FISERV INC
Form 424B5
September 21, 2018
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Filed Pursuant to Rule 424(b)(5)

Registration No. 333-227436

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	**Amount to be Registered**	**Maximum Aggregate Offering Price**	**Amount of Registration Fee(1)**
Senior Notes	$2,000,000,000	$2,000,000,000	$249,000

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

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PROSPECTUS SUPPLEMENT

(To Prospectus dated September 20, 2018)

$1,000,000,000 3.800% Senior Notes due 2023

$1,000,000,000 4.200% Senior Notes due 2028

We are offering $1,000,000,000 principal amount of 3.800% Senior Notes due 2023 (the 2023 notes) and $1,000,000,000 principal amount of 4.200% Senior Notes due 2028 (the 2028 notes and, with the 2023 notes, the notes). We will pay interest on the notes semi-annually in arrears on April 1 and October 1 of each year, beginning on April 1, 2019. We may redeem some or all of the notes at our option at any time and from time to time at the applicable redemption price described in this prospectus supplement in Description of the Notes Optional Redemption. The interest rate on each series of the notes may be adjusted under the circumstances described in this prospectus supplement in Description of the Notes Principal and Interest Interest Rate Adjustment. We must offer to repurchase the notes upon the occurrence of a change of control triggering event at the price described in this prospectus supplement in Description of the Notes Purchase of Notes upon a Change of Control Triggering Event.

The notes will be our unsecured senior obligations and will rank equally with our other unsecured senior indebtedness from time to time outstanding.

Each series of the notes is a new issue of securities with no established trading market. We currently have no intention to apply to list the notes on any securities exchange or to seek their admission to trading on any automated quotation system.

Investing in the notes involves risks. See Risk Factors beginning on page S-7 and the risk factors incorporated by reference in this prospectus supplement and the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Price to Public (1)	Underwriting Discounts	Proceeds to Fiserv, Inc., Before Expenses
Per 2023 note	99.954%	0.600%	99.354%
Per 2028 note	99.805%	0.650%	99.155%
Total	$ 1,997,590,000	$ 12,500,000	$ 1,985,090,000

(1) Plus accrued interest if any, from September 25, 2018, if settlement occurs after that date.

We expect to deliver the notes to investors in registered book-entry only form through the facilities of The Depository Trust Company (DTC) on or about September 25, 2018. Beneficial interests in the notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants, including Clearstream Banking, N.A., and Euroclear Bank SA/NV, as operator of the Euroclear System.

Joint Book-Running Managers

Wells Fargo Securities **US Bancorp**

BofA Merrill Lynch **J.P. Morgan** **MUFG**

PNC Capital Markets LLC **SunTrust Robinson Humphrey**

Co-Managers

BMO Capital Markets **Citizens Capital Markets** **Credit Suisse** **TD Securities**

BB&T Capital Markets **The Williams Capital Group, L.P.**

Huntington Capital Markets **KeyBanc Capital Markets** **Comerica Securities** **Ramirez & Co., Inc.**

The date of this prospectus supplement is September 20, 2018

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document has two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying prospectus, which provides more general information, some of which may not apply to this offering. You should read the entire prospectus supplement, as well as the accompanying prospectus and the documents incorporated by reference that are described under Where You Can Find More

Information in the accompanying prospectus. In the event that the description of the offering in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on the information contained in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus filed by us with the Securities and Exchange Commission, or the SEC. We have not, and the underwriters have not, authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information in this prospectus supplement, the accompanying prospectus and any free writing prospectus filed by us with the SEC as well as the information we previously filed with the SEC that we incorporate by reference in this prospectus supplement and the accompanying prospectus, is accurate as of any date other than its respective date. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

None of this prospectus supplement, the accompanying prospectus or any related free writing prospectus is a prospectus for the purposes of the Prospectus Directive (as defined below). This prospectus supplement, the accompanying prospectus and any related free writing prospectus have been prepared on the basis that any offer of notes in any Member State of the European Economic Area (the EEA) which has implemented the Prospectus Directive (each, a Relevant Member State) will only be made to a legal entity which is a qualified

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investor under the Prospectus Directive (Qualified Investors). Accordingly, any person making or intending to make any offer in that Relevant Member State of notes which are the subject of the offering contemplated in this prospectus supplement, the accompanying prospectus and any related free writing prospectus may only do so with respect to Qualified Investors. Neither we nor the underwriters have authorized, nor do they authorize, the making of any offer of notes other than to Qualified Investors. The expression Prospectus Directive means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

PRIIPs Regulation/Prospectus Directive/Prohibition of sales to EEA retail investors The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more of): (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (MiFID II); or (ii) a customer within the meaning of Directive 2002/92/EC, as amended (the Insurance Mediation Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the PRIIPs Regulation) for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The communication of this prospectus supplement, the accompanying prospectus, any related free writing prospectus and any other document or materials relating to the issue of the notes offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom s Financial Services and Markets Act 2000, as amended (the FSMA). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom who have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Financial Promotion Order)), or who fall within Article 49(2)(a) to (d) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as relevant persons). In the United Kingdom, the notes offered hereby are only available to, and any investment or investment activity to which this prospectus supplement, the accompanying prospectus, any related free writing prospectus or any other document or materials relating to the issue of the notes offered hereby relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this prospectus supplement, the accompanying prospectus, any related free writing prospectus or any other document or materials relating to the issue of the notes offered hereby or any of their contents.

Unless we otherwise indicate or unless the context requires otherwise, all references in this prospectus supplement to we, our, us or similar references mean Fiserv, Inc. and its consolidated subsidiaries.

Our principal executive offices are located at 255 Fiserv Drive, Brookfield, WI 53045, and our telephone number is (262) 879-5000.

FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the information incorporated by reference in this prospectus supplement and the accompanying prospectus contain forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those that express a plan, belief, expectation, estimation, anticipation, intent, contingency, future development or similar expression, and can generally be identified as forward-looking because they include words such as believes, anticipates, expects, could, should or words of similar meaning. Statements that describe our future plans, objectives or goals are also forward-looking statements. The forward-looking statements included or incorporated by reference in this prospectus supplement and the accompanying prospectus involve significant risks and uncertainties, and a number of factors, both foreseen and unforeseen, could cause actual results to differ materially from our current expectations. The factors that may affect our results include, among others: pricing and other actions by competitors; the capacity of our technology to keep pace with a rapidly evolving marketplace; the impact of a security breach or operational failure on our business; the effect of legislative and regulatory actions in the United States and internationally; our ability to comply with government regulations; our ability to successfully identify, complete and integrate acquisitions, and to realize the anticipated benefits associated with the same; the impact of our strategic initiatives; the impact of market and economic conditions on the financial services industry; and other factors identified in our Annual Report on Form 10-K for the year ended December 31, 2017 and in other documents that we file with the SEC. You should consider these factors carefully in evaluating forward-looking statements and are cautioned not to place undue reliance on such statements, which speak only as of the date of this prospectus supplement or the date of the incorporated document. We undertake no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this prospectus supplement.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary may not contain all of the information that may be important to you. You should read this entire prospectus supplement and the accompanying prospectus and the information incorporated by reference carefully before making a decision to invest in our notes.

Company Overview

We are a leading global provider of financial services technology. We provide account processing systems, electronic payments processing products and services, internet and mobile banking systems, and related services. We serve over 12,000 clients worldwide, including banks, credit unions, investment management firms, leasing and finance companies, billers, retailers, and merchants. Our operations are principally located in the United States where we operate data and transaction processing centers, provide technology support, develop software and payment solutions, and offer consulting services. In 2017, we had $5.7 billion in total revenue, $1.5 billion in operating income and $1.5 billion of net cash provided by operating activities from continuing operations. Processing and services revenue, which in 2017 represented 85% of our total revenue, is primarily generated from account- and transaction-based fees under contracts that generally have terms of three to five years and high renewal rates.

We have grown our business by developing highly specialized product and service enhancements, extending our capabilities through innovation, welcoming new clients, selling additional products and services to existing clients, and acquiring businesses that complement ours, all of which have enabled us to deliver a wide range of integrated products and services and have created new opportunities for growth. Our operations are reported in the Payments and Industry Products (Payments) and Financial Institution Services (Financial) business segments.

Payments

The businesses in our Payments segment provide financial institutions and other companies with the products and services required to process electronic payment transactions and to offer their customers access to financial services and transaction capability through digital channels. Financial institutions and other companies have increasingly relied on third-party providers for those products and services, either on a licensed software or outsourced basis, as an increasing number of payment transactions are completed electronically as our clients customers seek the convenience of 24-hour digital access to their financial accounts. Within the Payments segment, we primarily provide electronic bill payment and presentment services, internet and mobile banking software and services, account-to-account transfers, person-to-person payment services, debit and credit card processing and services, payments infrastructure services, and other electronic payments software and services. Our businesses in this segment also provide card and print personalization services, investment account processing services for separately managed accounts, and fraud and risk management products and services.

Financial

The businesses in our Financial segment provide financial institutions with the products and services they need to run their operations. By licensing software from third parties or outsourcing their processing requirements by contracting with third-party processors, financial institutions are typically able to reduce costs and enhance their products, services, capacity and capabilities. For example, the licensing of software reduces the need for costly technical expertise within a financial institution, and outsourcing processing operations reduces the infrastructure and other costs required to operate systems internally. Within the Financial segment, we provide financial institutions with account processing services, item processing and source capture services, loan

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origination and servicing products, cash management and consulting services, and other products and services that support numerous types of financial transactions. Many of the products and services that we sell are integrated with solutions from our Payments segment such as electronic bill payment and presentment, internet and mobile banking, debit processing and network services, and person-to-person payments.

Recent Developments

Amended and Restated Revolving Credit Facility

On September 19, 2018, we entered into an amended and restated credit agreement that provides for a $2.0 billion senior unsecured revolving credit facility, extends the maturity date of the revolving credit facility to September 19, 2023 from April 30, 2020 and otherwise has substantially the same terms and conditions as our existing facility. As of September 19, 2018, there was $1.12 billion drawn on the revolving credit facility.

Tender Offer for 4.625% Senior Notes due 2020

On September 20, 2018, we commenced an offer to purchase for cash any and all of our $450.0 million aggregate principal amount of 4.625% senior notes due 2020, subject to the relevant terms and conditions set forth in the Offer to Purchase related to the tender offer. The tender offer will expire at 5:00 p.m., New York City time, on September 26, 2018, unless the tender offer is extended or earlier terminated. We intend to use the net proceeds from this offering, together with cash on hand to the extent necessary, to pay the consideration in connection with such tender offer, including any premium and accrued and unpaid interest on the 4.625% senior notes due 2020.

The consummation of the tender offer is conditioned upon, among other things, the completion of this offering and the satisfaction of the customary general conditions described in the Offer to Purchase related to the tender offer. The consummation of this offering is not conditioned on the completion of the tender offer. We cannot provide any assurance that the tender offer will be consummated or, if consummated, the principal amount of such notes that will be tendered. This prospectus supplement and accompanying prospectus do not constitute an offer by us to purchase the 4.625% senior notes due 2020.

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The Offering

The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of the notes, see Description of the Notes in this prospectus supplement and Description of Debt Securities in the accompanying prospectus.

Issuer	Fiserv, Inc.
Notes offered	$1,000,000,000 aggregate principal amount of 3.800% Senior Notes due 2023 (the 2023 notes) and $1,000,000,000 aggregate principal amount of 4.200% Senior Notes due 2028 (the 2028 notes and, with the 2023 notes, the notes).
Maturity	Unless earlier redeemed or repurchased by us, the 2023 notes will mature on October 1, 2023 and the 2028 notes will mature on October 1, 2028.
Interest rate	The 2023 notes will bear interest at 3.800% per year, and the 2028 notes will bear interest at 4.200% per year.
Interest payment dates	April 1 and October 1 of each year, beginning April 1, 2019.
Interest rate adjustment	The interest rate payable on the notes of a series will be subject to adjustments from time to time if Moody s Investors Services, Inc. or S&P Global Ratings downgrades (or if either subsequently upgrades) the debt rating assigned to that series of notes as described under Description of the Notes Principal and Interest Interest Rate Adjustment.
Ranking	The notes will be: unsecured and rank equally with our other unsecured senior indebtedness from time to time outstanding; effectively subordinated to our secured indebtedness to the extent of the assets securing such indebtedness; and structurally subordinated in right of payment to all indebtedness and other liabilities and preferred equity of any of our subsidiaries.

	At June 30, 2018, we had outstanding approximately $4.799 billion of unsecured senior indebtedness. Also at that date, we had approximately $7.0 million of secured indebtedness (consisting solely of capital leases outstanding), and our subsidiaries had outstanding $1.625 billion of liabilities and no preferred equity.
Optional redemption	The notes will be redeemable, at our option, in whole or in part, at any time and from time to time, at the applicable redemption price described in Description of the Notes Optional Redemption.
Offer to repurchase upon change of control triggering event	Upon the occurrence of a change of control triggering event (including certain ratings downgrades) as provided in the indenture,

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	we will be required to offer to repurchase the notes for cash at a price of 101% of the aggregate principal amount of the notes outstanding on the date of such change of control triggering event plus accrued and unpaid interest.
Covenants	The indenture governing the notes contains covenants that, among other matters, limit: our ability to consolidate or merge into, or convey, transfer or lease all or substantially all of our properties and assets to, another person; our and certain of our subsidiaries ability to create or assume liens; and our and certain of our subsidiaries ability to engage in sale and leaseback transactions. These covenants are subject to important exceptions and qualifications, which are described under the heading Description of the Notes in this prospectus supplement.
Use of proceeds	We estimate that we will receive net proceeds from this offering of approximately $1.982 billion, after deducting the underwriting discount and estimated offering expenses payable by us. We intend to use the net proceeds from this offering, together with cash on hand to the extent necessary, to repay outstanding debt under our revolving credit facility and term loan and to purchase any and all of our $450.0 million aggregate principal amount 4.625% senior notes due 2020, including any premium and accrued and unpaid interest on the tendered notes, pursuant to the tender offer described under Recent Developments. We intend to use any remaining net proceeds for general corporate purposes. Affiliates of certain of the underwriters are lenders with respect to amounts currently outstanding under our revolving credit facility and term loan and will receive a ratable portion of the proceeds of this offering used to repay amounts outstanding thereunder. See Use of Proceeds in this prospectus supplement.
Conflicts of Interest	Affiliates of some of the underwriters are lenders with respect to amounts currently outstanding under our revolving credit facility and term loan. Because more than 5% of the net proceeds of this offering will be received by affiliates of certain of these underwriters, this offering is being conducted in compliance with FINRA Rule 5121. See

Underwriting (Conflicts of Interest) Conflicts of Interest in this prospectus supplement.

Denomination	The notes will be issued in minimum denominations of $2,000 and any integral multiple of $1,000 in excess thereof.

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Absence of market for the notes	Each series of the notes is a new issue of securities with no established trading market. We currently have no intention to apply to list the notes on any securities exchange or to seek their admission to trading on any automated quotation system. Accordingly, we cannot provide any assurance as to the development or liquidity of any market for the notes.

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Summary Consolidated Financial Information

The summary consolidated financial information below was derived from our consolidated financial statements. The unaudited interim period financial information, in our opinion, includes all adjustments, which are normal and recurring in nature, necessary for a fair presentation for the periods shown. Results for the six months ended June 30, 2018 are not necessarily indicative of results to be expected for the full fiscal year. The information set forth below is qualified in its entirety by and should be read in conjunction with our Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes incorporated by reference into this prospectus supplement and the accompanying prospectus. See the section entitled Where You Can Find More Information in the accompanying prospectus.

	Year Ended December 31,			Six Months Ended June 30,	
	2015	2016	2017	2017	2018
	(In millions)				
Income Statement Data:					
Total revenue	$ 5,254	$ 5,505	$ 5,696	$ 2,780	$ 2,860
Operating income	1,311	1,445	1,532	737	966
Income from continuing operations	712	930	1,232	468	674
Income from discontinued operations, net of income taxes			14		
Net income	712	930	1,246	468	674

	As of December 31,		As of June 30,
	2016	2017	2018
	(In millions)		
Balance Sheet Data:			
Cash and cash equivalents	$ 300	$ 325	$ 348
Total assets	9,743	10,289	10,218
Long-term debt (including current maturities)	4,562	4,900	4,806
Total shareholders equity	2,541	2,731	2,850

Ratios Of Earnings To Fixed Charges

The following table presents our ratios of consolidated earnings to fixed charges for the periods presented.

	Year Ended December 31,					Six Months Ended June 30,
	2013	2014	2015	2016	2017	2018
Ratio of earnings to fixed charges (1)	5.5x	6.2x	6.1x	7.3x	7.2x	9.0x

(1) For purposes of calculating the ratios of earnings to fixed charges, earnings consist of income from continuing operations before income taxes and income from investments in unconsolidated affiliates, plus fixed charges. Fixed charges consist of interest expensed, amortized discounts and capitalized expenses related to indebtedness

and an estimate of interest within rental expense.

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RISK FACTORS

Before you invest in the notes, you should consider the factors set forth below as well as the risk factors discussed in our most recent Annual Report on Form 10-K and other documents we file with the SEC that are incorporated by reference into this prospectus supplement and the accompanying prospectus. See Where You Can Find More Information in the accompanying prospectus.

Risks Related to the Notes

Our financial performance and other factors could adversely impact our ability to make payments on the notes.

Our ability to make scheduled payments with respect to our indebtedness, including the notes, will depend on our financial and operating performance, which, in turn, is subject to prevailing economic conditions and to financial, business and other factors beyond our control. Please read this prospectus supplement and the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, including the portions of our most recent Annual Report on Form 10-K entitled Risk Factors, for a discussion of some of the factors that could affect our financial operating performance.

An increase in market rates could result in a decrease in the value of the notes.

In general, as market interest rates rise, notes bearing interest at a fixed rate generally decline in value. Consequently, if you purchase the notes and market interest rates increase, the market value of your notes may decline. We cannot predict the future level of market interest rates.

There may be no public trading market for the notes.

The notes are new issues of securities for which there is currently no established trading market. A market for the notes may not develop or, if one does develop, it may not be maintained. If a market develops, the notes could trade at prices that may be higher or lower than the initial offering price or the price at which you purchased the notes, depending on many factors, including prevailing interest rates, our financial performance, the amount of indebtedness we have outstanding, the market for similar securities, the redemption and repayment features of the notes and the time remaining to maturity of the notes. We have not applied and do not intend to apply for listing the notes on any securities exchange or any automated quotation system. If an active market for the notes fails to develop or be sustained, the trading price and liquidity of the notes could be adversely affected.

We may not be able to repurchase all of the notes upon a change of control triggering event, which would result in a default under the notes.

Upon the occurrence of a change of control triggering event under the indenture governing the notes, we will be required to offer to repurchase the notes at a price of 101% of the aggregate principal amount of the notes outstanding on the date of such change of control triggering event plus accrued and unpaid interest. However, we may not have sufficient funds to repurchase the notes. In addition, our ability to repurchase the notes may be limited by law or the terms of other agreements relating to our indebtedness. The failure to make such repurchase would result in a default under the notes. For more information, see Description of the Notes Purchase of Notes upon a Change of Control Triggering Event.

The limited covenants in the indenture governing the notes and the terms of the notes do not provide protection against some types of important corporate events and may not protect your investment.

The indenture governing the notes does not:

- require us to maintain any financial ratios or specific levels of net worth, revenues, income, cash flow or liquidity and, accordingly, does not protect holders of the notes in the event that we experience significant adverse changes in our financial condition or results of operations;

- limit our ability to incur indebtedness that is equal in right of payment to the notes;
- restrict our subsidiaries ability to issue securities or otherwise incur indebtedness that would be senior to our equity interests in our subsidiaries;
- restrict our ability to repurchase or prepay our securities; or
- restrict our or our subsidiaries ability to make investments or to repurchase or pay dividends or make other payments in respect of our common stock or other securities ranking junior to the notes.

Furthermore, the indenture governing the notes contains only limited protections in the event of a change in control. We and our subsidiaries could engage in many types of transactions, such as certain acquisitions, refinancings or recapitalizations that would not constitute a change of control triggering event which would enable you to require us to repurchase the notes as described under Description of the Notes Purchase of Notes upon a Change of Control Triggering Event, but which could nevertheless substantially affect our capital structure and the value of the notes. For these reasons, you should not consider the covenants in the indenture as a significant factor in evaluating whether to invest in the notes. The indenture also permits us and our subsidiaries to incur additional indebtedness, including secured indebtedness, that could effectively rank senior to the notes, and to engage in sale-leaseback arrangements, in each case, subject to certain limits.

We are a holding company, and if our subsidiaries do not make sufficient distributions to us, we will not be able to make payments on our debt, including the notes.

We are a holding company that conducts substantially all of our operations through our subsidiaries. Therefore, our ability to meet our obligations for payment of interest and principal on outstanding debt obligations and to pay corporate expenses depends upon the earnings and cash flows of our subsidiaries and the ability of our subsidiaries to pay dividends or to advance or repay funds to us. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due pursuant to the notes or to make any funds available, whether by dividends, loans, distributions or other payments, and do not guarantee the payment of interest on, or principal of, the notes.

The notes will be effectively subordinated to all of our existing and future secured debt and structurally subordinated to the existing and future debt of our subsidiaries.

The notes constitute our senior unsecured debt and rank equally in right of payment with all of our other existing and future senior debt, except as described below. The notes will be effectively subordinated to all our existing and future secured debt to the extent of the value of the collateral securing such debt. The notes are not secured by any of our assets. Claims of secured lenders with respect to assets securing their loans will be prior to any claim of the holders of the notes with respect to those assets. At June 30, 2018, we had approximately $7.0 million of secured indebtedness (consisting solely of capital leases outstanding). In addition, the notes will be structurally subordinated in right of payment to all existing and future debt of our subsidiaries and other liabilities and preferred equity of any of our subsidiaries. Our right to receive any assets of any of our subsidiaries upon their bankruptcy, liquidation or reorganization, and therefore the right of the holders of the notes to participate in those assets, will be effectively subordinated to the claims of that subsidiary s creditors, including trade creditors. At June 30, 2018, our subsidiaries had outstanding $1.625 billion of liabilities and no preferred equity.

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The credit ratings assigned to the notes may not reflect all risks of an investment in the notes.

We expect that the notes will be rated by at least two nationally recognized statistical rating organizations. These credit ratings are limited in scope, and do not address all material risks relating to an investment in the notes, but rather reflect only the view of each rating agency at the time the rating is issued. An explanation of the significance of such rating may be obtained from such rating agency. There can be no assurance that such credit ratings will remain in effect for any given period of time or that a rating will not be lowered, suspended or withdrawn entirely by the applicable rating agencies if, in such rating agency s judgment, circumstances so warrant. Agency credit ratings are not a recommendation to buy, sell or hold any security. Each agency s rating should be evaluated independently of any other agency s rating. Actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, could affect the market value of the notes and increase our corporate borrowing costs.

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USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately $1.982 billion, after deducting the underwriting discount and estimated offering expenses payable by us. We intend to use the net proceeds from this offering, together with cash on hand to the extent necessary, to repay outstanding debt under our revolving credit facility and term loan and to purchase any and all of our $450.0 million aggregate principal amount 4.625% senior notes due 2020, including any premium and accrued and unpaid interest on the tendered notes, pursuant to the tender offer described above under Prospectus Supplement Summary Recent Developments. As of June 30, 2018, we had revolving credit facility borrowings of $974 million that bore interest at 3.08% and mature in April 2020 and term loan borrowings of $540 million that bore interest at 3.34% with the remaining principal balance due in October 2018. We intend to use any remaining net proceeds for general corporate purposes.

Affiliates of certain of the underwriters are lenders with respect to amounts currently outstanding under our revolving credit facility and term loan and will receive a ratable portion of the proceeds of this offering used to repay amounts outstanding thereunder. This amount will equal a significant portion of the net proceeds of the offering. See Underwriting (Conflicts of Interest) Conflicts of Interest.

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CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2018:

on an actual basis; and

as adjusted to give effect to this offering assuming (1) we use the net proceeds of the offering as described under Use of Proceeds and (2) $450.0 million aggregate principal amount of our 4.625% senior notes due 2020 are tendered prior to or on September 26, 2018 and accepted for purchase in the tender offer, which would result in us paying approximately $13.3 million of purchase price premium for such notes and related costs associated with the tender offer. For this purpose, we have assumed, based on the terms of the tender offer, a purchase price of $1,028.92 per $1,000 principal amount of 4.625% senior notes due 2020 to be purchased pursuant to the tender offer. The actual purchase price paid for the 4.625% senior notes due 2020 in the tender offer may be higher or lower than this amount based on the terms of the tender offer.

	As of June 30, 2018	
	Actual (unaudited)	As Adjusted (unaudited)
	(In millions)	
2.7% senior notes due 2020	$ 847	$ 847
4.625% senior notes due 2020	449	
4.75% senior notes due 2021	399	399
3.5% senior notes due 2022	696	696
3.85% senior notes due 2025	894	894
Notes offered hereby		2,000
Term loan	540	
Revolving credit facility	974	
Other borrowings	7	7
Total debt (including current maturities)	4,806	4,843
Common stock	8	8
Additional paid-in capital	1,023	1,023
Accumulated other comprehensive loss	(66)	(66)
Retained earnings (1)	11,122	11,111
Treasury stock	(9,237)	(9,237)
Total shareholders equity	2,850	2,839
Total capitalization	$ 7,656&n	