UNITEDHEALTH GROUP INC
Form 424B5
October 19, 2017
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**Filed pursuant to Rule 424(b)(5)**
**File No. 333-216150**

## CALCULATION OF REGISTRATION FEE

| Title of each Class of Securities to be Registered | Maximum Aggregate Offering Price | Amount of Registration Fee(1)(2) |
|---|---|---|
| Floating Rate Notes due October 15, 2020 | $300,000,000 | $37,350 |
| 1.950% Notes due October 15, 2020 | $900,000,000 | $112,050 |
| 2.375% Notes due October 15, 2022 | $900,000,000 | $112,050 |
| 2.950% Notes due October 15, 2027 | $950,000,000 | $118,275 |
| 3.750% Notes due October 15, 2047 | $950,000,000 | $118,275 |

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933. The total registration fee due for this offering is $498,000.
(2) This Calculation of Registration Fee table shall be deemed to update the Calculation of Registration Fee table in the Company s Registration Statement on Form S-3 (File No. 333-216150) in accordance with Rules 456(b) and 457(r) under the Securities Act of 1933.

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**Prospectus Supplement to Prospectus dated February 21, 2017**

**$4,000,000,000**

**$300,000,000 Floating Rate Notes due October 15, 2020**

**$900,000,000 1.950% Notes due October 15, 2020**

**$900,000,000 2.375% Notes due October 15, 2022**

**$950,000,000 2.950% Notes due October 15, 2027**

**$950,000,000 3.750% Notes due October 15, 2047**

We are offering $300,000,000 principal amount of floating rate notes due October 15, 2020, $900,000,000 principal amount of 1.950% notes due October 15, 2020, $900,000,000 principal amount of 2.375% notes due October 15, 2022, $950,000,000 principal amount of 2.950% notes due October 15, 2027, and $950,000,000 principal amount of 3.750% notes due October 15, 2047. We refer to the floating rate notes, the 2020 notes, the 2022 notes, the 2027 notes and the 2047 notes collectively as the notes, and we refer to the 2020 notes, the 2022 notes, the 2027 notes and the 2047 notes collectively as the fixed rate notes.

The interest rate on the floating rate notes will be a floating rate, subject to adjustment on a quarterly basis, equal to LIBOR for three-month U.S. dollar deposits plus 0.07%. Interest on the floating rate notes will be payable quarterly on January 15, April 15, July 15 and October 15 of each year, beginning on January 15, 2018. Interest on the 2020 notes, the 2022 notes, the 2027 notes and the 2047 notes will be payable semi-annually on April 15 and October 15, beginning on April 15, 2018, in each case at the applicable rates set forth above. At our option, we may redeem any series of fixed rate notes, in whole or in part, before their maturity date on not less than 30 nor more than 60 days notice by mail on the terms described under the caption Description of the Notes Optional Redemption. If a change of control triggering event as described herein occurs, we will be required to offer to repurchase the floating rate notes and, unless we have exercised our option to redeem all fixed rate notes of an applicable series, we will be required to offer to repurchase such series of fixed rate notes, in each case at the prices described under the caption Description of the Notes Change of Control Offer.

The notes will be our senior, unsecured obligations and will rank equally in right of payment with all of our other unsecured and unsubordinated indebtedness from time to time outstanding. We do not intend to apply for listing of the notes on any securities exchange or for inclusion of the notes in any automated dealer quotation system.

**Investing in the notes involves risks. See "Risk Factors" on page S-5 of this prospectus supplement.**

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

| | Public Offering Price(1) | | Underwriting Discount | | Proceeds to Us (before expenses) | |
|---|---|---|---|---|---|---|
| | **Per Note** | **Total** | **Per Note** | **Total** | **Per Note** | **Total** |
| Floating Rate Notes | 100.000% | $ 300,000,000 | 0.250% | $ 750,000 | 99.750% | $ 299,250,000 |
| 2020 Notes | 99.834% | $ 898,506,000 | 0.250% | $ 2,250,000 | 99.584% | $ 896,256,000 |
| 2022 Notes | 99.675% | $ 897,075,000 | 0.350% | $ 3,150,000 | 99.325% | $ 893,925,000 |
| 2027 Notes | 99.163% | $ 942,048,500 | 0.450% | $ 4,275,000 | 98.713% | $ 937,773,500 |
| 2047 Notes | 99.076% | $ 941,222,000 | 0.750% | $ 7,125,000 | 98.326% | $ 934,097,000 |
| Combined Total | | $ 3,978,851,500 | | $ 17,550,000 | | $ 3,961,301,500 |

(1) Plus accrued interest from October 25, 2017 if settlement occurs after that date.

The underwriters expect to deliver the notes to investors on or about October 25, 2017 only in book-entry form through the facilities of The Depository Trust Company and its participants, including Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme.*

*Joint Book-Running Managers*

**US Bancorp** **Barclays** **Citigroup** **Credit Suisse** **Deutsche Bank Securities**

**Mizuho Securities** **RBC Capital Markets** **Wells Fargo Securities**

*Senior Co-Managers*

**BNY Mellon Capital Markets, LLC** **BofA Merrill Lynch** **Goldman Sachs & Co. LLC** **J.P. Morgan** **Morgan Stanley**

*Co-Managers*

**Academy Securities** **BB&T Capital Markets** **BMO Capital Markets** **Fifth Third Securities** **HSBC**
**Huntington Capital Markets** **KeyBanc Capital Markets** **Loop Capital Markets** **PNC Capital Markets LLC** **Ramirez & Co., Inc.**
**Regions Securities LLC** **Santander** **SunTrust Robinson Humphrey** **TD Securities**

Prospectus Supplement dated October 18, 2017

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We have not, and the underwriters have not, authorized any dealer, salesperson or other person to give any information or to represent anything not contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus or any free writing prospectus filed by us with the Securities and Exchange Commission, or the SEC. Neither we nor the underwriters take any responsibility for, or provide any assurance as to the reliability of, any other information that others may provide. This prospectus supplement and the accompanying prospectus is an offer to sell only the notes offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus and any free writing prospectus filed by us with the SEC is current only as of the date of the document containing such information. Our business, financial condition, results of operations and prospects may have changed since those respective dates.

We expect to deliver the notes against payment therefor in New York City on or about the expected settlement date specified on the cover page of this prospectus supplement, which will be the 5th business day following the date of this prospectus supplement and the pricing of the notes (such settlement cycle being referred to as T+5 ). You should note that trading of the notes on the pricing date or the next succeeding two business days may be affected by the T+5 settlement. See Underwriting.

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## ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement relates to a prospectus which is part of a registration statement that we have filed with the SEC utilizing a shelf registration process. Under this shelf registration process, we may sell the securities described in the accompanying prospectus in one or more offerings. The accompanying prospectus provides you with a general description of the securities we may offer. This prospectus supplement contains specific information about the terms of this offering. This prospectus supplement may add, update or change information contained in the accompanying prospectus. Please carefully read both this prospectus supplement and the accompanying prospectus in addition to the information described below under Incorporation of Certain Documents by Reference and in the section of the accompanying prospectus called Where You Can Find More Information.

As you read this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein, there may be inconsistencies in information from one document to another. If this prospectus supplement is inconsistent with the accompanying prospectus, the statements in this prospectus supplement will control. In the event of any other inconsistencies, you should rely on the statements made in the most recent document, including any document incorporated by reference into this prospectus supplement after the date hereof. All information appearing in this prospectus supplement and the accompanying prospectus is qualified in its entirety by the information and financial statements, including the notes thereto, contained in the documents that we have incorporated by reference.

In this prospectus supplement, unless otherwise specified, the terms UnitedHealth Group, the Company, we, us or mean UnitedHealth Group Incorporated and its consolidated subsidiaries. Unless otherwise stated, currency amounts in this prospectus supplement are stated in United States dollars, or $.

## INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to incorporate by reference the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. We are incorporating by reference certain information filed previously with the SEC into this prospectus supplement. The information incorporated by reference is considered to be part of this prospectus supplement, and later information that we file with the SEC will automatically update this prospectus supplement. We incorporate by reference the documents listed below, and any filings we hereafter make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act (in each case, excluding any documents or information deemed to have been furnished and not filed in accordance with SEC rules), prior to the termination of the offering under this prospectus supplement:

- Annual Report on Form 10-K for the year ended December 31, 2016, or the 2016 10-K;
- Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2017 and June 30, 2017; and
- Current Reports on Form 8-K filed on January 17, 2017 (reporting information under Item 5.02 thereof), March 13, 2017, June 9, 2017, August 7, 2017, August 16, 2017 and August 29, 2017.

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We will provide to each person, including any beneficial owner, to whom this prospectus supplement is delivered copies of this prospectus supplement and any of the documents incorporated by reference into this prospectus supplement, excluding any exhibit to those documents unless the exhibit is specifically incorporated by reference into those documents, without charge, by written or oral request directed to:

UnitedHealth Group Incorporated

UnitedHealth Group Center

9900 Bren Road East

Minnetonka, Minnesota 55343

Attn: Legal Department

(952) 936-1300

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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The statements, estimates, projections, guidance or outlook contained in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, or PSLRA. These statements are intended to take advantage of the safe harbor provisions of the PSLRA. Generally the words believe, expect, intend, estimate, anticipate, f outlook, plan, project, should and similar expressions identify forward-looking statements, which generally are not historical in nature. These statements may contain information about financial prospects, economic conditions and trends and involve risks and uncertainties. We caution that actual results could differ materially from those that management expects, depending on the outcome of certain factors.

Some factors that could cause actual results to differ materially from results discussed or implied in the forward-looking statements include: our ability to effectively estimate, price for and manage our medical costs, including the impact of any new coverage requirements; new laws or regulations, or changes in existing laws or regulations, or their enforcement or application, including increases in medical, administrative, technology or other costs or decreases in enrollment resulting from U.S., Brazilian and other jurisdictions regulations affecting the health care industry; our ability to maintain and achieve improvement in CMS star ratings and other quality scores that impact revenue; reductions in revenue or delays to cash flows received under Medicare, Medicaid and other government programs, including the effects of a prolonged U.S. government shutdown or debt ceiling constraints; changes in Medicare, including changes in payment methodology, the CMS star ratings program or the application of risk adjustment data validation audits; cyber-attacks or other privacy or data security incidents; failure to comply with privacy and data security regulations; regulatory and other risks and uncertainties of the pharmacy benefits management industry; competitive pressures, which could affect our ability to maintain or increase our market share; changes in or challenges to our public sector contract awards; our ability to execute contracts on competitive terms with physicians, hospitals and other service providers; failure to achieve targeted operating cost productivity improvements, including savings resulting from technology enhancement and administrative modernization; increases in costs and other liabilities associated with increased litigation, government investigations, audits or reviews; failure to manage successfully our strategic alliances or complete or receive anticipated benefits of acquisitions and other strategic transactions; fluctuations in foreign currency exchange rates on our reported shareholders equity and results of operations; downgrades in our credit ratings; the performance of our investment portfolio; impairment of the value of our goodwill and intangible assets if estimated future results do not adequately support goodwill and intangible assets recorded for our existing businesses or the businesses that we acquire; failure to maintain effective and efficient information systems or if our technology products do not operate as intended; and our ability to obtain sufficient funds from our regulated subsidiaries or the debt or capital markets to fund our obligations, to maintain our debt to total capital ratio at targeted levels, to maintain our quarterly dividend payment cycle or to continue repurchasing shares of our common stock.

This list of important factors is not intended to be exhaustive. We discuss certain of these matters more fully, as well as certain risk factors that may affect our business operations, financial condition and results of operations, in our periodic and current filings with the SEC, including our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Any or all forward-looking statements we make may turn out to be wrong, and can be affected by inaccurate assumptions we might make or by known or unknown risks and uncertainties. By their nature, forward-looking statements are not guarantees of future performance or results and are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. Actual future results may vary materially from expectations expressed or implied in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus or any of our prior communications. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. We do not undertake to update or revise any forward-looking statements, except as required by applicable securities laws.

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## UNITEDHEALTH GROUP

UnitedHealth Group is a diversified health and well-being company dedicated to helping people live healthier lives and helping to make the health system work better for everyone.

Through our diversified family of businesses, we leverage core competencies in advanced, enabling technology; health care data, information and intelligence; and clinical care management and coordination to help meet the demands of the health system. These core competencies are deployed within our two distinct, but strategically aligned, business platforms: health benefits operating under UnitedHealthcare and health services operating under Optum.

UnitedHealthcare provides health care benefits to an array of customers and markets. UnitedHealthcare Employer & Individual serves employers ranging from sole proprietorships to large, multi-site and national employers, public sector employers and other individuals. UnitedHealthcare Medicare & Retirement delivers health and well-being benefits for Medicare beneficiaries and retirees. UnitedHealthcare Community & State manages health care benefit programs on behalf of state Medicaid and community programs and their participants. UnitedHealthcare Global includes UnitedHealthcare Brazil, a health care company providing health and dental benefits and hospital and clinical services to employer groups and individuals in Brazil, and other diversified global health businesses.

Optum is a health services business serving the broad health care marketplace, including payers, care providers, employers, governments, life sciences companies and consumers, through its OptumHealth, OptumInsight and OptumRx businesses. These businesses have dedicated units that help improve overall health system performance through optimizing care quality, reducing costs and improving consumer experience and care provider performance leveraging distinctive capabilities in data and analytics, pharmacy care services, population health, health care delivery and health care operations.

UnitedHealth Group Incorporated was incorporated in January 1977 in Minnesota and was reincorporated in Delaware on July 1, 2015 pursuant to a plan of conversion. Our executive offices are located at UnitedHealth Group Center, 9900 Bren Road East, Minnetonka, Minnesota 55343. Our telephone number is (952) 936-1300, and our website is located at www.unitedhealthgroup.com. The information on or accessible through our website is not part of this prospectus supplement or the accompanying prospectus.

### Recent Developments

#### *Third Quarter Results*

On October 17, 2017, we announced that our consolidated third quarter 2017 revenues were $50.3 billion, which represented an increase of $4.0 billion or an 8.7 percent increase year-over-year. Our third quarter 2017 consolidated medical care ratio of 81.4 percent increased 110 basis points year-over-year. We also announced that our consolidated third quarter 2017 earnings from operations were $4.1 billion compared to our consolidated third quarter 2016 earnings from operations of $3.6 billion and that our consolidated third quarter 2017 net earnings attributable to common shareholders were $2.5 billion or $2.51 per share compared to our consolidated third quarter 2016 net earnings attributable to common shareholders of $2.0 billion or $2.03 per share.

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## RISK FACTORS

*Investing in the notes involves risks. You should carefully consider the risks described herein and those described under Risk Factors in Part I, Item 1A of our 2016 10-K, which risk factors are incorporated by reference into this prospectus supplement and the accompanying prospectus, as well as the other information contained or incorporated by reference into this prospectus supplement and the accompanying prospectus, before making a decision to invest in our notes. See Incorporation of Certain Documents by Reference in this prospectus supplement for information about how you can obtain or view copies of incorporated information.*

**The potential phasing out of LIBOR after 2021 may adversely affect the value of the floating rate notes.**

On July 27, 2017, the UK Financial Conduct Authority, or the FCA, announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR rates after 2021, which we refer to as the FCA announcement. It is not possible to predict the effect of the FCA announcement, any changes in the methods pursuant to which the LIBOR rates are determined and any other reforms to LIBOR, including to the rules promulgated by the FCA in relation thereto, that will be enacted in the United Kingdom and elsewhere, which may adversely affect the trading market for LIBOR-based securities, including the floating rate notes, or result in the phasing out of LIBOR as a reference rate for securities. In addition, any changes announced by the FCA (including the FCA announcement), ICE Benchmark Administration Limited as independent administrator of LIBOR or any other successor governance or oversight body, or future changes adopted by any such body, in the method pursuant to which the LIBOR rates are determined may result in a sudden or prolonged increase or decrease in the reported LIBOR rates. If that were to occur, the level of interest payments and the value of the floating rate notes may be affected. Further, uncertainty as to the extent and manner in which the United Kingdom government s recommendations following its review of LIBOR in September 2012 will continue to be adopted and the timing of such changes may adversely affect the current trading market for LIBOR-based securities and the value of the floating rate notes.

## USE OF PROCEEDS

We will receive net proceeds from this offering of approximately $3,958,310,000 after deducting underwriting discounts and other expenses of the offering payable by us. We intend to use the net proceeds from this offering to repay commercial paper borrowings, which were incurred for general corporate and working capital purposes, and for other general corporate purposes, which may include redeeming or repurchasing outstanding securities or refinancing debt. As of September 30, 2017, we had approximately $303 million of commercial paper outstanding, with a weighted-average annual interest rate of 1.4%.

We will temporarily invest any net proceeds not used immediately in short-term, interest-bearing obligations.

## RATIO OF EARNINGS TO FIXED CHARGES

The ratio of earnings to fixed charges for each of the periods indicated is set forth below. The ratio of earnings to fixed charges is computed by dividing total earnings available for fixed charges by the fixed charges. For purposes of computing this ratio, total earnings available for fixed charges consists of earnings before income taxes plus fixed charges, and fixed charges consist of interest expense plus the interest factor in rental expense.

**Six Months Ended**

| | June 30, | Year Ended December 31, | | | | |
|---|---|---|---|---|---|---|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Ratio of earnings to fixed charges | 10.6x | 10.5x | 11.7x | 13.8x | 11.6x | 12.8x |

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## DESCRIPTION OF THE NOTES

In this section, the terms we, our, us and UnitedHealth Group refer solely to UnitedHealth Group Incorporated and its subsidiaries.

The notes will be senior debt securities as described in the section captioned Description of Debt Securities in the accompanying prospectus. The following information concerning the notes supplements the information set forth in that section of the accompanying prospectus. It should be read together with the description of debt securities in the accompanying prospectus and the terms of the notes in the indenture, dated as of February 4, 2008, between us and U.S. Bank National Association, as trustee. The indenture is incorporated by reference into the registration statement which includes the accompanying prospectus. We will offer the floating rate notes, the 2020 notes, the 2022 notes, the 2027 notes and the 2047 notes as separate series under such indenture. Each series of notes also will be issued under and be subject to the terms of individual officers certificates and company orders pursuant to the indenture, which are incorporated by reference into the registration statement which includes the accompanying prospectus.

If any of the information set forth below is inconsistent with information in the accompanying prospectus, the information set forth below replaces the information in the accompanying prospectus.

The notes will be our senior, unsecured obligations and will rank equally in right of payment with all of our other unsecured and unsubordinated indebtedness from time to time outstanding. Our assets consist primarily of equity in our subsidiaries. As a result, our ability to make payments on the notes depends on our receipt of dividends, loan payments and other funds from our subsidiaries. In addition, if any of our subsidiaries becomes insolvent, the direct creditors of that subsidiary will have a prior claim on its assets. Our rights and the rights of our creditors, including your rights as an owner of the notes, will be subject to that prior claim, unless we also are a direct creditor of that subsidiary. This subordination of creditors of a parent company to prior claims of creditors of its subsidiaries is commonly referred to as structural subordination.

### Title, Principal Amount, Maturity and Interest

The floating rate notes are designated as our floating rate notes due October 15, 2020, the 2020 notes are designated as our 1.950% notes due October 15, 2020, the 2022 notes are designated as our 2.375% notes due October 15, 2022, the 2027 notes are designated as our 2.950% notes due October 15, 2027 and the 2047 notes are designated as our 3.750% notes due October 15, 2047.

The notes are initially limited in aggregate principal amount to $300,000,000 for the floating rate notes, $900,000,000 for the 2020 notes, $900,000,000 for the 2022 notes, $950,000,000 for the 2027 notes and $950,000,000 for the 2047 notes. We may at any time and from time to time, without the consent of the existing holders of the applicable series of notes, issue additional notes having the same ranking, interest rate, maturity date, redemption terms and other terms as any series of notes being offered under this prospectus supplement, except that if the additional notes are not fungible for U.S. federal income tax purposes with such series of notes being offered under this prospectus supplement, the additional notes will be issued under a separate CUSIP number. Any such additional notes, together with the notes having the same terms offered by this prospectus supplement, will constitute a single series of securities under the indenture. No additional notes may be issued if an event of default under the indenture has occurred with respect to the applicable series of notes. There is no limitation on the amount of other senior debt securities that we may issue under the indenture.

The floating rate notes will mature and become due and payable, together with any accrued and unpaid interest, on October 15, 2020. The 2020 notes will mature and become due and payable, together with any accrued and unpaid interest, on October 15, 2020. The 2022 notes will mature and become due and payable, together with any accrued and unpaid interest, on October 15, 2022. The 2027 notes will mature and become due and payable, together with any accrued and unpaid interest, on October 15, 2027. The 2047 notes will mature and become due and payable, together with any accrued and unpaid interest, on October 15, 2047. We may redeem any series of fixed rate notes at our option, either in whole or in part, before they mature. See Optional Redemption below. If a change of control triggering event as described herein occurs, we will be required to offer to repurchase the floating rate notes and, unless we have exercised our option to redeem all fixed rate notes of an applicable series, we will be required to offer to repurchase such series of fixed rate notes, in each case at the prices described in this prospectus supplement. See Change of Control Offer below.

In the event that a payment of principal or interest on the notes is due on a date that is not a business day, we will make the payment on the next business day, but we will consider that payment as having been made on the date that the payment was due to you, without any interest or other payment with respect to the delay. With respect to the floating rate notes, if the next business day referred to in the prior sentence falls in the next succeeding calendar month, the applicable interest payment instead will be made on the immediately preceding business day. When we use the term business day, we mean any day except a Saturday, a Sunday or a day on which banking institutions in New York, New York or Minneapolis, Minnesota are authorized or required by law, regulation or executive order to close, provided that, with respect to the floating rate notes, the day is also a London business day (as defined below).

The interest payable by us on a note on any interest payment date, subject to certain exceptions, will be paid to the person in whose name the note is registered at the close of business on the applicable record date, whether or not a business day, immediately preceding the interest payment date.

### *Floating Rate Notes*

The floating rate notes will bear interest at a rate per annum, reset quarterly, equal to LIBOR (as defined below) plus 0.07%, as determined by the calculation agent. U.S. Bank National Association will initially act as the calculation agent for the floating rate notes. We will pay interest on the floating rate notes quarterly in arrears on each January 15, April 15, July 15 and October 15, and on the maturity date. The first interest payment date will be January 15, 2018. The regular record date for payments of interest is the 15th calendar day (whether or not a business day) immediately preceding the applicable interest payment date. Interest will be computed on the basis of a 360-day year for the actual number of days elapsed.

Interest on the floating rate notes will accrue from, and including, October 25, 2017, to, but excluding, the first interest payment date and then from, and including, the immediately preceding interest payment date to which interest has been paid or provided for to, but excluding, the next interest payment date. We refer to each of these periods as an interest period. The amount of accrued interest that we will pay on a floating rate note for any interest period can be calculated by multiplying the face amount of the floating rate note by an accrued interest factor. This accrued interest factor is computed by adding the interest factor calculated for each calendar day from October 25, 2017, or from the last date to which we paid or provided for interest to you, to, but excluding, the date for which accrued interest is being calculated. The interest factor for each day is computed by dividing the per annum interest rate applicable to that day by 360.

All percentages resulting from any of the above calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards (*e.g.*, 9.876545% (or .09876545) being rounded to 9.87655% (or .0987655)) and all dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one-half cent being rounded upwards).

The calculation agent will set the initial interest rate for the floating rate notes on the scheduled closing date for this offering. The calculation agent will reset the interest rate on each interest payment date thereafter. We refer to the scheduled closing date and each interest payment date thereafter as an interest reset date. The second London business day preceding any interest reset date (including the scheduled closing date) will be the   interest determination date   for that interest reset date. The interest rate in effect on each day that is not an interest reset date will be the interest rate determined as of the interest determination date pertaining to the immediately preceding interest reset date. The interest rate in effect on any day that is an interest reset date (including the scheduled closing date) will be the interest rate determined as of the interest determination date pertaining to that interest reset date.

Index Maturity  means three months.

LIBOR  will be determined by the calculation agent in accordance with the following provisions:

(a) With respect to any interest period, LIBOR will be the rate (expressed as a percentage per annum) for deposits in United States dollars having a maturity of the Index Maturity commencing on the first day of the applicable interest period that appears on Reuters Screen LIBOR01 Page as of 11:00 a.m., London time, on that interest determination date. If no rate appears, LIBOR for that interest determination date will be determined in accordance with the provisions described in (b) below.

(b) With respect to an interest determination date on which no rate appears on Reuters Screen LIBOR01 Page, as specified in (a) above, the calculation agent will request the principal London offices of each of four major reference banks in the London interbank market, as selected by the calculation agent, to provide the calculation agent with its offered quotation for deposits in United States dollars for the Index Maturity, commencing on the first day of the applicable interest period, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that interest determination date and in a principal amount that is representative for a single transaction in United States dollars in that market at that time. If at least two quotations are provided, then LIBOR on that interest determination date will be the arithmetic mean of those quotations. If fewer than two quotations are provided, then LIBOR on the interest determination date will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., in The City of New York, on the interest determination date by three major banks in The City of New York selected by the calculation agent for loans in United States dollars to leading European banks, having an Index Maturity and in a principal amount that is representative for a single transaction in United States dollars in that market at that time. If, however, the banks selected by the calculation agent are not providing quotations in the manner described by the previous sentence, LIBOR determined as of that interest determination date will be LIBOR in effect prior to that interest determination date.

London business day  means any day on which dealings in United States dollars are transacted in the London interbank market.

Reuters Screen LIBOR01 Page  means the display designated as the Reuters Screen LIBOR01 Page, or such other screen as may replace the Reuters Screen LIBOR01 Page on the service or successor service as may be nominated by the British Bankers  Association for the purpose of displaying the London interbank offered rates for United States dollar deposits.

The interest rate on the floating rate notes will in no event be higher than the maximum rate permitted by New York law as the same may be modified by United States law of general application.

All calculations of the calculation agent, in the absence of manifest error, will be conclusive for all purposes and binding on us and the holders of the floating rate notes. We may appoint a successor calculation agent with the written consent of the trustee under the indenture, which consent will not be unreasonably withheld.

***Fixed Rate Notes***

The 2020 notes will bear interest at a rate of 1.950% per year from October 25, 2017 or from the most recent interest payment date to which we paid or provided for interest on the notes until their principal is paid. We will pay interest on the 2020 notes semi-annually in arrears on each April 15 and October 15. The first interest payment date will be April 15, 2018. The regular record dates for payments of interest are the April 1 and

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October 1 immediately preceding the applicable interest payment date (whether or not a business day). Each payment of interest will include accrued and unpaid interest to, but not including, the interest payment date. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The 2022 notes will bear interest at a rate of 2.375% per year from October 25, 2017 or from the most recent interest payment date to which we paid or provided for interest on the notes until their principal is paid. We will pay interest on the 2022 notes semi-annually in arrears on each April 15 and October 15. The first interest payment date will be April 15, 2018. The regular record dates for payments of interest are the April 1 and October 1 immediately preceding the applicable interest payment date (whether or not a business day). Each payment of interest will include accrued and unpaid interest to, but not including, the interest payment date. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The 2027 notes will bear interest at a rate of 2.950% per year from October 25, 2017 or from the most recent interest payment date to which we paid or provided for interest on the notes until their principal is paid. We will pay interest on the 2027 notes semi-annually in arrears on each April 15 and October 15. The first interest payment date will be April 15, 2018. The regular record dates for payments of interest are the April 1 and October 1 immediately preceding the applicable interest payment date (whether or not a business day). Each payment of interest will include accrued and unpaid interest to, but not including, the interest payment date. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The 2047 notes will bear interest at a rate of 3.750% per year from October 25, 2017 or from the most recent interest payment date to which we paid or provided for interest on the notes until their principal is paid. We will pay interest on the 2047 notes semi-annually in arrears on each April 15 and October 15. The first interest payment date will be April 15, 2018. The regular record dates for payments of interest are the April 1 and October 1 immediately preceding the applicable interest payment date (whether or not a business day). Each payment of interest will include accrued and unpaid interest to, but not including, the interest payment date. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

**Form and Denominations**

Notes will be issued in registered form only, without coupons, in denominations of $2,000 and whole multiples of $1,000 in excess thereof.

**Book-Entry Issuance**

The Depository Trust Company, or DTC, will act as securities depositary for the notes. The floating rate notes, the 2020 notes, the 2022 notes, the 2027 notes and the 2047 notes each will be initially represented by one or more global notes registered in the name of DTC or its nominee. For additional information concerning DTC and its procedures, see the section captioned Description of Debt Securities Book-Entry Issuance, Clearing and Settlement in the accompanying prospectus.

**Same-Day Settlement**

Settlement for the notes will be made by the underwriters in immediately available funds. The notes will trade in DTC s system until maturity. As a result, DTC will require secondary trading activity in the notes to be settled in immediately available funds.

**Optional Redemption**

The floating rate notes are not redeemable at our option before their maturity date.

Prior to October 15, 2020 (their maturity date), in the case of the 2020 notes, prior to October 15, 2022 (their maturity date), in the case of the 2022 notes, prior to October 15, 2027 (their maturity date), in the case of

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the 2027 notes, and prior to April 15, 2047 (six months prior to their maturity date) (the 2047 par call date ), in the case of the 2047 notes, the 2020 notes, the 2022 notes, the 2027 notes and the 2047 notes will be redeemable, in whole or in part, at any time and from time to time, at our option, on not less than 30 nor more than 60 days notice by mail, at a redemption price equal to the greater of (1) 100% of the principal amount of the applicable series of fixed rate notes to be redeemed and (2) (i) in the case of the 2020 notes, the 2022 notes and the 2027 notes, the sum of the present values of the remaining scheduled payments of principal and interest on the fixed rate notes to be redeemed (excluding the portion of any such interest accrued to the redemption date) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Yield (as defined below), plus 5 basis points in the case of the 2020 notes, plus 10 basis points in the case of the 2022 notes and plus 10 basis points in the case of the 2027 notes, plus, in each case, accrued and unpaid interest thereon to, but not including, the redemption date; and (ii) in the case of the 2047 notes, the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed (excluding the portion of any such interest accrued to the redemption date) that would be due if such notes matured on the 2047 par call date, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Yield (as defined below), plus 15 basis points, plus accrued and unpaid interest thereon to, but not including, the redemption date.

At any time on or after the 2047 par call date, the 2047 notes will be redeemable, in whole or in part at any time and from time to time, at our option, on not less than 30 nor more than 60 days notice by mail, at a redemption price equal to 100% of the principal amount of the 2047 notes to be redeemed plus accrued and unpaid interest thereon to, but not including, the redemption date.

For this purpose, the following terms have the following meanings:

Treasury Yield means, with respect to any redemption date, the rate per year equal to the semi-annual equivalent yield to maturity or interpolated (on a day-count basis) yield to maturity of the applicable Comparable Treasury Issue, assuming a price for such Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the applicable Comparable Treasury Price for such redemption date.

Comparable Treasury Issue means the United States Treasury security selected by an Independent Investment Banker appointed by the trustee under the indenture after consultation with us as having an actual or interpolated maturity comparable to the remaining term of the notes being redeemed (assuming in the case of the 2047 notes that such series of notes matured on the 2047 par call date), or such other maturity that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes being redeemed.

Comparable Treasury Price means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations for such redemption date, or (2) if the trustee under the indenture obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations.

Independent Investment Banker means any of U.S. Bancorp Investments, Inc., Barclays Capital Inc., Citigroup Global Markets Inc., Mizuho Securities USA LLC or Wells Fargo Securities, LLC or their respective successors or, if such firms are unwilling or unable to select the Comparable Treasury Issue, one of the remaining Reference Treasury Dealers appointed by the trustee under the indenture after consultation with us.

Reference Treasury Dealer means each of (1) Barclays Capital Inc., Citigroup Global Markets Inc., Mizuho Securities USA LLC, Wells Fargo Securities, LLC or their affiliates; (2) any other primary U.S. Government securities dealer in the United States (a Primary Treasury Dealer ) designated by, and not affiliated with, U.S. Bancorp Investments, Inc.; provided, however, that if any of the foregoing shall cease to be a Primary Treasury Dealer, we will appoint another Primary Treasury Dealer as a substitute for such entity; and (3) any other Primary Treasury Dealer selected by the trustee under the indenture.

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

A notice of redemption may provide that it is subject to certain conditions that will be specified in the notice. If those conditions are not met, the redemption notice will be of no effect and we will not be obligated to redeem such series of fixed rate notes.

If we redeem less than all of any series of the fixed rate notes at any time, selection of the notes for redemption will be made by the trustee under the indenture on:

- a pro rata basis (and in a manner that complies with applicable legal and stock exchange requirements, if any); or

- by any other method as the trustee under the indenture shall deem fair and appropriate.

**Sinking Fund**

The notes do not have the benefit of any sinking fund.

**Change of Control Offer**

If a Change of Control Triggering Event occurs with respect to the floating rate notes, the 2020 notes, the 2022 notes, the 2027 notes or the 2047 notes, (1) we will be required to make an offer (a Change of Control Offer ) to each holder of the floating rate notes, and (2) unless we have exercised our option to redeem all such notes of the applicable series of fixed rate notes as described above, we will be required to make a Change of Control Offer to each holder of such series of fixed rate notes and of each other applicable series of notes with respect to which such Change of Control Triggering Event has occurred to repurchase all or any part (equal to $2,000 or an integral multiple of $1,000 in excess thereof) of that holder s notes on the terms set forth in such notes. In a Change of Control Offer, we will be required to offer payment in cash equal to 101% of the aggregate principal amount of notes repurchased, plus accrued and unpaid interest, if any, on the notes repurchased to, but not including, the date of repurchase (a Change of Control Payment ). Within 30 days following any Change of Control Triggering Event or, at our option, prior to any Change of Control, but after public announcement of the transaction that constitutes or may constitute the Change of Control, a notice will be transmitted to the holders of the floating rate notes, the 2020 notes, the 2022 notes, the 2027 notes or the 2047 notes, as the case may be, describing the transaction that constitutes or may constitute the Change of Control Triggering Event and offering to repurchase such notes on the date specified in the applicable notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is transmitted (a Change of Control Payment Date ). The notice will, if transmitted prior to the date of consummation of the Change of Control, state that the Change of Control Offer is conditioned on the Change of Control Triggering Event occurring on or prior to the applicable Change of Control Payment Date.

On each Change of Control Payment Date, we will, to the extent lawful:

- accept for payment all notes or portions of notes properly tendered pursuant to the applicable Change of Control Offer;

- deposit with the paying agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes properly tendered; and

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deliver or cause to be delivered to the trustee under the indenture the notes properly accepted together with an officers certificate stating the aggregate principal amount of notes or portions of notes being repurchased.

We will not be required to make a Change of Control Offer upon the occurrence of a Change of Control Triggering Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and the third party purchases all notes properly tendered and not withdrawn under its offer. In addition, we will not repurchase any notes if there has occurred and is continuing on the Change of Control Payment Date an event of default under the indenture, other than a default in the payment of the Change of Control Payment upon a Change of Control Triggering Event.

We will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any such securities laws or regulations conflict with the Change of Control Offer provisions of the notes, we will comply with those securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Offer provisions of the notes by virtue of any such conflict.

For purposes of the Change of Control Offer provisions of the notes, the following terms have the following meanings:

Change of Control means the occurrence of any of the following: (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or more series of related transactions, of all or substantially all of our assets and the assets of our subsidiaries, taken as a whole, to any person, other than our company or one of our subsidiaries; (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of our outstanding Voting Stock or other Voting Stock into which our Voting Stock is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares; (3) we consolidate with, or merge with or into, any person, or any person consolidates with, or merges with or into, us, in any such event pursuant to a transaction in which any of our outstanding Voting Stock or the Voting Stock of such other person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of our Voting Stock outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving person or any direct or indirect parent company of the surviving person immediately after giving effect to such transaction; (4) the first day on which a majority of the members of our Board of Directors are not Continuing Directors; or (5) the adoption of a plan relating to our liquidation or dissolution. Notwithstanding the foregoing, a transaction will not be deemed to involve a Change of Control under clause (2) above if (i) we become a direct or indirect wholly-owned subsidiary of a holding company and (ii) (A) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of our Voting Stock immediately prior to that transaction or (B) immediately following that transaction no person (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company. The term person, as used in this definition, has the meaning given thereto in Section 13(d)(3) of the Exchange Act.

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

Continuing Directors means, as of any date of determination, any member of our Board of Directors who (1) was a member of such Board of Directors on the date the notes were issued or (2) was nominated for election, elected or appointed to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination, election or appointment (either by a specific vote or by approval of our proxy statement in which such member was named as a nominee for election as a director).

Fitch means Fitch, Inc., and its successors.

Investment Grade Rating means a rating equal to or higher than BBB- (or the equivalent) by Fitch, Baa3 (or the equivalent) by Moody s and BBB- (or the equivalent) by S&P, and the equivalent investment grade credit rating from any replacement Rating Agency or Rating Agencies selected by us.

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

Rating Agencies means (1) each of Fitch, Moody s and S&P, and (2) if any of Fitch, Moody s or S&P ceases to rate the notes or fails to make a rating of the notes publicly available for reasons outside of our control, a nationally recognized statistical rating organization within the meaning of Section 3(a)(62) under the Exchange Act selected by us (as certified by a resolution of our Board of Directors) as a replacement agency for Fitch, Moody s or S&P, or all of them, as the case may be.

Rating Event means (A) with respect to the floating rate notes, the rating on the floating rate notes is lowered by each of the three Rating Agencies and the floating rate notes are rated below an Investment Grade Rating by each of the three Rating Agencies, (B) with respect to the 2020 notes, the rating on the 2020 notes is lowered by each of the three Rating Agencies and the 2020 notes are rated below an Investment Grade Rating by each of the three Rating Agencies, (C) with respect to the 2022 notes, the rating on the 2022 notes is lowered by each of the three Rating Agencies and the 2022 notes are rated below an Investment Grade Rating by each of the three Rating Agencies, (D) with respect to the 2027 notes, the rating on the 2027 notes is lowered by each of the three Rating Agencies and the 2027 notes are rated below an Investment Grade Rating by each of the three Rating Agencies and (E) with respect to the 2047 notes, the rating on the 2047 notes is lowered by each of the three Rating Agencies and the 2047 notes are rated below an Investment Grade Rating by each of the three Rating Agencies, in any case on any day during the period (which period will be extended so long as the rating of the applicable notes is under publicly announced consideration for a possible downgrade by any of the Rating Agencies) commencing on the date of the first public notice of the occurrence of a Change of Control or our intention to effect a Change of Control and ending 60 days following consummation of such Change of Control.

S&P means Standard & Poor s Rating Services, a division of The McGraw-Hill Companies, Inc., and its successors.