination; Partial Tenders");
  - (c) the tender of the Notes shall constitute an undertaking to upon request, execute and deliver any additional documents deemed by the Depositary and Information Agent or the Company to be necessary or desirable to complete the sale, assignment and transfer of such Notes tendered hereby;
  - (d) such Holder understands that the tender of Notes pursuant to the applicable Tender Offer may be validly withdrawn at any time prior to the earlier of (i) the Expiration Date and (ii) if any Tender Offer is extended, the 10th business day after commencement of such Tender Offer. Notes may also be validly withdrawn at any time after the 60th business day after commencement of each Tender Offer if for any reason such Tender Offer has not been consummated within 60 business days after commencement of such Tender Offer;
  - (e) such Holder understands that tenders of Notes must be validly withdrawn in compliance with the procedures described in this Offer to Purchase and, if applicable, in the Notice of Guaranteed Delivery;
  - (f) such Holder understands that the tender of Notes pursuant to any of the procedures and instructions described in this Offer to Purchase and in the Notice of Guaranteed Delivery, and



acceptance thereof by the Company, will constitute a binding agreement between such Holder and the Company, upon the terms and subject to the conditions of the applicable Tender Offer, which agreement will be governed by, and construed in accordance with, the laws of the State of New York.

(g) for purposes of each Tender Offer, such Holder understands that the Company will be deemed to have accepted for purchase validly tendered Notes if, as and when the Company gives oral or written notice thereof to the Depositary and Information Agent; and

(h) such Holder understands that the Company's obligation to accept for purchase, and to pay for, Notes validly tendered and not validly withdrawn pursuant to the applicable Tender Offer is subject to, and conditioned upon, the satisfaction of or, where applicable, its waiver, of the conditions contained in this Offer to Purchase;

- (vi) agreed that all authority conferred or agreed to be conferred by the Agent's Message shall survive the death or incapacity of such Holder and every obligation of such Holder under the deemed representations, warranties and agreements contained in this Offer to Purchase shall be binding upon the undersigned's heirs, personal representatives, executors, administrators, successors, assigns, trustees in bankruptcy and other legal representatives; and
- (vii) requested that (a) the Depositary and Information Agent deliver the applicable Tender Offer Consideration plus Accrued Interest to, but not including, the Settlement Date for any Notes tendered that are accepted for purchase pursuant to each Tender Offer in accordance with the procedures summarized in "—Acceptance of Notes for Purchase; Payment for Notes" and (b) the Notes in a principal amount not tendered or not accepted for purchase be issued in the name(s) of such Holder(s), and that such Notes be delivered to such Holder(s) by credit to the account maintained at DTC from which the Notes were delivered.

**By tendering Notes pursuant to any Tender 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 Depositary and Information Agent, until receipt by the Depositary and Information Agent of a properly transmitted Agent's Message together with all accompanying evidences of authority and any other required documents in a 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 and withdrawals of Notes will be determined by the Company, in its sole discretion, which determination shall be final and binding.**

The Depositary and Information Agent will establish one or more accounts with respect to the Notes at DTC for purposes of the Tender Offers, 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 Depositary and Information 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 Depositary and Information 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 Depositary and Information Agent at its address set forth on the back cover of this Offer to Purchase at or prior to the Expiration Date in order to be eligible to receive the applicable Tender Offer Consideration (unless the guaranteed delivery procedures described under "—Guaranteed Delivery" are complied with). The confirmation of a book-entry transfer into the Depositary and Information 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 Depositary and Information Agent.**

The term "Agent's Message" means a message transmitted by DTC to, and received by, the Depositary and Information Agent and forming a part of the Book-Entry Confirmation, which states that DTC has received an express and unconditional acknowledgment from the participant in DTC described in such Agent's Message, stating (i) the aggregate principal amount of Notes that have been tendered by such participant pursuant to the applicable Tender Offer, (ii) that such participant has received the Offer to Purchase and the Notice of Guaranteed Delivery and agrees to be bound by the terms of the applicable Tender Offer as described in this Offer to Purchase and the Notice of Guaranteed Delivery and (iii) that the Company may enforce such agreement against such participant.

**Holders wishing to tender Notes must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC prior to the Expiration Date.**

### ***Guaranteed Delivery***

If a Holder wishes to tender Notes pursuant to any Tender Offer and such Holder cannot complete the procedures for book-entry transfer at or prior to the Expiration Date, such Holder may effect a tender of Notes if all of the following are complied with:

- such tender is made by or through an Eligible Institution;
- at or prior to the Expiration Date, the Depository and Information Agent has received from such Eligible Institution, at the address of the Depository and Information Agent set forth on the last page of this Offer to Purchase, a physical copy of a properly completed and duly executed Notice of Guaranteed Delivery (by manually signed facsimile transmission or hand delivery) in substantially the form provided by the Company setting forth the name and address of the DTC participant tendering Notes on behalf of the Holder(s) and the principal amount of Notes being tendered, and representing that the Holder(s) own such Notes, and the tender is being made thereby and guaranteeing that, no later than the close of business on the second business day after the Expiration Date, namely by 5:00 p.m., Eastern time, on January 25, 2019 assuming that the applicable Tender Offer is not extended, a properly transmitted Agent's Message, together with confirmation of book-entry transfer of the Notes tendered pursuant to the procedures set forth under the caption "—Procedures for Tendering—How to Tender Notes"; and
- a properly transmitted Agent's Message, together with confirmation of book-entry transfer of the Notes tendered pursuant to the procedures set forth under the caption "—Procedures for Tendering—How to Tender Notes," and all other required documents are received by the Depository and Information Agent no later than the close of business on the second business day after the Expiration Date.

A Notice of Guaranteed Delivery may only be submitted with regard to principal amounts equal to minimum denominations of (i) \$2,000 and integral multiples of \$1,000 in excess thereof, with respect to the 1.85% Notes and the Floating Rate Notes, and (ii) \$1,000 and integral multiples of \$1,000 in excess thereof, with respect to the 2.15% Notes. Holders who tender less than all of their Notes must continue to hold Notes in at least the minimum authorized denomination of (i) \$2,000 principal amount and integral multiples of \$1,000 in excess thereof, with respect to the 1.85% Notes and the Floating Rate Notes, and (ii) \$1,000 principal amount and integral multiples of \$1,000 in excess thereof, with respect to the 2.15% Notes.

Guaranteed deliveries will expire at 5:00 p.m., Eastern time, on January 25, 2019. Assuming that the conditions to the applicable Tender Offer are satisfied or waived and such Tender Offer is not extended, the Guaranteed Delivery Settlement Date will be January 28, 2019.

If the ATOP procedures are used, the DTC participant need not complete and physically deliver the Notice of Guaranteed Delivery. However, such DTC participant will be bound by the terms of the applicable Tender Offer.

FOR THE AVOIDANCE OF DOUBT, THE DELIVERY OF SUCH NOTES TENDERED BY GUARANTEED DELIVERY PROCEDURES MUST BE MADE NO LATER THAN THE CLOSE OF BUSINESS ON THE SECOND BUSINESS DAY AFTER THE EXPIRATION DATE; PROVIDED THAT ACCRUED INTEREST WILL CEASE TO ACCRUE ON THE SETTLEMENT DATE FOR NOTES ACCEPTED IN THE TENDER OFFER, INCLUDING THOSE TENDERED BY THE GUARANTEED DELIVERY PROCEDURES SET FORTH ABOVE, AND UNDER NO CIRCUMSTANCES WILL ADDITIONAL INTEREST ON THE APPLICABLE TENDER OFFER CONSIDERATION BE PAID BY THE COMPANY AFTER THE SETTLEMENT DATE BY REASON OF ANY DELAY ON THE PART OF THE GUARANTEED DELIVERY PROCEDURES.

### ***Minimum Tender Denomination; Partial Tenders***

Notes may be tendered only in principal amounts equal to the authorized minimum denomination of (i) \$2,000 and any integral multiple of \$1,000 in excess thereof, with respect to the 1.85% Notes and the Floating Rate Notes, and (ii) \$1,000 and integral multiples of \$1,000 in excess thereof, with respect to the 2.15% Notes. Holders who tender less

than all of their Notes must continue to hold Notes in at least the minimum authorized denomination of (i) \$2,000 principal amount and integral multiples of \$1,000 in excess thereof, with respect to the 1.85% Notes and the Floating Rate Notes and (ii) \$1,000 principal amount and integral multiples of \$1,000 in excess thereof, with respect to the 2.15% Notes.

If the entire principal amount of the Notes is not tendered or not accepted for purchase, the principal amount of such Notes not tendered or not accepted for purchase will be returned by credit to the account at DTC designated in the Agent's Message, unless otherwise requested by such Holder.

### ***Other Matters***

Notwithstanding any other provision of any Tender Offer, payment of the applicable Tender Offer Consideration plus Accrued Interest in exchange for Notes tendered and accepted for purchase pursuant to such Tender Offer will occur only after timely compliance with the procedures for tender specified in this Offer to Purchase. Tenders of Notes pursuant to the procedures described above, and acceptance thereof by the Company, will constitute a binding agreement between the tendering Holder and the Company upon the terms and subject to the conditions of the applicable Tender Offer as set forth in this Offer to Purchase and, if applicable, the related Notice of Guaranteed Delivery, which agreement will be governed by, and construed in accordance with, the laws of the State of New York. All questions as to the form of all documents and the validity (including time of receipt) and acceptance of all tenders and withdrawals of Notes will be determined by the Company, in its sole discretion, the determination of which 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 or withdrawals of Notes that are not in proper form or the acceptance of which would, in its opinion, be unlawful. The Company also reserves the right, in its sole discretion, but subject to applicable law, to waive any defects, irregularities or conditions of tender or withdrawal as to particular Notes or to grant Holders an opportunity to cure any defect or irregularity in connection with tenders or withdrawals within such time as it determines. A waiver of one defect does not obligate waivers of other defects. Tenders or withdrawals of Notes shall 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 Depositary and Information Agent or any other person will be under any duty to give notice of any defects or irregularities in tenders or withdrawals of Notes or will incur any liability to Holders for failure to give any such notice. The Company's interpretations of the terms and conditions of each Tender Offer will be final and binding.

### **Acceptance of Notes for Purchase; Payment for Notes**

Subject to the terms and conditions of the applicable Tender Offer, the Company will accept for purchase, and pay for, any and all of the Notes validly tendered and not withdrawn upon the satisfaction or waiver of the conditions to such Tender Offer specified under "—Conditions of the Tender Offers." The Company will promptly pay for the Notes accepted for purchase in connection with the Tender Offers on the Settlement Date or the Guaranteed Delivery Settlement Date, as applicable.

The Company expressly reserves its rights, in its sole discretion, but subject to applicable law, to (1) delay acceptance for purchase of Notes tendered pursuant to any Tender Offer or the payment for Notes accepted for purchase (subject to Rule 14e-1 under the Exchange Act, which requires that the Company pay the consideration offered or return Notes deposited by or on behalf of the Holders promptly after the termination or withdrawal of the Tender Offer), or (2) terminate any Tender Offer at any time prior to acceptance. For purposes of each Tender Offer, the Company will be deemed to have accepted for purchase validly tendered Notes (or defectively tendered Notes with respect to which it has waived such defect) if, as and when the Company gives oral (promptly confirmed in writing) or written notice thereof to the Depositary and Information Agent.

The Company will pay for Notes accepted for purchase in each Tender Offer by depositing such payment in cash directly with DTC. Payment by the Company shall for all purposes be deemed to have been completed upon its deposit with DTC of the applicable Tender Offer Consideration plus Accrued Interest. Under no circumstances will the Company pay interest on the applicable Tender Offer Consideration by reason of any delay on the part of DTC in making payment to Holders.

If, for any reason, acceptance for purchase of, or payment for, validly tendered Notes pursuant to any Tender Offer is delayed, or the Company is unable to accept for purchase or to pay for validly tendered Notes pursuant to such Tender Offer, then the Depositary and Information Agent may, nevertheless, on behalf of the Company, retain the tendered Notes, without prejudice to the rights of the Company described under “—Procedures for Tendering” and “—Conditions of the Tender Offers” above and “—Withdrawal of Tenders” below, but subject to Rule 14e-1 under the Exchange Act, which requires that the Company pay the consideration offered or return the Notes tendered promptly after the termination or withdrawal of such Tender Offer.

If any tendered Notes are not accepted for purchase for any reason pursuant to the terms and conditions of the applicable Tender Offer, such Notes will be promptly credited to an account maintained at DTC or otherwise returned without cost to the tendering Holders.

The Company may transfer or assign, in whole or from time to time in part, to one or more of its affiliates or any third party the right to purchase any or all of the Notes tendered pursuant to any Tender Offer, but any such transfer or assignment will not relieve the Company of its obligations under such Tender Offer and will in no way prejudice the rights of tendering Holders to receive payment for Notes validly tendered and accepted for purchase pursuant to such Tender Offer.

Tendering Holders of Notes purchased in each Tender Offer will not be obligated to pay brokerage commissions or fees to the Dealer Manager, the Depositary and Information Agent or the Company or to pay transfer taxes with respect to the purchase of their Notes. Holders should check with their own brokers to determine if they will assess a fee (such fees, if any, will be payable by the Holders). The Company will pay all other charges and expenses in connection with the Tender Offers. See “Dealer Manager; Depositary and Information Agent.”

#### **Withdrawal of Tenders**

Notes tendered pursuant to each Tender Offer may be withdrawn prior to the earlier of (i) the Expiration Date and (ii) if any Tender Offer is extended, the 10th business day after commencement of such Tender Offer. Notes may also be validly withdrawn at any time after the 60th business day after commencement of any Tender Offer if for any reason such Tender Offer has not been consummated within 60 business days after commencement of such Tender Offer.

For a withdrawal of a tender of Notes to be effective, the Depositary and Information Agent must receive a written or facsimile transmission notice of withdrawal or a properly transmitted “Request Message” through ATOP at or prior to the Withdrawal Deadline. Any such notice of withdrawal must (a) specify the name of the person who tendered the Notes to be withdrawn (or, if tendered by book-entry transfer, the name of the participant in the book-entry transfer facility whose name appears on the security position listing as the owner of such Notes), (b) contain the description of the Notes to be withdrawn and the aggregate principal amount represented by such Notes and (c) specify the name in which such Notes are to be registered if different from the person who tendered such Notes pursuant to such documents of transfer (or, in the case of Notes transferred by book-entry transfer, the name and number of the account at the book-entry transfer facility to be credited with withdrawn Notes).

A withdrawal of Notes may only be accomplished if done so at or prior to the Withdrawal Deadline and in accordance with the foregoing procedures.

#### ***Other***

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 shall be final and binding. None of the Company, the Dealer Manager, the Depositary and Information Agent or any other person will be under any duty 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.

**The Notes issued by the Company are obligations of the Company and are governed by the Indenture and the applicable Supplemental Indenture. There are no appraisal or other similar statutory rights available to Holders in connection with the Tender Offers.**

## MARKET AND TRADING INFORMATION

The Notes are not listed on any national or regional securities exchange or reported on any national quotation system. To the extent the Notes are traded, prices of the Notes may fluctuate greatly depending on the trading volumes and the balance between buy and sell orders. Quotations for securities that are not widely traded, such as the Notes, may differ from the actual trading prices and should be viewed as approximations. Holders are urged to contact their brokers to obtain the best available information as to current market prices.

To the extent that Notes are tendered and accepted in any Tender Offer, the trading market for Notes will likely become limited. A bid for a debt security with a smaller outstanding principal amount available for trading (a smaller “float”) may be lower than a bid for a comparable debt security with a greater float. Therefore, the market price for and liquidity of Notes not tendered or tendered but not purchased may be affected adversely to the extent that the principal amount of Notes purchased pursuant to the applicable Tender Offer reduces the float. The reduced float may also tend to make the trading price more volatile.

Holders of unpurchased Notes may attempt to obtain quotations for their Notes from their brokers; however, there can be no assurance that an active trading market will exist for any series of the Notes following consummation of the Tender Offers. The extent of the public market for each series of the Notes following consummation of the Tender Offers will depend upon a number of factors, including the size of the float, the number of holders remaining at such time and the interest in maintaining a market in the Notes on the part of securities firms.

From time to time and at any time, the Company or its affiliates may purchase Notes in the open market, in privately negotiated transactions, through tender offers, exchange offers or otherwise, or the Company may redeem Notes pursuant to their terms. The Company intends to redeem any Fixed Rate Notes not purchased pursuant to the Tender Offers in accordance with the Indenture and the 1.85% Notes Supplemental Indenture or the 2.15% Notes Supplemental Indenture, as applicable, each of which currently provides for a make-whole redemption price, plus accrued and unpaid interest to, but not including, the redemption date. The Company intends to redeem, on or after February 14, 2019, any Floating Rate Notes not purchased pursuant to the Tender Offers in accordance with the Indenture and the Floating Rate Notes Supplemental Indenture, which provides for a redemption price of 100% of the principal amount of such Floating Rate Notes, plus accrued and unpaid interest to, but not including, the redemption date. Any redemption of Notes would be made solely pursuant to a notice of redemption delivered pursuant to the Indenture and the applicable Supplemental Indenture governing such Notes and the information in this Offer to Purchase is not a notice of redemption with respect to any Notes. **Although the Company intends to redeem the Notes that are not tendered and accepted in the Tender Offers, the Company is not obligated to do so, and there can be no assurance the Company will do so.** Any future purchases may be on the same terms or on terms that are more or less favorable to Holders of the Notes than the terms of the Tender Offers. Any future purchases by the Company or its affiliates 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) the Company or its affiliates may choose to pursue in the future.

## **CERTAIN SIGNIFICANT CONSIDERATIONS FOR HOLDERS**

In deciding whether to participate in any Tender Offer, each Holder should consider carefully, in addition to the information contained in and incorporated by reference in this Offer to Purchase, the following considerations:

### **Limited Trading Market**

Historically, the trading market for the Notes has been limited. To the extent that Notes are tendered and accepted in the applicable Tender Offer, the trading market for such Notes will likely become further limited. A bid for a debt security with a smaller outstanding principal amount available for trading, or “float,” may be lower than a bid for a comparable debt security with a greater float. Therefore, the market price for and liquidity of Notes not purchased in the Tender Offers may be affected adversely to the extent that the principal amount of Notes purchased pursuant to the Tender Offers reduces the float of the applicable series of Notes. The reduced float may also tend to make the trading price of the Notes more volatile.

Holders of unpurchased Notes may attempt to obtain quotations for their Notes from their brokers. However, there can be no assurance that an active trading market will exist for the Notes following consummation of the Tender Offers. The extent of the public market for each series of Notes following consummation of the Tender Offers will depend upon a number of factors, including the size of the float, the number of Holders remaining at such time and the interest in maintaining a market in the Notes on the part of securities firms.

### **Position of the Company Concerning the Tender Offers**

None of the Company or its affiliates, their respective boards of directors, the Dealer Manager, the Depositary and Information Agent or the trustee with respect to the Notes is making any recommendation as to whether Holders should tender any Notes in response to the Tender Offers, and neither the Company nor any such other person has authorized any person to make any such recommendation. Holders are urged to evaluate carefully all information in this Offer to Purchase and the related Notice of Guaranteed Delivery, including the documents incorporated by reference herein, consult their own investment and tax advisors and make their own decisions whether to tender some or all of their Notes.

### **Conditions to the Consummation of the Tender Offers**

The consummation of each Tender Offer is subject to satisfaction of the conditions of the Tender Offers. These conditions are described in more detail in this Offer to Purchase under “The Terms of the Tender Offers—Conditions of the Tender Offer.” There can be no assurance that such conditions will be met with respect to the Tender Offer.

### **Holders Should Consult their own Tax, Accounting, Financial and Legal Advisors before Participating in the Tender Offers**

Holders should consult their own tax, accounting, financial and legal advisors as they may deem appropriate regarding the suitability to themselves of the tax, accounting, financial and legal consequences of participating or declining to participate in any Tender Offer. In particular, due to the number of different jurisdictions where tax laws may apply to a Holder, this Offer to Purchase does not discuss all tax consequences for Holders arising from the purchase by the Company of the Notes. Holders are urged to consult their own professional advisors regarding the possible tax consequences under the laws of the jurisdictions that apply to them. Holders are liable for their own taxes (other than certain transfer taxes) and have no recourse to the Company, the Dealer Manager, the Depositary and Information Agent or the trustee for the Notes with respect to taxes (other than certain transfer taxes) arising in connection with any Tender Offer.

### **Treatment of Notes Not Tendered in the Tender Offers**

Notes not tendered and purchased in the Tender Offers will remain outstanding. The terms and conditions governing each series of the Notes, including the covenants and other protective provisions contained in the Indenture

and the applicable Supplemental Indenture, will remain unchanged. No amendments to these documents are being sought.

Although the Company intends to redeem Notes that are not tendered and accepted in the Tender Offers, it is not obligated to do so, and there can be no assurance that it will do so or that any Notes will be redeemed or repurchased following the Tender Offers. Statements of intent in this Offer to Purchase shall not constitute a notice of redemption under the Indenture and each applicable Supplemental Indenture. Any such notice, if made, will only be made in accordance with the provisions of the Indenture and each applicable Supplemental Indenture.

## **Tax Matters**

See “Certain U.S. Federal Income Tax Considerations” for a discussion of U.S. federal income tax considerations relating to the Tender Offers.

## **Redemption of Untendered Notes**

The Company intends to redeem any Fixed Rate Notes not purchased pursuant to the Tender Offers in accordance with the Indenture and the 1.85% Notes Supplemental Indenture or the 2.15% Notes Supplemental Indenture. Pursuant to the Indenture and the applicable Supplemental Indenture, each series of the Fixed Rate Notes may be redeemed at any time and from time to time at the option of the Company in whole or in part upon not less than 30 nor more than 60 days’ notice, at redemption prices equal to the greater of (i) 100% of the principal amount of the Notes of such series being redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal of and interest on the Fixed Rate Notes of such series being redeemed (not including any portion of such payments of interest accrued to the redemption date) discounted (for purposes of determining present value) to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at a discount rate equal to the Treasury Yield (as defined in the applicable Supplemental Indenture) plus:

- 15 basis points, with respect to the 1.85% Notes; and
- 10 basis points, with respect to the 2.15% Notes;

plus, in each case, accrued and unpaid interest on the Fixed Rate Notes of such series being redeemed to but not including the redemption date.

The Company intends to redeem, on or after February 14, 2019, any Floating Rate Notes not purchased pursuant to the Tender Offers in accordance with the Indenture and the Floating Rate Notes Supplemental Indenture, which provides for a redemption price of 100% of the principal amount of such Floating Rate Notes, plus accrued and unpaid interest to, but not including, the redemption date.

**Although the Company intends to redeem the Notes that are not tendered and accepted in the Tender Offers, the Company is not obligated to do so, and there can be no assurance the Company will do so.** Any future purchases may be on the same terms or on terms that are more or less favorable to Holders of the Notes than the terms of the Tender Offers. Any future purchases by the Company or its affiliates 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) the Company or its affiliates may choose to pursue in the future.

## CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

### General

The following is a summary of certain U.S. federal income tax considerations relating to the Tender Offers to U.S. Holders and Non-U.S. Holders (each as defined below). This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), applicable regulations, administrative rulings, and judicial decisions in effect as of the date of this Offer to Purchase, any of which may subsequently be changed, possibly retroactively, or interpreted differently by the Internal Revenue Service (“IRS”) or the courts so as to result in U.S. federal income tax consequences different from those discussed below. The Company has not sought any ruling from the IRS with respect to the statements made and the conclusions reached in this discussion, and there can be no assurance that the IRS will agree with these statements and conclusions. This summary deals only with holders who own the Notes as “capital assets” within the meaning of Section 1221 of the Code. This summary does not address all aspects of U.S. federal income taxes and does not deal with all tax consequences that might be relevant to holders in light of their particular circumstances or particular situations, such as:

- tax consequences to holders who may be subject to special tax treatment, including dealers in securities or currencies, financial institutions, regulated investment companies, real estate investment trusts, tax-exempt entities, insurance companies and traders in securities that elect to use a mark-to-market method of accounting for their securities;
- tax consequences to persons holding the Notes as a part of a hedging, integrated, conversion or constructive sale transaction or a straddle;
- tax consequences to U.S. Holders (as defined below) of Notes whose “functional currency” is not the U.S. dollar;
- tax consequences to pass-through entities and investors in pass-through entities;
- tax consequences to certain former citizens or residents of the United States;
- alternative minimum tax consequences;
- tax consequences to persons required for U.S. federal income tax purposes to conform the timing of income accruals with respect to the Notes to their financial statements pursuant to Section 451 of the Code;
- state, local or foreign tax consequences; and
- estate or gift taxes.

If a partnership for U.S. federal income tax purposes (or an entity treated as a partnership for U.S. federal income tax purposes) holds the Notes, the tax treatment of the partner will generally depend upon the status of the partner and the activities of the partnership. If a holder is treated as a partner in a partnership holding the Notes for U.S. federal income tax purposes, such holder should consult such holder’s tax advisor.

**Holders should consult their tax advisors concerning the U.S. federal income tax consequences to them of the sale of Notes pursuant to the Tender Offers in light of their specific situation, as well as the consequences arising under any federal tax law other than federal income tax law or under the laws of any state, local or non-U.S. jurisdiction.**

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

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or



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

A “Non-U.S. Holder” is a beneficial owner of a Note (other than an entity treated as a partnership for U.S. income tax purposes) that is not a U.S. Holder.

## **Tendering U.S. Holders**

### *Sale of Notes pursuant to the Tender Offers*

In general, subject to the discussion below under “—Amounts Attributable to Accrued and Unpaid Interest” and “—Market Discount,” a U.S. Holder that receives cash in exchange for a Note pursuant to the Tender Offers (such U.S. Holder, a “Tendering U.S. Holder”) will generally recognize capital gain or loss in an amount equal to the difference, if any, between (i) the amount of cash received as consideration for the exchange (but not including the amount received that is attributable to accrued and unpaid interest on such Note, as discussed below) and (ii) the Tendering U.S. Holder’s adjusted tax basis in such Note at the time of sale. A U.S. Holder’s adjusted tax basis for a Note generally will equal the cost of the Note, increased by market discount on the Note, if any, previously included in income by the U.S. Holder, and reduced (but not below zero) by any previously amortized bond premium with respect to the Note and any payments received under the Note other than interest payments.

Such capital gain or loss will be long-term capital gain or loss if such Tendering U.S. Holder’s holding period for the Note is more than one year at the time of the sale of the Note pursuant to the Tender Offers. Long-term capital gains of certain non-corporate taxpayers (including individuals) currently are eligible for reduced rates of U.S. federal income taxation. The deductibility of capital losses is subject to limitations.

### *Amounts Attributable to Accrued and Unpaid Interest*

Any amounts received pursuant to the Tender Offers that are attributable to accrued and unpaid interest on the Notes will be taxable to a U.S. Holder as ordinary income when accrued or received (to the extent not previously included in income) in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes.

### *Market Discount*

An exception to the capital gain treatment described above may apply to a U.S. Holder that purchased a Note at a “market discount” within the meaning of Section 1278 of the Code. Subject to a statutory *de minimis* exception, a Note has market discount if the U.S. Holder’s initial tax basis in the Note was less than the Note’s stated principal amount. Market discount on a Note generally equals the excess of the principal amount of the Note over the Tendering U.S. Holder’s tax basis in the Note immediately after its acquisition. In general, unless the U.S. Holder has elected to include market discount in taxable income as it accrues, any gain recognized by a Tendering U.S. Holder on the sale of a Note having market discount in excess of a *de minimis* amount will be treated as ordinary income rather than capital gain to the extent of the market discount that accrued (on a straight line basis or, at the election of the U.S. Holder, on a constant yield-to-maturity basis) during the period such Tendering U.S. Holder held such Note. Gains in excess of such accrued market discount will generally be capital gains as discussed above.

### *Medicare Tax*

A U.S. Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% tax on the lesser of (1) the U.S. Holder’s “net investment income” for the relevant taxable year and (2) the excess of the U.S. Holder’s modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000 depending on the individual’s circumstances). Net investment income generally includes interest income and net gains from the disposition of the Notes unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities).

### *Information Reporting and Backup Withholding.*

A Tendering U.S. Holder will be subject to certain information reporting requirements unless the U.S. Holder is an exempt recipient. In addition, a Tendering U.S. Holder may be subject to backup withholding with respect to the receipt of cash in exchange for a Note unless the U.S. Holder provides its correct taxpayer identification number and certifies that it is not subject to backup withholding. Amounts withheld under the backup withholding rules may be credited against a U.S. Holder's U.S. federal income tax liability, and a U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS in a timely manner.

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

#### *Sale of Notes pursuant to the Tender Offers*

Subject to the discussion below under “—Amounts Attributable to Accrued and Unpaid Interest” and “—Information Reporting and Backup Withholding,” a Non-U.S. Holder who receives cash in exchange for Notes pursuant to the Tender Offers generally will not be subject to U.S. federal income tax or withholding tax on any gain recognized unless:

- the gain is effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States, as certified in a properly completed IRS Form W-8ECI (and, if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States); or
- in the case of gain realized by a Non-U.S. Holder who is an individual, the Non-U.S. Holder is present in the United States for a period or periods aggregating 183 days or more during the taxable year of the sale and certain other conditions are satisfied.

Gain from the sale of the Notes that is effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of the Non-U.S. Holder) will be subject to U.S. federal income tax on a net income basis at the graduated rates applicable to U.S. persons generally (and, with respect to corporate Non-U.S. Holders, may also be subject to a branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty). Gain described in the second bullet of the preceding paragraph generally will be subject to a flat 30% tax (unless reduced or eliminated by an applicable income tax treaty).

#### *Amounts Attributable to Accrued and Unpaid Interest*

Subject to the discussions below under “—Information Reporting and Backup Withholding” and “—Foreign Account Tax Compliance Act,” the gross amount received by a Non-U.S. Holder that is attributable to accrued but unpaid interest on the Notes generally will not be subject to U.S. federal income or withholding tax, provided that;

- such Non-U.S. Holder does not directly or indirectly, actually or constructively, own 10% or more of the capital or profit interests in the Company;
- the Non-U.S. Holder is not (a) a controlled foreign corporation that is related to us, actually, or constructively, or (b) a bank receiving interest on a loan entered into in the ordinary course of business;
- such interest is not effectively connected with the Non-U.S. Holder's conduct of a U.S. trade or business; and
- either (i) the Non-U.S. Holder certifies under penalties of perjury on IRS Form W-8BEN or W-8BEN-E (or other applicable form) that it is not a “U.S. person” (as defined in the Code), and provides its name, address and certain other required information or (ii) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary

course of its trade or business and holds the Notes on behalf of the Non-U.S. Holder certifies under penalties of perjury that the certification referred to in clause (i) has been received from the Non-U.S. Holder or an intermediate financial institution and furnishes to us or the applicable paying agent a copy thereof, and the relevant withholding agent does not have actual knowledge or reason to know that the holder is in fact a U.S. person.

A Non-U.S. Holder that does not qualify for the exemption described above generally will be subject to withholding of U.S. federal income tax at a 30% rate (or lower applicable treaty rate) on payments received pursuant to the Tender Offers attributable to accrued but unpaid interest on the Notes. A Non-U.S. Holder that claims the benefits of an applicable treaty will generally be required to satisfy applicable certification and other requirements. If the amount received that is attributable to accrued but unpaid interest is effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of the Non-U.S. Holder), such amount will be subject to U.S. federal income tax on a net income basis at the graduated rates applicable to U.S. persons generally (and, with respect to corporate Non-U.S. Holders, may also be subject to a branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty). Such amount will not, however, be subject to U.S. federal withholding tax if the Non-U.S. Holder satisfies certain certification requirements under penalty of perjury (generally through the provision of a properly executed IRS Form W-8ECI or other applicable form).

#### *Information Reporting and Backup Withholding*

If a Non-U.S. Holder receives cash for Notes pursuant to the Tender Offers through a U.S. broker (including certain brokers owned or controlled by U.S. persons or engaged in a U.S. trade or business) or the U.S. office of a broker, the payment by the broker to the Non-U.S. Holder may be subject to information reporting and backup withholding. A Non-U.S. Holder generally will not be subject to information reporting (except as described below) or backup withholding, however, if it certifies its U.S. nonresident status. In general, a Non-U.S. Holder may claim an exemption from information reporting and backup withholding by providing an IRS Form W-8BEN or W-8BEN-E, as applicable. However, information returns generally will be filed with the IRS in connection with payments of accrued but unpaid interest on the Notes pursuant to the Tender Offers. Amounts withheld under the backup withholding rules may be credited against a Non-U.S. Holder's U.S. federal income tax liability, and a Non-U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS in a timely manner.

#### *Foreign Account Tax Compliance Act*

Under Sections 1471 through 1474 of the Code, commonly known as the Foreign Account Tax Compliance Act ("FATCA"), withholding taxes may apply to certain types of payments made to "foreign financial institutions" (as specially defined in the Code) and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on certain amounts paid with respect to the Notes to a foreign financial institution or to a non-financial foreign entity, unless certain requirements are met. On December 13, 2018, the IRS issued proposed regulations, upon which taxpayer's may rely, that exclude gross proceeds from the sale or other disposition of the Notes from the application of the withholding tax imposed by FATCA. Accordingly, FATCA withholding may be imposed on interest paid on the Notes to a foreign financial institution or to a non-financial foreign entity, unless (i) the foreign financial institution undertakes certain diligence and reporting, (ii) the non-financial foreign entity either certifies it does not have any substantial U.S. owners or furnishes identifying information regarding each substantial U.S. owner, or (iii) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in clause (i) above, then, pursuant to an agreement between it and the U.S. Treasury or an intergovernmental agreement between, generally, the jurisdiction in which it is resident and the U.S. Treasury, it must, among other things, identify accounts held by certain U.S. persons or U.S.-owned foreign entities and annually report certain information about such accounts, and may be required to withhold 30% on payments to non-compliant foreign financial institutions and certain other account holders. An applicable intergovernmental agreement regarding FATCA between the U.S. Treasury and a non-U.S. entity's jurisdiction may modify the general rules described above.

#### **Non-Tendering Holders**

There generally will be no U.S. federal income tax consequences to U.S. Holders or Non-U.S. Holders as a result of their not tendering Notes in the Tender Offers. Such non-tendering Holders will generally have the same tax basis and holding period in their Notes following the consummation of each Tender Offer as such Holders had in the Notes immediately prior to the consummation.

THE U.S. FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION PURPOSES ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON A HOLDER'S PARTICULAR SITUATION. HOLDERS ARE ENCOURAGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES TO THEM OF THE TENDER OF THE NOTES, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, ESTATE, FOREIGN AND OTHER TAX LAWS AND TAX TREATIES AND THE POSSIBLE EFFECTS OF CHANGES IN U.S. AND OTHER TAX LAWS.

## **DEALER MANAGER; DEPOSITARY AND INFORMATION AGENT**

The Company has retained Citigroup Global Markets Inc. to act as Dealer Manager and Global Bondholder Services Corporation to act as Depositary and Information Agent in connection with the Tender Offers. The Company has agreed to pay the Depositary and Information Agent customary fees for its services in connection with the Tender Offers. The Company also has agreed to indemnify the Dealer Manager and the Depositary and Information Agent against certain liabilities, including liabilities under the federal securities laws. The Company will not pay any fees or commissions to any broker, dealer or other person other than the Depositary and Information Agent, in connection with the solicitation of tenders of Notes pursuant to the Tender Offers. The Company will, however, reimburse brokers, dealers, commercial banks and trust companies for customary mailing and handling expenses incurred by them in forwarding this document and related materials to their clients.

At any given time, the Dealer Manager may trade in the Notes or other of the Company's securities for its own account or for the accounts of customers, and accordingly, may hold a long or a short position in the Notes or such other securities. The Dealer Manager may also tender into the Tender Offers Notes that it may hold or acquire, but is under no obligation to do so.

The Dealer Manager has provided in the past, and/or is currently providing, other investment and commercial banking and financial advisory services to the Company and/or its affiliates. The Dealer Manager and its affiliates may in the future provide various investment and commercial banking and other services to the Company and/or its affiliates for which they would receive customary compensation.

Neither the Dealer Manager or the Depositary and Information Agent assumes any responsibility for the accuracy or completeness of the information contained in this Offer to Purchase or for the Company's failure to disclose events that may have occurred and may affect the significance or accuracy of such information.

## SCHEDULE A

### Formula for Determining Tender Offer Consideration for each series of Fixed Rate Notes and Accrued Interest

YLD	=	The Repurchase Yield expressed as a decimal number.
CPN	=	The contractual annual rate of interest payable on a Note expressed as a decimal number.
N	=	The number of scheduled semiannual interest payments from, but not including, the Settlement Date to, and including, the maturity date for the Notes.
S	=	The number of days from and including the semiannual interest payment date immediately preceding the Settlement Date up to, but not including, the Settlement Date. The number of days is computed using the 30/360 day-count method.
Exp	=	Exponentiate. The term to the left of “exp” is raised to the power indicated by the term to the right of “exp.”
$\sum_{K=1}^N$	=	Summate. The term in the brackets to the right of the summation symbol is separately calculated “N” times (substituting for “K” in that term each whole number between 1 and N, inclusive), and the separate calculations are then added together.
Accrued Interest	=	$\$1,000(CPN)(S/360)$
Tender Offer Consideration	=	The price per \$1,000 principal amount of a Note (excluding Accrued Interest). A tendering Holder will receive a total amount per \$1,000 principal amount (rounded to the nearest cent) equal to the Tender Offer Consideration plus Accrued Interest.

Formula for Tender Offer Consideration for Fixed Rate Notes =

$$\left[ \frac{\$1,000}{(1 + YLD/2) \exp \left( N - \frac{S}{180} \right)} \right] + \sum_{k=1}^N \left[ \frac{\$1,000 (CPN/2)}{(1 + YLD/2) \exp (k - S/180)} \right] - \$1,000(CPN)(S/360)$$

In order to tender, a Holder must tender pursuant to DTC's Automated Tender Offer Program (ATOP).

*The Depositary and Information Agent for the Tender Offers is:*

**Global Bondholder Services Corporation**

*By Hand Delivery:*

Global Bondholder Services Corporation  
65 Broadway, Suite 404  
New York, New York 10006  
Attention: Corporate Actions

*By Facsimile Transmission (for Eligible Institutions Only):* (212) 430-3775

Attention: Corporate Actions

Confirm by Telephone:  
(212) 430-3774

Toll-Free: (866) 470-4300

Any questions or requests for assistance may be directed to the Dealer Manager or the Depositary and Information Agent at their respective telephone numbers as set forth below. Any requests for additional copies of this Offer to Purchase, the Notice of Guaranteed Delivery or related documents may be directed to the Depositary and Information Agent. A Holder may also contact such holder's Custodian for assistance concerning the Tender Offers.

*The Dealer Manager for the Tender Offers is:*

**Citigroup**

388 Greenwich Street, 7th Floor  
New York, New York 10013  
Attention: Liability Management Group  
Call Collect: (212) 723-6106  
Toll-Free: (800) 558-3745