HCA Holdings, Inc.
Form 424B5
January 14, 2015
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-201463

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per security	Proposed maximum aggregate offering price	Amount of registration fee[(1)]
5.375% Senior Notes due 2025	$1,000,000,000	100.00%	$1,000,000,000	$116,200

(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 January 13, 2015

HCA Inc.

$1,000,000,000 5.375% Senior Notes due 2025

HCA Inc. is offering $1,000,000,000 aggregate principal amount of 5.375% senior notes due 2025, which we refer to as the notes . The notes will bear interest at a rate of 5.375% per annum. HCA Inc. will pay interest on the notes semi-annually, in cash in arrears, on February 1 and August 1 of each year, beginning on August 1, 2015. The notes will mature on February 1, 2025.

We may redeem the notes, at any time in whole or from time to time in part, at the redemption prices described in this prospectus supplement. In addition, if we experience certain kinds of changes in control, we may be required to repurchase the notes on the terms described in this prospectus supplement.

The notes will be HCA Inc. s senior obligations and will rank equally and ratably with all of its existing and future senior indebtedness and senior to any of its future subordinated indebtedness. The obligations under the notes will be fully and unconditionally guaranteed by HCA Holdings, Inc. on a senior unsecured basis and will rank equally and ratably with HCA Inc. s existing and future senior indebtedness and senior to any of its existing and future subordinated indebtedness and will be structurally subordinated in right of payment to all obligations of HCA Inc. s subsidiaries and will be subordinated to any of HCA Inc. s secured indebtedness to the extent of the value of the collateral securing such indebtedness.

HCA Inc. intends to use the net proceeds of this offering to repay at maturity its $750,000,000 aggregate principal amount outstanding of existing 6.375% Senior Notes due 2015 and for general corporate purposes. Pending receipt of the proceeds of this offering, HCA Inc. may temporarily borrow any necessary amounts under its revolving credit facilities.

Investing in the notes involves risks. See Risk Factors beginning on page S-15.

Neither the Securities and Exchange Commission (the SEC) nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus supplement or the attached prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Public offering price(1)	Underwriting discount	Proceeds to HCA Inc.(1) (before expenses)

	Per note	Total	Per note	Total	Per note	Total
5.375% Senior Notes due 2025	100%	$1,000,000,000	1.00%	$10,000,000	99.0%	$990,000,000

(1) Plus accrued interest, if any, from January 16, 2015.

We expect to deliver the notes to investors on or about January 16, 2015 in book-entry form only through the facilities of The Depository Trust Company (DTC).

Joint Book-Running Managers

Wells Fargo Securities	**Barclays**	**BofA Merrill Lynch**	**Citigroup**
Credit Suisse	**Deutsche Bank Securities**	**Goldman, Sachs & Co.**	**J.P. Morgan**
Morgan Stanley	**RBC Capital Markets**	**SunTrust Robinson Humphrey**	**UBS Investment Bank**

Co-Managers

Credit Agricole CIB **Fifth Third Securities** **Mizuho Securities** **SMBC Nikko**

Prospectus Supplement dated January 13, 2015

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You should rely only on the information contained and incorporated by reference in this prospectus supplement and the accompanying prospectus. Neither HCA Inc. nor the underwriters have authorized anyone to provide you with any information or represent anything about HCA Inc., its financial results or this offering that is not contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. If given or made, any such other information or representation should not be relied upon as having been authorized by HCA Inc. or the underwriters. Neither HCA Inc. nor the underwriters are making an offer to sell these notes in any jurisdiction where the offer or sale is not permitted. The information contained and incorporated by reference in this prospectus supplement and the accompanying prospectus may only be accurate on the date of this document.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the terms of the offering of the notes and adds to and supplements information contained in the accompanying prospectus and the documents incorporated by reference therein. The second part is the accompanying prospectus, which we refer to as the accompanying prospectus. The accompanying prospectus contains a description of our debt securities and gives more general information, some of which may not apply to the notes. The accompanying prospectus also incorporates by reference documents that are described under Incorporation by Reference in that prospectus.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, in the accompanying prospectus or in any free writing prospectus filed by us with the SEC. If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should not assume that the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus or in any such free writing prospectus is accurate as of any date other than the respective dates thereof. Our business, financial condition, results of operations and prospects may have changed since those dates.

We are not, and the underwriters are not, making an offer of the notes in any jurisdiction where the offer or sale is not permitted.

MARKET, RANKING AND OTHER INDUSTRY DATA

The data included or incorporated by reference in this prospectus supplement and the accompanying prospectus regarding markets and ranking, including the size of certain markets and our position and the position of our competitors within these markets, are based on reports of government agencies or published industry sources and estimates based on management s knowledge and experience in the markets in which we operate. These estimates have been based on information obtained from our trade and business organizations and other contacts in the markets in which we operate. We believe these estimates to be accurate as of the date of this prospectus supplement. However, this information may prove to be inaccurate because of the method by which we obtained some of the data for the estimates or because this information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. As a result, you should be aware that market, ranking and other similar industry data included or incorporated by reference in this prospectus supplement and the accompanying prospectus, and estimates and beliefs based on that data, may not be reliable. Neither we nor the underwriters can guarantee the accuracy or completeness of any such information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus.

FORWARD-LOOKING AND CAUTIONARY STATEMENTS

This prospectus supplement and the accompanying prospectus contain and incorporate by reference forward-looking statements within the meaning of the federal securities laws, which involve risks and uncertainties. Forward-looking statements include statements regarding estimated electronic health record (EHR) incentive income and related EHR operating expenses, expected capital expenditures, expected net claim payments and all other statements that do not relate solely to historical or current facts, and can be identified by the use of words like may, believe, will, expect, project, estimate, anticipate, plan, initiative or continue. These forward-looking statements are based on ou and expectations and are subject to a number of known and unknown uncertainties and risks, many of which are beyond our control, which could significantly affect current plans and expectations and our future financial position and results of operations. These factors include, but are not limited to, (1) the impact of our substantial indebtedness and the ability to refinance such indebtedness on acceptable terms, (2) the effects

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related to the implementation of the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (collectively, the Health Reform Law), possible delays in or complications related to implementation of the Health Reform Law, court challenges, the possible enactment of additional federal or state health care reforms and possible changes to the Health Reform Law and other federal, state or local laws or regulations affecting the health care industry, (3) the effects related to the continued implementation of the sequestration spending reductions required under the Budget Control Act of 2011, and related legislation extending these reductions, and the potential for future deficit reduction legislation that may alter these spending reductions, which include cuts to Medicare payments, or create additional spending reductions, (4) increases in the amount and risk of collectability of uninsured accounts and deductibles and copayment amounts for insured accounts, (5) the ability to achieve operating and financial targets, and attain expected levels of patient volumes and control the costs of providing services, (6) possible changes in the Medicare, Medicaid and other state programs, including Medicaid upper payment limit programs or Waiver Programs, that may impact reimbursements to health care providers and insurers, (7) the highly competitive nature of the health care business, (8) changes in service mix, revenue mix and surgical volumes, including potential declines in the population covered under managed care agreements, the ability to enter into and renew managed care provider agreements on acceptable terms and the impact of consumer driven health plans and physician utilization trends and practices, (9) the efforts of insurers, health care providers and others to contain health care costs, (10) the outcome of our continuing efforts to monitor, maintain and comply with appropriate laws, regulations, policies and procedures, (11) increases in wages and the ability to attract and retain qualified management and personnel, including affiliated physicians, nurses and medical and technical support personnel, (12) the availability and terms of capital to fund the expansion of our business and improvements to our existing facilities, (13) changes in accounting practices, (14) changes in general economic conditions nationally and regionally in our markets, (15) the emergence and effects related to infectious diseases, including Ebola, (16) future divestitures which may result in charges and possible impairments of long-lived assets, (17) changes in business strategy or development plans, (18) delays in receiving payments for services provided, (19) the outcome of pending and any future tax audits, appeals and litigation associated with our tax positions, (20) potential adverse impact of known and unknown government investigations, litigation and other claims that may be made against us, (21) our ongoing ability to demonstrate meaningful use of certified EHR technology and recognize income for the related Medicare or Medicaid incentive payments, and (22) other risk factors disclosed under Risk Factors and elsewhere in or incorporated by reference in this prospectus supplement and the accompanying prospectus. As a consequence, current plans, anticipated actions and future financial position and results of operations may differ from those expressed in any forward-looking statements made by us or on our behalf. You are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented in this prospectus supplement and the accompanying prospectus, which forward-looking statements reflect management s views only as of the date of this prospectus supplement and the accompanying prospectus. We undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.

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SUMMARY

This summary highlights information appearing elsewhere in and incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary is not complete and does not contain all of the information that you should consider before investing in the notes. You should carefully read the entire prospectus supplement, the accompanying prospectus and the information incorporated herein by reference, including the financial data and related notes and the sections entitled Risk Factors.

As used herein, unless otherwise stated or indicated by context, references to (i) the Issuer refer to HCA Inc. and its affiliates, (ii) HCA Holdings, Inc. refer to HCA Holdings, Inc., parent of HCA Inc., and its affiliates and (iii) the Company, HCA, we, our or us refer to HCA Inc. and its affiliates prior to the Corporate Reorganization (as defined herein) and to HCA Holdings, Inc. and its affiliates upon the consummation of the Corporate Reorganization. The term affiliates means direct and indirect subsidiaries and partnerships and joint ventures in which such subsidiaries are partners. The terms facilities or hospitals refer to entities owned and operated by affiliates of HCA and the term employees refers to employees of affiliates of HCA.

Our Company

We are the largest non-governmental hospital operator in the U.S. and a leading comprehensive, integrated provider of health care and related services. We provide these services through a network of acute care hospitals, outpatient facilities, clinics and other patient care delivery settings. As of September 30, 2014, we operated a diversified portfolio of 165 hospitals (with approximately 43,200 beds) and 113 freestanding surgery centers across 20 states throughout the U.S. and in England. As a result of our efforts to establish significant market share in large and growing urban markets with attractive demographic and economic profiles, we currently have a substantial market presence in 17 of the top 25 fastest growing markets with populations greater than 500,000 in the U.S. and currently maintain the first or second position, based on inpatient admissions, in many of our key markets. We believe our ability to successfully position and grow our assets in attractive markets and execute our operating plan has contributed to the strength of our financial performance over the last several years. For the nine months ended September 30, 2014, we generated revenues of $27.282 billion, net income attributable to HCA Holdings, Inc. of $1.348 billion and Adjusted EBITDA of $5.472 billion.

Our patient-first strategy is to provide high quality health care services in a cost-efficient manner. We intend to build upon our history of profitable growth by maintaining our dedication to quality care, increasing our presence in key markets through organic expansion and strategic acquisitions and joint ventures, leveraging our scale and infrastructure, and further developing our physician and employee relationships. We believe pursuing these core elements of our strategy helps us develop a faster-growing, more stable and more profitable business and increases our relevance to patients, physicians, payers and employers.

Using our scale, significant resources and over 40 years of operating experience, we have developed a significant management and support infrastructure. Some of the key components of our support infrastructure include a revenue cycle management organization, a health care group purchasing organization (GPO), an information technology and services provider, a nurse staffing agency and a medical malpractice insurance underwriter. These shared services have helped us to maximize our cash collection efficiency, achieve savings in purchasing through our scale, more rapidly deploy information technology upgrades, more effectively manage our labor pool and achieve greater stability in malpractice insurance premiums. Collectively, these components have helped us to further enhance our operating effectiveness, cost efficiency and overall financial results. Our Parallon subsidiary group also offers certain of these component services to other health care organizations.

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Since the founding of our business in 1968 as a single-facility hospital company, we have demonstrated an ability to consistently innovate and sustain growth during varying economic and regulatory climates. Under the leadership of an experienced senior management team, whose tenure at HCA averages approximately 23 years, we have established an extensive record of providing high quality care, profitably growing our business, making and integrating strategic acquisitions and efficiently and strategically allocating capital spending.

Our Industry

We believe well-capitalized, comprehensive and integrated health care delivery providers are well-positioned to benefit from the current industry trends, some of which include:

Aging Population and Continued Growth in the Need for Health Care Services. According to the U.S. Census Bureau, the demographic age group of persons aged 65 and over is expected to experience compounded annual growth of 2.4% over the next 20 years (2015 to 2035) compared to general population growth of 0.7% over the same period, and constitute 20.9% of the total U.S. population by 2035. The Centers for Medicare & Medicaid Services (CMS) projects continued increases in hospital services based on the aging of the U.S. population, advances in medical procedures, expansion of health coverage, increasing consumer demand for expanded medical services and increased prevalence of chronic conditions such as diabetes, heart disease and obesity. We believe these factors will continue to drive increased utilization of health care services and the need for comprehensive, integrated hospital networks that can provide a wide array of essential and sophisticated health care.

Continued Evolution of Quality-Based Reimbursement Favors Large-Scale, Comprehensive and Integrated Providers. We believe the U.S. health care system is continuing to evolve in ways that favor large-scale, comprehensive and integrated providers that provide high levels of quality care. Specifically, we believe there are a number of initiatives that will continue to gain importance in the foreseeable future, including use of value-based payment methodologies tied to performance, quality and coordination of care, implementation of integrated electronic health records and information, and an increasing ability for patients and consumers to make choices about all aspects of health care. We believe our company is well positioned to respond to these emerging trends and has the resources, expertise and flexibility necessary to adapt in a timely manner to the changing health care regulatory and reimbursement environment.

Impact of Health Reform Law. The Health Reform Law changes how health care services are covered, delivered and reimbursed through expanded coverage of uninsured individuals, reduced growth in Medicare program spending, reductions in Medicare and Medicaid Disproportionate Share Hospital (DSH) payments, and the establishment of programs in which reimbursement is tied to quality and integration. In addition, the Health Reform Law reforms certain aspects of health insurance, expands existing efforts to tie Medicare and Medicaid payments to performance and quality, and contains provisions intended to strengthen fraud and abuse enforcement. Most of the provisions of the Health Reform Law that seek to decrease the number of uninsured became effective January 1, 2014. Based on the Congressional Budget Office s April 2014 projection, by 2022, the Health Reform Law will expand coverage to 26 million additional individuals. This increased coverage will occur through a combination of public program expansion and private sector health insurance and other reforms. The employer mandate, which requires firms with 50 or more full-time employees to offer health insurance or pay fines, was delayed until January 1, 2015 and will not be fully implemented until January 1, 2016. In addition, a number of states have opted out of the Medicaid expansion, but these states could choose to implement the expansion at a later date. It is unclear how many states will ultimately implement the Medicaid expansion provisions of the law.

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Our Competitive Strengths

We believe our key competitive strengths include:

Largest Comprehensive, Integrated Health Care Delivery System. We are the largest non-governmental hospital operator in the U.S., providing approximately 4% to 5% of all U.S. hospital services through our national footprint. The scope and scale of our operations, evidenced by the types of facilities we operate, the diverse medical specialties we offer and the numerous patient care access points we provide, enable us to provide a comprehensive range of health care services in a cost-effective manner. As a result, we believe the breadth of our platform is a competitive advantage in the marketplace enabling us to attract patients, physicians and clinical staff while also providing significant economies of scale and increasing our relevance with commercial payers.

Reputation for High Quality Patient-Centered Care. Since our founding, we have maintained an unwavering focus on patients and clinical outcomes. We believe clinical quality influences physician and patient choices about health care delivery. We align our quality initiatives throughout the organization by engaging corporate, local, physician and nurse leaders to share best practices and develop standards for delivering high quality care. We have invested extensively in quality of care initiatives, with an emphasis on implementing information technology and adopting industry-wide best practices and clinical protocols. As a result of these efforts, we have achieved significant progress in clinical quality. As measured by the CMS clinical core measures reported on the CMS Hospital Compare website and based on publicly available data for the twelve months ended September 30, 2013, our hospitals achieved a composite score of 98.6% of the CMS core measures versus the national average of 95.4%, making us among the top performing major health systems in the U.S. Payors, including the Medicare program, are increasing efforts to tie payments to quality and clinical performance. For example, CMS has implemented a value-based purchasing system and has been adjusting hospital payment rates based on excess readmissions for certain conditions. We also believe our quality initiatives favorably position us in a payment environment that is increasingly performance-based.

Leading Local Market Positions in Large, Growing, Urban Markets. Over our history, we have sought to selectively expand and upgrade our asset base to create a premium portfolio of assets in attractive growing markets. As a result, we have a strong market presence in 17 of the top 25 fastest growing markets with populations greater than 500,000 in the U.S. In addition, we currently operate in 19 markets with populations of one million or more, with all but two of these markets projecting growth above the national average from 2011 to 2016. Our inpatient market share places us first or second in many of our key markets. We believe the strength and stability of these market positions will create organic growth opportunities and allow us to develop long-term relationships with patients, physicians, large employers and third-party payers.

Diversified Revenue Base and Payer Mix. We believe our broad geographic footprint, varied service lines and diverse revenue base mitigate our risks in numerous ways. Our diversification limits our exposure to competitive dynamics and economic conditions in any single local market, reimbursement changes in specific service lines and disruptions with respect to payers such as state Medicaid programs or large commercial insurers. We have a diverse portfolio of assets with no single facility contributing more than 2.2% of our revenues and no single metropolitan statistical area contributing more than 6.7% of revenues for the year ended December 31, 2013. We have also developed a highly diversified payer base, with no single commercial payer representing more than 9% of revenues for the year ended December 31, 2013. In addition, we are one of the country s largest providers of outpatient services, which accounted for approximately 38% of our revenues for the year ended December 31, 2013. We believe the geographic diversity of our markets and the scope of our inpatient and outpatient operations help reduce volatility in our operating results.

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Scale and Infrastructure Drive Cost Savings and Efficiencies. Our scale allows us to leverage our support infrastructure to achieve significant cost savings and operating efficiencies, thereby driving margin expansion. We strategically manage our supply chain through centralized purchasing and supply warehouses, as well as our revenue cycle through centralized billing, collections and health information management functions. We also manage the provision of information technology through a combination of centralized systems with regional service support as well as centralize many other clinical and corporate functions, creating economies of scale in managing expenses and business processes. In addition to the cost savings and operating efficiencies, this support infrastructure simultaneously generates revenue from third parties that utilize our services.

Well-Capitalized Portfolio of High Quality Assets. In order to expand the range and improve the quality of services provided at our facilities, we invested over $8.6 billion in our facilities and information technology systems over the five-year period ended September 30, 2014. We believe our significant capital investments in these areas will continue to attract new and returning patients, attract and retain high quality physicians, maximize cost efficiencies and address the health care needs of our local communities. Furthermore, we believe our platform, as well as electronic health record infrastructure, national research and physician management capabilities, provide a strategic advantage by enhancing our ability to capitalize on anticipated incentives and avoid penalties through the Health Information Technology for Economic and Clinical Health Act (HITECH) provisions of the American Recovery and Reinvestment Act of 2009 (ARRA) and position us well in an environment that increasingly emphasizes quality, transparency and coordination of care.

Strong Operating Results and Cash Flows. Our leading scale, diversification, favorable market positions, dedication to clinical quality and focus on operational efficiency have enabled us to achieve attractive historical financial performance. For the nine months ended September 30, 2014, we generated net income attributable to HCA Holdings, Inc. of $1.348 billion, Adjusted EBITDA of $5.472 billion and cash flows from operating activities of $2.821 billion. Our ability to generate strong and consistent cash flow from operations has enabled us to invest in our operations, enhance earnings per share and continue to pursue attractive growth opportunities.

Proven and Experienced Management Team. We believe the extensive experience and depth of our management team are a distinct competitive advantage in the complicated and evolving industry in which we compete. Our senior management team averages approximately 23 years of experience with our company. Members of our senior management hold significant equity interests in our company, further aligning their long-term interests with those of our stockholders.

Our Growth Strategy

We are committed to providing the communities we serve with high quality, cost-effective health care while growing our business, increasing our profitability and creating long-term value for our stockholders. To achieve these objectives, we align our efforts around the following growth agenda:

Grow Our Presence in Existing Markets. We believe we are well positioned in a number of large and growing markets that will allow us the opportunity to generate long-term, attractive growth through the expansion of our presence in these markets. We plan to continue recruiting and strategically collaborating with the physician community and adding attractive service lines such as cardiology, emergency services, oncology and women s services. Additional components of our growth strategy include expanding our footprint through developing various outpatient access points, including surgery centers, rural outreach, freestanding emergency departments and walk-in clinics.

Achieve Industry-Leading Performance in Clinical and Satisfaction Measures. Achieving high levels of patient safety, patient satisfaction and clinical quality are central goals of our business model. To achieve these goals, we have implemented a number of initiatives including infection reduction

initiatives, hospitalist programs, advanced health information technology and evidence-based medicine programs. We routinely analyze operational practices from our best-performing hospitals to identify ways to implement organization-wide performance improvements and reduce clinical variation. We believe these initiatives will continue to improve patient care, help us achieve cost efficiencies, grow our revenues and favorably position us in an environment where our constituents are increasingly focused on quality, efficacy and efficiency.

Recruit and Employ Physicians to Meet Need for High Quality Health Services. We depend on the quality and dedication of the health care providers and other team members who serve at our facilities. We believe a critical component of our growth strategy is our ability to successfully recruit and strategically collaborate with physicians and other professionals to provide high quality care. We attract and retain physicians by providing high quality, convenient facilities with advanced technology, by expanding our specialty services and by building our outpatient operations. We believe our continued investment in the employment, recruitment and retention of physicians will improve the quality of care at our facilities.

Continue to Leverage Our Scale and Market Positions to Enhance Profitability. We believe there is significant opportunity to continue to grow the profitability of our company by fully leveraging the scale and scope of our franchise. We are currently pursuing next generation performance improvement initiatives such as contracting for services on a multistate basis and expanding our support infrastructure for additional clinical and support functions, such as physician credentialing, medical transcription and electronic medical recordkeeping. We believe our centrally managed business processes and ability to leverage cost-saving practices across our extensive network will enable us to continue to manage costs effectively. We continue to invest in our Parallon subsidiary group to leverage key components of our support infrastructure, including revenue cycle management, health care group purchasing, supply chain management and staffing functions, by offering these services to other hospital companies.

Selectively Pursue a Disciplined Development Strategy. We continue to believe there are significant growth opportunities in our markets. We will continue to provide financial and operational resources to successfully execute on our in-market opportunities. To complement our in-market growth agenda, we intend to focus on selectively developing and acquiring new hospitals, outpatient facilities and other health care service providers. We believe the challenges faced by the hospital industry may spur consolidation and we believe our size, scale, national presence and access to capital will position us well to participate in any such consolidation. We have a strong record of successfully acquiring and integrating hospitals and entering into joint ventures and intend to continue leveraging this experience.

Corporate Reorganization

On November 22, 2010, HCA Inc. reorganized by creating a new holding company structure (the Corporate Reorganization), pursuant to which HCA Holdings, Inc. became the parent company, and HCA Inc. became HCA Holdings, Inc. s 100% owned direct subsidiary. As part of the Corporate Reorganization, HCA Inc. s outstanding shares of capital stock were automatically converted, on a share for share basis, into identical shares of HCA Holdings, Inc. s common stock, and HCA Holdings, Inc. became a guarantor but did not assume the debt of HCA Inc. s outstanding secured notes and is not subject to the covenants contained in the indentures governing such secured notes. See Description of Other Indebtedness.

Through our predecessors, we commenced operations in 1968. HCA Inc. was incorporated in Nevada in January 1990 and reincorporated in Delaware in September 1993. HCA Holdings, Inc. was incorporated in Delaware in October 2010. Our principal executive offices are located at One Park Plaza, Nashville, Tennessee 37203, and our telephone number is (615) 344-9551.

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CORPORATE STRUCTURE

The indebtedness figures in the diagram below are as of September 30, 2014, and give effect to the indebtedness incurred under the first lien notes offered in October 2014, the notes offered hereby and the use of proceeds therefrom. In this prospectus supplement, where we have presented information as adjusted to give effect to the use of the net proceeds of this offering, we have assumed that the notes will not be offered at a discount. If the notes are offered at a discount, the net proceeds to us will be less than we have assumed.

(1) HCA Holdings, Inc. is a guarantor of certain of HCA Inc. s outstanding notes but is not subject to the covenants that apply to HCA Inc. or HCA Inc. s restricted subsidiaries under those notes.

(2) Consists of (i) a $2.500 billion (increased to $3.250 billion as of October 30, 2014) senior secured asset-based revolving credit facility maturing on March 7, 2019 (the asset-based revolving credit facility) ($2.280 billion outstanding at September 30, 2014); (ii) a $2.000 billion senior secured revolving credit facility maturing on February 26, 2019 (the senior secured revolving credit facility) (none outstanding at September 30, 2014, without giving effect to outstanding letters of credit); (iii) a $490 million senior secured term loan A-2 facility maturing on May 2, 2016; (iv) a $719 million senior secured term loan A-4 facility maturing on February 2, 2016; (v) a $2.349 billion senior secured term loan B-4 facility maturing on May 1, 2018; and (vi) a $1.980 billion senior secured term loan B-5 facility maturing on March 31, 2017. We refer to the facilities described under (ii) through (vi) above, collectively, as the cash flow credit facility and, together with the asset-based revolving credit facility, the senior secured credit facilities.

(3) Consists of (i) $3.000 billion aggregate principal amount of 6.50% first lien notes due 2020 that HCA Inc. issued in August 2011 (the August 2011 first lien notes); (ii) $1.350 billion aggregate principal amount of 5.875% first lien notes due 2022 that HCA Inc. issued in February 2012 (the February 2012 first lien notes); (iii) $1.250 billion aggregate principal amount of 4.75% first lien notes due 2023 that HCA Inc. issued in October 2012 (the October 2012 first lien notes); (iv) $1.500 billion aggregate principal amount of 3.75% first lien notes due 2019 that HCA Inc. issued in March 2014 (the March 2014 3.75% first lien notes); (v) $2.000 billion aggregate principal amount of 5.00% first lien notes due

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2024 that HCA Inc. issued in March 2014 (the March 2014 5.00% first lien notes); (vi) $600 million aggregate principal amount of 4.25% first lien notes due 2019 that HCA Inc. issued in October 2014 (the October 2014 4.25% first lien notes); and (vii) $1.400 billion aggregate principal amount of 5.25% first lien notes due 2025 that HCA Inc. issued in October 2014 (the October 2014 5.25% first lien notes and, collectively with the August 2011 first lien notes, the February 2012 first lien notes, the October 2012 first lien notes, the March 2014 3.75% first lien notes, the March 2014 5.00% first lien notes and the October 2014 4.25% first lien notes, the first lien notes).

(4) Consists of HCA Inc. s (i) aggregate principal amount of $246 million medium-term notes with maturities ranging from 2014 to 2025 and a weighted average interest rate of 8.28%; (ii) aggregate principal amount of $886 million debentures with maturities ranging from 2015 to 2095 and a weighted average interest rate of 7.55%; (iii) aggregate principal amount of $5.291 billion senior notes with maturities ranging from 2016 to 2033 and a weighted average interest rate of 6.98%; (iv) $464 million of secured debt, which represents capital leases and other secured debt with a weighted average interest rate of 6.58%; and (v) $2 million of unamortized debt discounts that reduce the existing indebtedness. Existing unsecured indebtedness also includes HCA Holdings, Inc. s $1.525 billion aggregate principal amount of 7 $^{3}/_{4}$% senior notes due 2021 and $1.000 billion aggregate principal amount of 6.25% senior notes due 2021. We intend to use the net proceeds of this offering to repay at maturity our $750 million aggregate principal amount outstanding of existing 6.375% Senior Notes due 2015 and for general corporate purposes. Pending receipt of the proceeds of this offering, we may temporarily borrow any necessary amounts under our revolving credit facilities. For more information regarding our unsecured and other indebtedness, see Description of Other Indebtedness.

(5) The cash flow credit facility and the first lien notes are secured by first-priority liens on substantially all the capital stock of Healthtrust, Inc. The Hospital Company and the first-tier subsidiaries of the subsidiary guarantors (but limited to 65% of the voting stock of any such first-tier subsidiary that is a foreign subsidiary), subject to certain exceptions.

(6) Includes subsidiaries which are designated as restricted subsidiaries under HCA Inc. s indenture dated as of December 16, 1993, certain of their wholly owned subsidiaries formed in connection with the asset-based revolving credit facility and certain excluded subsidiaries (non-material subsidiaries).

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THE OFFERING

The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of the Notes section of this prospectus supplement and the Description of Debt Securities and Guarantees section in the accompanying prospectus contain more detailed descriptions of the terms and conditions of the notes.

Issuer	HCA Inc.
Notes	5.375% senior notes due 2025.
Maturity Date	The notes will mature on February 1, 2025.
Interest Rate	Interest on the notes will be payable in cash and will accrue at a rate of 5.375% per annum.
Interest Payment Date	February 1 and August 1, commencing on August 1, 2015. Interest will accrue from January 16, 2015.
Ranking	The notes will be the Issuer s senior obligations and will:

- rank senior in right of payment to any of its existing and future subordinated indebtedness;
- rank equally in right of payment with any of its existing and future senior indebtedness;
- be effectively subordinated in right of payment to any of its existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness; and
- be structurally subordinated in right of payment to all existing and future indebtedness and other liabilities of its subsidiaries.

As of September 30, 2014, on an as adjusted basis after giving effect to the first lien notes offered in October 2014, the notes offered hereby and the use of proceeds therefrom as described under Use of Proceeds :

- the notes would have been effectively subordinated in right of payment to $19.382 billion of secured indebtedness; and

- we would have had $1.943 billion of unutilized capacity under the senior secured revolving credit facility and $768 million of unutilized capacity under the asset-based revolving credit facility, after giving effect to letters of credit and borrowing base limitations, all of which would be structurally senior to the notes offered hereby if borrowed.

Parent Guarantee	The notes will be fully and unconditionally guaranteed on a senior unsecured basis by HCA Holdings, Inc. and will:

- rank senior in right of payment to all existing and future subordinated indebtedness of HCA Holdings, Inc.;
- rank equally in right of payment with all existing and future senior indebtedness of HCA Holdings, Inc.;
- be effectively subordinated in right of payment to all future secured indebtedness of HCA Holdings, Inc. to the extent of the value of the collateral securing such indebtedness; and

	be effectively subordinated in right of payment to all existing and future indebtedness and other liabilities of any subsidiary of HCA Holdings, Inc. (other than HCA Inc.).
	The notes will not be guaranteed by any of HCA Inc. s subsidiaries.
	As of September 30, 2014, on an as adjusted basis after giving effect to the first lien notes offered in October 2014, the notes offered hereby and the use of proceeds therefrom as described under Use of Proceeds, the notes and related guarantee would have been structurally subordinated to $19.382 billion of indebtedness of HCA Inc. s subsidiaries, all of which would have been secured.
Covenants	The indenture governing the notes will contain covenants limiting the Issuer s and certain of its subsidiaries ability to:
	create liens on certain assets to secure debt;
	engage in certain sale and lease-back transactions; and
	consolidate, merge, sell or otherwise dispose of all or substantially all of its assets.
	These covenants are subject to a number of important limitations and exceptions. See Description of the Notes.
Optional Redemption	The Issuer may redeem the notes, at any time in whole or from time to time in part, at the redemption prices described in this prospectus supplement. See Description of the Notes Optional Redemption.
Change of Control Offer	Upon the occurrence of a change of control, you will have the right, as holders of the notes, to require the Issuer to repurchase some or all of your notes at 101% of their face amount, plus accrued and unpaid interest to the repurchase date. See Description of the Notes Repurchase at the Option of Holders Change of Control.
	The Issuer may not be able to pay you the required price for notes you present to it at the time of a change of control, because:
	the Issuer may not have enough funds at that time; or
	the terms of our indebtedness under the senior secured credit facilities may prevent it from making such payment.

Your right to require the Issuer to repurchase the notes upon the occurrence of a change of control will cease to apply to the notes at all times during which such notes have investment grade ratings from both Moody s Investors Service, Inc. and Standard & Poor s. See Description of the Notes Certain Covenants Covenant Suspension.

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No Prior Market	The notes will be new securities for which there is currently no market. Although the underwriters have informed the Issuer that they intend to make a market in the notes, they are not obligated to do so, and they may discontinue market making activities at any time without notice. Accordingly, the Issuer cannot assure you that a liquid market for the notes will develop or be maintained.
Use of Proceeds	We estimate that our net proceeds from this offering, after deducting underwriter discounts and commissions and estimated offering expenses, will be approximately $989 million.
	We intend to use the net proceeds of this offering to repay at maturity our $750 million aggregate principal amount outstanding of existing 6.375% Senior Notes due 2015 and for general corporate purposes. Pending receipt of the proceeds of this offering, we may temporarily borrow any necessary amounts under our revolving credit facilities. See Use of Proceeds and Capitalization.
Conflicts of Interest	Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory, investment banking, commercial banking and other services for us for which they received or will receive customary fees and expenses.

RISK FACTORS

You should consider carefully all of the information set forth and incorporated by reference in this prospectus supplement and the accompanying prospectus and, in particular, should evaluate the specific factors set forth and incorporated by reference in the section entitled Risk Factors, including the Risk Factors section of our Annual Report on Form 10-K for the year ended December 31, 2013, for an explanation of certain risks of investing in the notes, including risks related to our industry and business.

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SUMMARY FINANCIAL DATA

The following table sets forth our summary financial and operating data as of and for the periods indicated. The financial data as of December 31, 2013 and 2012 and for the years ended December 31, 2013, 2012 and 2011 have been derived from our consolidated financial statements incorporated by reference into this prospectus supplement, which have been audited by Ernst & Young LLP, independent registered public accounting firm. The financial data as of December 31, 2011 have been derived from our consolidated financial statements audited by Ernst & Young LLP that are not included or incorporated by reference herein.

The summary financial data as of September 30, 2014 and for the nine months ended September 30, 2014 and 2013 have been derived from our unaudited condensed consolidated financial statements incorporated by reference in this prospectus supplement. The summary financial data as of September 30, 2013 have been derived from our unaudited condensed consolidated financial statements that are not included or incorporated by reference herein. The unaudited financial data presented have been prepared on a basis consistent with our audited consolidated financial statements. In the opinion of management, such unaudited financial data reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of the results for those periods. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year or any future period.

The summary financial and operating data should be read in conjunction with Selected Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations, our consolidated financial statements and the related notes thereto and our unaudited condensed consolidated financial statements and the related notes thereto incorporated by reference into this prospectus supplement.

	Years ended December 31,			Nine months ended September 30,	
	2013	2012	2011	2014	2013
				(unaudited)	
	(dollars in millions)				
Income Statement Data:					
Revenues before provision for doubtful accounts	$ 38,040	$ 36,783	$ 32,506	$ 29,619	$ 28,078
Provision for doubtful accounts	3,858	3,770	2,824	2,337	2,732
Revenues	34,182	33,013	29,682	27,282	25,346
Salaries and benefits	15,646	15,089	13,440	12,359	11,681
Supplies	5,970	5,717	5,179	4,603	4,406
Other operating expenses	6,237	6,048	5,470	4,977	4,594
Electronic health record incentive income	(216)	(336)	(210)	(97)	(166)
Equity in earnings of affiliates	(29)	(36)	(258)	(32)	(29)
Depreciation and amortization	1,753	1,679	1,465	1,361	1,292
Interest expense	1,848	1,798	2,037	1,314	1,392
Losses (gains) on sales of facilities	10	(15)	(142)	(20)	13
Legal claim costs		175		78	
Gain on acquisition of controlling interest in equity investment			(1,522)		
Losses on retirement of debt	17		481	226	17
Termination of management agreement			181		
	31,236	30,119	26,121	24,769	23,200
Income before income taxes	2,946	2,894	3,561	2,513	2,146
Provision for income taxes	950	888	719	816	704
Net income	1,996	2,006	2,842	1,697	1,442
Net income attributable to noncontrolling interests	440	401	377	349	310
Net income attributable to HCA Holdings, Inc.	$ 1,556	$ 1,605	$ 2,465	$ 1,348	$ 1,132

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	Years ended December 31,			Nine months ended September 30,	
	2013	2012	2011	2014	2013
				(unaudited)	
			(dollars in millions)		
Statement of Cash Flows Data:					
Cash flows provided by operating activities	$ 3,680	$ 4,175	$ 3,933	$ 2,821	$ 2,454
Cash flows used in investing activities	(2,346)	(2,063)	(2,995)	(1,512)	(1,674)
Cash flows used in financing activities	(1,625)	(1,780)	(976)	(1,208)	(1,001)
Other Financial Data:					
EBITDA(1)	$ 6,107	$ 5,970	$ 6,686	$ 4,839	$ 4,520
Adjusted EBITDA(1)	6,574	6,531	6,061	5,472	4,860
Capital expenditures	(1,943)	(1,862)	(1,679)	(1,482)	(1,347)
Ratio of earnings to fixed charges	2.41	2.44	2.59	2.69	2.37
Operating Data:(2)					
Number of hospitals at end of period(3)	165	162	163	165	162
Number of freestanding outpatient surgical centers at end of period(3)	115	112	108	113	114
Number of licensed beds at end of period(4)	42,896	41,804	41,594	43,241	42,038
Weighted average licensed beds(5)	42,133	41,795	39,735	43,069	41,905
Admissions(6)	1,744,100	1,740,700	1,620,400	1,337,300	1,309,800
Equivalent admissions(7)	2,844,700	2,832,100	2,595,900	2,198,500	2,128,500
Average length of stay (days)(8)	4.8	4.7	4.8	4.8	4.8
Average daily census(9)	22,853	22,521	21,123	23,798	22,916
Occupancy(10)	54%	54%	53%	55%	55%
Emergency room visits(11)	6,968,100	6,912,000	6,143,500	5,501,500	5,213,800
Outpatient surgeries(12)	881,900	873,600	799,200	658,200	648,900
Inpatient surgeries(13)	508,800	506,500	484,500	386,300	380,100
Days revenues in accounts receivable(14)	54	51	52	55	54
Outpatient revenues as a percentage of patient revenues(15)	38%	38%	37%	38%	38%
Balance Sheet Data:					
Cash and cash equivalents	$ 414	$ 705	$ 373	$ 515	$ 484
Working capital(16)	2,342	1,591	1,679	2,895	2,352
Property, plant and equipment, net	13,619	13,185	12,834	13,878	13,322
Total assets	28,831	28,075	26,898	29,825	28,393
Total debt	28,376	28,930	27,052	28,470	28,377
Stockholders deficit attributable to HCA Holdings, Inc.	(8,270)	(9,660)	(8,258)	(7,384)	(8,376)
Noncontrolling interests	1,342	1,319	1,244	1,366	1,332
Total stockholders deficit	(6,928)	(8,341)	(7,014)	(6,018)	(7,044)

(1) EBITDA, a measure used by management to evaluate operating performance, is defined as net income attributable to HCA Holdings, Inc. plus (i) provision for income taxes, (ii) interest expense and (iii) depreciation and amortization. EBITDA is not a recognized term under generally accepted accounting principles (GAAP) and does not purport to be an alternative to net income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Additionally, EBITDA is not intended to be a measure of free cash flow available for management s discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and other debt service requirements. Management believes EBITDA is helpful to investors and our management in highlighting trends because EBITDA excludes the results of decisions outside the control of operating management and that can differ significantly from company to company depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate and capital investments. Management compensates for the limitations of using non-GAAP financial measures by using them to supplement GAAP results to provide a more complete understanding of the factors and trends affecting the business than GAAP results alone. Because not all companies use identical calculations, our presentation of EBITDA may not be comparable to similarly titled measures of other companies.

Adjusted EBITDA is defined as EBITDA, adjusted to exclude net income attributable to noncontrolling interests, losses (gains) on sales of facilities, legal claim costs, gain on acquisition of controlling interest in equity investment, losses on retirement of debt and termination of management agreement. We believe Adjusted EBITDA is an important measure that supplements discussions and analysis of our results of operations. We

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believe it is useful to investors to provide disclosures of our results of operations on the same basis used by management. Management relies upon Adjusted EBITDA as the primary measure to review and assess operating performance of its hospital facilities and their management teams. Adjusted EBITDA target amounts are the performance measures utilized in our annual incentive compensation programs and are vesting conditions for a portion of our stock option grants. Management and investors review both the overall performance (GAAP net income attributable to HCA Holdings, Inc.) and operating performance (Adjusted EBITDA) of our health care facilities. Adjusted EBITDA and the Adjusted EBITDA margin (Adjusted EBITDA divided by revenues) are utilized by management and investors to compare our current operating results with the corresponding periods during the previous year and to compare our operating results with other companies in the health care industry. It is reasonable to expect that losses (gains) on sales of facilities, legal claim costs and losses on retirement of debt will occur in future periods, but the amounts recognized can vary significantly from period to period, do not directly relate to the ongoing operations of our health care facilities and complicate period comparisons of our results of operations and operations comparisons with other health care companies. Adjusted EBITDA is not a measure of financial performance under accounting principles generally accepted in the United States, and should not be considered an alternative to net income attributable to HCA Holdings, Inc. as a measure of operating performance or cash flows from operating, investing and financing activities as a measure of liquidity. Because Adjusted EBITDA is not a measurement determined in accordance with generally accepted accounting principles and is susceptible to varying calculations, Adjusted EBITDA, as presented, may not be comparable to other similarly titled measures presented by other companies. There may be additional adjustments to Adjusted EBITDA under our agreements governing our material debt obligations, including the notes offered hereby.

EBITDA and Adjusted EBITDA are calculated as follows:

	Years ended December 31,			Nine months ended September 30,	
	2013	**2012**	**2011**	**2014**	**2013**
				(unaudited)	
			(dollars in millions)		
Net income attributable to HCA Holdings, Inc.	$ 1,556	$ 1,605	$ 2,465	$ 1,348	$ 1,132
Provision for income taxes	950	888	719	816	704
Interest expense	1,848	1,798	2,037	1,314	1,392
Depreciation and amortization	1,753	1,679	1,465	1,361	1,292
EBITDA	6,107	5,970	6,686	4,839	4,520
Net income attributable to noncontrolling interests(i)	440	401	377	349	310
Losses (gains) on sales of facilities(ii)	10	(15)	(142)	(20)	13
Legal claim costs(iii)		175		78	
Gain on acquisition of controlling interest in equity investment(iv)			(1,522)		
Losses on retirement of debt(v)	17		481	226	17
Termination of management agreement(vi)			181		
Adjusted EBITDA	$ 6,574	$ 6,531	$ 6,061	$ 5,472	$ 4,860

(i) Represents the add-back of net income attributable to noncontrolling interests.

(ii) Represents the add-back of losses and elimination of gains on sales of facilities.

(iii) Represents the add-back of legal claim costs.

(iv) Represents the elimination of gain on acquisition of controlling interest in equity investment.

(v) Represents the add-back of losses on retirement of debt.

(vi) Represents the add-back of termination of management agreement.

(2) The operating data set forth in this table includes only those facilities that are consolidated for financial reporting purposes.

(3) Excludes facilities that are not consolidated (accounted for using the equity method) for financial reporting purposes.

(4) Licensed beds are those beds for which a facility has been granted approval to operate from the applicable state licensing agency.

(5) Represents the average number of licensed beds, weighted based on periods owned.

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(6) Represents the total number of patients admitted to our hospitals and is used by management and certain investors as a general measure of inpatient volume.

(7) Equivalent admissions are used by management and certain investors as a general measure of combined inpatient and outpatient volume. Equivalent admissions are computed by multiplying admissions (inpatient volume) by the sum of gross inpatient revenues and gross outpatient revenues and then dividing the resulting amount by gross inpatient revenues. The equivalent admissions computation equates outpatient revenues to the volume measure (admissions) used to measure inpatient volume, resulting in a general measure of combined inpatient and outpatient volume.

(8) Represents the average number of days admitted patients stay in our hospitals.

(9) Represents the average number of patients in our hospital beds each day.

(10) Represents the percentage of hospital licensed beds occupied by patients. Both average daily census and occupancy rate provide measures of the utilization of inpatient rooms.

(11) Represents the number of patients treated in our emergency rooms.

(12) Represents the number of surgeries performed on patients who were not admitted to our hospitals. Pain management and endoscopy procedures are not included in outpatient surgeries.

(13) Represents the number of surgeries performed on patients who have been admitted to our hospitals. Pain management and endoscopy procedures are not included in inpatient surgeries.

(14) For the years ended December 31, 2013, 2012 and 2011, revenues per day is calculated by dividing the revenues for the fourth quarter of each year by the days in the period. For the nine months ended September 30, 2014 and 2013, revenues per day is calculated by dividing the revenues for the third quarter by the days in the quarter. Days revenues in accounts receivable is then calculated as accounts receivable, net of the allowance for doubtful accounts, at the end of the period divided by revenues per day.

(15) Represents the percentage of patient revenues related to patients who are not admitted to our hospitals.

(16) We define working capital as current assets minus current liabilities.

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RISK FACTORS

You should carefully consider the Risk Factors set forth below as well as the other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus before purchasing the notes, including the Risk Factors section of our Annual Report on Form 10-K for the year ended December 31, 2013. This prospectus supplement and the accompanying prospectus contain forward-looking statements that involve risk and uncertainties. Any of the following risks could materially and adversely affect our business, financial condition or results of operations. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially and adversely affect our business, financial condition or results of operations. In such a case, you may lose all or part of your original investment.

The Issuer is the sole obligor of the notes and its parent, HCA Holdings, Inc., is the sole guarantor of the Issuer s obligations under the notes; the notes are unsecured and the Issuer s subsidiaries do not have any obligation with respect to the notes; the notes are structurally subordinated to all of the debt and liabilities of the Issuer s subsidiaries and will be effectively subordinated to any of the Issuer s secured debt.

The Issuer and the guarantor of the notes, HCA Holdings, Inc., are holding companies that have no operations of their own and derive all of their revenues and cash flow from their subsidiaries. The Issuer s subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay amounts due under the notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payments. The notes are structurally subordinated to all debt and liabilities of the Issuer s subsidiaries and the Issuer s parent, HCA Holdings, Inc. The claims of HCA Holdings, Inc. s creditors and the Issuer s subsidiaries creditors will be required to be paid before holders of the notes have a claim (if any) against the entities and their assets. In the event of a bankruptcy, liquidation or reorganization or similar proceeding relating to the Issuer s subsidiaries, you will participate with all other holders of the Issuer s indebtedness in the assets remaining after the Issuer s subsidiaries have paid all of their debt and liabilities. In any of these cases, the Issuer s subsidiaries may not have sufficient funds to make payments to the Issuer, and you may receive less, ratably, than the holders of debt of the Issuer s subsidiaries and other liabilities.

As of September 30, 2014, on an as adjusted basis after giving effect to the first lien notes offered in October 2014, the notes offered hereby and the use of proceeds therefrom, the aggregate amount of indebtedness of the Issuer s subsidiaries would have been $19.382 billion, all of which would have been secured and all of which would have been structurally senior to the notes. In addition, as of that date, on an adjusted basis after giving effect to the notes offered hereby and the use of proceeds therefrom, the Issuer s subsidiaries could have borrowed $1.943 billion under HCA Inc. s senior secured revolving credit facility and $768 million under its asset-based revolving credit facility, after giving effect to letters of credit and borrowing base limitations. In addition, holders of the Issuer s subsidiaries debt will have claims that are prior to your claims as holders of the notes. Additionally, the indenture governing the notes offered hereby, the indentures governing HCA Holdings, Inc. and HCA Inc. s outstanding notes and HCA Inc. s senior secured credit facilities permit us and/or our subsidiaries to incur additional indebtedness, including secured indebtedness, under certain circumstances.

The Issuer and the guarantor of the notes are holding companies with no independent operations or assets. Repayment of the notes is dependent on cash flow generated by the Issuer s subsidiaries. Restrictions in the Issuer s subsidiaries debt instruments and under applicable law limit their ability to provide funds to the Issuer.

The Issuer s and HCA Holdings, Inc. s operations are conducted through their subsidiaries and their ability to make payment on the notes is dependent on the earnings and the distribution of funds from their subsidiaries. Their earnings are subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond their and the Issuer s control. In addition, only HCA

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Holdings, Inc., as sole guarantor of the notes, is obligated to make funds available to the Issuer for payment on the notes. The Issuer s subsidiaries are not obligated to make funds available to the Issuer for payment on the notes. The agreements governing the current and future indebtedness of the Issuer s subsidiaries may not permit the Issuer s subsidiaries to provide the Issuer with sufficient dividends, distributions or loans to fund scheduled interest and principal payments on these notes when due. The terms of the senior secured credit facilities significantly restrict the Issuer s subsidiaries from paying dividends and otherwise transferring assets to the Issuer. In addition, if the Issuer s subsidiaries do not generate sufficient cash flow from operations to satisfy their and the Issuer s debt service obligations, including payments on the notes, we may have to undertake alternative financing plans, such as refinancing or restructuring our indebtedness, selling assets, reducing or delaying capital investments or seeking to raise additional capital. The Issuer s ability to restructure or refinance its debt will depend on the capital markets and its financial condition at such time. Any refinancing of the Issuer s debt could be at higher interest rates and may require the Issuer to comply with more onerous covenants, which could further restrict its business operations. In addition, the terms of existing or future debt instruments may restrict the Issuer from adopting some of these alternatives. The Issuer s inability to generate sufficient cash flow to satisfy its debt service obligations, or to refinance its obligations on commercially reasonable terms, would have an adverse effect, which could be material, on its business, financial position, results of operations and cash flows, as well as on the Issuer s ability to satisfy its obligations in respect of the notes.

Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, expose us to interest rate risk to the extent of our variable rate debt and prevent us from meeting our obligations.

We are highly leveraged. As of September 30, 2014, on an as adjusted basis after giving effect to the first lien notes offered in October 2014, the notes offered hereby and the use of proceeds therefrom, our total indebtedness would have been $29.328 billion. As of September 30, 2014, on an as adjusted basis after giving effect to the first lien notes offered in October 2014, the notes offered hereby and the use of proceeds therefrom, the Issuer would have had availability of $1.943 billion under its senior secured revolving credit facility and $768 million under its asset-based revolving credit facility, after giving effect to letters of credit and borrowing base limitations. Our high degree of leverage could have important consequences, including:

- increasing our vulnerability to downturns or adverse changes in general economic, industry or competitive conditions and adverse changes in government regulations;
- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities;
- exposing us to the risk of increased interest rates as certain of our unhedged borrowings are at variable rates of interest;
- limiting our ability to make strategic acquisitions or causing us to make nonstrategic divestitures;
- limiting our ability to obtain additional financing for working capital, capital expenditures, product or service line development, debt service requirements, acquisitions and general corporate or other purposes; and
- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged.

We have the ability to incur additional indebtedness in the future, subject to the restrictions contained in our senior secured credit facilities and the indentures governing our outstanding senior secured notes and the indenture governing the notes offered hereby. If new indebtedness is added to our current debt levels, the related risks that we now face could intensify. In addition, the condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future, which could have an adverse effect on the market prices of the notes.

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We may not be able to generate sufficient cash to service all of our indebtedness and may not be able to refinance our indebtedness on favorable terms. If we are unable to do so, we may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We cannot assure you we will maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness.

In addition, we conduct our operations through our subsidiaries. Accordingly, repayment of our indebtedness is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us by dividend, debt repayment or otherwise. Our subsidiaries will not have any obligation to pay amounts due on the notes or our other indebtedness or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness. The agreements governing the current and future indebtedness of the Issuer s subsidiaries may not permit the Issuer s subsidiaries to provide the Issuer with sufficient dividends, distributions or loans to fund scheduled interest and principal payments on these notes when due. The terms of our senior secured credit facilities and the indentures governing our outstanding notes significantly restrict the Issuer s and its subsidiaries from paying dividends and otherwise transferring assets to the Issuer. Each subsidiary is a distinct legal entity, and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries.

We may find it necessary or prudent to refinance our outstanding indebtedness with longer-maturity debt at a higher interest rate. Our ability to refinance our indebtedness on favorable terms, or at all, is directly affected by the current global economic and financial conditions. In addition, our ability to incur secured indebtedness (which would generally enable us to achieve better pricing than the incurrence of unsecured indebtedness) depends in part on the value of our assets, which depends, in turn, on the strength of our cash flows and results of operations, and on economic and market conditions and other factors.

If our cash flows and capital resources are insufficient to fund our debt service obligations or we are unable to refinance our indebtedness, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. If our operating results and available cash are insufficient to meet our debt service obligations, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. We may not be able to consummate those dispositions, or the proceeds from the dispositions may not be adequate to meet any debt service obligations then due.

Our debt agreements contain restrictions that limit our flexibility in operating our business.

Our senior secured credit facilities and the indentures governing our outstanding notes contain, and the indenture governing the notes offered hereby will contain, various covenants that limit our ability to engage in specified types of transactions. These covenants limit our and certain of our subsidiaries ability to, among other things:

- incur additional indebtedness or issue certain preferred shares;
- pay dividends on, repurchase or make distributions in respect of our capital stock or make other restricted payments;
- make certain investments;
- sell or transfer assets;
- create liens;

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- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; and
- enter into certain transactions with our affiliates.

Under our asset-based revolving credit facility, when (and for as long as) the combined availability under our asset-based revolving credit facility and our senior secured revolving credit facility is less than a specified amount for a certain period of time or, if a payment or bankruptcy event of default has occurred and is continuing, funds deposited into any of our depository accounts will be transferred on a daily basis into a blocked account with the administrative agent and applied to prepay loans under the asset-based revolving credit facility and to cash collateralize letters of credit issued thereunder.

Under our senior secured credit facilities, we are required to satisfy and maintain specified financial ratios. Our ability to meet those financial ratios can be affected by events beyond our control, and there can be no assurance we will continue to meet those ratios. A breach of any of these covenants could result in a default under both the cash flow credit facility and the asset-based revolving credit facility. Upon the occurrence of an event of default under the senior secured credit facilities, the lenders thereunder could elect to declare all amounts outstanding under the senior secured credit facilities to be immediately due and payable and terminate all commitments to extend further credit. If we were unable to repay those amounts, the lenders under the senior secured credit facilities could proceed against the collateral granted to them to secure such indebtedness. We have pledged a significant portion of our assets under our senior secured credit facilities and that collateral is also pledged as collateral under our first lien notes. If any of the lenders under the senior secured credit facilities accelerate the repayment of borrowings, there can be no assurance there will be sufficient assets to repay the senior secured credit facilities, the first lien notes and the notes offered hereby.

Federal and state fraudulent transfer laws may permit a court to void the notes or the parent guarantee, and, if that occurs, you may not receive any payments on the notes.

Federal and state fraudulent transfer and conveyance statutes may apply to the issuance of the notes and the incurrence of the parent guarantee. Under federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, which may vary from state to state, the notes or the parent guarantee could be voided as a fraudulent transfer or conveyance if (1) the Issuer issued the notes or HCA Holdings, Inc. incurred the parent guarantee with the intent of hindering, delaying or defrauding creditors or (2) the Issuer or HCA Holdings, Inc., as applicable, received less than reasonably equivalent value or fair consideration in return for either issuing the notes or incurring the parent guarantee and, in the case of (2) only, one of the following is also true at the time thereof:

- the Issuer or HCA Holdings, Inc., as applicable, were insolvent or rendered insolvent by reason of the issuance of the notes or the incurrence of the parent guarantee;
- the issuance of the notes or the incurrence of the parent guarantee left the Issuer or HCA Holdings, Inc., as applicable, with an unreasonably small amount of capital to carry on the business;
- the Issuer or HCA Holdings, Inc. intended to, or believed that the Issuer or HCA Holdings, Inc. would, incur debts beyond the Issuer s or HCA Holdings, Inc. s ability to pay as they mature; or
- the Issuer or HCA Holdings, Inc. was a defendant in an action for money damages, or had a judgment for money damages docketed against the Issuer or HCA Holdings, Inc. if, in either case, after final judgment, the judgment was unsatisfied.

If a court were to find that the issuance of the notes or the incurrence of the parent guarantee was a fraudulent transfer or conveyance, the court could void the payment obligations under the notes or such guarantee or further subordinate the notes or such guarantee to presently existing and future indebtedness of the Issuer or HCA Holdings, Inc., or require the holders of the notes to repay any amounts received with respect to such guarantee. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the notes. Further, the voidance of the notes could result in an event of default with respect to our and our subsidiaries other debt that could result in acceleration of such debt.

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As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or an antecedent debt is secured or satisfied. A debtor will generally not be considered to have received value in connection with a debt offering if the debtor uses the proceeds of that offering to make a dividend payment or otherwise retire or redeem equity securities issued by the debtor.

We cannot be certain as to the standards a court would use to determine whether or not the Issuer or HCA Holdings, Inc. were solvent at the relevant time or, regardless of the standard that a court uses, that the issuance of the parent guarantee would not be further subordinated to the Issuer s or HCA Holdings, Inc. s other debt. Generally, however, an entity would be considered insolvent if, at the time it incurred indebtedness:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

If we default on our obligations to pay our indebtedness, we may not be able to make payments on the notes.

Any default under the agreements governing our indebtedness, including a default under our senior secured credit facilities that is not waived by the required lenders or a default under the indentures governing our existing secured notes, and the remedies sought by the holders of such indebtedness, could prevent us from paying principal, premium, if any, and interest on the notes and substantially decrease the market value of the notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness (including covenants in our senior secured credit facilities, the indentures governing the existing secured notes and the indenture governing the notes), we could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under our senior secured credit facilities could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation. If our operating performance declines, we may in the future need to obtain waivers from the required lenders under our senior secured credit facilities to avoid being in default. If we breach our covenants under our senior secured credit facilities and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under the instrument governing that indebtedness, the lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation.

Your ability to transfer the notes may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the notes.

The notes are a new issue of securities for which there is no established public market. The underwriters have advised us that they intend to make a market in the notes as permitted by applicable laws and regulations; however, the underwriters are not obligated to make a market in the notes, and they may discontinue their market-making activities at any time without notice. Therefore, we cannot assure you that an active market for the notes will develop or, if developed, that it will continue.

The conditions of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future, which could have an adverse effect on the market prices of the notes. Historically, the market for non investment-grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the notes.

We cannot assure you that the market, if any, for the notes will be free from similar disruptions or that any such disruptions may not adversely affect the prices at which you may sell your notes. In addition, subsequent to their initial issuance, the notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar notes, our performance and other factors.

The Issuer may not be able to repurchase the notes upon a change of control.

Under certain circumstances, and upon the occurrence of specific kinds of change of control events, the Issuer will be required to offer to repurchase all outstanding notes at 101% of their principal amount plus accrued and unpaid interest. The source of funds for any such purchase of the notes will be the Issuer s available cash or cash generated from its subsidiaries operations or other sources, including borrowings, sales of assets or sales of equity. The Issuer may not be able to repurchase the notes upon a change of control because the Issuer may not have sufficient financial resources to purchase all of the notes that are tendered upon a change of control. Further, the Issuer is contractually restricted under the terms of the senior secured credit facilities from repurchasing all of the notes tendered by holders upon a change of control. Accordingly, the Issuer may not be able to satisfy our obligations to purchase the notes unless it is able to refinance or obtain waivers under the instruments governing that indebtedness. The Issuer s failure to repurchase the notes upon a change of control would cause a default under the indentures and a cross-default under the instruments governing our senior secured credit facilities and the indentures governing the existing secured notes. The instruments governing the senior secured credit facilities also provide that a change of control will be a default that permits lenders to accelerate the maturity of borrowings thereunder. Any of the Issuer s future debt agreements may contain similar provisions.

USE OF PROCEEDS

We estimate that our net proceeds from this offering, after deducting underwriter discounts and commissions and estimated offering expenses, will be approximately $989 million.

We intend to use the net proceeds of this offering to repay at maturity our $750 million aggregate principal amount outstanding of existing 6.375% Senior Notes due 2015 and for general corporate purposes. Pending receipt of the proceeds of this offering, we may temporarily borrow any necessary amounts under our revolving credit facilities.

Certain of the underwriters and/or their affiliates may be holders of our existing 6.375% Senior Notes due 2015 and, accordingly, may receive a portion of the net proceeds of this offering in connection with the repayment of those notes. See Underwriting.

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CAPITALIZATION

The following table sets forth the capitalization of HCA Holdings, Inc. as of September 30, 2014 on a historical basis and as adjusted to give effect to the first lien notes offered in October 2014, this offering and the use of proceeds therefrom.

The information in this table should be read in conjunction with Summary Summary Financial Data, included in this prospectus supplement and our consolidated financial statements and related notes and condensed consolidated financial statements and related notes incorporated by reference herein.

	As of September 30, 2014	
(dollars in millions) (unaudited)	**Actual**	**As adjusted**
Cash and cash equivalents(1)	$ 515	$ 1,248
Senior secured credit facilities(2)	$ 7,818	$ 7,818
First lien notes(3)	10,492	11,100
Other secured indebtedness(4)	464	464
Total senior secured indebtedness	18,774	19,382
Senior notes offered hereby		1,000
Other unsecured indebtedness(5)	9,696	8,946
Total senior unsecured indebtedness	9,696	9,946
Total debt	28,470	29,328
Stockholders deficit attributable to HCA Holdings, Inc.	(7,384)	(7,452)
Noncontrolling interests	1,366	1,366
Total stockholders deficit	(6,018)	(6,086)
Total capitalization	$ 22,452	$ 23,242

(1) As adjusted reflects (i) an estimated $989 million of net proceeds from this offering calculated after deducting underwriting discounts and commissions and estimated offering expenses and the repayment at maturity of our $750 million aggregate amount outstanding of existing 6.375% Senior Notes due 2015, and (ii) $1.978 billion of net proceeds from the offering of the first lien notes in October 2014 and the redemption of all of our $1.4 billion aggregate amount outstanding of 7¼ % senior secured notes due 2020. Does not reflect the repurchase of $1.0 billion of common stock completed pursuant to our previously authorized share repurchase program subsequent to September 30, 2014 and funded through a combination of cash and cash equivalents and incremental amounts drawn under the senior secured credit facilities (as defined below).

(2) Consists of (i) a $2.500 billion (increased to $3.250 billion as of October 30, 2014) senior secured asset-based revolving credit facility maturing on March 7, 2019 (the asset-based revolving credit facility) ($2.280 billion outstanding at September 30, 2014); (ii) a $2.000 billion senior secured revolving credit facility maturing on February 26, 2019 (the senior secured revolving credit facility) (none outstanding at September 30, 2014, without giving effect to outstanding letters of credit); (iii) a $490 million senior secured term loan A-2 facility maturing on May 2, 2016; (iv) a $719 million senior secured term loan A-4 facility maturing on February 2, 2016; (v) a $2.349 billion senior secured term loan B-4 facility maturing on May 1, 2018; and (vi) a $1.980 billion senior secured term loan B-5 facility maturing on March 31, 2017. We refer to the facilities described under (ii) through (vi) above, collectively, as the cash flow credit facility and, together with the asset-based revolving credit facility, the senior secured credit facilities.

(3) Consists of (i) $3.000 billion aggregate principal amount of 6.50% first lien notes due 2020 that HCA Inc. issued in August 2011 (the August 2011 first lien notes); (ii) $1.350 billion aggregate principal amount of 5.875% first lien notes due 2022 that HCA Inc. issued in February 2012 (the February 2012

first lien notes); (iii) $1.250 billion aggregate principal amount of 4.75% first lien notes due 2023 that HCA Inc. issued in October 2012 (the October 2012 first lien notes); (iv) $1.500 billion aggregate principal amount of 3.75% first lien notes due 2019 that HCA Inc. issued in March 2014 (the March 2014 3.75% first lien notes); (v) $2.000 billion aggregate principal amount of 5.00% first lien notes due 2024 that HCA Inc. issued in March 2014 (the March 2014 5.00% first lien notes); (vi) $600 million aggregate principal amount of 4.25% first lien notes due 2019 that HCA Inc. issued in October 2014 (the October 2014 4.25% first lien notes); and (vii) $1.400 billion aggregate principal amount of 5.25% first lien notes due 2025 that HCA Inc. issued in October 2014 (the October 2014 5.25% first lien notes and, collectively with the August 2011 first lien notes, the February 2012 first lien notes, the October 2012 first lien notes, the March 2014 3.75% first lien notes, the March 2014 5.00% first lien notes and the October 2014 4.25% first lien notes, the first lien notes).

(4) Consists of capital leases and other secured debt with a weighted average interest rate of 6.58%.

(5) Consists of HCA Inc. s (i) aggregate principal amount of $246 million medium-term notes with maturities ranging from 2014 to 2025 and a weighted average interest rate of 8.28%; (ii) aggregate principal amount of $886 million debentures with maturities ranging from 2015 to 2095 and a weighted average interest rate of 7.55%; (iii) aggregate principal amount of $5.291 billion senior notes with maturities ranging from 2016 to 2033 and a weighted average interest rate of 6.98%; and (iv) $2 million of unamortized debt discounts that reduce the existing indebtedness. Existing unsecured indebtedness also includes HCA Holdings, Inc. s $1.525 billion aggregate principal amount of 7 $^{3}/_{4}$% senior notes due 2021 and $1.000 billion aggregate principal amount of 6.25% senior notes due 2021. We intend to use the net proceeds of this offering to repay at maturity our $750 million aggregate principal amount outstanding of existing 6.375% Senior Notes due 2015 and for general corporate purposes. Pending receipt of the proceeds of this offering, we may temporarily borrow any necessary amounts under our revolving credit facilities. For more information regarding our unsecured and other indebtedness, see Description of Other Indebtedness.

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DESCRIPTION OF OTHER INDEBTEDNESS

The summaries set forth below are qualified in their entirety by the actual text of the applicable agreements and indentures, each of which has been filed with the SEC and which may be obtained on publicly available websites at the addresses set forth under Available Information.

Senior Secured Credit Facilities

After giving effect to the increase of the revolving credit commitments under our the asset-based credit facility on October 30, 2014 as described below, the senior secured credit facilities provided senior secured financing of $10.788 billion at September 30, 2014, consisting of:

- $5.538 billion-equivalent in term loan facilities, comprised of a $490 million senior secured term loan A-2 facility maturing on May 2, 2016, a $719 million senior secured term loan A-4 facility maturing on February 2, 2016, a $2.349 billion senior secured term loan B-4 facility maturing on May 1, 2018, and a $1.980 billion senior secured term loan B-5 facility maturing March 31, 2017; and

- $5.250 billion in revolving credit facilities, comprised of a $3.250 billion senior secured asset-based revolving credit facility available in dollars maturing on March 7, 2019 and a $2.000 billion senior secured revolving credit facility available in dollars, euros and pounds sterling maturing on February 26, 2019. Availability under the asset-based revolving credit facility is subject to a borrowing base of 85% of eligible accounts receivable less customary reserves.

We refer to these senior secured credit facilities, excluding the asset-based revolving credit facility, as the cash flow credit facility and, collectively with the asset-based revolving credit facility, the senior secured credit facilities. The asset-based revolving credit facility is documented in a separate loan agreement from the other senior secured credit facilities.

HCA Inc. is the primary borrower under the senior secured credit facilities. The revolving credit facilities include capacity available for the issuance of letters of credit and for borrowings on same-day notice, referred to as the swingline loans. A portion of the letter of credit availability under the cash-flow revolving credit facility is available in euros and pounds sterling. Lenders under the cash flow credit facility are subject to a loss sharing agreement pursuant to which, upon the occurrence of certain events, including a bankruptcy event of default under the cash flow credit facility, each such lender will automatically be deemed to have exchanged its interest in a particular tranche of the cash flow credit facility for a pro rata percentage in all of the tranches of the cash flow credit facility.

On February 26, 2014, the cash flow credit facility was amended and restated to, among other things, extend the maturity date of the revolving credit commitments thereunder to February 26, 2019 and permit debt to be incurred by non-guarantor restricted subsidiaries in an aggregate principal amount at any time outstanding not to exceed $2.0 billion.

On March 7, 2014, the asset-based credit facility was amended and restated to, among other things, extend the maturity date of the revolving credit commitments thereunder to March 7, 2019 and permit debt to be incurred by non-borrower restricted subsidiaries of HCA Inc. in an aggregate principal amount at any time outstanding not to exceed $2.0 billion.

On October 30, 2014, the asset-based credit facility was amended to increase the revolving credit commitments thereunder by $750.0 million such that the aggregate revolving credit commitments thereunder are increased from $2.500 billion to $3.250 billion.

Interest Rate and Fees

Borrowings under the senior secured credit facilities bear interest at a rate equal to, at HCA Inc. s option, either (a) LIBOR for deposits in the applicable currency plus an applicable margin or (b) the highest of (1) the prime rate of Bank of America, N.A., (2) the federal funds effective rate plus 0.50% and (3) the LIBOR rate plus 1.00%, plus an applicable margin. The applicable margins in effect for borrowings as of

September 30, 2014 are (i) under the asset-based revolving credit facility, 0.50% with respect to base rate borrowings and 1.50% with respect to LIBOR borrowings, (ii) under the senior secured revolving credit facility, 0.50% with respect to base rate borrowings and 1.50% with respect to LIBOR borrowings, (iii) under the term loan A-2 facility, 1.50% with respect to base rate borrowings and 2.50% with respect to LIBOR borrowings, (iv) under the term loan A-4 facility, 1.50% with respect to base rate borrowings and 2.50% with respect to LIBOR borrowings, (v) under the term loan B-4 facility, 1.75% with respect to base rate borrowings and 2.75% with respect to LIBOR borrowings, and (vi) under the term loan B-5 facility, 1.75% with respect to base rate borrowings and 2.75% with respect to LIBOR borrowings. The applicable margins with respect to the asset-based revolving credit facility and senior secured revolving facility may be reduced or increased depending on HCA Inc. s leverage ratios.

In addition to paying interest on outstanding principal under the senior secured credit facilities, HCA Inc. is required to pay a commitment fee to the lenders under the revolving credit facilities in respect of the unutilized commitments thereunder. The commitment fee rate as of September 30, 2014 is 0.375% per annum for the revolving credit facility and 0.25% for the asset-based revolving credit facility. The commitment fee rates for the revolving credit facility may fluctuate due to changes in specified leverage ratios. The commitment fee rates for the asset-based revolving credit facility may fluctuate due to the utilization threshold of the asset-based credit facility. HCA Inc. must also pay customary letter of credit fees.

Prepayments

The cash flow credit facility requires HCA Inc. to prepay outstanding term loans, subject to certain exceptions, with:

- 50% (which percentage will be reduced to 25% if HCA Inc. s total leverage ratio is 5.50x or less and to 0% if HCA Inc. s total leverage ratio is 5.00x or less) of HCA Inc. s annual excess cash flow;

- 100% (which percentage will be reduced to 50% if HCA Inc. s total leverage ratio is 3.25x or less and to 0% if HCA Inc. s total leverage ratio is 2.50x or less) of the compensation for any casualty event, proceeds from permitted sale-leasebacks and the net cash proceeds of all non-ordinary course asset sales or other dispositions of property, other than the Receivables Collateral, as defined below, if HCA Inc. does not (1) reinvest or commit to reinvest those proceeds in assets to be used in our business or to make certain other permitted investments within 15 months as long as, in the case of any such commitment to reinvest or make certain other permitted investments, such investment is completed within such 15-month period or, if later, within 180 days after such commitment is made or (2) apply such proceeds within 15 months to repay debt of HCA Inc. that was outstanding on the effective date of HCA Inc. s 2006 recapitalization transaction scheduled to mature prior to the earliest final maturity of the senior secured credit facilities then outstanding; and

- 100% of the net cash proceeds of any incurrence of debt, other than proceeds from the receivables facilities and other debt permitted under the senior secured credit facilities.

The foregoing mandatory prepayments are applied among the term loan facilities pro rata to such facilities, with amounts allocated to each facility being applied pro rata among the term loan A-2 facility, the term loan A-4 facility, the term loan B-4 facility and the term loan B-5 facility based upon the applicable remaining repayment amounts due thereunder. Notwithstanding the foregoing, HCA Inc. is not required to prepay loans under the term loan A facility or the term loan B facility with net cash proceeds of asset sales or with excess cash flow, in each case attributable to foreign subsidiaries, to the extent that the repatriation of such amounts is prohibited or delayed by applicable local law or would result in material adverse tax consequences.

The asset-based revolving credit facility requires HCA Inc. to prepay outstanding loans if borrowings exceed the borrowing base.

HCA Inc. may voluntarily repay outstanding loans under the senior secured credit facilities at any time without premium or penalty, other than customary breakage costs with respect to LIBOR loans.

Amortization

HCA Inc. is required to repay the loans under the term loan facilities as follows:

- the term loan A-2 facility amortizes in equal quarterly installments that commenced on June 30, 2011 in amounts equal to 1.25% of the amount outstanding, on the effective date of such facility, with the balance being payable on the final maturity date of such term loans;

- the term loan A-4 facility amortizes in equal quarterly installments that commenced on December 31, 2013 in amounts equal to 0.25% of the amount outstanding, on the effective date of such facility, with the balance being payable on the final maturity date of such term loans;

- the term loan B-4 facility amortizes in equal quarterly installments that commenced on December 31, 2013 in amounts equal to 0.25% of the amount outstanding, on the effective date of such facility, with the balance being payable on the final maturity date of such term loans; and

- the term loan B-5 facility amortizes in equal quarterly installments that commenced on December 31, 2013 in amounts equal to $5,000,000, on the effective date of such facility, with the balance being payable on the final maturity date of such term loans.

Principal amounts outstanding under the revolving credit facilities are due and payable in full at maturity.

Guarantee and Security

All obligations under the senior secured credit facilities are unconditionally guaranteed by substantially all existing and future, direct and indirect, wholly owned material domestic subsidiaries that are unrestricted subsidiaries under the 1993 Indenture (as defined below) (except for certain special purpose subsidiaries that only guarantee and pledge their assets under the asset-based revolving credit facility), subject to any applicable legal, regulatory or contractual constraints and to the requirement that such guarantee does not cause adverse tax consequences.

All obligations under the asset-based revolving credit facility, and the guarantees of those obligations, are secured, subject to permitted liens and other exceptions, by a first-priority lien on substantially all of the receivables of the borrowers and each guarantor under such asset-based revolving credit facility (the Receivables Collateral).

All obligations under the cash flow credit facility and the guarantees of such obligations, are secured, subject to permitted liens and other exceptions, by:

- a first-priority lien on the capital stock owned by HCA Inc. or by any guarantor in each of their respective first-tier subsidiaries (limited, in the case of foreign subsidiaries, to 65% of the voting stock of such subsidiaries);

- a first-priority lien on substantially all present and future assets of HCA Inc. and of each guarantor other than (i) Principal Properties (as defined in the 1993 Indenture), except for certain Principal Properties the aggregate amount of indebtedness secured thereby in respect of the cash flow credit facility and the first lien notes and any future first lien obligations, taken as a whole, do not exceed 10% of Consolidated Net Tangible Assets (as defined under the 1993 Indenture), (ii) certain other real properties and (iii) deposit accounts, other bank or securities accounts, cash, leaseholds, motor-vehicles and certain other exceptions (such collateral under this and the preceding bullet, the Non-Receivables Collateral); and

- a second-priority lien on certain of the Receivables Collateral (such portion of the Receivables Collateral, the Shared Receivables Collateral ; the Receivables Collateral that does not secure such cash flow credit facility on a second-priority basis is referred to as the

Separate Receivables Collateral).

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Certain Covenants and Events of Default

The senior secured credit facilities contain a number of covenants that, among other things, restrict, subject to certain exceptions, HCA Inc. s ability and the ability of its restricted subsidiaries to:

- incur additional indebtedness;
- create liens;
- enter into sale and leaseback transactions;
- engage in mergers or consolidations;
- sell or transfer assets;
- pay dividends and distributions or repurchase capital stock;
- make investments, loans or advances;
- with respect to the asset-based revolving credit facility, prepay certain subordinated indebtedness, the second lien notes and certain other indebtedness existing on the effective date of HCA Inc. s 2006 recapitalization transaction (Retained Indebtedness), subject to certain exceptions;
- make certain acquisitions;
- engage in certain transactions with affiliates;
- with respect to the asset-based revolving credit facility, make certain material amendments to agreements governing certain subordinated indebtedness, the second lien notes or Retained Indebtedness; and
- change lines of business.

In addition, the senior secured credit facilities require the following financial covenants to be maintained:

- in the case of the asset-based revolving credit facility, a minimum interest coverage ratio of 1.50:1.00 (applicable only when excess global availability under such facility is less than the greater of (x) 10% of the lesser of the outstanding commitments and the borrowing base thereunder and (y) $325.0 million); and

in the case of the other senior secured credit facilities, a maximum total leverage ratio of no greater than 6.75:1.00.

The senior secured credit facilities also contain certain customary affirmative covenants and events of default, including a change of control.

Senior Secured Notes

As of September 30, 2014, HCA Inc. had $10.500 billion aggregate principal amount of senior secured first lien notes consisting of:

$1.400 billion aggregate principal amount of 7 $^{1}/_{4}$% senior secured first lien notes due 2020 issued on March 10, 2010 at a price of 99.095% of their face value, resulting in $1.387 billion of gross proceeds;

$3.000 billion aggregate principal amount of 6.50% senior secured first lien notes due 2020 issued on August 1, 2011 at a price of 100% of their face value, resulting in $3.000 billion of gross proceeds;

$1.350 billion aggregate principal amount of 5.875% senior secured first lien notes due 2022 issued on February 16, 2012 at a price of 100% of their face value, resulting in $1.350 billion of gross proceeds;

- $1.250 billion aggregate principal amount of 4.75% senior secured first lien notes due 2023 issued on October 23, 2012 at a price of 100% of their face value, resulting in $1.250 billion of gross proceeds;

- $1.500 billion aggregate principal amount of 3.75% senior secured first lien notes due 2019 issued on March 17, 2014 at a price of 100% of their face value, resulting in $1.485 billion of gross proceeds; and

- $2.000 billion aggregate principal amount of 5.00% senior secured first lien notes due 2024 issued on March 17, 2014 at a price of 100% of their face value, resulting in $1.980 billion of gross proceeds.

On October 17, 2014, HCA Inc. issued $600 million aggregate principal amount of 4.25% senior secured first lien notes due 2019 at a price of 100% of their face value, resulting in $600 million of gross proceeds and $1.400 billion aggregate principal amount of 5.25% senior secured first lien notes due 2025 at a price of 100% of their face value, resulting in $1.400 billion of gross proceeds.

On November 6, 2014, HCA Inc. redeemed all of its $1.400 billion aggregate principal amount of 7 $^{1}/_{4}$% senior secured first lien notes due 2020 issued on March 10, 2010 with the net cash proceeds from the offering of the notes issued on October 17, 2014. As of September 30, 2014, as adjusted for the notes issued on October 17, 2014 and the redemption of the existing notes on November 6, 2014, HCA Inc. had $11.100 billion aggregate principal amount of senior secured first lien notes.

We refer to these notes issued on August 1, 2011, February 16, 2012, October 23, 2012, March 17, 2014 and October 17, 2014 as the secured notes and the indentures governing the first lien notes as the indentures governing the secured notes.

The secured notes and the related guarantees are secured by first-priority liens, subject to permitted liens, on HCA Inc. s subsidiary guarantors assets, subject to certain exceptions, that secure HCA Inc. s cash flow credit facility on a first-priority basis and are secured by second-priority liens, subject to permitted liens, on HCA Inc. s subsidiary guarantors assets that secure HCA Inc. s asset-based revolving credit facility on a first-priority basis and HCA Inc. s cash flow credit facility on a second-priority basis.

Optional Redemption

The indentures governing the secured notes permit HCA Inc. to redeem some or all of the secured notes at any time at redemption prices described or set forth in the respective indenture.

Change of Control

In addition, the indentures governing the secured notes provide that, upon the occurrence of a change of control as defined therein, each holder of secured notes has the right to require us to repurchase some or all of such holder s secured notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date.

Covenants

The indentures governing the secured notes contain covenants limiting, among other things, HCA Inc. s ability and the ability of its restricted subsidiaries to, subject to certain exceptions:

- create certain liens or encumbrances;

- sell certain assets; and

- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets.

Events of Default

The indentures governing the secured notes also provide for events of default which, if any of them occur, would permit or require the principal of and accrued interest on the secured notes to become or to be declared due and payable.

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Other Secured Indebtedness

As of September 30, 2014, HCA Inc. had approximately $464 million of capital leases and other secured debt outstanding.

Under the lease with HRT of Roanoke, Inc., effective December 20, 2005, HCA Inc. makes annual payments for rent and additional expenses for the use of premises in Roanoke and Salem, Virginia. The rent payments will increase each year beginning January 1, 2007 by the lesser of 3% or the change in the Consumer Price Index. The lease is for a fixed term of 12 years with the option to extend the lease for another ten years.

Under the lease with Medical City Dallas Limited, effective March 18, 2004, HCA Inc. makes annual payments for rent for the use of premises that are a part of a complex known as Medical City Dallas located in Dallas, Texas. The rent payment is adjusted yearly based on the fair market value of the premises and a capitalization rate. The initial term is 240 months with the option to extend for two more terms of 240 months each.

Unsecured Indebtedness

As of September 30, 2014, HCA Inc. had outstanding an aggregate principal amount of $6.927 billion of senior notes and debentures, consisting of the following series:

$150,000,000 aggregate principal amount of 7.19% Debentures due 2015;

$750,000,000 aggregate principal amount of 6.375% Senior Notes due 2015;

$1,000,000,000 aggregate principal amount of 6.50% Senior Notes due 2016;

$500,000,000 aggregate principal amount of 8.00% Senior Notes due 2018;

$2,000,000,000 aggregate principal amount of 7.50% Senior Notes due 2022;

$135,645,000 aggregate principal amount of 7.50% Debentures due 2023;

$1,250,000,000 aggregate principal amount of 5.875% Senior Notes due 2023;

$150,000,000 aggregate principal amount of 8.36% Debentures due 2024;

$291,436,000 aggregate principal amount of 7.69% Senior Notes due 2025;

$150,000,000 aggregate principal amount of 7.05% Debentures due 2027;

$250,000,000 aggregate principal amount of 7.50% Senior Notes due 2033;

$100,000,000 aggregate principal amount of 7.75% Debentures due 2036; and

$200,000,000 aggregate principal amount of 7.50% Debentures due 2095.

As of September 30, 2014, HCA Inc. also had outstanding $121,110,000 aggregate principal amount of 9.00% Medium Term Notes due 2014 and $125,000,000 aggregate principal amount of 7.58% Medium Term Notes due 2025.

All of HCA Inc. s outstanding series of senior notes, debentures and medium term notes listed above, which we refer to collectively as the 1993 unsecured notes, were issued under an indenture, which we refer to as the 1993 Indenture, with the exception of the $1,250,000,000 aggregate principal amount of senior notes due 2023, the $2,000,000,000 aggregate principal amount of 7.50% senior notes due 2022 and the $500,000,000 aggregate principal amount of 8.00% senior notes due 2018, which were issued under a separate indenture (the new Indenture) with terms similar to the 1993 Indenture. We refer to the 1993 Indenture and the new indenture as the Indentures, collectively.

We intend to use the net proceeds of this offering to repay at maturity our $750 million aggregate principal amount outstanding of existing 6.375% Senior Notes due 2015 and for general corporate purposes. Pending receipt of the proceeds of this offering, we may temporarily borrow any necessary amounts under our revolving credit facilities. See Use of Proceeds.

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Optional Redemption

If permitted by the respective supplemental indenture, HCA Inc. is permitted to redeem some or all of that series of unsecured notes at any time at redemption prices described or set forth in such supplemental indenture.

Covenants

The Indentures contain covenants limiting, among other things, HCA Inc. s ability and/or the ability of HCA Inc. s restricted subsidiaries to (subject to certain exceptions):

- assume or guarantee indebtedness or obligation secured by mortgages, liens, pledges or other encumbrances;
- enter into sale and lease-back transactions with respect to any Principal Property (as such term is defined in the 1993 Indenture);
- create, incur, issue, assume or otherwise become liable with respect to, extend the maturity of, or become responsible for the payment of, any debt or preferred stock; and
- consolidate, merge, sell or otherwise dispose of all or substantially all of HCA Inc. s assets.

In addition, the Indentures provide that the aggregate amount of all other indebtedness of HCA Inc. secured by mortgages on Principal Properties (as such term is defined in the 1993 Indenture) together with the aggregate principal amount of all indebtedness of restricted subsidiaries (as such term is defined in the 1993 Indenture) and the attributable debt in respect of sale-leasebacks of Principal Properties, may not exceed 15% of the consolidated net tangible assets of HCA Inc. and its consolidated subsidiaries, subject to exceptions for certain permitted mortgages and debt.

Events of Default

The Indentures contain certain events of default, which, if any of them occurs, would permit or require the principal of and accrued interest on such series to become or to be declared due and payable.

Change of Control

In addition, the new Indenture provides that, upon the occurrence of a change of control as defined therein, each holder of the notes has the right to require us to repurchase some or all of such holder s secured notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date.

Unsecured Indebtedness of HCA Holdings, Inc.

Overview

On November 23, 2010, HCA Holdings, Inc. issued $1.525 billion aggregate principal amount of 7 $^{3}/_{4}$% senior notes due 2021 at a price of 100% of their face value, resulting in $1.525 billion of gross proceeds. On December 6, 2012, HCA Holdings, Inc. issued $1.000 billion aggregate principal amount of 6.25% senior notes due 2021 at a price of 100% of their face value, resulting in $1.000 billion of gross proceeds. We refer to these notes collectively as the outstanding 2021 notes and the indentures governing the outstanding 2021 notes as the 2021 notes indentures.

Ranking

The outstanding 2021 notes are HCA Holdings, Inc. s senior unsecured obligations and rank equally in right of payment with all of its future unsecured and unsubordinated indebtedness, rank senior in right of payment to any of its future subordinated indebtedness, and are structurally

subordinated in right of payment to indebtedness of HCA Holdings, Inc. s subsidiaries, including HCA Inc. The outstanding 2021 notes are not guaranteed by any of HCA Holdings, Inc. s subsidiaries, including HCA Inc. HCA Holdings, Inc. s future

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secured indebtedness and other future secured obligations will be effectively senior to the outstanding 2021 notes to the extent of the value of the assets securing such other indebtedness and other obligations.

Optional Redemption

The 2021 notes indentures permit HCA Holdings, Inc. to redeem some or all of the applicable outstanding 2021 notes at any time at redemption prices described or set forth in the respective indenture.

Change of Control

Upon the occurrence of a change of control, which is defined in the 2021 notes indentures, each holder of the outstanding 2021 notes has the right to require HCA Holdings, Inc. to repurchase some or all of such holder s notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date.

Covenants

The 2021 notes indentures contain covenants limiting, among other things, HCA Holdings, Inc. s ability and the ability of its restricted subsidiaries to (subject to certain exceptions):

- create liens on certain assets to secure debt;
- enter into certain sale and lease-back transactions; and
- consolidate, merge, sell or otherwise dispose of all or substantially all of HCA Holdings, Inc. s assets.

Events of Default

The 2021 notes indentures contain certain events of default, which, if any of them occurs, would permit or require the principal of and accrued interest on the outstanding 2021 notes to become or to be declared due and payable.

DESCRIPTION OF THE NOTES

General

The following description of the particular terms of the 5.375% Senior Notes due 2025, which are referred to in this description as the Notes, supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of the debt securities set forth under Description of Debt Securities and Guarantees in the attached prospectus. In this description of the notes, all references to we, us or our and the Company are to HCA Inc. only (the Issuer) and not to HCA Holdings, Inc. (Holdings) or any of its Subsidiaries. References in this description of the notes to Holdings or the Parent Guarantor refer only to Holdings and not to its Subsidiaries or the Issuer.

The Issuer will issue the Notes under an indenture, dated as of August 1, 2011 among the Issuer, Holdings and Law Debenture Trust Company of New York, as Trustee and Deutsche Bank Trust Company Americas, as Paying Agent, Registrar and Transfer Agent, as supplemented by a supplemental indenture. The supplemental indenture will set forth certain specific terms applicable to the Notes, and references to the Indenture in this description mean the Indenture as so amended and supplemented by the supplemental indenture. This description is intended to be an overview of the material provisions of the Notes and the Indenture. This summary is not complete and is qualified in its entirety by reference to the Indenture. You should carefully read the summary below, the description of the general terms and provisions of our debt securities set forth in the accompanying base prospectus under Description of Debt Securities and Guarantees and the provisions of the Indenture that may be important to you before investing in the Notes. Capitalized terms defined in the accompanying base prospectus or in the Indenture have the same meanings when used in this description unless updated herein. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended. You may request copies of the Indenture at the address set forth under the heading Summary. A form of the indenture has been filed as an exhibit to the registration statement of which this prospectus supplement is a part and can be obtained as indicated under Available Information.

Principal, Maturity and Interest

The Issuer will issue $1,000,000,000 of the Notes in this offering. The Notes will mature on February 1, 2025. The Notes will bear interest at the rate of 5.375% per annum, computed on the basis of a 360-day year of twelve 30-day months, commencing on the Issue Date. Interest will be payable twice a year on February 1 and August 1, beginning on August 1, 2015. Interest payable on any Note that is punctually paid or duly provided for on any interest payment date shall be paid to the person in whose name such Note is registered at the close of business on January 15 and July 15, as the case may be, preceding such interest payment date.

The Issuer may issue additional Notes, from time to time after this offering under the Indenture (any such Notes, Additional Notes). The Notes offered by the Issuer and any Additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including waivers, amendments, redemptions and offers to purchase. Unless the context requires otherwise, references to Notes for all purposes of the Indenture and this Description of the Notes include any Additional Notes that are actually issued.

The Notes will be issued in book-entry form only.

Parent Guarantee

We are a Subsidiary of Holdings. Holdings will, as primary obligor and not merely as surety, irrevocably and fully and unconditionally guarantee (the Parent Guarantee, and Holdings in such capacity, the Parent Guarantor), on an unsecured senior basis, the punctual payment when due, whether at maturity, by acceleration or otherwise, of all monetary obligations of the Issuer under the Indenture and the Notes, whether for principal of or interest on the Notes, expenses, indemnification or otherwise (all such obligations guaranteed by the Parent Guarantor being herein called the Parent Guaranteed Obligations).

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The Parent Guarantee shall be a continuing guarantee and shall (i) subject to the next two paragraphs, remain in full force and effect until payment in full of the principal amount of all outstanding Notes (whether by payment at maturity, purchase, redemption, defeasance, retirement or other acquisition) and all other applicable Parent Guaranteed Obligations of the Parent Guarantor then due and owing, (ii) be binding upon the Parent Guarantor and (iii) inure to the benefit of and be enforceable by the Trustee, the Holders and their permitted successors, transferees and assigns.

The Parent Guarantor will automatically and unconditionally be released from all obligations under its Parent Guarantee, and its Parent Guarantee will thereupon terminate and be discharged and of no further force of effect, (i) upon any merger or consolidation of such Parent Guarantor with the Issuer, (ii) upon legal or covenant defeasance of the Issuer s obligations under, or satisfaction and discharge of, the Indenture, or (iii) subject to customary contingent reinstatement provisions, upon payment in full of the aggregate principal amount of all Notes then outstanding and all other applicable Parent Guaranteed Obligations of the Parent Guarantor then due and owing.

Upon any such occurrence specified in the preceding paragraph, the Trustee shall execute, upon request by the Issuer, any documents reasonably required in order to evidence such release, discharge and termination in respect of the Parent Guarantee. Neither the Issuer nor the Parent Guarantor shall be required to make a notation on the Notes to reflect the Parent Guarantee or any such release, termination or discharge.

Ranking of Notes and Guarantee

The Notes are:

- unsecured senior obligations of the Issuer;
- equal in right of payment to any future senior Indebtedness of the Issuer;
- senior in right of payment to any future Subordinated Indebtedness of the Issuer;
- structurally subordinated in right of payment to all Indebtedness of the Issuer s Subsidiaries; and
- guaranteed on a senior unsecured basis by the Parent Guarantor.

The Indebtedness evidenced by the Notes will be unsecured and will rank equally with any other unsecured and unsubordinated indebtedness the Issuer may incur in the future. The Notes will not be guaranteed by any of the Issuer s Subsidiaries. The Issuer s future secured Indebtedness and other future secured obligations will be effectively senior to the Notes to the extent of the value of the assets securing such other secured Indebtedness and other obligations.

The Issuer is a holding company for its Subsidiaries, with no material operations of its own and only limited assets. Accordingly, the Issuer is dependent upon the distribution of the earnings of its Subsidiaries, whether in the form of dividends, advances or payments on account of intercompany obligations, to service its debt obligations. Additionally, claims of such Subsidiaries creditors, including trade creditors and claims of preferred stockholders (if any) of such Subsidiaries, generally will have priority with respect to the assets and earnings of such Subsidiaries over the claims of the Issuer s creditors, including Holders of the Notes. The Notes, therefore, will be structurally subordinated to creditors (including trade creditors) and preferred stockholders (if any) of our Subsidiaries. As of September 30, 2014, on an as adjusted basis after giving effect to the first lien notes offered in October 2014, the notes offered hereby and application of use of proceeds therefrom, Subsidiaries of the Issuer would have had Indebtedness of $19.382 billion outstanding, all of which would have been secured.

The Indenture limits the Issuer s ability and that of certain of our Subsidiaries under certain circumstances to secure Indebtedness by Mortgages on our Principal Properties and to enter into Sale and Lease-Back Transactions. In a liquidation or reorganization of any of our Subsidiaries, the right of Holders of the Notes to participate in any distribution is subject to the prior claims of creditors of that Subsidiary, except to the extent that we are a creditor.

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The Parent Guarantee (as described below) is:

- the unsecured obligation of the Parent Guarantor;

- equal in right of payment to all of the Parent Guarantor s existing and future indebtedness that is not subordinated in right of payment to its Parent Guarantee (including the Parent Guarantor s existing $7^{3}/_{4}$% senior notes due 2021 and existing 6.25% senior notes due 2021);

- senior in right of payment to any future Subordinated Indebtedness of the Parent Guarantor;

- effectively subordinated in right of payment to any of the Parent Guarantor s future indebtedness that is secured by Liens on its assets to the extent of the value of the assets securing such indebtedness; and

- structurally subordinated in right of payment to all Indebtedness of the Parent Guarantor s Subsidiaries (other than the Issuer).

Mandatory Redemption; Offers to Purchase; Open Market Purchases

The Issuer will not be required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer may be required to offer to purchase Notes as described under the caption Repurchase at the Option of Holders. The Issuer may at any time and from time to time purchase Notes in the open market or otherwise.

Optional Redemption

The Notes will be redeemable, at our option, at any time in whole or from time to time in part, at a redemption, or make-whole, price equal to the greater of:

- 100% of the aggregate principal amount of the Notes to be redeemed, and

- an amount equal to sum of the present value of the remaining scheduled payments of principal of and interest on the Notes to be redeemed (excluding accrued and unpaid interest to the redemption date and subject to the right of Holders on the relevant record date to receive interest due on the relevant interest payment date) discounted from their scheduled date of payment to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) using a discount rate equal to the Treasury Rate plus 50 basis points

plus, in each of the above cases, accrued and unpaid interest, if any, to such redemption date.

Any notice of any redemption may be given prior to the redemption thereof, and any such redemption or notice may, at the Issuer s discretion, be subject to one or more conditions precedent, including, but not limited to, completion of an equity offering or other corporate transaction. Notes called for redemption will become due on the date fixed for redemption. Notices of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder of the Notes to be redeemed at its registered address. The notice of redemption for the Notes will state, among other things, the amount of Notes to be redeemed, if less than all of the outstanding Notes are to be redeemed, the redemption date, the redemption price (or the method of calculating it) and each place that payment will be made upon presentation and surrender of Notes to be redeemed.

Unless we default in payment of the redemption price, interest will cease to accrue on any Notes that have been called for redemption on the redemption date. If the Issuer redeems less than all of the outstanding Notes, the Registrar and Paying Agent shall select the Notes to be redeemed in the manner described under Repurchase at the Option of Holders Selection and Notice.

For purposes of determining the optional redemption price, the following definitions are applicable:

Comparable Treasury Issue means, the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term (Remaining Life) of a Note

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being redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Remaining Life of such Notes.

Comparable Treasury Price means, with respect to any redemption date for any Note:

(1) the average of the Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest of four such Reference Treasury Dealer Quotations; or

(2) if the Independent Investment Banker is given fewer than four Reference Treasury Dealer Quotations, the average of all quotations obtained by the Independent Investment Banker.

Independent Investment Banker means one of the Reference Treasury Dealers, to be appointed by the Issuer.

Reference Treasury Dealer means (i) Wells Fargo Securities, LLC, Barclays Capital Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC, RBC Capital Markets, LLC, SunTrust Robinson Humphrey, Inc. and UBS Securities LLC (or their respective affiliates that are Primary Treasury Dealers) and their respective successors; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a Primary Treasury Dealer), the Issuer will substitute therefor another Primary Treasury Dealer, and (ii) any other Primary Treasury Dealer selected by the Issuer.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date for any Note, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 3:00 p.m., New York City time, on the third Business Day preceding such redemption date.

Treasury Rate means, at the time of computation, (1) the semi-annual equivalent yield to maturity of the United States Treasury Securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) which has become publicly available at least two Business Days prior to the redemption date or, if such Statistical Release is no longer published, any publicly available source of similar market data) for the maturity corresponding to the Comparable Treasury Issue; provided, however, that if no maturity is within three months before or after the maturity date for the notes, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Treasury Rate will be interpolated or extrapolated from those yields on a straight line basis, rounding to the nearest month; or (2) if that release, or any successor release, is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that redemption date. The Treasury Rate will be calculated on the third Business Day preceding the redemption date.

Except as set forth above, the Notes will not be redeemable by us prior to maturity.

Denominations, Registration and Transfer

The Issuer will issue the Notes in registered form and in denominations of $2,000 or any integral multiple of $1,000 in excess thereof. We have appointed Deutsche Bank Trust Company Americas as security registrar.

Repurchase at the Option of Holders

Change of Control

The Notes will provide that if a Change of Control occurs, unless the Issuer has previously or concurrently mailed a redemption notice with respect to all the outstanding Notes as described under

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Optional Redemption, the Issuer will make an offer to purchase all of the Notes pursuant to the offer described below (the Change of Control Offer) at a price in cash (the Change of Control Payment) equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase, subject to the right of Holders of the Notes of record on the relevant record date to receive interest due on the relevant interest payment date. Within 30 days following any Change of Control, the Issuer will send notice of such Change of Control Offer by first-class mail, with a copy to the Trustee and the Registrar, to each Holder of Notes to the address of such Holder appearing in the security register with a copy to the Trustee and the Registrar or otherwise in accordance with the procedures of DTC, with the following information:

(1) that a Change of Control Offer is being made pursuant to the covenant entitled Change of Control and that all Notes properly tendered pursuant to such Change of Control Offer will be accepted for payment by the Issuer;

(2) the purchase price and the purchase date, which will be no earlier than 30 days nor later than 60 days from the date such notice is mailed (the Change of Control Payment Date);

(3) that any Note not properly tendered will remain outstanding and continue to accrue interest;

(4) that unless the Issuer defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date;

(5) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender such Notes, with the form entitled Option of Holder to Elect Purchase on the reverse of such Notes completed, to the paying agent specified in the notice at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(6) that Holders will be entitled to withdraw their tendered Notes and their election to require the Issuer to purchase such Notes; provided that the paying agent receives, not later than the close of business on the 30th day following the date of the Change of Control notice, a telegram, facsimile transmission or letter setting forth the name of the Holder of the Notes, the principal amount of Notes tendered for purchase, and a statement that such Holder is withdrawing its tendered Notes and its election to have such Notes purchased;

(7) that Holders tendering less than all of their Notes will be issued new Notes and such new Notes will be equal in principal amount to the unpurchased portion of the Notes surrendered. The unpurchased portion of the Notes must be equal to $2,000 or an integral multiple of $1,000 in excess thereof; and

(8) the other instructions, as determined by us, consistent with the covenant described hereunder, that a Holder must follow.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in the Indenture by virtue thereof.

On the Change of Control Payment Date, the Issuer will, to the extent permitted by law,

(1) accept for payment all Notes issued by it or portions thereof properly tendered pursuant to the Change of Control Offer;

(2) deposit with the paying agent an amount equal to the aggregate Change of Control Payment in respect of all Notes or portions thereof so tendered; and

(3) deliver, or cause to be delivered, to the Trustee for cancellation the Notes so accepted together with an Officer s Certificate to the Trustee stating that such Notes or portions thereof have been tendered to and purchased by the Issuer.

Our existing senior secured credit facilities provide, and future credit agreements or other agreements relating to indebtedness to which the Issuer becomes a party may provide, that certain change of control events with respect to the Issuer would constitute a default thereunder (including a Change of Control under the Indenture). If we experience a change of control that triggers a default under our senior secured credit facilities, we could seek a waiver of such default or seek to refinance our senior secured credit facilities. In the event we do not obtain such a waiver or refinance the senior secured credit facilities, such default could result in amounts outstanding under our senior secured credit facilities being declared due and payable and could cause a receivables facility to be wound down.

The Issuer s ability to pay cash to the Holders of the Notes following the occurrence of a Change of Control may be limited by its then-existing financial resources. Therefore, sufficient funds may not be available when necessary to make any required repurchases.

The Change of Control purchase feature of the Notes may in certain circumstances make more difficult or discourage a sale or takeover of us and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations between the Underwriters and us. After the Issue Date, we have no present intention to engage in a transaction involving a Change of Control, although it is possible that we could decide to do so in the future. Subject to the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. Such restrictions in the Indenture can be waived only with the consent of the Holders of a majority in principal amount of the Notes then outstanding. Except for the limitations contained in such covenants, however, the Indenture will not contain any covenants or provisions that may afford Holders of the Notes protection in the event of a highly leveraged transaction.

The Issuer will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by us and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

The definition of Change of Control includes a disposition of all or substantially all of the assets of the Issuer to any Person. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of all or substantially all of the assets of the Issuer. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder of Notes may require the Issuer to make an offer to repurchase the Notes as described above.

The provisions under the Indenture relating to the Issuer s obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of the Holders of a majority in principal amount of the Notes.

Selection and Notice

If the Issuer is redeeming less than all of the Notes issued by it at any time, the Registrar and Paying Agent will select the Notes to be redeemed (a) if the Notes are listed on any national securities exchange, in

compliance with the requirements of the principal national securities exchange on which the Notes are listed, (b) on a pro rata basis to the extent practicable or (c) by lot or such other similar method in accordance with the procedures of DTC.

Notices of purchase or redemption shall be mailed by first-class mail, postage prepaid, at least 30 but not more than 60 days before the purchase or redemption date to each Holder of Notes at such Holder s registered address or otherwise in accordance with the procedures of DTC, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture. If any Note is to be purchased or redeemed in part only, any notice of purchase or redemption that relates to such Note shall state the portion of the principal amount thereof that has been or is to be purchased or redeemed.

The Issuer will issue a new Note in a principal amount equal to the unredeemed portion of the original Note in the name of the Holder upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions thereof called for redemption.

Certain Covenants

Set forth below are summaries of certain covenants contained in the Indenture.

Covenant Suspension

If on any date following the Issue Date (i) the Notes have Investment Grade Ratings from both Rating Agencies and (ii) no Default has occurred and is continuing under the Indenture, the Issuer and the Subsidiaries will not be subject to the Repurchase at the Option of Holders Change of Control covenant (the *Suspended Covenant*).

In the event that the Issuer and the Subsidiaries are not subject to the Suspended Covenant under the Indenture for any period of time as a result of the foregoing, and on any subsequent date one or both of the Rating Agencies (a) withdraw their Investment Grade Rating or downgrade the rating assigned to the Notes below an Investment Grade Rating and/or (b) the Issuer or any of its Affiliates enters into an agreement to effect a transaction that would result in a Change of Control and one or more of the Rating Agencies indicate that if consummated, such transaction (alone or together with any related recapitalization or refinancing transactions) would cause such Rating Agency to withdraw its Investment Grade Rating or downgrade the ratings assigned to the Notes below an Investment Grade Rating, then the Issuer and the Subsidiaries will thereafter again be subject to the Suspended Covenant under the Indenture with respect to future events, including, without limitation, a proposed transaction described in clause (b) above.

In the event of any such reinstatement, no action taken or omitted to be taken by the Issuer or any of its Subsidiaries prior to such reinstatement will give rise to a Default or Event of Default under the Indenture with respect to the Notes.

There can be no assurance that the Notes will ever achieve or maintain Investment Grade Ratings.

Limitations on Mortgages

Nothing in the Indenture or in the Notes shall in any way restrict or prevent the Issuer, the Parent Guarantor or any Subsidiary from incurring any Indebtedness, provided, however, that the Indenture will provide that neither the Issuer nor any of its Subsidiaries will issue, assume or guarantee any indebtedness or obligation secured by Mortgages upon any Principal Property, unless the Notes shall be secured equally and ratably with (or prior to) such Indebtedness. This restriction will not apply to:

(a) Mortgages securing all or any part of the purchase price of property acquired or cost of construction of property or cost of additions, substantial repairs, alterations or improvements or property, if the Indebtedness and the related Mortgages are incurred within 18 months of the later of the acquisition or completion of construction and full operation or additions, repairs, alterations or improvements;

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(b) Mortgages existing on property at the time of its acquisition by the Issuer or a Subsidiary or on the property of a Person at the time of the acquisition of such Person by the Issuer or a Subsidiary (including acquisitions through merger or consolidation);

(c) Mortgages to secure Indebtedness on which the interest payments to holders of the related indebtedness are excludable from gross income for federal income tax purposes under Section 103 of the Code;

(d) Mortgages in favor of the Issuer or any Subsidiary;

(e) Mortgages existing on the date of the Indenture;

(f) Mortgages in favor of a government or governmental entity that (i) secure Indebtedness which is guaranteed by the government or governmental entity, (ii) secure Indebtedness incurred to finance all or some of the purchase price or cost of construction of goods, products or facilities produced under contract or subcontract for the government or governmental entity, or (iii) secure Indebtedness incurred to finance all or some of the purchase price or cost of construction of the property subject to the Mortgage;

(g) Mortgages incurred in connection with the borrowing of funds where such funds are used to repay within 120 days after entering into such Mortgage, Indebtedness in the same principal amount secured by other Mortgages on Principal Property with at least the same appraised fair market value; and

(h) any extension, renewal or replacement of any Mortgage referred to in clauses (a) through (g) above, provided the amount secured is not increased and such extension, renewal or replacement Mortgage relates to the same property.

Limitations on Sale and Lease-Back

The Indenture will provide that neither the Issuer nor any Subsidiary will enter into any Sale and Lease-Back Transaction with respect to any Principal Property with another person (other than with the Issuer or a Subsidiary) unless either:

(a) the Issuer or such Subsidiary could incur indebtedness secured by a mortgage on the property to be leased without equally and ratably securing the Notes; or

(b) within 120 days, the Issuer applies the greater of the net proceeds of the sale of the leased property or the fair value of the leased property, net of all Notes delivered under the Indenture, to the voluntary retirement of our Funded Debt and/or the acquisition or construction of a Principal Property.

Exempted Transactions

Notwithstanding the foregoing provisions described above under Limitation on Mortgages and Limitations on Sale and Lease-Back if the aggregate outstanding principal amount of all Indebtedness of the Issuer and its Subsidiaries that is subject to and not otherwise permitted under these restrictions does not exceed 15% of the Consolidated Net Tangible Assets of the Issuer and its Subsidiaries, then:

(a) the Issuer or any of its Subsidiaries may issue, assume or guarantee Indebtedness secured by Mortgages; and

(b) the Issuer or any of its Subsidiaries may enter into any Sale and Lease-Back Transaction.

Events of Default

Under the Indenture, an *Event of Default* applicable to the Notes of any series means:

failure to pay the principal or any premium on the Notes when due;

failure to pay any interest on the Notes when due, and such default continues for a period of 30 days;

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- failure to deposit any sinking fund payment in respect of the Notes when due;
- failure to perform, or the breach of, any of our other applicable covenants or warranties in the Indenture, and such default continues for a period of 60 days after written notice by Holders of at least 10% in principal amount of the outstanding Notes; or
- events in bankruptcy, insolvency or reorganization.

If any Event of Default with respect to the Notes occurs and is continuing, either the Trustee or the Holders of at least 25% in aggregate principal amount of the outstanding Notes may declare the principal amount of all the Notes to be due and payable immediately. The Holders may, under certain circumstances, rescind and annul this acceleration prior to obtaining a judgment or decree.

Other than the duties of the Trustee during a default to act with the required standard of care, the Trustee is not obligated to exercise any of its rights or powers under the Indenture at the request or direction of any of the Holders unless the Holders shall have offered to the Trustee indemnity reasonably satisfactory to it. Subject to these indemnification provisions, the Holders of a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Notes.

We will furnish the Trustee annually with a statement as to our performance of certain obligations under the Indenture and as to any default in our performance.

Modification and Waiver

Without Holder Consent

Without the consent of any Holders, the Issuer, the Parent Guarantor and the Trustee, may enter into supplemental indentures for any of the following purposes:

(1) to evidence the succession of another corporation to the Issuer and the assumption by such successor of the covenants of the Issuer in compliance with the requirements set forth in the Indenture; or

(2) to add to the covenants for the benefit of the Holders or to surrender any right or power herein conferred upon the Issuer; or

(3) to add any additional Events of Default; or

(4) to change or eliminate any of the provisions of the Indenture, provided that any such change or elimination shall become effective only when there are no outstanding Notes of any series created prior to the execution of such supplemental indenture that is entitled to the benefit of such provision and as to which such supplemental indenture would apply; or

(5) to secure the Notes; or

(6) to supplement any of the provisions of the Indenture to such extent necessary to permit or facilitate the defeasance and discharge of the Notes, provided that any such action does not adversely affect the interests of the Holders of the Notes in any material respect; or

(7)

to evidence and provide for the acceptance of appointment hereunder by a successor Trustee and to add to or change any of the provisions of the Indenture necessary to provide for or facilitate the administration of the trusts by more than one Trustee; or

(8) to cure any ambiguity, to correct or supplement any provision of the Indenture which may be defective or inconsistent with any other provision; or

(9) to change any place or places where the principal of and premium, if any, and interest, if any, on the Notes shall be payable, the Notes may be surrendered for registration or transfer, the Notes may be surrendered for exchange, and notices and demands to or upon the Issuer may be served.

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With Holder Consent

The Issuer, the Parent Guarantor and the Trustee may modify and amend the Indenture with the consent of the Holders of a majority in aggregate principal amount of the outstanding Notes; however, we must have the consent of the Holder of each outstanding Note affected to:

(1) change the stated maturity of the principal of, or installment of interest, if any, on, the Notes, or reduce the principal amount thereof or the interest thereon or any premium payable upon redemption thereof;

(2) change the currency in which the principal of (and premium, if any) or interest on such Notes are denominated or payable, or reduce the amount of the principal of a discount security that would be due and payable upon a declaration of acceleration of the maturity thereof;

(3) adversely affect the right of repayment or repurchase, if any, at the option of the Holder after such obligation arises, or reduce the amount of, or postpone the date fixed for, any payment under any sinking fund or impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date);

(4) reduce the percentage of Holders whose consent is required for modification or amendment of the Indenture or for waiver of compliance with certain provisions of the Indenture or certain defaults; or

(5) modify the provisions that require Holder consent to modify or amend the Indenture or that permit Holders to waive compliance with certain provisions of the Indenture or certain defaults.

The Holders of a majority in aggregate principal amount of the outstanding Notes may, on behalf of all Holders, waive any past default under the Indenture with respect to Notes. However, such Holders may not waive a past default in the payment of principal, premium or interest, or any sinking fund installment with respect to the Notes, or waive a covenant or provision that cannot be modified or amended, without the consent of the Holders of each outstanding Note affected.

Consolidation, Merger, Sale or Lease of Assets

The Issuer or the Parent Guarantor, as applicable, may consolidate with or merge into, or transfer or lease all or substantially all of our assets to another Person (whether or not the Issuer or the Parent Guarantor, as applicable, is the surviving corporation) without the consent of the Holders of the Notes under the Indenture if:

In the case of the Issuer, the successor entity assumes the Issuer s obligations on the Notes and under the Indenture, as if such successor were an original party to the Indenture;

in the case of the Parent Guarantor, the successor entity assumes the Parent Guarantor s obligations under the Indenture and the Parent Guarantee, as if such successor were an original party to the Indenture and such Parent Guarantee;

after giving effect to the transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing;

if, as a result of any such consolidation or merger or such conveyance, transfer or lease, properties or assets of the Issuer or the Parent Guarantor, as applicable, would become subject to a mortgage, pledge, lien, security interest or other encumbrance that would not be permitted by the Indenture, the Issuer or the Parent Guarantor, as applicable, or such successor corporation or Person, as the case may be, shall take such steps as shall be necessary effectively to secure all the Notes or the Parent Guarantee, as applicable, equally and ratably with (or prior to) all indebtedness secured thereby; and

the Issuer or the Parent Guarantor, as the case may be, has delivered to the Trustee an Officers Certificate and an Opinion of Counsel each stating that such consolidation, merger, conveyance,

transfer or lease and such supplemental indenture comply with this covenant and that all conditions precedent provided for relating to such transaction have been complied with.

Defeasance

We may be discharged from our obligations under the Notes, and we will not be subject to the limitations in the Indenture discussed in the above sections, if we deposit with the Trustee trust money or U.S. government obligations that are sufficient to pay all principal, premium and interest on the Notes. We would deliver to the Trustee an opinion of counsel to the effect that the deposit and related defeasance would not (1) cause the Holders of the Notes to recognize income, gain or loss for United States income tax purposes or (2) result in the delisting of the Notes from any national securities exchange (if so listed).

Notices

Notices to Holders will be mailed to the addresses of the Holders listed in the security register.

Governing Law

We will construe the Indenture and the Notes in accordance with the laws of the State of New York.

Concerning the Trustee

The Trustee has normal banking relationships with us.

Certain Definitions

Affiliate of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, control (including, with correlative meanings, the terms controlling, controlled by and under common control with), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

Affiliated Entity means any Person which (i) does not transact any substantial portion of its business or regularly maintain any substantial portion of its operating assets within the continental limits of the United States of America, (ii) is principally engaged in the business of financing (including, without limitation, the purchase, holding, sale or discounting of or lending upon any notes, contracts, leases or other forms of obligations) the sale or lease of merchandise, equipment or services (1) by the Issuer, (2) by a Subsidiary (whether such sales or leases have been made before or after the date which such Person became a Subsidiary), (3) by another Affiliated Entity or (4) by any Person prior to the time which substantially all its assets have heretofore been or shall hereafter have been acquired by the Issuer, (iii) is principally engaged in the business of owning, leasing, dealing in or developing real property, (iv) is principally engaged in the holding of stock in, and/or the financing of operations of, an Affiliated Entity, or (v) is principally engaged in the business of (1) offering health benefit products or (2) insuring against professional and general liability risks of the Issuer.

Business Day means each day which is not a Legal Holiday.

Capitalized Lease Obligation means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with GAAP.

Capital Stock means:

(1) in the case of a corporation, corporate stock;

(2)

in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

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(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

Cash Equivalents means:

(1) United States dollars;

(2) euros or any national currency of any participating member state of the EMU or such local currencies held by the Company and its Subsidiaries from time to time in the ordinary course of business;

(3) securities issued or directly and fully and unconditionally guaranteed or insured by the U.S. government (or any agency or instrumentality thereof the securities of which are unconditionally guaranteed as a full faith and credit obligation of the U.S. government) with maturities of 24 months or less from the date of acquisition;

(4) certificates of deposit, time deposits and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers acceptances with maturities not exceeding one year and overnight bank deposits, in each case with any commercial bank having capital and surplus of not less than $500.0 million in the case of U.S. banks and $100.0 million (or the U.S. dollar equivalent as of the date of determination) in the case of non-U.S. banks;

(5) repurchase obligations for underlying securities of the types described in clauses (3) and (4) entered into with any financial institution meeting the qualifications specified in clause (4) above;

(6) commercial paper rated at least P-1 by Moody s or at least A-1 by S&P and in each case maturing within 24 months after the date of creation thereof;

(7) marketable short-term money market and similar securities having a rating of at least P-2 or A-2 from either Moody s or S&P, respectively (or, if at any time neither Moody s nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency) and in each case maturing within 24 months after the date of creation thereof;

(8) investment funds investing 95% of their assets in securities of the types described in clauses (1) through (7) above;

(9) readily marketable direct obligations issued by any state, commonwealth or territory of the United States or any political subdivision or taxing authority thereof having an Investment Grade Rating from either Moody s or S&P with maturities of 24 months or less from the date of acquisition;

(10) Indebtedness or Preferred Stock issued by Persons with a rating of A or higher from S&P or A2 or higher from Moody s with maturities of 24 months or less from the date of acquisition; and

(11)

Investments with average maturities of 24 months or less from the date of acquisition in money market funds rated AAA- (or the equivalent thereof) or better by S&P or Aaa3 (or the equivalent thereof) or better by Moody s.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clauses (1) and (2) above; provided that such amounts are converted into any currency listed in clauses (1) and (2) as promptly as practicable and in any event within ten Business Days following the receipt of such amounts.

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

(1) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Subsidiaries, taken as a whole, to any Person other than a Permitted Holder; or

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(2) the Issuer becomes aware (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) of the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), other than the Permitted Holders, in a single transaction or in a related series of transactions, by way of merger, consolidation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision) of 50% or more of the total voting power of the Voting Stock of the Issuer or any of its direct or indirect parent companies holding directly or indirectly 100% of the total voting power of the Voting Stock of the Issuer.

Code means the Internal Revenue Code of 1986, as amended, or any successor thereto.

Consolidated Net Tangible Assets means, with respect to any Person, the total amount of assets (less applicable reserves and other properly deductible items) after deducting therefrom (a) all current liabilities as disclosed on the consolidated balance sheet of such Person (excluding any thereof which are by their terms extendible or renewable at the option of the obligor thereon to a time more than 12 months after the time as of which the amount thereof is being computed and further excluding any deferred income taxes that are included in current liabilities) and (b) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangible assets, all as set forth on the most recent consolidated balance sheet of the Issuer and computed in accordance with generally accepted accounting principles.

Contingent Obligations means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness (primary obligations) of any other Person (the primary obligor) in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent,

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor,

(2) to advance or supply funds

(a) for the purchase or payment of any such primary obligation, or

(b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

Default means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

EMU means the economic and monetary union as contemplated in the Treaty on European Union.

Equity Interests means Capital Stock and all warrants, options or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

Exchange Act means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

Frist Entities means Dr. Thomas F. Frist, Jr., any Person controlled by Dr. Frist and any charitable organization selected by Dr. Frist that holds Equity Interests of the Issuer on November 17, 2006.

Funded Debt means any Indebtedness for money borrowed, created, issued, incurred, assumed or guaranteed that would, in accordance with generally accepted accounting principles, be classified as long-term debt, but in any event including all Indebtedness for money borrowed, whether secured or unsecured, maturing more than one year, or extendible at the option of the obligor to a date more than one year, after the date of determination thereof (excluding any amount thereof included in current liabilities).

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GAAP means generally accepted accounting principles in the United States which were in effect on November 17, 2006.

Hedging Obligations means, with respect to any Person, the obligations of such Person under any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, commodity swap agreement, commodity cap agreement, commodity collar agreement, foreign exchange contract, currency swap agreement or similar agreement providing for the transfer or mitigation of interest rate or currency risks either generally or under specific contingencies.

Holder means the Person in whose name a Note is registered on the registrar s books.

Indebtedness means, with respect to any Person, without duplication:

(1) any indebtedness (including principal and premium) of such Person, whether or not contingent:

(a) in respect of borrowed money;

(b) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers acceptances (or, without duplication, reimbursement agreements in respect thereof);

(c) representing the balance deferred and unpaid of the purchase price of any property (including Capitalized Lease Obligations), except (i) any such balance that constitutes a trade payable or similar obligation to a trade creditor, in each case accrued in the ordinary course of business and (ii) any earn-out obligations until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP; or

(d) representing any Hedging Obligations;

if and to the extent that any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP;

(2) to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise on, the obligations of the type referred to in clause (1) of a third Person (whether or not such items would appear upon the balance sheet of the such obligor or guarantor), other than by endorsement of negotiable instruments for collection in the ordinary course of business; and

(3) to the extent not otherwise included, the obligations of the type referred to in clause (1) of a third Person secured by a Lien on any asset owned by such first Person, whether or not such Indebtedness is assumed by such first Person;

provided, *however*, that notwithstanding the foregoing, Indebtedness shall be deemed not to include (a) Contingent Obligations incurred in the ordinary course of business or (b) obligations under or in respect of Receivables Facilities.

Investment Grade Rating means a rating equal to or higher than Baa3 (or the equivalent) by Moody s and BBB- (or the equivalent) by S&P, or an equivalent rating by any other Rating Agency.

Investments means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit, advances to customers, commissions, travel and similar advances to officers and employees, in each case made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet (excluding the footnotes) of the Issuer in the same manner as the other investments included in this definition to

the extent such transactions involve the transfer of cash or other property.

Investors means Bain Capital Partners, LLC, Kohlberg Kravis Roberts & Co. L.P. and each of their respective Affiliates but not including, however, any portfolio companies of any of the foregoing.

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Issue Date means January 16, 2015.

Legal Holiday means a Saturday, a Sunday or a day on which commercial banking institutions are not required to be open in the State of New York.

Lien means, with respect to any asset, any mortgage, lien (statutory or otherwise), pledge, hypothecation, charge, security interest, preference, priority or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; that in no event shall an operating lease be deemed to constitute a Lien.

Moody s means Moody s Investors Service, Inc. and any successor to its rating agency business.

Mortgages means mortgages, liens, pledges or other encumbrances.

Obligations means any principal, interest (including any interest accruing subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable state, federal or foreign law), premium, penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and bankers acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness.

Officer means the Chairman of the Board, the Chief Executive Officer, the President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer or the Secretary of the Issuer, the Parent Guarantor or a Subsidiary, as applicable.

Officer s Certificate means a certificate signed on behalf of the Issuer by an Officer of the Issuer, on behalf of the Parent Guarantor by an Officer of the Parent Guarantor or on behalf of a Subsidiary by an Officer of such Subsidiary, as applicable, that meets the requirements set forth in the Indenture.

Opinion of Counsel means a written opinion from legal counsel who is acceptable to the Trustee. The counsel may be an employee of or counsel to the Issuer or the Trustee.

Permitted Holders means each of the Investors, the Frist Entities, members of management of the Issuer (or its direct or indirect parent) and each of their respective Affiliates or successors, that are holders of Equity Interests of the Issuer (or any of its direct or indirect parent companies) and any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members; provided that, in the case of such group and without giving effect to the existence of such group or any other group, such Investors, Frist Entities, members of management and assignees of the equity commitments of the Investors, collectively, have beneficial ownership of more than 50% of the total voting power of the Voting Stock of the Issuer or any of its direct or indirect parent companies.

Person means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

Preferred Stock means any Equity Interest with preferential rights of payment of dividends or upon liquidation, dissolution or winding up.

Principal Property means each acute care hospital providing general medical and surgical services (excluding equipment, personal property and hospitals that primarily provide specialty medical services, such as psychiatric and obstetrical and gynecological services) owned solely by the Issuer and/or one or more of its Subsidiaries and located in the United States of America.

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Rating Agencies means Moody s and S&P or if Moody s or S&P or both shall not make a rating on the Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Issuer which shall be substituted for Moody s or S&P or both, as the case may be.

Receivables Facility means any of one or more receivables financing facilities as amended, supplemented, modified, extended, renewed, restated or refunded from time to time, the Obligations of which are non-recourse (except for customary representations, warranties, covenants and indemnities made in connection with such facilities) to the Issuer or any of its Subsidiaries (other than a Receivables Subsidiary) pursuant to which the Issuer or any of its Subsidiaries purports to sell its accounts receivable to either (a) a Person that is not a Subsidiary or (b) a Receivables Subsidiary that in turn funds such purchase by purporting to sell its accounts receivable to a Person that is not a Subsidiary or by borrowing from such a Person or from another Receivables Subsidiary that in turn funds itself by borrowing from such a Person.

Receivables Subsidiary means any Subsidiary formed for the purpose of facilitating or entering into one or more Receivables Facilities, and in each case engages only in activities reasonably related or incidental thereto.

S&P means Standard & Poor s Ratings Services and any successor to its rating agency business.

Sale and Lease-Back Transaction means any arrangement providing for the leasing by the Issuer or any of its Subsidiaries for a period of more than three years of any Principal Property, which property has been or is to be sold or transferred by the Issuer or such Subsidiary to a third Person in contemplation of such leasing.

SEC means the U.S. Securities and Exchange Commission.

Subordinated Indebtedness means, with respect to the Notes, (1) any Indebtedness of the Issuer which is by its terms subordinated in right of payment to the Notes, and (2) any Indebtedness of the Parent Guarantor which is by its terms subordinated in right of payment to the Parent Guarantee.

Subsidiary means, with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof or is consolidated under GAAP with such Person at such time; and

(2) any partnership, joint venture, limited liability company or similar entity of which more than 50% of the equity ownership, whether in the form of membership, general, special or limited partnership interests or otherwise, is owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof or is consolidated under GAAP with such Person at such time;

provided, however, that for purposes of Certain Covenants Limitation on Mortgages, Certain Covenants Limitations on Sale and Lease-Back and Certain Covenants Exempted Transactions, any Person that is an Affiliated Entity shall not be considered a Subsidiary.

Underwriters means Wells Fargo Securities, LLC and the other underwriters party to the underwriting agreement related to the Notes.

Voting Stock of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the board of directors of such Person.

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CERTAIN UNITED STATES FEDERAL TAX CONSEQUENCES

The following is a summary of certain United States federal income and, in the case of non-U.S. holders (as defined below), estate tax consequences of the purchase, ownership and disposition of the notes as of the date of this prospectus supplement. Unless otherwise stated, this summary deals only with notes held as capital assets by persons who purchase the notes for cash upon original issuance at their issue price, which will be the first price at which a substantial amount of the notes of that series are sold to the investors (excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriter, placement agent or wholesaler).

As used herein, a U.S. holder means a beneficial owner of the notes that is for United States federal income tax purposes any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

As used herein, and except as modified for estate tax purposes, the term non-U.S. holder means a beneficial owner of the notes (other than an entity treated as a partnership for United States federal income tax purposes) that is not a U.S. holder.

If any entity classified as a partnership for United States federal income tax purposes holds notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partnership or a partner in a partnership considering an investment in the notes, you should consult your own tax advisors.

This summary does not represent a detailed description of the United States federal income tax consequences applicable to you if you are a person subject to special tax treatment under the United States federal income tax laws, including, without limitation:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- a tax-exempt entity;
- an insurance company;

a person holding the notes as part of a hedging, integrated, conversion or constructive sale transaction or a straddle;

a trader in securities that has elected the mark-to-market method of accounting for your securities;

a person liable for alternative minimum tax;

a partnership or other pass-through entity for United States federal income tax purposes (or an investor in such entities);

a U.S. holder whose functional currency is not the U.S. dollar;

- a controlled foreign corporation ;
- a passive foreign investment company ; or
- a United States expatriate.

This summary is based on the Internal Revenue Code of 1986, as amended (the Code), United States Treasury regulations, administrative rulings and judicial decisions as of the date hereof. Those authorities may be changed, possibly on a retroactive basis, so as to result in United States federal income and estate tax consequences different from those summarized below. We have not and will not seek any rulings from the Internal Revenue Service (IRS) regarding the matters discussed below. There can be no assurance that the IRS will not take positions concerning the tax consequences of the purchase, ownership or disposition of the notes that are different from those discussed below.

This summary does not represent a detailed description of the United States federal income and estate tax consequences to you in light of your particular circumstances and does not address the effects of any state, local or non-United States tax laws. It is not intended to be, and should not be construed to be, legal or tax advice to any particular purchaser of notes. **If you are considering the purchase of notes, you should consult your own tax advisors concerning the particular United States federal income and estate tax consequences to you of the ownership of the notes, as well as the consequences to you arising under other United States federal tax laws (including the gift tax and the Medicare tax on certain investment income) and under the laws of any other taxing jurisdiction.**

Certain Tax Consequences to U.S. Holders

The following is a summary of certain United States federal income tax consequences that will apply to U.S. holders of the notes.

Stated interest. Stated interest on the notes generally will be taxable to a U.S. holder as ordinary income at the time it is received or accrued, depending on the holder s method of accounting for United States federal income tax purposes.

Sale, exchange, retirement, redemption or other taxable disposition of notes. Upon the sale, exchange, retirement, redemption, or other taxable disposition of a note, you generally will recognize gain or loss equal to the difference, if any, between the amount realized upon the sale, exchange, retirement, redemption or other disposition (less an amount equal to any accrued and unpaid stated interest, which will be taxable as interest income as discussed above) and the adjusted tax basis of the note. Your adjusted tax basis in a note will, in general, be your cost for that note. Any gain or loss will be capital gain or loss. Capital gains of noncorporate holders derived in respect of capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Certain Tax Consequences to Non-U.S. Holders

The following is a summary of certain United States federal income and estate tax consequences that will apply to non-U.S. holders of the notes.

United States federal withholding tax. The 30% United States federal withholding tax will not apply to any payment of interest on the notes under the portfolio interest rule, provided that:

- interest paid on the notes is not effectively connected with your conduct of a trade or business in the United States;
- you do not actually (or constructively) own 10% or more of the total combined voting power of all classes of our voting stock within the meaning of the Code and applicable United States Treasury regulations;
- you are not a controlled foreign corporation that is related to us actually or constructively through stock ownership;

- you are not a bank whose receipt of interest on the notes is described in Section 881(c)(3)(A) of the Code; and

- either (a) you provide your name and address on an applicable IRS Form W-8 and certify, under penalties of perjury, that you are not a United States person as defined under the Code or (b) you hold your notes through certain foreign intermediaries and satisfy the certification requirements of applicable United States Treasury regulations. Special certification rules apply to non-U.S. holders that are pass-through entities rather than corporations or individuals.

If you cannot satisfy the requirements described above, payments of interest made to you will be subject to the 30% United States federal withholding tax, unless you provide the applicable withholding agent with a properly executed:

- IRS Form W-8BEN or W-8BEN-E, as appropriate (or other applicable form) certifying an exemption from or reduction in withholding under the benefit of an applicable income tax treaty; or

- IRS Form W-8ECI (or other applicable form) certifying interest paid on the notes is not subject to withholding tax because it is effectively connected with your conduct of a trade or business in the United States (as discussed below under United States federal income tax).

The 30% United States federal withholding tax generally will not apply to any payment of principal or gain that you realize on the sale, exchange, retirement, redemption or other disposition of a note.

United States federal income tax. If you are engaged in a trade or business in the United States and interest on the notes is effectively connected with the conduct of that trade or business (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment), then you will be subject to United States federal income tax on that interest on a net income basis in generally the same manner as if you were a United States person as defined under the Code. In addition, if you are a foreign corporation, you may be subject to a branch profits tax equal to 30% (or a lower applicable income tax treaty rate) of your effectively connected earnings and profits, subject to adjustments. If interest received with respect to the notes is effectively connected income (whether or not a treaty applies), the 30% withholding tax described above will not apply, provided the certification requirements discussed above in United States federal withholding tax are satisfied.

Subject to the discussion of backup withholding below, any gain realized on the disposition of a note generally will not be subject to United States federal income tax unless:

- the gain is effectively connected with your conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment), in which case you will be taxed in the same manner as discussed above with respect to effectively connected interest; or

- you are an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met, in which case you will be subject to a flat 30% United States federal income tax on any gain recognized (except as otherwise provided by an applicable income tax treaty), which may be offset by certain United States source losses.

United States federal estate tax. If you are an individual who is neither a citizen nor a resident of the United States (as specifically defined for estate tax purposes), your estate will not be subject to United States federal estate tax on notes beneficially owned by you (or treated as so owned) at the time of your death, provided that any interest payment to you on the notes would be eligible for exemption from the 30% United States federal withholding tax under the portfolio interest rule described above under United States federal withholding tax without regard to the statement requirement described in the fifth bullet point of that section.

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Information Reporting and Backup Withholding

U.S. holders. In general, information reporting requirements will apply to certain payments of interest on the notes and the proceeds of the sale or other disposition (including a retirement or redemption) of a note paid to you (unless you are an exempt recipient such as a corporation). Backup withholding (currently at a rate of 28%) may apply to such payments if you fail to provide a taxpayer identification number or a certification that you are not subject to backup withholding or if you are subject to backup withholding because you previously failed to report in full dividend and interest income.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against your United States federal income tax liability provided the required information is timely furnished to the IRS.

Non-U.S. holders. Information reporting generally will apply to the amount of interest paid to you and the amount of tax, if any, withheld with respect to those payments. Copies of the information returns reporting such interest payments and any withholding may also be made available to the tax authorities in the country in which you reside under the provisions of an applicable income tax treaty.

In general, you will not be subject to backup withholding with respect to payments of interest on the notes that we make to you provided that the applicable withholding agent does not have actual knowledge or reason to know that you are a United States person as defined under the Code, and such withholding agent has received from you the required certification that you are a non-U.S. holder described above in the fifth bullet point under Certain Tax Consequences to Non-U.S. Holders United States federal withholding tax.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale or other disposition (including a retirement or redemption) of notes within the United States or conducted through certain United States-related financial intermediaries, unless you certify to the payer under penalties of perjury that you are a non-U.S. holder (and the payer does not have actual knowledge or reason to know that you are a United States person as defined under the Code), or you otherwise establish an exemption.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against your United States federal income tax liability provided the required information is timely furnished to the IRS.

Additional Withholding Requirements

Under Sections 1471 through 1474 of the Code (such Sections commonly referred to as FATCA), a 30% United States federal withholding tax may apply to any interest income paid on the notes and, for a disposition of a note occurring after December 31, 2016, the gross proceeds from such disposition, in each case paid to (i) a foreign financial institution (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) its compliance (or deemed compliance) with FATCA (which may alternatively be in the form of compliance with an intergovernmental agreement with the United States) in a manner which avoids withholding, or (ii) a non-financial foreign entity (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) adequate information regarding certain substantial United States beneficial owners of such entity (if any). If an interest payment is both subject to withholding under FATCA and subject to the withholding tax discussed above under Certain Tax Consequences to Non-U.S. Holders United States federal withholding tax, the withholding under FATCA may be credited against, and therefore reduce, such other withholding tax. You should consult your own tax advisors regarding these rules and whether they may be relevant to your ownership and disposition of the notes.

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase of the notes by employee benefit plans that are subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (ERISA), or plans, individual retirement accounts or other arrangements that are subject to Section 4975 of the Code or provisions under any federal, state, local, non-U.S. or other laws, rules or regulations that are similar to such provisions of ERISA or the Code (collectively, Similar Laws), or entities whose underlying assets are considered to include plan assets of any such plan, account or arrangement (each, a Plan).

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Part 4 of Title I of ERISA or Section 4975 of the Code (an ERISA Plan) and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation to such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the notes of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code and any Similar Law relating to a fiduciary s duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are parties in interest, within the meaning of ERISA, or disqualified persons, within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The acquisition and/or holding of notes by an ERISA Plan with respect to which we or the underwriters are considered a party in interest or disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the United States Department of Labor has issued prohibited transaction class exemptions (PTCEs) that may apply to the acquisition and holding of the notes. These class exemptions include, without limitation, PTCE 84-14, respecting transactions determined by independent qualified professional asset managers, PTCE 90-1, respecting insurance company pooled separate accounts, PTCE 91-38, respecting bank collective investment funds, PTCE 95-60, respecting life insurance company general accounts and PTCE 96-23, respecting transactions determined by in-house asset managers, although there can be no assurance that all of the conditions of any such exemptions will be satisfied.

In addition to the foregoing, the Pension Protection Act of 2006 provides a statutory exemption (Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code) for transactions between an ERISA Plan and a person that is a party in interest and/or a disqualified person (other than a fiduciary or an affiliate that, directly or indirectly, has or exercises discretionary authority or control or renders investment advice with respect to the assets involved in the transaction) solely by reason of providing services to the Plan or by relationship to a service provider, provided that the ERISA Plan fiduciary has made a determination that there is adequate consideration for the transaction.

Because of the foregoing, the notes should not be purchased or held by any person investing plan assets of any Plan, unless such purchase and holding will not constitute a non-exempt prohibited transaction under ERISA and the Code or a similar violation of any applicable Similar Laws.

Representation

Accordingly, by acceptance of a note, or any interest therein, each purchaser and subsequent transferee will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or transferee to acquire or hold the notes constitutes assets of any Plan or (ii) the acquisition and holding of the notes by such purchaser or transferee will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any applicable Similar Laws.

The foregoing discussion is general in nature and is not intended to be all-inclusive, nor should it be construed as legal advice. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering acquiring the notes on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the purchase and holding of the notes.

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UNDERWRITING

Wells Fargo Securities, LLC, Barclays Capital Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC, RBC Capital Markets, LLC, SunTrust Robinson Humphrey, Inc. and UBS Securities LLC are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in a firm commitment underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the principal amount of notes set forth opposite its name below.

Underwriters	Principal amount of notes
Wells Fargo Securities, LLC	$ 80,000,000
Barclays Capital Inc.	80,000,000
Citigroup Global Markets Inc.	80,000,000
Credit Suisse Securities (USA) LLC	80,000,000
Deutsche Bank Securities Inc.	80,000,000
Goldman, Sachs & Co.	80,000,000
J.P. Morgan Securities LLC	80,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	80,000,000
Morgan Stanley & Co. LLC	80,000,000
RBC Capital Markets, LLC	80,000,000
SunTrust Robinson Humphrey, Inc.	80,000,000
UBS Securities LLC	80,000,000
Credit Agricole Securities (USA) Inc.	10,000,000
Fifth Third Securities, Inc.	10,000,000
Mizuho Securities USA Inc.	10,000,000
SMBC Nikko Securities America, Inc.	10,000,000
Total	$ 1,000,000,000

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the notes of a series sold under the underwriting agreement if any of the notes of that series are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

The underwriters are offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the notes, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer s certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act or to contribute to payments the underwriters may be required to make in respect of those liabilities.

Commissions and Discounts

The notes sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus supplement. Any notes sold by the underwriters to securities dealers may be sold at a discount from the initial public offering price and any such securities dealers may resell any notes purchased from the underwriters to certain other brokers or dealers at a discount from the initial public offering price. If all the notes are not sold at the initial offering prices, the underwriters may

change the offering prices and the other selling terms. The offering of the notes by the underwriters is subject to receipt and acceptance and subject to the underwriters right to reject any order in whole or in part. The underwriters may offer and sell notes through certain of their affiliates.

We estimate that our share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $1 million.

New Issues of Notes

The notes are a new issue of securities with no established trading market. We have been advised by the underwriters that the underwriters intend to make a market in the notes but are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the notes.

No Sales of Similar Securities

We have agreed that we will not, for a period of 30 days after the date of this prospectus supplement, without first obtaining the prior written consent of Wells Fargo Securities, LLC, directly or indirectly, issue, sell, offer to contract or grant any option to sell, pledge, transfer or otherwise dispose of, any debt securities or securities exchangeable for or convertible into debt securities, except for the notes sold to the underwriters pursuant to the underwriting agreement.

Short Positions

In connection with the offering, the underwriters may purchase and sell notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of notes than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the notes while the offering is in progress.

These activities by the underwriters, as well as other purchases by the underwriters for their own account, may stabilize, maintain or otherwise affect the market price of the notes. As a result, the price of the notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected in the over-the-counter market or otherwise.

Other Relationships

The underwriters and each of their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The underwriters and each of their affiliates have, from time-to-time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses. If any of the underwriters or their affiliates has a lending relationship with us, certain of those underwriters or their affiliates routinely hedge, certain of those underwriters or their affiliates hedge and are likely in the future to continue to hedge and certain other of those underwriters or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. Certain of the underwriters also acted as underwriters or initial purchasers in connection with the issuance of our outstanding notes or our initial public offering and received customary placement fees in connection therewith. Certain of the underwriters and/or their affiliates may be holders of our existing 6.375% Senior Notes due 2015 and, accordingly, may receive a portion of the net proceeds of the offering in connection with the repayment of those notes.

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In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area (Iceland, Norway and Liechtenstein in addition to member states of the European Union) which has implemented the Prospectus Directive (each, a Relevant Member State), the underwriters have represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) they have not made and will not make an offer of notes which are the subject of the offering contemplated by this prospectus to the public in that Relevant Member State other than:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by us for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of notes shall require us or any underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

Notice to Prospective Investors in the United Kingdom

The underwriters have represented and agreed that:

(a) they have only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by they in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) they have complied and will comply with all applicable provisions of the FSMA with respect to anything done by them in relation to the notes in, from or otherwise involving the United Kingdom.

Notice to Prospective Investors in the Dubai International Financial Centre

This prospectus supplement relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (DFSA). This prospectus supplement is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be

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delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for the prospectus supplement. The notes to which this prospectus supplement relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the notes offered should conduct their own due diligence on the notes. If you do not understand the contents of this prospectus supplement you should consult an authorized financial advisor.

Notice to Prospective Investors in Hong Kong

The notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Japan

The notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and the underwriters have agreed that they will not offer or sell any notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice to Prospective Investors in Singapore

This prospectus supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the notes are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the notes under Section 275 except: (1) to an institutional

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investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Notice to Prospective Investors in Switzerland

This prospectus supplement does not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations and the notes will not be listed on the SIX Swiss Exchange. Therefore, this prospectus supplement may not comply with the disclosure standards of the listing rules (including any additional listing rules or prospectus schemes) of the SIX Swiss Exchange. Accordingly, the notes may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors who do not subscribe to the notes with a view to distribution. Any such investors will be individually approached by the underwriters from time to time.

LEGAL MATTERS

Certain legal matters in connection with the offering will be passed upon for us by Simpson Thacher & Bartlett LLP, New York, New York, and Robert A. Waterman, Senior Vice President, General Counsel and Chief Labor Relations Officer of HCA Holdings, Inc. Certain regulatory matters will be passed upon for us by Bass, Berry & Sims PLC, Nashville, Tennessee. Certain legal matters in connection with the offering will be passed upon for the underwriters by Cahill Gordon & Reindel LLP, New York, New York. An investment vehicle comprised of several partners of Simpson Thacher & Bartlett LLP, members of their families, related persons and others own interests representing less than 1% of the capital commitments of the KKR Millennium Fund, L.P. and KKR 2006 Fund L.P.

EXPERTS

The consolidated financial statements of HCA Holdings, Inc. appearing in HCA Holdings, Inc. s Annual Report on Form 10-K for the year ended December 31, 2013, and the effectiveness of HCA Holdings, Inc. s internal control over financial reporting as of December 31, 2013, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements and HCA Holdings, Inc. management s assessment of the effectiveness of internal control over financial reporting as of December 31, 2013 are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

AVAILABLE INFORMATION

HCA Holdings, Inc. files certain reports with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. You may read and copy any materials filed with the SEC at the SEC s Public Reference Room at 100 F Street, N.E., Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. HCA Holdings, Inc. is an electronic filer, and the SEC maintains an Internet site at http://www.sec.gov that contains the reports and other information filed electronically. Our website address is www.hcahealthcare.com. Please note that our website address is provided as an inactive textual reference only. We make available free of charge, through our website, HCA Holdings, Inc. s annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports, together with all other materials HCA Holdings, Inc. files with or furnish to the SEC, as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC. The information provided on or accessible through our website is not part of this prospectus supplement, and is therefore not incorporated by reference unless such information is specifically referenced elsewhere in this prospectus supplement.

You should rely only upon the information provided or incorporated by reference in this prospectus supplement. We have not authorized anyone to provide you with different information. You should not assume that the information provided or incorporated by reference in this prospectus supplement is accurate as of any date other than the date of this prospectus supplement.

This prospectus supplement contains or incorporates by reference summaries of certain agreements, including the indentures governing the notes offered hereby, HCA Inc. s senior secured credit facilities and certain other agreements. The descriptions of these agreements contained or incorporated by reference in this prospectus supplement do not purport to be complete and are subject to, or qualified in their entirety by reference to, the definitive agreements. Copies of the definitive agreements will be made available without charge to you in response to a written or oral request to us.

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INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference information into this prospectus supplement. This means that we can disclose important information to you by referring you to another document. Any information referred to in this way is considered part of this prospectus supplement from the date we file that document. Any reports filed by us with the SEC after the date of this prospectus supplement and before the date that the offering of the notes by means of this prospectus supplement is terminated will automatically update and, where applicable, supersede any information contained in this prospectus supplement or the accompanying prospectus or incorporated by reference in this prospectus supplement or the accompanying prospectus.

This prospectus supplement incorporates by reference the documents listed below that HCA Holdings, Inc. has previously filed with the SEC. These documents contain important information about us. Any information referred to in this way is considered part of this prospectus supplement from the date HCA Holdings, Inc. filed that document.

We incorporate by reference the documents listed below:

HCA Holdings, Inc. s Annual Report on Form 10-K for the year ended December 31, 2013 (SEC File No. 001-11239);

HCA Holdings, Inc. s Quarterly Report on Form 10-Q for the period ended March 31, 2014 (SEC File No. 001-11239);

HCA Holdings, Inc. s Quarterly Report on Form 10-Q for the period ended June 30, 2014 (SEC File No. 001-11239);

HCA Holdings, Inc. s Quarterly Report on Form 10-Q for the period ended September 30, 2014 (SEC File No. 001-11239);

HCA Holdings, Inc. s Current Reports on Form 8-K, filed on February 6, 2014, February 28, 2014, March 4, 2014, March 5, 2014, March 11, 2014, March 21, 2014, April 4, 2014, April 25, 2014, May 20, 2014, May 23, 2014, June 26, 2014, October 8, 2014, October 10, 2014, October 17, 2014, October 28, 2014, October 31, 2014 and December 8, 2014 (other than information furnished pursuant to Item 2.02 or Item 7.01 of any Current Report on Form 8-K, unless expressly stated otherwise therein); and

All documents filed by HCA Holdings, Inc. under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement and before the termination of the offering to which this prospectus supplement relates (other than information furnished pursuant to Item 2.02 or Item 7.01 of any Current Report on Form 8-K, unless expressly stated otherwise therein).

In reviewing any agreements incorporated by reference, please remember that they are included to provide you with information regarding the terms of such agreements and are not intended to provide any other factual or disclosure information about HCA Inc. or HCA Holdings, Inc. The agreements may contain representations and warranties by HCA Inc. or HCA Holdings, Inc. which should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate. The representations and warranties were made only as of the date of the relevant agreement or such other date or dates as may be specified in such agreement and are subject to more recent developments. Accordingly, these representations and warranties alone may not describe the actual state of affairs as of the date they were made or at any other time.

We will provide without charge to each person, including a beneficial owner, to whom this prospectus supplement is delivered, upon his or her written or oral request, a copy of any or all documents referred to above which have been or may be incorporated by reference into this prospectus supplement, excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You may request copies of those documents, at no cost, by writing or calling us at the following address or telephone number:

Corporate Secretary

HCA Holdings, Inc.

One Park Plaza

Nashville, Tennessee 37203

(615) 344-9551

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Prospectus

HCA Holdings, Inc.

HCA Inc.

Common Stock

Preferred Stock

Debt Securities

HCA Holdings, Inc. and/or one or more selling stockholders may offer and sell shares of our common stock from time to time in amounts, at prices and on terms that will be determined at the time of any such offering.

HCA Holdings, Inc. may, from time to time, offer to sell preferred stock in amounts, at prices and on terms that will be determined at the time of any such offering.

HCA Holdings, Inc. may, from time to time, offer to sell debt securities, which may or may not be guaranteed by one or more of the subsidiaries identified in this prospectus.

HCA Inc. may, from time to time, offer to sell debt securities, which would be guaranteed by HCA Holdings, Inc. and may or may not be guaranteed by one or more of the subsidiaries identified in this prospectus.

This prospectus describes some of the general terms that may apply to these securities. We will provide the specific terms of these securities, including their offering prices, in prospectus supplements to this prospectus. The prospectus supplements may also add, update or change information contained in this prospectus. You should carefully read both this prospectus and any prospectus supplement before you invest.

HCA Holdings, Inc. common stock is listed on the New York Stock Exchange under the symbol HCA. On January 12, 2015, the reported last sale price on the New York Stock Exchange for our common stock was $72.20 per share.

These securities may be offered and sold to or through one or more underwriters, dealers and agents or directly to purchasers or through a combination of these methods, on a continuous or delayed basis. You can find additional information about our plan of distribution for the securities under the heading Plan of Distribution beginning on page 28 of this prospectus. We will also describe the plan of distribution for any particular offering of these securities in the prospectus supplement. This prospectus may not be used to sell our securities unless it is accompanied by a prospectus supplement.

Investing in our securities involves risks. You should consider the risk factors described in any accompanying prospectus supplement or any documents we incorporate by reference.

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. Any representation to the contrary is a criminal offense.

This prospectus is dated January 13, 2015

You should rely only on the information contained or incorporated by reference in this prospectus, in any accompanying prospectus supplement or in any free writing prospectus filed by us with the Securities and Exchange Commission (the SEC). We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should not assume that the information contained or incorporated by reference in this prospectus and any prospectus supplement or in any such free writing prospectus is accurate as of any date other than the respective dates thereof. Our business, financial condition, results of operations and prospects may have changed since those dates.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the SEC under the Securities Act of 1933, as amended (the Securities Act), utilizing a shelf registration process. Under this shelf registration process, we and/or one or more selling stockholders may, from time to time, sell in one or more offerings any of our securities described in this prospectus.

This prospectus provides you with a general description of the securities that we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering, including the specific amounts, prices and terms of the securities offered. The prospectus supplement may also add, update or change information contained in this prospectus.

You should carefully read both this prospectus and any prospectus supplement, together with additional information described under the heading Where You Can Find More Information and Incorporation By Reference.

As used herein, unless otherwise stated or indicated by context, references to (i) HCA Holdings, Inc. refer to HCA Holdings, Inc., parent of HCA Inc., and its affiliates and (ii) the Company, HCA, we, our or us refer to HCA Inc. and its affiliates prior to the Corporate Reorganizati (as defined herein) and to HCA Holdings, Inc. and its affiliates upon the consummation of the Corporate Reorganization. The term affiliates means direct and indirect subsidiaries and partnerships and joint ventures in which such subsidiaries are partners. The terms facilities or hospitals refer to entities owned and operated by affiliates of HCA and the term employees refers to employees of affiliates of HCA. With respect to debt securities, the term issuer means either HCA Holdings, Inc. or HCA Inc. depending on which registrant is offering the debt securities. The term issuers is a collective reference to HCA Holdings, Inc. and HCA Inc.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. The public may read and copy any materials filed with the SEC at the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Also, the SEC maintains an Internet web site that contains reports, proxy and information statements, and other information regarding issuers, including us, that file electronically with the SEC. The public can obtain any documents that we file electronically with the SEC at *http://www.sec.gov*.

We also make available, free of charge, on or through our Internet web site (*http://www.hcahealthcare.com*) our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Proxy Statements on Schedule 14A and, if applicable amendments to those reports filed or furnished pursuant to Section 13(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Please note, however, that we have not incorporated any other information by reference from our Internet web site, other than the documents listed under the heading Incorporation by Reference.

We have filed with the SEC a registration statement on Form S-3 relating to the securities covered by this prospectus. This prospectus is a part of the registration statement and does not contain all the information in the registration statement. Whenever a reference is made in this prospectus to a contract or other document of ours, the reference is only a summary and you should refer to the exhibits that are a part of the registration statement for a copy of the contract or other document. You may review a copy of the registration statement and the documents incorporated by reference herein at the SEC s Public Reference Room in Washington, D.C., as well as through the SEC s Internet web site referenced above.

INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference information into this prospectus. This means that we can disclose important information to you by referring you to another document. Any information referred to in this way is considered part of this prospectus from the date we file that document. Any reports filed by us with the SEC after the date of this prospectus and before the date that the offering of the securities by means of this prospectus is terminated will automatically update and, where applicable, supersede any information contained in this prospectus or incorporated by reference in this prospectus.

This prospectus incorporates by reference the documents listed below that HCA Holdings, Inc. has previously filed with the SEC. These documents contain important information about us. Any information referred to in this way is considered part of this prospectus from the date HCA Holdings, Inc. filed that document.

We incorporate by reference the documents listed below:

HCA Holdings, Inc. s Annual Report on Form 10-K for the year ended December 31, 2013 (SEC File No. 001-11239);

HCA Holdings, Inc. s Quarterly Report on Form 10-Q for the period ended March 31, 2014 (SEC File No. 001-11239);

HCA Holdings, Inc. s Quarterly Report on Form 10-Q for the period ended June 30, 2014 (SEC File No. 001-11239);

HCA Holdings, Inc. s Quarterly Report on Form 10-Q for the period ended September 30, 2014 (SEC File No. 001-11239);

HCA Holdings, Inc. s Current Reports on Form 8-K, filed on February 6, 2014, February 28, 2014, March 4, 2014, March 5, 2014, March 11, 2014, March 21, 2014, April 4, 2014, April 25, 2014, May 20, 2014, May 23, 2014, June 26, 2014, October 8, 2014, October 10, 2014, October 17, 2014, October 28, 2014, October 31, 2014 and December 8, 2014 (other than information furnished pursuant to Item 2.02 or Item 7.01 of any Current Report on Form 8-K, unless expressly stated otherwise therein); and

All documents filed by HCA Holdings, Inc. under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement and before the termination of the offering to which this prospectus relates (other than information furnished pursuant to Item 2.02 or Item 7.01 of any Current Report on Form 8-K, unless expressly stated otherwise therein).

In reviewing any agreements incorporated by reference, please remember that they are included to provide you with information regarding the terms of such agreements and are not intended to provide any other factual or disclosure information about HCA Inc. or HCA Holdings, Inc. The agreements may contain representations and warranties by HCA Inc. or HCA Holdings, Inc. which should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate. The representations and warranties were made only as of the date of the relevant agreement or such other date or dates as may be specified in such agreement and are subject to more recent developments. Accordingly, these representations and warranties alone may not describe the actual state of affairs as of the date they were made or at any other time.

We will provide without charge to each person to whom this prospectus is delivered, upon his or her written or oral request, a copy of any or all documents referred to above which have been or may be incorporated by reference into this prospectus, excluding exhibits to those documents unless they are specifically incorporated by

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reference into those documents. You may request copies of those documents, at no cost, by writing or calling us at the following address or telephone number:

Corporate Secretary

HCA Holdings, Inc.

One Park Plaza

Nashville, Tennessee 37203

(615) 344-9551

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FORWARD-LOOKING AND CAUTIONARY STATEMENTS

Some of the information included or incorporated by reference in this prospectus and the applicable prospectus supplement contain and incorporate by reference forward-looking statements within the meaning of the federal securities laws, which involve risks and uncertainties. Forward-looking statements include statements regarding estimated electronic health record (EHR) incentive income and related EHR operating expenses, expected capital expenditures, expected net claim payments and all other statements that do not relate solely to historical or current facts, and can be identified by the use of words like may, believe, will, expect, project, estimate, anticipate, plan, initiative or c forward-looking statements are based on our current plans and expectations and are subject to a number of known and unknown uncertainties and risks, many of which are beyond our control, which could significantly affect current plans and expectations and our future financial position and results of operations. These factors include, but are not limited to, (1) the impact of our substantial indebtedness and the ability to refinance such indebtedness on acceptable terms, (2) the effects related to the implementation of the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (collectively, the Health Reform Law), possible delays in or complications related to implementation of the Health Reform Law, court challenges, the possible enactment of additional federal or state health care reforms and possible changes to the Health Reform Law and other federal, state or local laws or regulations affecting the health care industry, (3) the effects related to the continued implementation of the sequestration spending reductions required under the Budget Control Act of 2011, and related legislation extending these reductions, and the potential for future deficit reduction legislation that may alter these spending reductions, which include cuts to Medicare payments, or create additional spending reductions, (4) increases in the amount and risk of collectability of uninsured accounts and deductibles and copayment amounts for insured accounts, (5) the ability to achieve operating and financial targets, and attain expected levels of patient volumes and control the costs of providing services, (6) possible changes in the Medicare, Medicaid and other state programs, including Medicaid upper payment limit programs or waiver programs, that may impact reimbursements to health care providers and insurers, (7) the highly competitive nature of the health care business, (8) changes in service mix, revenue mix and surgical volumes, including potential declines in the population covered under managed care agreements, the ability to enter into and renew managed care provider agreements on acceptable terms and the impact of consumer driven health plans and physician utilization trends and practices, (9) the efforts of insurers, health care providers and others to contain health care costs, (10) the outcome of our continuing efforts to monitor, maintain and comply with appropriate laws, regulations, policies and procedures, (11) increases in wages and the ability to attract and retain qualified management and personnel, including affiliated physicians, nurses and medical and technical support personnel, (12) the availability and terms of capital to fund the expansion of our business and improvements to our existing facilities, (13) changes in accounting practices, (14) changes in general economic conditions nationally and regionally in our markets, (15) the emergence and effects related to infectious diseases, including Ebola, (16) future divestitures which may result in charges and possible impairments of long-lived assets, (17) changes in business strategy or development plans, (18) delays in receiving payments for services provided, (19) the outcome of pending and any future tax audits, appeals and litigation associated with our tax positions, (20) potential adverse impact of known and unknown government investigations, litigation and other claims that may be made against us, (21) our ongoing ability to demonstrate meaningful use of certified EHR technology and recognize income for the related Medicare or Medicaid incentive payments, and (22) other risk factors disclosed under Risk Factors and elsewhere in or incorporated by reference in this prospectus and the applicable prospectus supplement. As a consequence, current plans, anticipated actions and future financial position and results of operations may differ from those expressed in any forward-looking statements made by us or on our behalf. You are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented in this prospectus and the applicable prospectus supplement, which forward-looking statements reflect management s views only as of the date of this prospectus. We undertake no obligation to revise or update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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OUR COMPANY

We are the largest non-governmental hospital operator in the U.S. and a leading comprehensive, integrated provider of health care and related services. We provide these services through a network of acute care hospitals, outpatient facilities, clinics and other patient care delivery settings. As of September 30, 2014, we operated a diversified portfolio of 165 hospitals (with approximately 43,200 beds) and 113 freestanding surgery centers across 20 states throughout the U.S. and in England. As a result of our efforts to establish significant market share in large and growing urban markets with attractive demographic and economic profiles, we currently have a substantial market presence in 17 of the top 25 fastest growing markets with populations greater than 500,000 in the U.S. and currently maintain the first or second position, based on inpatient admissions, in many of our key markets. We believe our ability to successfully position and grow our assets in attractive markets and execute our operating plan has contributed to the strength of our financial performance over the last several years. For the nine months ended September 30, 2014, we generated revenues of $27.282 billion, net income attributable to HCA Holdings, Inc. of $1.348 billion and Adjusted EBITDA of $5.472 billion.

Our patient-first strategy is to provide high quality health care services in a cost-efficient manner. We intend to build upon our history of profitable growth by maintaining our dedication to quality care, increasing our presence in key markets through organic expansion and strategic acquisitions and joint ventures, leveraging our scale and infrastructure, and further developing our physician and employee relationships. We believe pursuing these core elements of our strategy helps us develop a faster-growing, more stable and more profitable business and increases our relevance to patients, physicians, payers and employers.

Using our scale, significant resources and over 40 years of operating experience, we have developed a significant management and support infrastructure. Some of the key components of our support infrastructure include a revenue cycle management organization, a health care group purchasing organization (GPO), an information technology and services provider, a nurse staffing agency and a medical malpractice insurance underwriter. These shared services have helped us to maximize our cash collection efficiency, achieve savings in purchasing through our scale, more rapidly deploy information technology upgrades, more effectively manage our labor pool and achieve greater stability in malpractice insurance premiums. Collectively, these components have helped us to further enhance our operating effectiveness, cost efficiency and overall financial results. Our Parallon subsidiary group also offers certain of these component services to other health care organizations.

Since the founding of our business in 1968 as a single-facility hospital company, we have demonstrated an ability to consistently innovate and sustain growth during varying economic and regulatory climates. Under the leadership of an experienced senior management team, whose tenure at HCA averages approximately 23 years, we have established an extensive record of providing high quality care, profitably growing our business, making and integrating strategic acquisitions and efficiently and strategically allocating capital spending.

On November 22, 2010, HCA Inc. reorganized by creating a new holding company structure (the Corporate Reorganization), pursuant to which HCA Holdings, Inc. became the parent company of HCA Inc., and HCA Inc. became HCA Holdings, Inc. s wholly-owned direct subsidiary. As part of the Corporate Reorganization, HCA Inc. s outstanding shares of capital stock were automatically converted, on a share for share basis, into identical shares of HCA Holdings, Inc. s common stock, and HCA Holdings, Inc. became a guarantor but did not assume the debt of HCA Inc. s outstanding secured notes and is not subject to the covenants contained in the indentures governing such secured notes.

RISK FACTORS

Our business is subject to numerous risks, including those that are generally associated with operating in the health care industry. You should carefully consider and evaluate all of the information included and incorporated by reference in this prospectus, including the risk factors incorporated by reference to our Annual Report on

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Form 10-K for the year ended December 31, 2013, as well as any risk factors we may describe in any subsequent periodic reports or information we file with the SEC. It is possible that our business, financial condition, liquidity or results of operations could be materially adversely affected by any of these risks.

USE OF PROCEEDS

Except as otherwise set forth in a prospectus supplement, we intend to use the net proceeds from sales of the securities for general corporate purposes, which may include the following: refunding, repurchasing, retiring upon maturity or redeeming existing debt; funding for working capital; capital expenditures; repurchases of our capital stock; and strategic investments and acquisitions. We will not receive any proceeds from sales of securities by selling stockholders.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our historical ratios of earnings available for fixed charges to fixed charges for the periods indicated. This information should be read in conjunction with the consolidated financial statements and the accompanying notes incorporated by reference in this prospectus.

	Nine Months Ended		Year Ended December 31,				
	September 30, 2014	September 30, 2013	2013	2012	2011	2010	2009
Ratio of earnings to fixed charges(1)	2.69	2.37	2.41	2.44	2.59	1.97	1.19

(1) For purposes of calculating the ratio of earnings to fixed charges, earnings represents earnings before income tax expense, and net income attributable to noncontrolling interests, plus fixed charges; and fixed charges include: (a) interest expense; (b) amortization of capitalized expenses related to debt; and (c) the portion of rental expense which management believes is representative of the interest component of rent expense.

DESCRIPTION OF CAPITAL STOCK

The following is a description of the material terms of our amended and restated certificate of incorporation and amended and restated bylaws as currently in effect. We also refer you to our amended and restated certificate of incorporation and amended and restated bylaws, copies of which are filed as exhibits to the registration statement of which this prospectus forms a part.

Authorized Capital

As of December 31, 2014 our authorized capital stock consisted of 1,800,000,000 shares of common stock, par value $.01 per share, of which 420,477,913 shares were issued and outstanding, and 200,000,000 shares of preferred stock, of which no shares were issued and outstanding. As of December 31, 2014, there were 39 holders of record of our common stock.

Common Stock

Voting Rights. Under the terms of the Amended and Restated Certificate of Incorporation, each holder of common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Our stockholders do not have cumulative voting rights. Because of this, the

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holders of a majority of the shares of common stock entitled to vote and present in person or by proxy at any annual meeting of stockholders are able to elect all of the directors standing for election, if they should so choose.

Dividends. Subject to preferences that may be applicable to any then outstanding preferred stock, holders of common stock are entitled to receive ratably those dividends, if any, as may be declared from time to time by the Board of Directors out of legally available assets or funds.

Liquidation. In the event of our liquidation, dissolution, or winding up, holders of common stock are entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any outstanding shares of preferred stock.

Rights and Preferences. Holders of common stock have no preemptive or conversion rights, and there are no redemption or sinking fund provisions applicable to the common stock. The rights, preferences, and privileges of the holders of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock, which we may designate in the future.

Preferred Stock

The Amended and Restated Certificate of Incorporation authorizes our Board of Directors, without further action by the stockholders, to issue up to 200,000,000 shares of preferred stock, par value $.01 per share, in one or more classes or series, to establish from time to time the number of shares to be included in each such class or series, to fix the rights, powers and preferences of the shares of each such class or series and any qualifications, limitations, or restrictions thereon.

Board of Directors

The Amended and Restated Certificate of Incorporation provides for a Board of Directors of not less than three members, the exact number to be determined from time to time by resolution adopted by the affirmative vote of a majority of the total number of directors then in office. The Amended and Restated Certificate of Incorporation provides that directors will be elected to hold office for a term expiring at the next annual meeting of stockholders and until a successor is duly elected and qualified or until his or her earlier death, resignation, disqualification or removal. Newly created directorships and vacancies may be filled, so long as there is at least one remaining director, only by the Board of Directors.

Amendment to Bylaws

The Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws provide that the Board of Directors is expressly authorized to make, alter, amend, change, add to or repeal the Bylaws of the Company by the affirmative vote of a majority of the total number of directors then in office. Any amendment, alteration, change, addition or repeal of the Bylaws of the Company by the stockholders of the Company shall require the affirmative vote of the holders of at least seventy-five percent (75%) of the outstanding shares of the Company, voting together as a class, entitled to vote on such amendment, alteration, change, addition or repeal.

Special Meetings of Stockholders

The Amended and Restated Certificate of Incorporation provides that special meetings of stockholders of the Company may be called only by either the Board of Directors, pursuant to a resolution adopted by the affirmative vote of the majority of the total number of directors then in office, or by the Chairman of the Board or the Chief Executive Officer of the Company.

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Action on Written Consent

Pursuant to the Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, any action required or permitted to be taken at an annual or special meeting of stockholders of the Company may be taken only upon the vote of the stockholders at an annual or special meeting duly called and may not be taken by written consent of the stockholders.

Corporate Opportunities

The Amended and Restated Certificate of Incorporation provides that we renounce any interest or expectancy of the Company in the business opportunities of certain of our current and prior investors and of their officers, directors, agents, shareholders, members, partners, affiliates and subsidiaries and each such party shall not have any obligation to offer us those opportunities unless presented to a director or officer of the Company in his or her capacity as a director or officer of the Company.

Amendment to Amended and Restated Certificate of Incorporation

The Amended and Restated Certificate of Incorporation provides that the affirmative vote of the holders of at least seventy-five percent (75%) of the voting power of all outstanding shares of the Company entitled to vote generally in the election of directors, voting together in a single class, is required to adopt any provision inconsistent with, to amend or repeal any provision of, or to adopt a bylaw inconsistent with certain specified provisions of the Amended and Restated Certificate of Incorporation.

Advance Notice Requirements for Stockholder Proposals and Director Nominations

Our Amended and Restated Bylaws provide that stockholders seeking to nominate candidates for election as directors or to bring business before an annual or special meeting of stockholders must provide timely notice of their proposal in writing to the secretary of the Company. Generally, to be timely, a stockholder s notice must be delivered to, mailed or received at our principal executive offices, addressed to the secretary of the Company, and within the following time periods:

- in the case of an annual meeting, no earlier than 120 days and no later than 90 days prior to the first anniversary of the date of the preceding year s annual meeting; provided, however, that if (A) the annual meeting is advanced by more than 30 days, or delayed by more than 60 days, from the first anniversary of the preceding year s annual meeting, or (B) no annual meeting was held during the preceding year, to be timely the stockholder notice must be received no earlier than 120 days before such annual meeting and no later than the later of 90 days before such annual meeting or the tenth day after the day on which public disclosure of the date of such meeting is first made; and

- in the case of a nomination of a person or persons for election to the Board of Directors at a special meeting of the stockholders called for the purpose of electing directors, no earlier than 120 days before such special meeting and no later than the later of 90 days before such annual or special meeting or the tenth day after the day on which public disclosure of the date of such meeting is first made.

In no event shall an adjournment, postponement or deferral, or public disclosure of an adjournment, postponement or deferral, of a meeting of the stockholders commence a new time period (or extend any time period) for the giving of the stockholder notice.

Authorized but Unissued Capital Stock

Delaware law does not require stockholder approval for any issuance of authorized shares. However, the listing requirements of the New York Stock Exchange, which would apply as long as our common stock is listed on the New York Stock Exchange, require stockholder approval of certain issuances equal to or exceeding 20%

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of the then outstanding voting power or then outstanding number of shares of common stock. These additional shares may be used for a variety of corporate purposes, including future public offerings, to raise additional capital or to facilitate acquisitions.

One of the effects of the existence of unissued and unreserved common stock or preferred stock may be to enable our Board of Directors to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of our company by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management and possibly deprive the stockholder of opportunities to sell their shares of common stock at prices higher than prevailing market prices.

Limitation on Directors Liability and Indemnification

Section 145(a) of the General Corporation Law of the State of Delaware (the DGCL) grants each corporation organized thereunder the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person s conduct was unlawful.

Section 145(b) of the DGCL grants each corporation organized thereunder the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made pursuant to Section 145(b) of the DGCL in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 145(c) of the DGCL provides that to the extent that a present or former director or officer of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 145(a) and (b) of the DGCL, as described in the preceding paragraphs, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys fees) actually and reasonably incurred by such person in connection therewith.

Section 145(g) of the DGCL provides, in general, that a corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation against any liability asserted against the person in any such capacity, or arising out of the person s status as such, regardless of whether the corporation would have the power to indemnify the person against such liability under the provisions of the DGCL. We maintain a directors and officers insurance policy that insures our directors and officers against liabilities incurred in their capacity as such for which they are not otherwise indemnified, subject to certain exclusions.

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Section 102(b)(7) of the DGCL enables a corporation in its certificate of incorporation, or an amendment thereto, to eliminate or limit the personal liability of a director to the corporation or its stockholders of monetary damages for violations of the directors fiduciary duty of care as a director, except (i) for any breach of the director s duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the DGCL (providing for liability of directors for unlawful payment of dividends or unlawful stock purchases or redemptions) or (iv) for any transaction from which a director derived an improper personal benefit.

Our Amended and Restated Certificate of Incorporation indemnifies the directors and officers to the full extent of the DGCL and also allows the Board of Directors to indemnify all other employees. Such right of indemnification is not exclusive of any right to which such officer or director may be entitled as a matter of law and shall extend and apply to the estates, heirs, executors and administrators of such persons.

We maintain a directors and officers insurance policy. The policy insures directors and officers against unindemnified losses arising from certain wrongful acts in their capacities as directors and officers and reimburses us for those losses for which we have lawfully indemnified the directors and officers. The policy contains various exclusions that are normal and customary for policies of this type.

Our employment agreements with certain of our officers provide indemnification for adverse tax consequences they may suffer pursuant to their employment agreements

We have entered into an indemnification priority and information sharing agreement with certain of our current and prior investors and certain of their affiliated funds to clarify the priority of advancement and indemnification obligations among us and any of our directors appointed by such investors and other related matters.

The foregoing summaries are subject to the complete text of our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws and the DGCL and are qualified in their entirety by reference thereto.

We believe that our Amended and Restated Certificate of Incorporation, Amended and Restated Bylaws and insurance are necessary to attract and retain qualified persons as directors and officers.

The limitation of liability and indemnification provisions in our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and other stockholders. Furthermore, a stockholder s investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers as required or allowed by these indemnification provisions.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions or any other provisions described in this prospectus, we have been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Delaware Anti-Takeover Statutes

Certain Delaware law provisions may make it more difficult for someone to acquire us through a tender offer, proxy contest or otherwise.

Section 203 of the DGCL, provides that, subject to certain stated exceptions, an interested stockholder is any person (other than the corporation and any direct or indirect majority-owned subsidiary) who owns 15% or more of the outstanding voting stock of the corporation or is an affiliate or associate of the corporation and was

the owner of 15% or more of the outstanding voting stock of the corporation at any time within the three-year period immediately prior to the date of determination, and the affiliates and associates of such person. A corporation may not engage in a business combination with any interested stockholder for a period of three years following the time that such stockholder became an interested stockholder unless:

- prior to such time the board of directors of the corporation approved either the business combination or transaction which resulted in the stockholder becoming an interested stockholder;

- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding shares owned by persons who are directors and also officers and employee stock plans in which participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- at or subsequent to such time, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

The effect of these provisions may make a change in control of our business more difficult by delaying, deferring or preventing a tender offer or other takeover attempt that a stockholder might consider in its best interest. This includes attempts that might result in the payment of a premium to stockholders over the market price for their shares. These provisions also may promote the continuity of our management by making it more difficult for a person to remove or change the incumbent members of the board of directors.

Transfer Agent and Registrar

Wells Fargo Shareowner Services is the transfer agent and registrar for our common stock.

Listing

Our common stock is listed on the New York Stock Exchange under the symbol HCA.

DESCRIPTION OF DEBT SECURITIES AND GUARANTEES

Please note that in this section entitled Description of Debt Securities and Guarantees, references to HCA Holdings, Inc. refer only to HCA Holdings, Inc. and not to any of its subsidiaries. References to HCA Inc. refer only to HCA Inc. and not to any of its subsidiaries. The term issuer means either HCA Holdings, Inc. or HCA Inc., depending on which registrant is offering the debt securities and the term issuers is a collective reference to HCA Holdings, Inc. and HCA Inc.

HCA Holdings, Inc. may issue debt securities. The debt securities will be HCA Holdings, Inc. s unsubordinated and, unless otherwise expressly stated in the applicable prospectus supplement, unsecured obligations and may be issued in one or more series. HCA Inc. may also issue debt securities. The debt securities will be HCA Inc. s unsubordinated and, unless otherwise expressly stated in the applicable prospectus supplement, unsecured obligations and may be issued in one or more series. The debt securities of any series of the applicable issuer may have the benefit of guarantees (each, a Guarantee), by one or more of its subsidiaries (each, a Guarantor). In the case of HCA Inc., the debt securities will be guaranteed by HCA Holdings, Inc., its direct parent. The Guarantees will be the unsubordinated and, unless otherwise expressly stated in the applicable prospectus supplement, unsecured obligations of the respective Guarantors. If so indicated in the applicable prospectus supplement, the issuers may issue debt securities that are secured by specified collateral or that have the benefit of one or more Guarantees that are secured by specified collateral. Unless otherwise expressly stated or the context otherwise requires, as used in this section, the term guaranteed debt securities means any debt securities that, as described in the prospectus supplement relating thereto, are guaranteed by one or more

Guarantors pursuant to the applicable indenture (as defined below); the term secured debt securities means any debt securities that, as described in the prospectus supplement relating thereto, are secured by collateral; the term unsecured debt securities means any debt securities that are not secured debt securities; and the term debt securities includes both unsecured debt securities and secured debt securities and both guaranteed and unguaranteed debt securities.

The debt securities issued by HCA Holdings, Inc. will be issued under one or more indentures, each to be entered into by HCA Holdings, Inc., one or more Guarantors, a trustee, registrar, paying agent and transfer agent and/or a collateral agent, as applicable. The debt securities issued by HCA Inc. will be issued under one or more indentures, each to be entered into by HCA Inc., HCA Holdings, Inc., one or more Guarantors, a trustee, registrar, paying agent and transfer agent and/or a collateral agent, as applicable. The trustee registrar, paying agent, transfer agent, collateral agent, calculation agent and/or foreign currency agent (collectively, the agents), as applicable, shall be named in the applicable prospectus supplement. Unless otherwise expressly stated in the applicable prospectus supplement, the issuers may issue both secured and unsecured debt securities under their respective indentures. Unless otherwise expressly stated or the context otherwise requires, references in this section to the indenture and the trustee refer to the applicable indenture pursuant to which any particular series of debt securities is issued and to the trustee under that indenture. The terms of any series of debt securities and, if applicable, any Guarantees of the debt securities of such series will be those specified in or pursuant to the applicable indenture and in the certificates evidencing that series of debt securities and those made part of the indenture by the Trust Indenture Act of 1939, as amended, or the Trust Indenture Act of 1939.

The following summary of selected provisions of the indentures, the debt securities and the Guarantees is not complete, and the summary of selected terms of a particular series of debt securities and, if applicable, the Guarantees of the debt securities of that series included in the applicable prospectus supplement also will not be complete. You should review the form of applicable indenture, the form of any applicable supplemental indenture and the form of certificate evidencing the applicable debt securities, which forms have been or will be filed as exhibits to the registration statement of which this prospectus is a part or as exhibits to documents which have been or will be incorporated by reference in this prospectus. To obtain a copy of the form of indenture, the form of any such supplemental indenture or the form of certificate for any debt securities, see Where You Can Find More Information in this prospectus. The following summary and the summary in the applicable prospectus supplement are qualified in their entirety by reference to all of the provisions of the applicable indenture, any supplemental indenture and the certificates evidencing the applicable debt securities, which provisions, including defined terms, are incorporated by reference in this prospectus. Capitalized terms used in this section and not defined have the meanings assigned to those terms in the indenture.

The following description of debt securities describes general terms and provisions of a series of debt securities and, if applicable, the Guarantees of the debt securities of that series to which any prospectus supplement may relate. The debt securities may be issued from time to time in one or more series. The particular terms of each series that is offered by a prospectus supplement, including the issuer of the debt securities, will be described in the applicable prospectus supplement. If any particular terms of the debt securities or, if applicable, any Guarantees of the debt securities of that series or the applicable indenture described in a prospectus supplement differ from any of the terms described in this prospectus, the terms described in the applicable prospectus supplement will supersede the terms described in this prospectus.

General

The indentures provide that the debt securities may be issued without limit as to aggregate principal amount, in one or more series, and in any currency or currency units, in each case as established from time to time in or under the authority granted by a resolution of the applicable Board of Directors or as established in one or more supplemental indentures. All debt securities of one series need not be issued at the same time, and may vary as to interest rate, maturity and other provisions and, unless otherwise provided, a series may be reopened, without the consent of the holders of the debt securities of that series, for issuance of additional debt securities of that

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series ranking equally with debt securities of that series and otherwise similar in all respects except for issue date and issue price. Please read the applicable prospectus supplement relating to the series of debt securities being offered for specific terms including, where applicable:

- the title of the series of debt securities;
- any limit on the aggregate principal amount of debt securities of the series;
- the price or prices at which debt securities of the series will be issued;
- the person to whom any interest on a debt security of the series shall be payable, if other than the person in whose name that debt security is registered on the applicable record date;
- the date or dates on which the applicable issuer will pay the principal of and premium, if any, on debt securities of the series, or the method or methods, if any, used to determine those dates;
- the rate or rates, which may be fixed or variable, at which debt securities of the series will bear interest, if any, or the method or methods, if any, used to determine those rates;
- the basis used to calculate interest, if any, on the debt securities of the series if other than a 360-day year of twelve 30-day months;
- the date or dates, if any, from which interest on the debt securities of the series will begin to accrue, or the method or methods, if any, used to determine those dates;
- the dates on which the interest, if any, on the debt securities of the series will be payable and the record dates for the payment of interest;
- the place or places where amounts due on the debt securities of the series will be payable and where the debt securities of the series may be surrendered for registration of transfer and exchange, if other than the corporate trust office of the applicable trustee;
- the terms and conditions, if any, upon which the applicable issuer may, at its option, redeem debt securities of the series;
- the terms and conditions, if any, upon which the applicable issuer will repurchase or repay debt securities of the series at the option of the holders of debt securities of the series;
- the terms of any sinking fund or analogous provision;

if other than U.S. dollars, the currency in which the purchase price for the debt securities of the series will be payable, the currency in which payments on the debt securities of the series will be payable, and the ability, if any, of the applicable issuer or the holders of debt securities of the series to have payments made in any other currency or currencies;

any addition to, or modification or deletion of, any covenant or Event of Default with respect to debt securities of the series;

whether any debt securities of the series will be issued in temporary or permanent global form (global debt securities) and, if so, the identity of the depositary for the global debt securities if other than The Depository Trust Company (DTC);

if and under what circumstances the applicable issuer will pay additional amounts (Additional Amounts) on the debt securities of the series in respect of specified taxes, assessments or other governmental charges and, if so, whether the applicable issuer will have the option to redeem the debt securities of the series rather than pay the Additional Amounts;

the extent to which, or the manner in which, any interest payable on a temporary global debt security will be paid, if other than in the manner provided in the indenture;

the portion of the principal amount of the debt securities of the series which will be payable upon acceleration if other than the full principal amount;

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- the authorized denominations in which the debt securities of the series will be issued, if other than denominations of $2,000 and any integral multiples of $1,000;
- the terms, if any, upon which debt securities of the series may be exchangeable for other property;
- if the amount of payments on the debt securities of the series may be determined with reference to an index, formula or other method or methods and the method used to determine those amounts;
- whether the debt securities of the series will be guaranteed by any Guarantors and, if so, the names of the Guarantors of the debt securities of the series and a description of the Guarantees;
- if the debt securities of the series or, if applicable, any Guarantees of those debt securities will be secured by any collateral and, if so, a general description of the collateral and of some of the terms of any related security, pledge or other agreements;
- any listing of the debt securities on any securities exchange;
- any other terms of the debt securities of the series and, if applicable, any Guarantees of the debt securities (whether or not such other terms are consistent or inconsistent with any other terms of the indenture); and
- the appointment of any agents, if other than the applicable trustee.

As used in this prospectus and any prospectus supplement relating to the offering of debt securities of any series, references to the principal of and premium, if any, and interest, if any, on the debt securities of the series include the payment of Additional Amounts, if any, required by the debt securities of the series to be paid in that context.

Debt securities may be issued as original issue discount securities to be sold at a substantial discount below their principal amount. In the event of an acceleration of the maturity of any original issue discount security, the amount payable to the holder upon acceleration will be determined in the manner described in the applicable prospectus supplement. Certain U.S. federal income tax considerations applicable to original issue discount securities will be described in the applicable prospectus supplement.

If the purchase price of any debt securities is payable in a foreign currency or if the principal of, or premium, if any, or interest, if any, on any debt securities is payable in a foreign currency, the specific terms of those debt securities and the applicable foreign currency will be specified in the prospectus supplement relating to those debt securities.

The terms of the debt securities of any series may differ from the terms of the debt securities of any other series, and the terms of particular debt securities within any series may differ from each other. Unless otherwise expressly provided in the prospectus supplement relating to any series of debt securities, the applicable issuer may, without the consent of the holders of the debt securities of any series, reopen an existing series of debt securities and issue additional debt securities of that series.

Unless otherwise described in a prospectus supplement relating to any series of debt securities and except to the limited extent set forth below under Merger, Consolidation and Sale of Assets, the indentures do not contain any provisions that would limit the issuers ability or the ability of any of the respective issuer s subsidiaries to incur indebtedness or other liabilities or that would afford holders of debt securities protection in the event of a business combination, takeover, recapitalization or highly leveraged or similar transaction involving the applicable issuer. Accordingly, an issuer and its subsidiaries may in the future enter into transactions that could increase the amount of its consolidated indebtedness and other liabilities or otherwise adversely affect its capital structure or credit rating without the consent of the holders of the debt securities of any series.

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Registration, Transfer and Payment

Unless otherwise indicated in the applicable prospectus supplement, each series of debt securities will be issued in registered form only, without coupons.

Unless otherwise indicated in the applicable prospectus supplement, registered debt securities will be issued in denominations of $2,000 and any integral multiple of $1,000 in excess thereof.

Unless otherwise indicated in the applicable prospectus supplement, the debt securities will be payable and may be surrendered for registration of transfer or exchange and, if applicable, for conversion into or exchange for other securities or property, at an office or agency maintained by HCA Holdings, Inc. or HCA Inc., as applicable, in the United States of America. However, the applicable issuer, at its option, may make payments of interest on any registered debt security by check mailed to the address of the person entitled to receive that payment or by wire transfer to an account maintained by the payee with a bank located in the United States of America. Unless otherwise indicated in the applicable prospectus supplement, no service charge shall be made for any registration of transfer or exchange, redemption or repayment of debt securities, or for any conversion or exchange of debt securities for other securities or property, but the applicable issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with that transaction.

Unless otherwise indicated in the applicable prospectus supplement, the issuer will not be required to:

- issue, register the transfer of or exchange debt securities of any series during a period beginning at the opening of business 15 days before any selection of debt securities of that series of like tenor and terms to be redeemed and ending at the close of business on the day of that selection;

- register the transfer of or exchange any registered debt security, or portion of any registered debt security, selected for redemption, except the unredeemed portion of any registered debt security being redeemed in part; or

- issue, register the transfer of or exchange a debt security which has been surrendered for repayment at the option of the holder, except the portion, if any, of the debt security not to be repaid.

Ranking of Debt Securities

The unsecured debt securities of each series of each issuer will be unsecured, unsubordinated obligations of the applicable issuer and will rank on a parity in right of payment with all of such issuer s other unsecured and unsubordinated indebtedness. The secured debt securities of each series of each issuer will be unsubordinated obligations of the applicable issuer and will rank on a parity in right of payment with all other unsecured and unsubordinated indebtedness of the applicable issuer, except that the secured debt securities of any series will effectively rank senior to unsecured and unsubordinated indebtedness of the applicable issuer in respect of claims against the collateral that is pledged to secure those secured debt securities.

The debt securities will be the exclusive obligations of the applicable issuer. Each issuer is a holding company, and substantially all of its respective consolidated assets are held and substantially all of its respective consolidated revenues are generated by its subsidiaries. Accordingly, the issuers cash flow and ability to service its indebtedness, including the debt securities, depend on the results of operations of its respective subsidiaries and upon the ability of its respective subsidiaries to provide cash to the applicable issuer, whether in the form of dividends, loans or otherwise, to pay amounts due on such issuer s obligations, including the debt securities. The subsidiaries of each issuer are separate and distinct legal entities and have no obligation, contingent or otherwise, to make payments on the debt securities (except, in the case of any subsidiary that has guaranteed any debt securities, its obligations under its Guarantee of those debt securities for so long as that Guarantee remains in effect) or to make any funds available to the applicable issuer. Certain debt and security agreements entered into by certain of the issuers subsidiaries contain various restrictions, including restrictions on payments and loans by subsidiaries to the applicable issuer and the transfer by the subsidiaries to the applicable issuer of assets pledged

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as collateral under such agreements. In addition, dividends, loans or other distributions from subsidiaries to the applicable issuer may be subject to additional contractual and other restrictions, are dependent upon the results of operations of such subsidiaries and are subject to other business considerations.

The unsecured debt securities of the applicable issuer will be effectively subordinated to all of the existing and future secured indebtedness of such issuer to the extent of the value of the collateral securing that indebtedness. Consequently, in the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding with respect to the applicable issuer, the holders of such issuer s secured indebtedness will be entitled to proceed directly against the collateral that secures that secured indebtedness, and such collateral will not be available for satisfaction of any amounts owed by the applicable issuer under its unsecured indebtedness, including the unsecured debt securities, until that secured indebtedness is satisfied in full. Unless otherwise provided in the applicable prospectus supplement, the indentures will not limit the issuers ability to incur secured indebtedness.

The unsecured debt securities of the issuers (other than any unsecured debt securities that have been guaranteed by any of such issuer s subsidiaries for so long as the Guarantees of those debt securities remain in effect) will be effectively subordinated to all existing and future liabilities and preferred equity of the applicable issuer s subsidiaries. These liabilities may include indebtedness, trade payables, other guarantees, lease obligations, swaps and letter of credit obligations. Therefore, the issuers rights and the rights of the issuers creditors, including the holders of unsecured debt securities, to participate in the assets of any subsidiary upon that subsidiary s bankruptcy, liquidation, dissolution, reorganization or similar circumstances will be subject (except in the case of any subsidiary that has guaranteed any unsecured debt securities for so long as its Guarantee of those debt securities remains in effect) to the prior claims of the subsidiary s creditors, except to the extent that an issuer may itself be a creditor with recognized claims against the subsidiary. However, even if an issuer is a creditor of one or more of its subsidiaries, its claims would still be effectively subordinate to any security interest in, or mortgages or other liens on, the assets of the subsidiary and would be subordinate to any indebtedness of the subsidiary senior to that held by the applicable issuer. Unless otherwise provided in the applicable prospectus supplement, the indentures will not limit the ability of any of the respective issuer s subsidiaries to incur additional secured or unsecured indebtedness, guarantees or other liabilities.

Guarantees

The debt securities of any series of each issuer may be guaranteed by one or more of its subsidiaries and, in the case of HCA Inc., the debt securities will be guaranteed by HCA Holdings, Inc. The Guarantors of any series of guaranteed debt securities of each issuer may differ from the Guarantors of any other series of guaranteed debt securities of each issuer. In the event HCA Holdings, Inc. or HCA Inc., as applicable, issues a series of guaranteed debt securities, the specific Guarantors of the debt securities of that series will be identified in the applicable prospectus supplement.

If HCA Holdings, Inc. or HCA Inc., as applicable, issues a series of guaranteed debt securities, a description of some of the terms of Guarantees of those debt securities will be set forth in the applicable prospectus supplement. Unless otherwise provided in the prospectus supplement relating to a series of guaranteed debt securities, each Guarantor of the debt securities of such series will unconditionally guarantee the due and punctual payment of the principal of, and premium, if any, and interest, if any, on and any other amounts payable with respect to, each debt security of such series and the due and punctual performance of all of the applicable issuer s other obligations under the applicable indenture with respect to the debt securities of such series, all in accordance with the terms of such debt securities and the applicable indenture.

Notwithstanding the foregoing, unless otherwise provided in the prospectus supplement relating to a series of guaranteed debt securities, the applicable indenture will contain provisions to the effect that the obligations of each Guarantor under its Guarantees and such indenture shall be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Guarantor, result in the obligations of such

Guarantor under such Guarantees and such indenture not constituting a fraudulent conveyance or fraudulent transfer under applicable law. However, there can be no assurance that, notwithstanding such limitation, a court would not determine that a Guarantee constituted a fraudulent conveyance or fraudulent transfer under applicable law. If that were to occur, the court could void the applicable Guarantor s obligations under that Guarantee, subordinate that Guarantee to other debt and other liabilities of that Guarantor or take other action detrimental to holders of the debt securities of the applicable series, including directing the holders to return any payments received from the applicable Guarantor.

The applicable prospectus supplement relating to any series of guaranteed debt securities will specify other terms of the applicable Guarantees, which may include provisions that allow a Guarantor to be released from its obligations under its Guarantee under specified circumstances or that provide for one or more Guarantees to be secured by specified collateral.

Unless otherwise expressly stated in the applicable prospectus supplement, each Guarantee will be the unsubordinated and unsecured obligation of the applicable Guarantor and will rank on a parity in right of payment with all other unsecured and unsubordinated indebtedness and guarantees of such Guarantor. Each Guarantee (other than a secured Guarantee) will be effectively subordinated to all existing and future secured indebtedness and secured guarantees of the applicable Guarantor to the extent of the value of the collateral securing that indebtedness and those guarantees. Consequently, in the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding with respect to any Guarantor that has provided an unsecured Guarantee of any debt securities, the holders of that Guarantor s secured indebtedness and secured guarantees will be entitled to proceed directly against the collateral that secures that secured indebtedness or those secured guarantees, as the case may be, and such collateral will not be available for satisfaction of any amount owed by such Guarantor under its unsecured indebtedness and unsecured guarantees, including its unsecured Guarantees of any debt securities, until that secured debt and those secured guarantees are satisfied in full. Unless otherwise provided in the applicable prospectus supplement, the indentures will not limit the ability of any Guarantor to incur secured indebtedness or issue secured guarantees.

Unless otherwise expressly stated in the applicable prospectus supplement, each secured Guarantee will be an unsubordinated obligation of the applicable Guarantor and will rank on a parity in right of payment with all other unsecured and unsubordinated indebtedness and guarantees of such Guarantor, except that such secured Guarantee will effectively rank senior to such Guarantor s unsecured and unsubordinated indebtedness and guarantees in respect of claims against the collateral securing that secured Guarantee.

Book-entry Debt Securities

The debt securities of a series may be issued in whole or in part in the form of one or more global debt securities. Global debt securities will be deposited with, or on behalf of, a depositary which, unless otherwise specified in the applicable prospectus supplement relating to the series, will be DTC. Global debt securities may be issued in either temporary or permanent form. Unless and until it is exchanged in whole or in part for individual certificates evidencing debt securities, a global debt security may not be transferred except as a whole by the depositary to its nominee or by the nominee to the depositary, or by the depositary or its nominee to a successor depositary or to a nominee of the successor depositary.

HCA Holdings, Inc. and HCA Inc. anticipate that global debt securities will be deposited with, or on behalf of, DTC and that global debt securities will be registered in the name of DTC s nominee, Cede & Co. All interests in global debt securities deposited with, or on behalf of, DTC will be subject to the operations and procedures of DTC and, in the case of any interests in global debt securities held through Euroclear Bank S.A./N.V. (Euroclear) or Clearstream Banking, société anonyme (Clearstream, Luxembourg), the operations and procedures of Euroclear or Clearstream, Luxembourg, as the case may be, HCA Holdings, Inc. and HCA Inc. also anticipate that the following provisions will apply to the depository arrangements with respect to global debt securities. Additional or differing terms of the depository arrangements may be described in the applicable prospectus supplement.

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DTC has advised the issuers that it is:

- a limited-purpose trust company organized under the New York Banking Law;
- a banking organization within the meaning of the New York Banking Law;
- a member of the Federal Reserve System;
- a clearing corporation within the meaning of the New York Uniform Commercial Code; and
- a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934.

DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among its participants of securities transactions, including transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants accounts, which eliminates the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. Access to the DTC system is also available to others, sometimes referred to in this prospectus as indirect participants, that clear transactions through or maintain a custodial relationship with a direct participant either directly or indirectly. Indirect participants include securities brokers and dealers, banks and trust companies. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of debt securities within the DTC system must be made by or through direct participants, which will receive a credit for the debt securities on DTC s records. The ownership interest of the actual purchaser or beneficial owner of a debt security is, in turn, recorded on the direct and indirect participants records. Beneficial owners will not receive written confirmation from DTC of their purchases, but beneficial owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the direct or indirect participants through which they purchased the debt securities. Transfers of ownership interests in debt securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the debt securities, except under the limited circumstances described below.

To facilitate subsequent transfers, all debt securities deposited by participants with DTC will be registered in the name of DTC s nominee, Cede & Co. The deposit of debt securities with DTC and their registration in the name of Cede & Co. will not change the beneficial ownership of the debt securities. DTC has no knowledge of the actual beneficial owners of the debt securities. DTC s records reflect only the identity of the direct participants to whose accounts the debt securities are credited. Those participants may or may not be the beneficial owners. The participants are responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants and by direct and indirect participants to beneficial owners will be governed by arrangements among them, subject to any legal requirements in effect from time to time. Redemption notices shall be sent to DTC or its nominee. If less than all of the debt securities of a series are being redeemed, DTC will reduce the amount of the interest of each direct participant in the debt securities under its procedures.

In any case where a vote may be required with respect to the debt securities of any series, neither DTC nor Cede & Co. will give consents for or vote the global debt securities. Under its usual procedures, DTC will mail an omnibus proxy to HCA Holdings, Inc. or HCA Inc., as applicable, after the record date. The omnibus proxy assigns the consealign="right" valign="bottom"> (76,705) (76,705)

Contribution of debt with Clear Channel Communications
627,564 627,564
Distribution of common stock at spin-off
67,174,912 672 748,011 (760,185) 11,502
Purchase of common shares
(18,003) (18,003)
Currency translation adjustment

				(4,398)	(4,398)			
Balances at December 31, 2005	67,174,912	$ 672	$ 748,011	$ (87,563)	$	$ (18,003)	$ (6,417)	$ 636,700

See Notes to Consolidated and Combined Financial Statements

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CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2005	2004	2003
	(In thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)	$ (130,619)	$ 16,260	$ 57,032
Reconciling items:			
Depreciation	62,279	60,918	60,421
Amortization of intangibles	2,343	3,177	3,015
Deferred income tax expense	114,513	54,411	79,607
Amortization of debt issuance costs	9		
Current tax benefit dividends to owner	(76,705)	(64,063)	(92,550)
Non-cash compensation expense	1,256	1,084	1,302
Loss (gain) on sale of operating and fixed assets	4,859	6,371	(978)
Equity in (earnings) loss of nonconsolidated affiliates	276	(2,906)	(1,357)
Minority interest expense	5,236	3,300	3,280
Decrease in other net	(119)	(462)	(266)
Changes in operating assets and liabilities, net of effects of acquisitions:			
Decrease (increase) in accounts receivable	(15,911)	11,100	(28,061)
Decrease (increase) in prepaid expenses	(41,759)	5,527	9,053
Decrease in other assets	4,592	1,178	2,646
Increase in accounts payable, accrued expenses and other liabilities	41,946	10,511	55,172
Increase (decrease) in deferred income	24,132	16,047	(7,328)
Increase (decrease) in minority interest liability	17,585	(2,555)	(2,275)
Net cash provided by operating activities	13,913	119,898	138,713
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in notes receivable, net	176	1,943	14,795
Decrease (increase) in investments in, and advances to, nonconsolidated affiliates net	(5,747)	(1,413)	8,437
Purchases of property, plant and equipment	(92,520)	(73,435)	(69,936)
Proceeds from disposal of assets	580	3,581	584
Acquisition of operating assets	(8,467)	(13,727)	(5,284)
Increase in other net	(71)	(1,025)	(556)
Net cash used in investing activities	(106,049)	(84,076)	(51,960)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from (payments on) debt with Clear Channel Communications	220,981	24,079	(53,859)
Payment on debt with Clear Channel Communications at spin-off	(220,000)		
Proceeds from long-term debt, net of debt issuance costs	344,129	6,725	
Payments on long-term debt	(1,169)	(7,550)	(3,035)
Proceeds from issuance of redeemable preferred stock, net of debt issuance costs	19,500		
Payments for purchase of common stock	(18,003)		

Net cash provided by (used in) financing activities	345,438	23,254	(56,894)
Effect of exchange rate changes on cash	(28,723)	3,701	(18,396)
Net increase in cash and cash equivalents	224,579	62,777	11,463
Cash and cash equivalents at beginning of year	179,137	116,360	104,897
Cash and cash equivalents at end of year	$ 403,716	$ 179,137	$ 116,360
SUPPLEMENTAL DISCLOSURE			
Cash paid during the year for:			
Interest	$ 4,549	$ 3,048	$ 2,564
Income taxes	$ 17,253	$ 9,685	$ 9,917

See Notes to Consolidated and Combined Financial Statements

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NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Live Nation, Inc. (the Company) was incorporated in Delaware on August 2, 2005 in preparation for the contribution and transfer by Clear Channel Communications, Inc. (Clear Channel Communications) of substantially all of the entertainment assets and liabilities to the Company (the Separation). The Company completed the Separation on December 21, 2005 and became a publicly traded company on the New York Stock Exchange (NYSE: LYV).

Prior to the Separation, Live Nation was a wholly owned subsidiary of Clear Channel Communications. As part of the Separation, holders of Clear Channel Communications common stock of record on December 14, 2005 received one share of Live Nation common stock for every eight shares of Clear Channel Communications common stock on December 21, 2005. No fractional shares of our common stock were issued. Any shareholder entitled to fractional shares received net cash in lieu of such shares.

The Company has two principal business segments: global music and global theater. Global music operations include the promotion and production of live music performances and tours by music artists in venues owned and operated by the Company and in third-party venues rented by the Company. Global theater operations present and produce touring and other theatrical performances in venues owned and operated by the Company and in third-party venues rented by the Company. In addition, the Company has operations in the specialized motor sports, sports representation and other businesses.

Basis of Presentation and Principles of Consolidation and Combination

Prior to the Separation

Prior to the Separation, the combined financial statements include amounts that are comprised of businesses included in the consolidated financial statements and accounting records of Clear Channel Communications, using the historical basis of assets and liabilities of the entertainment business. The international assets of the Company were contributed by Clear Channel Communications through a non-cash capital contribution to the Company of $383.1 million in 2002. Management believes the assumptions underlying the combined financials statements are reasonable. However, the combined financial statements included herein may not reflect what our results of operations, financial position and cash flows would have been had we operated as a separate, stand-alone entity during the periods presented or what our results of operations, financial position and cash flows will be in the future. Clear Channel Communications net investment in the Company is shown as Business equity in lieu of Shareholders equity in the combined financial statements prior to the Separation.

Subsequent to the Separation

As a result of the Separation, the Company recognized the par value and additional paid-in-capital in connection with the issuance of our common stock in exchange for the net assets contributed at that time, and the Company began accumulating retained deficits and currency translation adjustments upon completion of the Separation. Beginning on December 21, 2005, the Company s consolidated financial statements include all accounts of the Company and its majority owned subsidiaries. Significant intercompany accounts among the consolidated and combined businesses have been eliminated in consolidation. Investments in nonconsolidated affiliates are accounted for using the equity method of accounting. Certain amounts in prior years have been reclassified to conform to the 2005 presentation.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with an original maturity of three months or less.

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NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

Allowance for Doubtful Accounts

The Company evaluates the collectibility of its accounts receivable based on a combination of factors. Generally, it records specific reserves to reduce the amounts recorded to what it believes will be collected when a customer s account ages beyond typical collection patterns, or the Company becomes aware of a customer s inability to meet its financial obligations. To a lesser extent, the Company recognizes reserves based on historical experience of bad debts as a percentage of revenues for applicable businesses, adjusted for relative improvements or deteriorations in the agings. When accounts receivable are determined to be uncollectible, the amount of the receivable is written off against the allowance for doubtful accounts.

Prepaid Expenses

The majority of the Company s prepaid expenses relate to event expenses including show advances and deposits and other costs directly related to future entertainment events. Such costs are charged to operations upon completion of the related events.

Purchase Accounting

The Company accounts for its business acquisitions under the purchase method of accounting. The total cost of acquisitions is allocated to the underlying identifiable net assets based on their respective estimated fair values. The excess of the purchase price over the estimated fair values of the assets acquired is recorded as goodwill. Determining the fair value of assets acquired and liabilities assumed requires management s judgment and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, asset lives and market multiples, among other items. In addition, reserves have been established on the Company s balance sheet related to acquired liabilities and qualifying restructuring costs and contingencies based on assumptions made at the time of acquisition. The Company evaluates these reserves on a regular basis to determine the adequacies of the amounts.

Property, Plant and Equipment

Property, plant and equipment are stated at cost or fair value at date of acquisition. Depreciation, which is recorded for both owned assets and assets under capital leases, is computed using the straight-line method at rates that, in the opinion of management, are adequate to allocate the cost of such assets over their estimated useful lives, which are as follows:

Buildings and improvements 10 to 50 years

Furniture and other equipment 3 to 10 years

Leasehold improvements are depreciated over the shorter of the economic life or associated lease term assuming renewal periods, if appropriate. Expenditures for maintenance and repairs are charged to operations as incurred, whereas expenditures for renewal and improvements are capitalized.

The Company tests for possible impairment of property, plant, and equipment whenever events or changes in circumstances, such as a reduction in operating cash flow or a dramatic change in the manner that the asset is intended to be used indicate that the carrying amount of the asset may not be recoverable. If indicators exist, the Company

compares the estimated undiscounted future cash flows related to the asset to the carrying value of the asset. If the carrying value is greater than the estimated undiscounted future cash flow amount, an impairment charge is recorded in depreciation and amortization expense in the statement of operations for amounts necessary to reduce the carrying value of the asset to fair value. The impairment loss calculations require management to apply judgment in estimating future cash flows and the discount rates that reflect the risk inherent in future cash flows.

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

Intangible Assets

The Company classifies intangible assets as definite-lived or goodwill. Definite-lived intangibles include primarily non-compete and building or naming rights, all of which are amortized over the respective lives of the agreements, typically four to twenty years. The Company periodically reviews the appropriateness of the amortization periods related to its definite-lived assets. These assets are stated at cost. The excess cost over fair value of net assets acquired is classified as goodwill. The goodwill is not subject to amortization, but is tested for impairment at least annually.

The Company tests for possible impairment of definite-lived intangible assets whenever events or changes in circumstances, such as a reduction in operating cash flow or a dramatic change in the manner that the asset is intended to be used indicate that the carrying amount of the asset may not be recoverable. If indicators exist, the Company compares the estimated undiscounted future cash flows related to the asset to the carrying value of the asset. If the carrying value is greater than the estimated undiscounted future cash flow amount, an impairment charge is recorded in depreciation and amortization expense in the statement of operations for amounts necessary to reduce the carrying value of the asset to fair value. The impairment loss calculations require management to apply judgment in estimating future cash flows and the discount rates that reflect the risk inherent in future cash flows.

At least annually, the Company performs its impairment test for each reporting unit s goodwill using a two-step approach. The first step, used to screen for potential impairment, compares the fair value of the reporting unit with its carrying amount, including goodwill. The second step, used to measure the amount of the impairment loss, uses a discounted cash flow model to determine if the carrying value of the reporting unit, including goodwill, is less than the fair value of the reporting unit. Certain assumptions are used in determining the fair value, including assumptions about cash flow rates, discount rates, and terminal values. If the fair value of the Company s reporting unit is less than the carrying value of the reporting unit, the Company reduces the carrying amount of goodwill. Impairment charges are recorded in depreciation and amortization expense in the statement of operations.

Nonconsolidated Affiliates

In general, investments in which the Company owns 20 percent to 50 percent of the common stock or otherwise exercises significant influence over the company are accounted for under the equity method. The Company does not recognize gains or losses upon the issuance of securities by any of its equity method investees. The Company reviews the value of equity method investments and records impairment charges in the statement of operations for any decline in value that is determined to be other-than-temporary.

Operational Assets

As part of the Company s operations, it will invest in certain assets or rights to use assets, generally in theatrical productions or exhibitions. The Company reviews the value of these assets and records impairment charges in divisional operating expenses in the statement of operations for any decline in value that is determined to be other-than-temporary.

Financial Instruments

Due to their short maturity, the carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximated their fair values at December 31, 2005 and 2004. As none of the Company s debt is publicly-traded and the majority of the interest on this debt accrues at a variable rate, the carrying amounts of

long-term debt approximated their fair value at December 31, 2005 and 2004.

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NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

Income Taxes

The Company accounts for income taxes using the liability method. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting bases and tax bases of assets and liabilities and are measured using the enacted tax rates expected to apply to taxable income in the periods in which the deferred tax asset or liability is expected to be realized or settled. Deferred tax assets are reduced by valuation allowances if the Company believes it is more likely than not that some portion or the entire asset will not be realized. As all earnings from the Company s foreign operations are permanently reinvested and not distributed, the Company s income tax provision does not include additional United States taxes on foreign operations. It is not practical to determine the amount of federal income taxes, if any, that might become due in the event that the earnings were distributed.

The Company s provision for income taxes has been computed on the basis that the Company files separate consolidated income tax returns with its subsidiaries. Prior to the Separation, the operations of the Company were included in a consolidated federal income tax return filed by Clear Channel Communication. Certain tax liabilities owed by the Company were remitted to the appropriate taxing authority by Clear Channel Communications and were accounted for as non-cash capital contributions by Clear Channel Communications to the Company. Tax benefits recognized on employee stock option exercises were retained by Clear Channel Communications. Subsequent to the Separation, the Company will file separate consolidated income tax returns.

The Company computes its deferred income tax provision using the liability method in accordance with Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes.* The Company s provision for income taxes is further disclosed in Note I.

Revenue Recognition

Revenue from the presentation and production of an event is recognized on the date of the performance. Revenue collected in advance of the event is recorded as deferred income until the event occurs. Revenue collected from sponsorships and other revenue, which is not related to any single event, is classified as deferred income and generally amortized over the operating season or the term of the contract.

The Company believes that the credit risk with respect to trade receivables is limited due to the large number and the geographic diversification of its customers.

Barter Transactions

Barter transactions represent the exchange of display space or tickets for advertising, merchandise or services. These transactions are generally recorded at the lower of the fair market value of the display space or tickets relinquished or the fair value of the advertising, merchandise or services received. Revenue is recognized on barter and trade transactions when the advertisements are displayed or the event occurs for which the tickets are exchanged. Expenses are recorded when the advertising, merchandise or service is received or when the event occurs. Barter and trade revenues for the years ended December 31, 2005, 2004 and 2003, were approximately $34.9 million, $45.1 million and $33.4 million, respectively, and are included in total revenues. Barter and trade expenses for the years ended December 31, 2005, 2004 and 2003, were approximately $34.8 million, $44.5 million and $32.7 million, respectively, and are included in divisional operating expenses.

Foreign Currency

Results of operations for foreign subsidiaries and foreign equity investees are translated into United States dollars using the average exchange rates during the year. The assets and liabilities of those subsidiaries and investees are translated into United States dollars using the exchange rates at the balance sheet date. The Company does not currently have operations in highly inflationary countries. The related translation

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NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

adjustments are recorded in a separate component of business/shareholders equity in accumulated other comprehensive loss. Foreign currency transaction gains and losses, are included in operations.

Advertising Expense

The Company records advertising expense as it is incurred on an annual basis. Advertising expenses of $179.7 million, $194.2 million and $172.7 million were recorded during the year ended December 31, 2005, 2004 and 2003, respectively.

Depreciation and Amortization

The Company s depreciation and amortization expense is presented as a separate line item in the consolidated and combined statements of operations. There is no depreciation or amortization expense included in divisional operating expenses.

Non-Cash Compensation Expense

Non-cash compensation expense, which is based on an allocation from Clear Channel Communications and is related to issuance of Clear Channel Communications stock awards, is included in corporate expenses in the Company s consolidated and combined statements of operations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates, judgments, and assumptions that affect the amounts reported in the financial statements and accompanying notes including, but not limited to, legal, tax and insurance accruals. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

New Accounting Pronouncements

In December 2004, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 153, *Exchanges of Nonmonetary Assets, an amendment of APB Opinion No. 29* (Statement 153). Statement 153 eliminates the APB Opinion No. 29 exception for nonmonetary exchanges of similar productive assets and replaces it with an exception for exchanges of nonmonetary assets that do not have commercial substance. Statement 153 is effective for financial statements for fiscal years beginning after June 15, 2005. Earlier application is permitted for nonmonetary asset exchanges occurring in fiscal periods beginning after the date of issuance. The provisions of Statement 153 should be applied prospectively. The Company will adopt Statement 153 for its fiscal year beginning January 1, 2006 and management does not believe that adoption will materially impact the Company s financial position or results of operations.

On December 16, 2004, the FASB issued Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment* (Statement 123(R)) which is a revision of Statement of Financial Accounting Standards No. 123, *Accounting for Stock-Based Compensation* (Statement 123). Statement 123(R) supersedes Accounting Principles Board (APB) Opinion No. 25, *Accounting for Stock Issued to Employees* (APB 25), and amends Statement of Financial Accounting Standards No. 95, *Statement of Cash Flows.* Generally, the approach in Statement 123(R) is similar to the approach described in Statement 123. However, Statement 123(R) requires all share-based payments to

employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. Statement 123(R) is effective for financial statements for the first interim or annual period beginning after June 15, 2005. Early adoption is permitted in periods in which financial statements have not yet been issued. In April 2005, the SEC issued a press release announcing that it would provide for phased-in implementation guidance for Statement 123(R). The SEC would require that registrants that are not small business issuers adopt Statement 123(R) s fair value method of accounting for share-based payments to

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NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

employees no later than the beginning of the first fiscal year beginning after June 15, 2005. The Company will adopt Statement 123(R) on January 1, 2006 using the modified prospective method.

As permitted by Statement 123, the Company currently accounts for share-based payments to employees using APB 25 intrinsic value method and, as such, generally recognizes no compensation cost for employee stock options. Accordingly, the adoption of Statement 123(R) s fair value method will have a significant impact on the Company s result of operations, although it will have no impact on its overall financial position. The Company is unable to quantify the impact of adoption of Statement 123(R) at this time because it will depend on levels of share-based payments granted in the future. However, had the Company adopted Statement 123(R) in prior periods, the impact of that standard would have approximated the impact of Statement 123 as described in the disclosure of pro forma net income and earnings per share below. Statement 123(R) also requires the benefits of tax deductions in excess of recognized compensation cost to be reported as a financing cash flow. This requirement will increase net financing cash flows in periods after adoption. The Company cannot estimate what those amounts will be in the future because they depend on, among other things, the levels of share-based payments granted in the future.

In March 2005, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin No. 107 *Share-Based Payment* (SAB 107). SAB 107 expresses the SEC staff s views regarding the interaction between Statement 123(R) and certain SEC rules and regulations and provides the staff s views regarding the valuation of share-based payment arrangements for public companies. In particular, SAB 107 provides guidance related to share-based payment transactions with nonemployees, the transition from nonpublic to public entity status, valuation methods (including assumptions such as expected volatility and expected term), the accounting for certain redeemable financial instruments issued under share-based payment arrangements, the classification of compensation expense, non-GAAP financial measures, first time adoption of Statement 123(R) in an interim period, capitalization of compensation cost related to share-based payment arrangements, the accounting for income tax effects of share-based payment arrangements upon adoption of Statement 123(R) and the modification of employee share options prior to adoption of Statement 123(R).

In May 2005, the FASB issued Statement of Financial Accounting Standards No. 154, *Accounting Changes and Error Corrections* (Statement 154). Statement 154 replaces APB Opinion No. 20, *Accounting Changes*, and FASB Statement of Financial Accounting Standards No. 3, *Reporting Accounting Changes in Interim Financial Statements*, and changes the requirements for the accounting for and reporting of a change in accounting principle. Statement 154 applies to all voluntary changes in accounting principle. It also applies to changes required by an accounting pronouncement in the unusual instance that the pronouncement does not include specific transition provisions. When a pronouncement includes specific transition provisions, those provisions should be followed. Statement 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The Company will adopt Statement 154 on January 1, 2006 and does not anticipate adoption to materially impact our financial position or results of operations.

In June 2005, the Emerging Issues Task Force (EITF) issued EITF 05-6, *Determining the Amortization Period of Leasehold Improvements* (EITF 05-6). EITF 05-6 requires that assets recognized under capital leases generally be amortized in a manner consistent with the lessee s normal depreciation policy except that the amortization period is limited to the lease term (which includes renewal periods that are reasonably assured). EITF 05-6 also addresses the determination of the amortization period for leasehold improvements that are purchased subsequent to the inception of the lease. Leasehold improvements acquired in a business combination or purchased subsequent to the inception of the lease should be amortized over the lesser of the useful life of the asset or the lease term that includes reasonably assured lease renewals as determined on the date of the acquisition of the leasehold improvement. The Company adopted EITF 05-6 on July 1, 2005 which did not materially impact its financial position or results of operations.

In October 2005, the FASB issued Staff Position 13-1 (FSP 13-1). FSP 13-1 requires rental costs associated with ground or building operating leases that are incurred during a construction period be recognized as rental expense. The guidance in FSP 13-1 shall be applied to the first reporting period beginning

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NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

after December 15, 2005. The Company will adopt FSP 13-1 on January 1, 2006 and does not anticipate adoption to materially impact its financial position or results of operations.

In February 2006, the FASB issued FASB Staff Position No. FAS 123(R) 4, *Contingent Cash Settlement* (FSP FAS 123(R) 4). FSP FAS 123(R) 4 requires companies to classify employee stock options and similar instruments with contingent cash settlement features as equity awards under Statement 123(R) provided that (1) the contingent event that permits or requires cash settlement is not considered probable of occurring and is not within the control of the employee; and (2) the award includes no other features that would require liability classification. The Company will adopt FSP FAS 123(R) 4 on January 1, 2006 and management does not believe that adoption will materially impact the Company s financial position or results of operations.

Stock Based Compensation

Prior to the Separation, compensation expense relating to Clear Channel Communications stock options and restricted stock awards held by the Company s employees was allocated by Clear Channel Communications to the Company on a specific employee basis. At the Separation, all unvested options outstanding under Clear Channel Communications stock-based compensation plans that were held by the Company s employees were forfeited and the vested options were forfeited to the extent they were not exercised within the applicable post-employment exercise period provided in their option agreements. All Clear Channel Communications restricted stock awards held by the Company s employees at the date of Separation were forfeited due to the termination of their employment with the Clear Channel Communications group of companies.

On December 21, 2005, the Company adopted the 2005 Stock Incentive Plan. The plan authorizes the Company to grant stock option awards, director shares, stock appreciation rights, restricted stock and deferred stock awards, other equity-based awards, and performance awards. In connection with the Separation, options to purchase approximately 2.1 million shares of the Company s common stock and approximately 0.3 million restricted stock awards were granted to employees. The options granted have an exercise price of $10.60 per share.

The Company accounts for its stock-based award plans in accordance with APB 25, and related interpretations, under which compensation expense is recorded to the extent that the current market price of the underlying stock exceeds the exercise price. Note J provides the assumptions used to calculate the pro forma net income (loss) and pro forma earnings (loss) per share disclosures as if the stock-based awards had been accounted for using the provisions of Statement 123, *Accounting for Stock-Based Compensation.* Due to the Separation, the Company s pro forma disclosures include stock compensation expense for options granted by Clear Channel Communications, prior to the Separation, and options granted by the Company after the Separation. The required pro forma disclosures are as follows:

	2005	2004	2003
	(In thousands, except per share data)		
Net income (loss):			
Reported	$ (130,619)	$ 16,260	$ 57,032
Pro forma stock compensation expense, net of tax:			
Live Nation options	(47)		
Clear Channel Communications options	6,713	(11,368)	(6,499)

Pro Forma	$ (123,953)	$ 4,892	$ 50,533
Pro forma basic and diluted income (loss) per common share:			
Reported	$ (1.96)		
Pro forma	$ (1.86)		

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

NOTE B LONG-LIVED ASSETS

Definite-lived Intangibles

The Company has definite-lived intangible assets which consist primarily of non-compete and building or naming rights, all of which are amortized over the shorter of either the respective lives of the agreements or over the period of time the assets are expected to contribute to the Company s future cash flows. These definite-lived intangibles had a gross carrying amount and accumulated amortization of $18.7 million and $6.3 million, respectively, as of December 31, 2005, and $26.9 million and $12.1 million, respectively, as of December 31, 2004.

Total amortization expense from definite-lived intangible assets for the years ended December 31, 2005, 2004 and 2003 was $2.3 million, $3.2 million and $3.0 million, respectively. The following table presents the Company s estimate of amortization expense for each of the five succeeding fiscal years for definite-lived intangible assets that exist at December 31, 2005:

	(In thousands)
2006	$ 931
2007	862
2008	765
2009	765
2010	988

As acquisitions and dispositions occur in the future amortization expense may vary.

Goodwill

The Company tests goodwill for impairment using a two-step process. The first step, used to screen for potential impairment, compares the fair value of the reporting unit with its carrying amount, including goodwill. The second step, used to measure the amount of the impairment loss, compares the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. The following table presents the changes in the carrying amount of goodwill in each of the Company s reportable segments for the years ended December 31, 2005 and 2004:

	Global Music	Global Theater (In thousands)	Total
Balance as of December 31, 2003	$ 97,849	$ 29,227	$ 127,076
Acquisitions	13,199	3,942	17,141
Foreign currency	(2,266)	(677)	(2,943)
Adjustments	(74,275)	(22,186)	(96,461)
Balance as of December 31, 2004	34,507	10,306	44,813
Acquisitions	104,663	2,493	107,156

Foreign currency	(1,365)	(408)	(1,773)
Adjustments	(10,076)	(3,010)	(13,086)
Balance as of December 31, 2005	$ 127,729	$ 9,381	$ 137,110

During 2004, Internal Revenue Service audits of the Company were concluded for certain pre-acquisition periods occurring prior to the Company being acquired by Clear Channel Communications. Contingent tax reserve liabilities were previously established for these periods with an offsetting increase to goodwill, as part of Clear Channel Communications purchase accounting entries for its acquisition of the Company. Upon

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NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

settlement of these tax periods, the Company was able to reverse its previously recorded tax reserve liabilities and decrease its goodwill by approximately $96.5 million.

During July, 2005, the Company purchased a 50.1% controlling majority interest in Mean Fiddler Music Group, PLC (Mean Fiddler) in the United Kingdom for approximately $43.6 million. Total assets were valued at approximately $117.0 million, which includes $93.9 million of goodwill, and total liabilities and minority interest of approximately $73.4 million were recorded. Mean Fiddler is a consolidated subsidiary that is part of the Company s global music segment. Mean Fiddler is involved in the promotion and production of live music events, including festivals, and venue operations. The goodwill recorded represents the value of efficiencies that the Company expects Mean Fiddler to make in its promotion business as well as giving the Company control of key festivals in the United Kingdom that it can replicate in other markets as a source of future growth.

Also, during 2005, the Company recorded adjustments increasing deferred tax assets and decreasing goodwill by approximately $12.8 million, due to the availability of future tax deductions as a result of the settlement of certain Internal Revenue Service audits of the Company for certain periods prior to the Clear Channel Communications acquisition in 2000.

The results of operations for the year ended December 31, 2005 include the operations of Mean Fiddler from July 5, 2005. Unaudited pro forma consolidated and combined results of operations, assuming the Mean Fiddler acquisition had occurred on January 1, 2004 would have been as follows:

	Year Ended December 31,	
	2005	2004
	(In thousands, except per share data)	
Revenue	$ 2,957,024	$ 2,900,841
Net income (loss)	$ (135,090)	$ 11,250
Net income (loss) per common share	$ (2.02)	

Other Operating Assets

The Company makes investments in various operating assets, including investments in assets and rights related to assets for museum exhibitions. These assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. For the years ended December 31, 2005 and 2004, the Company recorded impairment write-downs related to these exhibitions, included in the Company s other operations, of $0.9 million and $1.1 million, respectively. These write-downs were recorded in divisional operating expenses. There was no similar write-off in 2003.

NOTE C BUSINESS ACQUISITIONS

The Company made cash payments of $8.5 million, $13.8 million and $5.3 million during the years ended December 31, 2005, 2004 and 2003, respectively, primarily related to acquisitions of music promoters and venue operators, as well as various earn-outs and deferred purchase price consideration on prior year acquisitions. In

addition, Clear Channel Communications made cash payments of $67.9 million, $16.2 million and $2.8 million during the years ended December 31, 2005, 2004 and 2003, respectively, related to these acquisitions. These payments by Clear Channel Communications were recorded as non-cash capital contributions to the Company.

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NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

Acquisition Summary

The following is a summary of the assets and liabilities acquired and the consideration given for all acquisitions made during 2005 and 2004:

	2005	2004
	(In thousands)	
Accounts receivable	$ 7,969	$ 24
Property, plant and equipment	6,857	31
Goodwill	110,036	17,141
Other assets	10,118	473
	134,980	17,669
Other liabilities	(59,401)	(504)
Cash paid for acquisitions	$ 75,579	$ 17,165

The Company has entered into certain agreements relating to acquisitions that provide for purchase price adjustments and other future contingent payments based on the financial performance of the acquired company. During the years ended December 31, 2005, 2004 and 2003, the cash payments discussed above include payments related to earn-outs and deferred purchase price consideration of $0.8 million, $12.8 million and $4.4 million, respectively, that were recorded to goodwill. The Company will continue to accrue additional amounts related to such contingent payments if and when it is determinable that the applicable financial performance targets will be met. The aggregate of these contingent payments, if performance targets are met, will not significantly impact the Company s financial position or results of operations.

Restructuring

The Company has recorded liabilities related to acquisitions and restructurings. In July 2005, the Company acquired a controlling majority interest in Mean Fiddler. As part of the acquisition, the Company recorded $4.7 million in restructuring costs in its global music operations primarily related to lease terminations, which it expects to pay over the next several years. As of December 31, 2005, the accrual balance for the Mean Fiddler restructuring was $4.4 million. This restructuring has resulted in the actual termination of approximately 33 employees. In addition, the Company has a remaining restructuring accrual of $1.8 million as of December 31, 2005, related to its merger with Clear Channel Communications in August 2000.

The Company has recorded a liability in purchase accounting primarily related to severance for terminated employees and lease terminations as follows:

	2005	2004	2003
		(In thousands)	

Severance and lease termination costs:			
Accrual at January 1	$ 2,579	$ 2,648	$ 5,312
Restructuring accruals recorded	4,730		
Payments charged against restructuring accrual	(1,086)	(69)	(2,664)
Remaining accrual at December 31	$ 6,223	$ 2,579	$ 2,648

The remaining severance and lease accrual is comprised of $0.8 million of severance and $5.4 million of lease termination. The severance accrual includes amounts that will be paid over the next several years related to deferred payments to former employees as well as other compensation. The lease termination accrual will be paid over the next 23 years. During 2005, $0.9 million was paid and charged to the restructuring reserve related to severance. The Company is continuing to evaluate its purchase accounting liabilities related to several leases in the Mean Fiddler acquisition which may result in additional restructuring accruals.

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NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

In 2005, the Company recorded additional accruals related to the realignment of its business operations consisting of severance and lease termination costs. The total expense related to this restructuring recorded in divisional operating expenses for global music, global theater and other operations was $4.3 million, $2.2 million and $3.5 million, respectively. In addition, $4.7 million of restructuring expense was recorded in corporate expenses. As of December 31, 2005, the remaining accrual related to this 2005 restructuring was $4.8 million.

In 2004, the Company recorded additional restructuring accruals related to the sale of a United Kingdom business included in other operations and a reduction in operating personnel in the global music segment. Total expense related to these restructurings was $6.4 million recorded in divisional operating expenses and resulted in the actual termination of approximately 90 employees. As of December 31, 2005, there is no remaining accrual related to this 2004 restructuring.

Clear Channel Communications made payments related to acquisition contingencies of $5.2 million, $1.1 million and $12.3 million for the years ended December 31, 2005, 2004 and 2003, respectively, on behalf of the Company. These payments were accounted for as non-cash capital contributions by Clear Channel Communications to the Company.

NOTE D INVESTMENTS

The Company s most significant investments in nonconsolidated affiliates are listed below:

Dominion Theatre

The Company owns a 33% interest in the Dominion Theatre, a United Kingdom theatrical company involved in venue operations.

MLK

The Company owns a 20% interest in MLK, a German music company involved in promotion of, and venue operations for, live entertainment events.

House of Blues/PACE JV

The Company owns a 32.5% interest in a joint venture with House of Blues. This is a United States music company involved in promotion of, and venue operations for, live entertainment events.

Broadway in Chicago

The Company owns a 50% interest in Broadway in Chicago, a United States theatrical company involved in promotion, presentation and venue operations for live entertainment events.

Delirium Concert, L.P.

The Company owns a 50% interest in a joint venture with Cirque Du Soleil to develop, produce and promote a new type of live entertainment musical and visual event.

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

Summarized Financial Information

The following table summarizes the Company s investments in these nonconsolidated affiliates:

	Dominion	MLK	HOB/PACE JV	Broadway in Chicago	Delirium Concert L.P.	All Others	Total
				(In thousands)			
At December 31, 2004	$ 5,544	$ 6,664	$ 4,566	$ 3,595	$	$ 6,633	$ 27,002
Acquisition (disposition) of investments					4,965	623	5,588
Additional investment, net	(1,161)	(533)		(3,024)		5,196	478
Equity in net earnings (loss)	1,102	(26)	(1,165)	6,069		(6,256)	(276)
Foreign currency translation adjustment	(660)	(857)				(615)	(2,132)
At December 31, 2005	$ 4,825	$ 5,248	$ 3,401	$ 6,640	$ 4,965	$ 5,581	$ 30,660

The above investments are not consolidated, but are primarily accounted for under the equity method of accounting, whereby the Company records its investments in these entities in the balance sheet as investments in, and advances to, nonconsolidated affiliates. The Company s interests in their operations are recorded in the statement of operations as equity in earnings (loss) of nonconsolidated affiliates. There were no accumulated undistributed earnings included in retained deficit for these investments for the years ended December 31, 2005, 2004 and 2003. Investments for which the Company owns less than a 20% interest are accounted for under the cost method.

These assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. For the years ended December 31, 2005, 2004 and 2003, the Company recorded an impairment write-down related to these investments in nonconsolidated affiliates of $4.9 million, $0.6 million and $2.8 million, respectively. These write-downs were recorded as equity in earnings (loss) of nonconsolidated affiliates. Of the 2005 amount, $1.2 million related to the global music segment and the remaining $3.7 million related to the Company s other operations. The 2004 amount related to the global music segment. Of the 2003 amount, $1.1 million related to the global music segment and the remaining $1.7 million related to the Company s other operations.

The Company conducts business with certain of its equity method investees in the ordinary course of business. Transactions relate to venue rentals, management fees, sponsorship revenue, and reimbursement of certain costs. Expenses of $3.1 million and $2.6 million were incurred in 2005 and 2004, respectively, and revenues of $1.9 million and $1.2 million were earned in 2005 and 2004, respectively, from these equity investees for services rendered or

provided in relation to these business ventures. It is the Company s opinion that these transactions were recorded at fair value.

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NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

NOTE E LONG-TERM DEBT

Long-term debt, which includes capital leases, at December 31, 2005 and 2004, consisted of the following:

	December 31, 2005	December 31, 2004
	(In thousands)	
Debt with Clear Channel Communications	$	$ 628,897
Senior Secured Credit Facility:		
Term loan	325,000	
Revolving credit facility		
Other long-term debt	41,841	21,778
	366,841	650,675
Less: current portion	25,705	1,214
Total long-term debt	$ 341,136	$ 649,461

Debt with Clear Channel Communications

Prior to the Separation, the Company had a revolving line of credit with Clear Channel Communications that was payable upon demand by Clear Channel Communications or on August 1, 2010, whichever was earlier, allowed for prepayment at any time, and accrued interest at a fixed per annum rate of 7.0%. As part of the Separation, $220.0 million of the outstanding debt balance was repaid, with Clear Channel Communications contributing the remaining balance to the Company s capital.

Senior Secured Credit Facility

On December 21, 2005, the Company entered into a $610.0 million senior secured credit facility consisting of a $325.0 million 71/2 -year term loan and a $285.0 million 61/2 -year revolving credit facility. The interest rate is based upon a prime or LIBOR rate, plus an applicable margin, selected at the Company s discretion. The senior secured credit facility is secured by a first priority lien on substantially all of our domestic assets (other than real property and deposits maintained by the Company in connection with promoting or producing live entertainment events) and a pledge of the capital stock of the Company s material domestic subsidiaries.

The senior secured credit facility contains a number of covenants that, among other things, restrict our ability to incur additional debt, pay dividends and make distributions, make certain investments and acquisitions, repurchase stock and prepay certain indebtedness, create liens, enter into agreements with affiliates, modify the nature of the business, enter into sale-leaseback transactions, transfer and sell material assets, and merge or consolidate.

At December 31, 2005, the outstanding balance on the term loan and revolving credit facility was $325.0 million and $0, respectively. Taking into account letters of credit of $46.4 million, $238.6 million was available for future

borrowings. The Company is required to make minimum quarterly principal repayments under the term loan of approximately $3.2 million per year through March 2013, with the balance due at maturity in June 2013. The revolving credit portion of the credit facility matures in June 2012. At December 31, 2005, the interest rate on borrowings under this credit facility was 6.62%.

In addition to paying interest on outstanding principal under the credit facility, the Company is required to pay a commitment fee to the lenders under the revolving credit facility in respect of the unutilized commitments. As of December 31, 2005, the commitment fee rate was .375%. The Company is also required to pay customary letter of credit fees, as necessary.

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NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

Other long-term debt

Other long-term debt is comprised of capital leases of $10.6 million and notes payable of $31.2 million. The notes payable primarily consists of three notes with interest rates ranging from 6.0% to 8.75% and maturities ranging from seven to fourteen years.

Future maturities of long-term debt at December 31, 2005 are as follows:

	(In thousands)
2006	$ 25,705
2007	4,540
2008	4,575
2009	4,668
2010	4,764
Thereafter	322,589
Total	$ 366,841

Debt Covenants

The significant covenants on the Company s $610.0 million, 71/2 -year, multi-currency credit facility relate to total leverage, senior leverage, interest coverage, and capital expenditures contained and defined in the credit agreement. The leverage ratio covenant requires the Company to maintain a ratio of consolidated total indebtedness minus unrestricted cash and cash equivalents (both as defined by the credit agreement) to consolidated earnings-before-interest-taxes-depreciation-and-amortization (as defined by the credit agreement, Consolidated EBITDA) of less than 4.5x through December 31, 2008, and less than 4.0x thereafter, provided that aggregated subordinated indebtedness is less than $25.0 million. The senior leverage covenant, which is only applicable provided aggregate subordinated indebtedness is greater than $25.0 million, requires the Company to maintain a ratio of consolidated senior indebtedness to Consolidated EBITDA of less than 3.0x. The interest coverage covenant requires the Company to maintain a minimum ratio of Consolidated EBITDA to cash interest expense (as defined by the credit agreement) of 2.5x. The capital expenditure covenant limits annual capital expenditures (as defined by the credit agreement) to $125.0 million or less through December 31, 2006, and $110.0 million or less thereafter. In the event that the Company does not meet these covenants, the Company is considered to be in default on the credit facilities at which time the credit facilities may become immediately due. This credit facility contains a cross default provision that would be triggered if it were to default on any other indebtedness greater than $10.0 million.

The Company s other indebtedness does not contain provisions that would make it a default if it were to default on its credit facilities.

The fee paid on borrowings on the Company s $325.0 million, 71/2 -year, senior term loan fee is 2.25% above LIBOR. The fees paid on the Company s $285.0 million, 61/2 -year multi-currency revolving credit facility depend on its total leverage ratio. Based on the Company s current total leverage ratio, its fees on borrowings are 1.75% above LIBOR and are .375% on the total remaining availability on the revolving credit facility. In the event the Company s leverage

ratio improves, the fees on revolving credit borrowings and the unused availability decline gradually to .75% and .25%, respectively, at a total leverage ratio of less than, or equal to, 1.25x.

The Company believes there are no other agreements that contain provisions that trigger an event of default upon a change in long-term debt ratings that would have a material impact on its financial statements.

At December 31, 2005, the Company was in compliance with all debt covenants. The Company expects to remain in compliance throughout 2006.

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NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

NOTE F REDEEMABLE PREFERRED STOCK

As of December 31, 2005, one of the Company s subsidiaries had 200,000 shares of Series A redeemable preferred stock, par value $.01 per share, and 200,000 shares of Series B redeemable preferred stock, par value $.01 per share, outstanding (collectively, the Preferred Stock) with an aggregate liquidation preference of $40.0 million. The Preferred Stock accrues dividends at 13% per annum and is mandatorily redeemable on December 21, 2011. The certificate of incorporation governing the Preferred Stock contains a number of covenants that, among other things, restricts the ability to incur additional debt, issue certain equity securities, create liens, merge or consolidate, modify the nature of the business, make certain investments and acquisitions, transfer and sell material assets, enter into sale-leaseback transactions, enter into swap agreements, pay dividends and make distributions, and enter into agreements with affiliates.

The Series A redeemable preferred stock has voting rights including the right to appoint one of the four members of the issuer s board of directors. The Series B redeemable preferred stock has no voting rights other than the right to vote as a class with the Series A redeemable preferred stock to elect one additional member to the board of directors of the issuer in the event the issuer breaches certain terms of the designations of the preferred stock.

The issuer will be required to make an offer to purchase the Series A and Series B redeemable preferred stock at 101% of each series liquidation preference in the event of a change of control. The Series A and Series B redeemable preferred stock will rank pari passu to each other and will be senior to all other classes or series of capital stock of the issuer with respect to dividends and with respect to liquidation or dissolution of the issuer.

NOTE G COMMITMENTS AND CONTINGENCIES

The Company leases office space and equipment. Some of the lease agreements contain renewal options and annual rental escalation clauses (generally tied to the consumer price index), as well as provisions for the payment of utilities and maintenance by the Company. The Company also has non-cancelable contracts related to minimum performance payments with various artists and other event related costs. In addition, the Company has commitments relating to required purchases of property, plant, and equipment under certain construction commitments for facilities and venues.

As of December 31, 2005, the Company s future minimum rental commitments under non-cancelable operating lease agreements with terms in excess of one year, minimum payments under non-cancelable contracts in excess of one year, and capital expenditure commitments consist of the following:

	Non-Cancelable Operating Leases	Non-Cancelable Contracts	Capital Expenditures
		(In thousands)	
2006	$ 64,339	$ 190,200	$ 23,461
2007	60,739	17,283	750
2008	53,942	10,649	
2009	48,458	9,514	

2010		41,195		4,013		2,500
Thereafter		744,154		15,424		
Total	$	1,012,827	$	247,083	$	26,711

Excluded from the non-cancelable contracts is $66.0 million related to severance obligations for employment contracts calculated as if such employees were terminated on January 1, 2006.

Minimum rentals of $114.1 million to be received in years 2006 through 2020 under non-cancelable subleases are excluded from the commitment amounts in the above table.

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

Rent expense charged to operations for 2005, 2004 and 2003 was $180.8 million, $175.7 million and $160.3 million, respectively. In addition to the minimum rental commitments discussed above, the Company has leases that contain contingent payment requirements for which payments vary depending on revenues, tickets sold or other variables.

As of December 31, 2005 and 2004, the Company guaranteed the debt of third parties of approximately $1.9 million and $3.5 million, respectively, primarily related to maximum credit limits on employee credit cards and, in 2004, this included a guarantee of a bank line of credit for working capital needs of a nonconsolidated affiliate.

The Company is currently involved in certain legal proceedings and, as required, has accrued its best estimate of the probable costs for the resolution of these claims. These estimates have been developed in consultation with counsel and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. It is possible, however, that future results of operations for any particular period could be materially affected by changes in the Company s assumptions or the effectiveness of its strategies related to these proceedings.

Various acquisition agreements include deferred consideration payments including future contingent payments based on the financial performance of the acquired companies, generally over a one to five year period. Contingent payments involving the financial performance of the acquired companies are typically based on the acquired company meeting certain financial performance targets as defined in the agreement. The contingent payment amounts are generally calculated based on predetermined multiples of the achieved financial performance. At December 31, 2005, the Company is unable to estimate this contingency as it is subject to the future financial performance of the acquired companies. As the contingencies have not been met or resolved as of December 31, 2005, these amounts are not recorded. If future payments are made, amounts will be recorded as additional purchase price.

The Company has various investments in nonconsolidated affiliates that are subject to agreements that contain provisions that may result in future additional investments to be made by the Company. The put values are contingent upon financial performance of the investee and are typically based on the investee meeting certain financial performance targets, as defined in the agreements. The contingent payment amounts are generally calculated based on predetermined multiples of the achieved financial performance not to exceed a predetermined maximum amount.

NOTE H RELATED PARTY TRANSACTIONS

Relationship with Clear Channel Communications

Master Separation and Distribution Agreement

The master separation and distribution agreement provided for, among other things, the principal corporate transactions required to effect the transfer of assets and the Company s assumption of liabilities necessary to separate the transferred businesses from Clear Channel Communications, the distribution of the Company s common stock to the holders of record of Clear Channel Communications common stock on December 14, 2005, and certain other agreements governing the Company s relationship with Clear Channel Communications after the date of the Separation. The transfers from Clear Channel Communications to the Company occurred prior to the Separation and all of the assets were transferred on an as is, where is basis, and the Company and its subsidiaries agreed to bear the economic and legal risks that any conveyance was insufficient to vest in the Company good title, free and clear of any security interest, and that any necessary consents or approvals were not obtained or that any requirements of laws or judgments were not complied with. The Company assumed and agreed to perform and fulfill all of the liabilities arising out of ownership or use of the transferred assets or the operation of the transferred businesses. The Company

also agreed, among other things, that for the Company s 2005 fiscal year and for any fiscal year thereafter for so long as Clear Channel Communications is required to consolidate our results of operations and financial

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NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

position with its results of operations and financial position, the Company will not select an independent registered public accounting firm different from Clear Channel Communications.

Transition Services Agreement

The transition services agreement governs the provision by Clear Channel Communications to the Company of certain transitional administrative and support services such as treasury, payroll and other financial related services; human resources and employee benefits; legal and related services; information systems, network and related services; investment services; and corporate services. The charges for the transition services are intended to allow Clear Channel Communications to fully recover the allocated direct costs of providing the services, plus all out-of-pocket expenses, generally without profit. The allocation of costs will be based on various measures depending on the service provided, including relative revenue, employee headcount or number of users of a service. The services will terminate at various times, generally ranging from two months to one year after the completion of the Separation.

Tax Matters Agreement

The tax matters agreement governs the respective rights, responsibilities and obligations of Clear Channel Communications and the Company with respect to tax liabilities and benefits, tax attributes, tax contests and other matters regarding income taxes, non-income taxes and preparing and filing tax returns, as well as with respect to any additional taxes incurred by the Company attributable to actions, events or transactions relating to the Company s stock, assets or business following the Separation, including taxes imposed if the Separation fails to qualify for tax-free treatment under Section 355 of the Internal Revenue Code of 1986, as amended, or if Clear Channel Communications is not able to recognize certain losses.

Employee Matters Agreement

The employee matters agreement provides that the Company will be solely responsible for the majority of the liabilities and expenses relating to the Company s current and former employees and their covered dependents and beneficiaries, regardless of when incurred.

Trademark and Copyright License Agreement

The trademark and copyright license agreement establishes the Company s right to continue to use the trademark CLEAR CHANNEL, other marks incorporating the term CLEAR CHANNEL or variations thereof, the CC, and other marks used in connection with the transferred businesses, and trade dress and other indicia of origin associated with such trademarks and certain copyrights in packaging, labels, signage, marketing, advertising and promotional materials that bear or display such trademarks in the licensed territory for the transferred businesses, during a transitional period ending December 21, 2006.

Transactions with Clear Channel Communications

Prior to the Separation, the Company had a revolving line of credit with Clear Channel Communications. See further disclosure in Note E Long Term Debt.

Clear Channel Communications has provided funding for certain of the Company s acquisitions of net assets. These amounts funded by Clear Channel Communications for these acquisitions are recorded in owner s net investment as a component of business/shareholders equity. Also, certain tax related receivables and payables, which are considered

non-cash capital contributions or dividends, are recorded in owner s net investment. During the fiscal years 2005 and 2004, Clear Channel Communications made additional non-cash capital contributions of $8.8 million and $17.7 million, respectively, to the Company. During the fourth quarter of 2005, the Company completed the Separation from Clear Channel Communications. As a result, the Company recognized the par value and additional paid-in-capital in connection with the issuance of our common stock in exchange for the net assets contributed by Clear Channel Communications. As of

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

December 31, 2005 there is no longer an owner s net investment balance recorded. As of December 31, 2004 the balance recorded in owner s net investment is $170.5 million.

The Company purchases advertising from Clear Channel Communications and its subsidiaries. For the years ended December 31, 2005, 2004 and 2003, the Company recorded $12.9 million, $16.7 million and $15.7 million, respectively, as a component of divisional operating expenses, for these advertisements. It is the Company s opinion that these transactions were recorded at fair value.

Prior to the Separation, Clear Channel Communications provided management services to the Company, which included, among other things: (i) treasury, payroll and other financial related services; (ii) executive oversight; (iii) human resources and employee benefits services; (iv) legal and related services; and (v) information systems, network and related services. These services were allocated to the Company based on actual direct costs incurred or on the Company s share of Clear Channel Communications estimate of expenses relative to a seasonally adjusted headcount. Management believes this allocation method to be reasonable and the expenses allocated to be materially the same as the amount that would have been incurred on a stand-alone basis. For the years ended December 31, 2005, 2004 and 2003, the Company recorded $9.5 million, $9.8 million and $9.2 million, respectively, as a component of corporate expenses for these services.

Clear Channel Communications owns the trademark and trade names used by the Company prior to the Separation. Beginning January 1, 2003, Clear Channel Communications charged the Company a royalty fee based upon a percentage of annual revenue. Clear Channel Communications used a third party valuation firm to assist in the determination of the royalty fee. For the years ended December 31, 2005, 2004 and 2003, the Company recorded $0.5 million, $3.1 million and $4.1 million, respectively, of royalty fees in corporate expenses.

Prior to the Separation, the operations of the Company were included in a consolidated federal income tax return filed by Clear Channel Communications. The Company s provision for income taxes has been computed on the basis that the Company files separate consolidated income tax returns with its subsidiaries. Tax payments were made to Clear Channel Communications on the basis of the Company s separate taxable income. Tax benefits recognized on employee stock option exercises are retained by Clear Channel Communications.

The Company s domestic employees participated in Clear Channel Communications employee benefit plans prior to the Separation, including employee medical insurance, an employee stock purchase plan and a 401(k) retirement benefit plan. These costs were recorded primarily as a component of divisional operating expenses and were approximately $9.0 million, $9.0 million and $7.6 million for the years ended December 31, 2005, 2004 and 2003, respectively. Subsequent to the Separation, the Company will provide its own employee benefit plans.

In connection with the Separation, the Company entered into various lease and licensing agreements with Clear Channel Communications primarily for office space occupied by the Company s employees.

As of December 31, 2005, the Company has recorded a liability to Clear Channel Communications of $12.7 million, which is recorded in accrued expenses.

Other Related Parties

The Company conducts certain transactions in the ordinary course of business with companies that are owned, in part or in total, by various members of management of the Company s subsidiaries. Transactions relate to venue rentals, equipment rental, ticketing and other services and reimbursement of certain costs. Expenses of $10.5 million,

$7.9 million and $6.8 million were incurred in 2005, 2004 and 2003, respectively, and revenues of $0.5 million were earned in each of the years 2005, 2004 and 2003 from these companies for services rendered or provided in relation to these business ventures. None of these transactions were with senior executive officers of the Company.

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

NOTE I INCOME TAXES

Prior to the Separation, the operations of the Company were included in a consolidated federal income tax return filed by Clear Channel Communications. However, for financial reporting purposes, the Company s provision for income taxes has been computed on the basis that the Company files separate consolidated income tax returns with its subsidiaries. Any accruals related to domestic tax contingencies for items that arose prior to the Separation were retained by Clear Channel Communications.

Significant components of the provision for income tax expense (benefit) are as follows:

	2005	2004	2003
		(In thousands)	
Current federal	$ (74,605)	$ (68,192)	$ (71,966)
Current foreign	31,170	13,870	2,809
Current state	(9,590)	(1,624)	885
Total current	(53,025)	(55,946)	(68,272)
Deferred federal	111,268	50,162	73,575
Deferred foreign	(1,127)	(2,201)	(3,428)
Deferred state	4,372	6,450	9,460
Total deferred	114,513	54,411	79,607
Income tax expense (benefit)	$ 61,488	$ (1,535)	$ 11,335

The increase in deferred tax expense of $60.1 million for the year ended December 31, 2005 as compared to December 31, 2004 was due primarily to a valuation allowance of $77.3 million recorded against certain deferred tax assets in 2005. Prior to the Separation, as a subsidiary of Clear Channel Communications, taxable losses of the Company s subsidiaries were able to be utilized under a consolidated income tax return with Clear Channel Communications. After the Separation, the Company s deferred tax assets had to be evaluated on a stand-alone basis and a valuation allowance was recorded based on the Company s prior history of taxable losses and due to the uncertainty of the Company s ability to realize its deferred tax assets.

Current tax benefit decreased $12.3 million in 2004 as compared to 2003. As a result of the favorable resolution of certain tax contingencies, current tax expense (benefit) for the year ended December 31, 2004 was reduced approximately $11.0 million. In 2004, certain of the Company s Internal Revenue Service audits were settled and certain tax contingencies, which had previously been recorded in purchase accounting with an offset to goodwill, were resolved. Thus, the Company reversed $11.0 million of interest that had been accrued as tax expense associated with these items during prior years as a benefit to current tax expense. The $11.0 million was partially offset by approximately $4.9 million of additional current tax expense related to interest expense on other tax contingencies associated with various tax planning items. The decrease in deferred tax expense of $25.2 million for the year ended December 31, 2004 as compared to December 31, 2003 was due primarily to additional depreciation expense

deductions taken for tax purposes associated with a change in our tax lives of certain assets. The additional depreciation expense resulted in an increase in deferred tax expense in 2003.

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NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

Significant components of the Company s deferred tax liabilities and assets as of December 31, 2005 and 2004 are as follows:

	2005	2004
	(In thousands)	
Deferred tax liabilities:		
Long-term debt	$ 2,488	$ 2,078
Foreign	9,110	
Total deferred tax liabilities	11,598	2,078
Deferred tax assets:		
Intangibles and fixed assets	48,844	72,081
Accrued expenses		1,226
Foreign		1,488
Investments	11,687	11,013
Net operating loss carryforwards	7,378	
Bad debt reserves	3,178	3,391
Deferred income	736	1,449
Prepaid expense		199
Other	7,931	8,548
Total gross deferred tax assets	79,754	99,395
Valuation allowance	77,266	
Total deferred tax assets	2,488	99,395
Net deferred tax assets (liabilities)	$ (9,110)	$ 97,317

The valuation allowance was recorded due to the uncertainty of the ability to generate sufficient taxable income necessary to realize certain deferred tax assets in future years. If, at a later date, it is determined that due to a change in circumstances, the Company will utilize all or a portion of those deferred tax assets, the Company will reverse the corresponding valuation allowance with the offset to income tax benefit.

The deferred tax asset related to intangibles and fixed assets primarily relates to the difference in book and tax basis of tax deductible goodwill created from the Company s various stock acquisitions. In accordance with Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets*, the Company no longer amortizes goodwill. Thus, a deferred tax benefit for the difference between book and tax amortization for the Company s tax-deductible goodwill is no longer recognized, as these assets are no longer amortized for book purposes. As the Company continues to amortize its tax basis in its tax deductible goodwill, the deferred tax asset will decrease over time.

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

The reconciliation of income tax computed at the United States federal statutory tax rates to income tax expense (benefit) is:

	2005	2004	2003
		(In thousands)	
Income tax expense (benefit) at statutory rates	$ (24,196)	$ 5,154	$ 23,928
State income taxes, net of federal tax benefit	(5,218)	4,825	10,345
Foreign taxes	8,457	(7,084)	(15,610)
Nondeductible items	1,365	1,105	1,101
Tax contingencies		(6,064)	22,305
Minority interest		522	433
Loss on sale of subsidiary			(31,621)
Change in valuation allowance	77,266		
Other, net	3,814	7	454
	$ 61,488	$ (1,535)	$ 11,335

During 2005, the Company recorded tax expense of approximately $61.5 million on losses before income tax of $69.1 million. As a result of the determination by the Company that it may not be able to realize certain deferred tax assets in the future, the Company recorded a valuation allowance of approximately $77.3 million in 2005.

During 2004, the Company recorded a tax benefit of approximately $1.5 million on income before income taxes of $14.7 million. Foreign income before income taxes was approximately $53.6 million for 2004. As a result of the favorable resolution of certain tax contingencies, current tax expense (benefit) for the year ended December 31, 2004 was reduced approximately $11.0 million. In 2004, certain of the Company s Internal Revenue Service audits were settled and certain tax contingencies, which had previously been recorded in purchase accounting with an offset to goodwill, were resolved. Thus, the Company reversed $11.0 million of interest associated with these items that had been accrued as tax expense in prior years as a benefit to current tax expense. The $11.0 million was partially offset by approximately $4.9 million of additional current tax expense related to interest expense on other tax contingencies associated with various tax planning items.

During 2003, the Company recorded tax expense of approximately $11.3 million on income before income taxes of $68.4 million. Foreign income before income taxes was approximately $42.8 million. The Company recorded additional current tax expense related to interest on certain tax contingencies of approximately $22.3 million in 2003. In addition, the Company recorded a tax benefit of $31.6 million related to the loss on the disposition of certain subsidiaries.

Prior to the Separation, certain tax liabilities owed by the Company were remitted to the appropriate taxing authority by Clear Channel Communications and were accounted for as non-cash capital contributions by Clear Channel Communications to the Company. To the extent tax benefits of the Company were utilized by Clear Channel Communications, they were accounted for as non-cash dividends from the Company to Clear Channel Communications. For the years ended December 31, 2005, 2004 and 2003, Clear Channel Communications utilized

$76.7 million, $64.1 million and $92.6 million, respectively, of the Company s tax benefit.

NOTE J BUSINESS/SHAREHOLDERS EQUITY

Dividends

The Company presently intends to retain future earnings, if any, to finance the expansion of our business. Therefore, it does not expect to pay any cash dividends in the foreseeable future. Moreover, the terms of our

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

senior secured credit facility and the designations of our preferred stock limit the amount of funds which the Company will have available to declare and distribute as dividends on our common stock. Payment of future cash dividends, if any, will be at the discretion of its board of directors in accordance with applicable law after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs, plans for expansion and contractual restrictions with respect to the payment of dividends.

Stock Options Live Nation

The Company has granted options to purchase its common stock to employees and directors of the Company and its affiliates under its 2005 Stock Incentive Plan at no less than the fair market value of the underlying stock on the date of grant. These options are granted for a term not exceeding ten years and are forfeited in the event the employee or director terminates his or her employment or relationship with the Company or one of its affiliates. The stock incentive plan contains anti-dilutive provisions that requires the adjustment of the number of shares of the Company s common stock represented by, and the exercise price of, each option for any stock splits or stock dividends.

The following table presents a summary of the Company s stock options outstanding at and stock option activity during the year ended December 31, 2005 (Price reflects the weighted average exercise price per share):

	2005	
	Options	**Price**
	(In thousands, except per share data)	
Outstanding, beginning of year		$
Granted	2,078	10.60
Exercised		
Forfeited or expired		
Outstanding, end of year	2,078	$ 10.60
Exercisable, end of year		
Weighted average fair value per option granted	$ 3.51	

There were 6.6 million shares available for future grants under the stock incentive plan at December 31, 2005. Vesting dates range from December 2006 to December 2010, and expiration dates range from December 2012 to December 2015 at exercise prices and average contractual lives as follows:

Range of Exercise Prices	Outstanding as of 12/31/05	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Exercisable as of 12/31/05	Weighted Average Exercise Price

			(In thousands, except per share data)		
10.01 - 20.00	2,078	7.3	$	10.60	$

The fair value for these options was estimated at the date of grant using a Black-Scholes option-pricing model with the following assumptions for 2005:

	2005
Risk-free interest rate	4.71%
Dividend yield	0.0%
Volatility factors	25%
Weighted average expected life	5 - 7.5

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

The weighted average fair value of stock options granted is required to be based on a theoretical option pricing model. In actuality, because the Company s stock options are not traded on an exchange, option holders can receive no value nor derive any benefit from holding stock options under the plan without an increase in the market price of Live Nation stock. Such an increase in stock price would benefit all shareholders commensurately.

Stock Options Clear Channel Communications

Prior to the Separation, Clear Channel Communications granted options to purchase Clear Channel Communications common stock to employees of the Company and its affiliates under various stock option plans at no less than the fair market value of the underlying stock on the date of grant. These options were granted for a term not exceeding ten years and are forfeited in the event the employee or director terminates his or her employment or relationship with the Company or one of its affiliates. All option plans contain anti-dilutive provisions that require the adjustment of the number of shares of the Clear Channel Communications common stock represented by, and the exercise price of, each option for any stock splits or stock dividends. At the Separation, all unvested options outstanding under Clear Channel Communications stock-based compensation plans that were held by the Company s employees were forfeited and the vested options were forfeited to the extent they were not exercised within the applicable post-employment exercise period provided in their option agreements.

There were 1.1 million options exercisable under the stock incentive plan at December 31, 2005. Exercise prices ranged from $23.59 to $74.84, with a weighted average exercise price of $47.89, and all of these options expire by June 2006.

Clear Channel Communications calculated the fair value for these options at the date of grant using a Black-Scholes option-pricing model with the following assumptions for 2005, 2004 and 2003:

	2005	2004	2003
Risk-free interest rate	3.76% - 4.44%	2.21% - 4.51%	2.91% - 4.03%
Dividend yield	1.46% - 2.36%	.90% - 1.65%	0% - 1.01%
Volatility factors	25%	42% - 50%	43% - 47%
Weighted average expected life	5 - 7.5	3 - 7.5	5 - 7.5

The weighted average fair value of stock options granted is required to be based on a theoretical option pricing model. In actuality, because the Clear Channel Communications stock options are not traded on an exchange, option holders can receive no value nor derive any benefit from holding stock options under the plan without an increase in the market price of Clear Channel Communications stock.

Restricted Stock Awards

Prior to the Separation, Clear Channel Communications granted restricted stock awards to the Company s employees beginning in 2004. These Clear Channel Communications common shares held a legend which restricted their transferability for a term of three to five years and are forfeited in the event the employee terminates his or her employment or relationship with the Company prior to the lapse of the restriction. The restricted stock awards were granted out of the Clear Channel Communications stock option plans. Additionally, recipients of the restricted stock

awards are entitled to all cash dividends as of the date the award was granted. The expense related to these restricted stock awards is included in corporate expenses. All Clear Channel Communications restricted stock awards held by the Company s employees at the date of Separation were forfeited due to the termination of their employment with the Clear Channel Communications group of companies.

Subsequent to the Separation, the Company has granted restricted stock awards to its employees. These common shares hold a legend which restricts their transferability for a term of three to five years and are forfeited in the event the employee terminates his or her employment or relationship with the Company prior

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

to the lapse of the restriction. The restricted stock awards were granted out of the Company s stock incentive plan. Additionally, recipients of the restricted stock awards are entitled to all cash dividends as of the date the award was granted.

The following table presents a summary of the Company s restricted stock awards outstanding at December 31, 2005 (Price reflects the weighted average share price at the date of grant):

	2005	
	Awards	Price
	(In thousands, except per share data)	
Outstanding, beginning of year		$
Granted	319	10.60
Forfeited		
Outstanding, end of year	319	$ 10.60

Common Stock Reserved for Future Issuance

Common stock of approximately 9.0 million shares is reserved for future issuances under the stock incentive plan (including 2.1 million options and 0.3 million restricted stock awards currently granted).

Share Repurchase Program

On December 22, 2005, The Company s Board of Directors authorized a $150.0 million share repurchase program effective immediately. The repurchase program is authorized through December 31, 2006, although prior to such time, the program may be suspended or discontinued at any time. As of December 31, 2005, 1.5 million shares have been repurchased for an aggregate cost of $18.0 million, including commissions and fees. Also, as of December 31, 2005, $132.0 million remains available under the share repurchase program.

Earnings per Share

The Company has excluded all potentially dilutive securities such as unvested restricted stock and outstanding options to purchase common stock from the calculation of diluted net loss per common share because such securities are anti-dilutive. As of December 31, 2005, the Company had 319,121 shares of unvested restricted stock and 2,077,725 outstanding options to purchase common stock. Such securities, had they been dilutive, would have been considered in the computation of diluted net loss per common share. Earnings per share is not presented for any period prior to 2005 since the Company s stock was not publicly traded prior to the Separation.

NOTE K EMPLOYEE STOCK AND SAVINGS PLANS

Employee Benefit Plans

Prior to the Separation, the Company s employees were eligible to participate in various 401(k) savings and other plans provided by Clear Channel Communications for the purpose of providing retirement benefits for substantially all employees. Both the employees and the Company made contributions to the plan. The Company matched a portion of an employee s contribution. The Company matched 50% of the employee s first 5% of pay contributed to the plan. Company matched contributions vest to the employees based upon their years of service to the Company.

Subsequent to the Separation, the Company adopted various 401(k) savings and other plans for the purpose of providing retirement benefits for substantially all employees. Both the employees and the Company make contributions to the plan. The Company matches 50% of the employee s first 5% of pay contributed to

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

the plan. Company matched contributions vest to the employees based upon their years of service to the Company.

Contributions to these plans of $2.1 million, $2.1 million and $1.6 million were charged to expense for 2005, 2004 and 2003, respectively.

The Company s employees were also eligible to participate in a non-qualified employee stock purchase plan provided by Clear Channel Communications. Under the plan, shares of Clear Channel Communications common stock could be purchased at 85% of the market value on the day of purchase. Employees could purchase shares having a value not exceeding 10% of their annual gross compensation or $25,000, whichever is lower. During 2005, 2004 and 2003, all Clear Channel Communications employees purchased 222,789, 262,163 and 266,978 shares at weighted average share prices of $28.79, $32.05 and $34.01, respectively. The Company s employees represent approximately 6% of the total participation in this plan. Subsequent to the Separation, the Company did not adopt a non-qualified employee stock purchase plan.

Prior to the Separation, certain highly compensated executives of the Company were eligible to participate in a non-qualified deferred compensation plan provided by Clear Channel Communications, which allowed deferrals up to 50% of their annual salary and up to 80% of their bonus before taxes. The Company did not match any deferral amounts. Clear Channel Communications retained ownership of all assets until distributed and recorded the liability under this deferred compensation plan. In connection with the Separation, Clear Channel Communications transferred to the Company the asset and liability related to the deferrals made by the Company s employees.

Subsequent to the Separation, the Company adopted a non-qualified deferred compensation plan for highly compensated executives and directors. The plan allows executives to defer up to 50% of their annual salary and up to 80% of their bonus before taxes and allows directors to defer up to 100% of their compensation. Matching contributions are made at the sole discretion of the Company s compensation committee and the Company retains ownership of all assets until distributed. The liability under the deferred compensation plan at December 31, 2005 was approximately $1.7 million which is recorded in other long-term liabilities.

NOTE L OTHER INFORMATION

	For the Year Ended December 31,		
	2005	2004	2003
	(In thousands)		
The following details the components of Other income (expense) net :			
Interest income	$ 2,506	$ 3,221	$ 6,870
Minority interest expense	(5,236)	(3,300)	(3,280)
Other, net	(446)	(1,611)	(366)
Total other income (expense) net	$ (3,176)	$ (1,690)	$ 3,224

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

	As of December 31, 2005	As of December 31, 2004
	(In thousands)	
The following details the components of Other current assets :		
Investments in theatrical productions	$ 9,955	$ 13,275
Inventory	5,587	4,600
Assets held in escrow	23,273	22,109
Current portion of debt issuance costs	419	
Other	7,480	2,022
Total other current assets	$ 46,714	$ 42,006
The following details the components of Other assets :		
Prepaid management and booking fees	$ 10,724	$ 10,300
Prepaid rent	6,889	4,791
Long-term portion of debt issuance costs	2,586	
Other	6,933	6,662
Total other assets	$ 27,132	$ 21,753
The following details the components of Accrued expenses :		
Accrued event expenses	$ 98,359	$ 77,402
Collections on behalf of others	71,823	85,129
Current deferred tax liabilities	9,110	
Accrued expenses other	226,215	199,747
Total accrued expenses	$ 405,507	$ 362,278
The following details the components of Other long-term liabilities :		
Tax contingencies	$ 16,745	$ 70,804
Deferred income	4,973	5,557
Other	9,048	12,636
Total other long-term liabilities	$ 30,766	$ 88,997

NOTE M SEGMENT DATA

The Company has two reportable operating segments global music and global theater. The Company s global music business principally involves the operation of venues and the promotion or production of live music shows and tours by music artists. The Company s global theater business operates venues and presents and produces touring and other theatrical performances. Revenue and expenses earned and charged between segments are recorded at fair value and eliminated in consolidation within the applicable segment. Corporate expenses, interest expense, equity in earnings (loss) of nonconsolidated affiliates, other income (expense) net and income taxes are managed on a total company basis. There are no customers that individually account for more than ten percent of the combined revenues in any

year.

Other includes specialized motor sports and sports representation.

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NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

	Global Music	Global Theater	Other	Corporate	Consolidated and Combined
			(In thousands)		
2005					
Revenue	$ 2,321,302	$ 317,038	$ 298,505	$	$ 2,936,845
Divisional operating expenses	2,226,165	303,098	300,569		2,829,832
Depreciation and amortization	39,421	15,236	5,969	3,996	64,622
Loss (gain) on sale of operating assets	(806)	2	3,598	2,065	4,859
Corporate expenses				50,715	50,715
Operating income (loss)	$ 56,522	$ (1,298)	$ (11,631)	$ (56,776)	$ (13,183)
Identifiable assets	$ 1,082,608	$ 350,097	$ 185,574	$ 158,305	$ 1,776,584
Capital expenditures	$ 41,825	$ 33,078	$ 10,289	$ 7,328	$ 92,520
2004					
Revenue	$ 2,201,007	$ 313,974	$ 291,147	$	$ 2,806,128
Divisional operating expenses	2,081,945	278,327	285,021		2,645,293
Depreciation and amortization	37,043	14,709	7,406	4,937	64,095
Loss (gain) on sale of operating assets	(3,438)	(58)	9,867		6,371
Corporate expenses				31,386	31,386
Operating income (loss)	$ 85,457	$ 20,996	$ (11,147)	$ (36,323)	$ 58,983
Identifiable assets	$ 807,212	$ 391,523	$ 138,907	$ 141,064	$ 1,478,706
Capital expenditures	$ 33,581	$ 32,698	$ 3,085	$ 4,071	$ 73,435
2003					
Revenue	$ 2,069,857	$ 318,219	$ 319,826	$	$ 2,707,902
Divisional operating expenses	1,924,132	282,320	300,183		2,506,635
Depreciation and amortization	35,262	13,161	9,626	5,387	63,436
Loss (gain) on sale of operating assets	(863)	24	(139)		(978)
Corporate expenses				30,820	30,820
Operating income (loss)	$ 111,326	$ 22,714	$ 10,156	$ (36,207)	$ 107,989
Identifiable assets	$ 825,212	$ 401,615	$ 135,999	$ 132,889	$ 1,495,715
Capital expenditures	$ 33,494	$ 30,209	$ 4,571	$ 1,662	$ 69,936

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NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

Revenue of $905.6 million, $776.1 million and $680.0 million were derived from the Company s foreign operations, of which $427.8 million, $353.7 million and $313.0 million were derived from the Company s operations in the United Kingdom for the years ended December 31, 2005, 2004 and 2003, respectively. Identifiable assets of $597.6 million, $424.4 million and $348.7 million were derived from the Company s foreign operations of which $299.3 million, $174.9 million and $160.6 million were derived from the Company s operations in the United Kingdom for the years ended December 31, 2005, 2004 and 2003, respectively.

NOTE N QUARTERLY RESULTS OF OPERATIONS (Unaudited)

	March 31,		June 30,		September 30,		December 31,	
	2005	2004	2005	2004	2005	2004	2005	2004
	(In thousands, except per share data)							
Revenue	$ 444,483	$ 529,035	$ 741,691	$ 743,679	$ 998,414	$ 989,165	$ 752,257	$ 544,249
Operating expenses:								
Divisional operating expenses	437,665	505,947	703,545	706,256	909,421	895,582	779,201	537,508
Depreciation and amortization	15,477	16,210	15,282	15,517	15,633	15,772	18,230	16,596
Loss (gain) on sale of operating assets	(357)	(9)	(260)	7,118	191	291	5,285	(1,029)
Corporate expenses	19,224	6,594	7,866	6,732	11,301	6,651	12,324	11,409
Operating income (loss)	(27,526)	293	15,258	8,056	61,868	70,869	(62,783)	(20,235)
Interest expense	619	742	875	647	1,177	809	3,388	921
Interest expense with Clear Channel Communications	11,188	10,439	10,827	9,010	13,704	13,101	10,718	9,805
Equity in earnings (loss) of nonconsolidated affiliates	510	1,912	(2,129)	762	1,776	557	(433)	(325)
Other income (expense) net	944	(512)	190	(543)	(5,291)	(382)	981	(253)
Income (loss) before income taxes	(37,879)	(9,488)	1,617	(1,382)	43,472	57,134	(76,341)	(31,539)
Income tax (expense) benefit	15,152	(989)	(647)	(144)	(17,389)	5,958	(58,604)	(3,290)
Net income (loss)	$ (22,727)	$ (10,477)	$ 970	$ (1,526)	$ 26,083	$ 63,092	$ (134,945)	$ (34,829)
							$ (2.02)	

Basic and diluted net income (loss) per common share		
Dividends declared per share	$	
Stock Price:		
High	$	14.00
Low	$	10.55

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NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (Continued)

The Company s common stock is traded on the New York Stock Exchange under the symbol LYV.

NOTE O SUBSEQUENT EVENTS

In January 2006, the Company sold a portion of its sports talent representation business assets located in Los Angeles for $12 million in cash.

In March 2006, the Company entered into two separate interest rate swaps for which it purchased a series of interest rate caps and sold a series of interest rate floors. These agreements were put in place to eliminate or reduce the variability of a portion of the cash flows from the interest payments related to the Senior Secured Credit Facility. The terms of the Senior Secured Credit Facility require that an interest rate swap be put in place for at least 50% of the outstanding debt and for at least 3 years. The purchased caps are for a notional amount of $162.5 million for a three-year period at a fixed rate of 5.105%. The sold floors are for a notional amount of $121.9 million for a three-year period at a fixed rate of 5.105%. The Company paid no up-front fees related to this transaction and the swaps meet the criteria for a cash flow hedge in accordance with FASB Statement of Financial Accounting Standards No. 133, *Accounting for Derivative Instruments and Hedging Activities.*

Item 9. ***Changes in and Disagreements With Accountants on Accounting and Financial Disclosure***

None.

Item 9A. ***Controls and Procedures***

Introduction

Live Nation became subject to the periodic and other reporting requirements of the Securities Exchange Act of 1934, as amended, on December 21, 2005, the date of our Separation from Clear Channel Communications.

Evaluation of Disclosure Controls and Procedures

Live Nation (the Company) has established disclosure controls and procedures to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to the officers who certify the Company s financial reports and to other members of senior management and the Board of Directors. It should be noted that, because of inherent limitations, our disclosure controls and procedures, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the disclosure controls and procedures are met.

Based on their evaluation as of December 31, 2005, the Chief Executive Officer and Chief Financial Officer of the Company have concluded that the Company s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) are effective to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

Management s Report on Internal Control over Financial Reporting

As a result of our registration with the Securities and Exchange Commission, we will be required to comply with Section 404 of the Sarbanes-Oxley Act of 2002 and regulations promulgated thereunder as of December 31, 2006. We are currently performing the system and process evaluation and testing required in an effort to comply with management certification and auditor attestation requirements of Section 404.

Item 9B. ***Other Information***

Not applicable.

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PART III

Item 10. ***Directors and Executive Officers of the Registrant***

Set forth below are the names and ages and current positions of our executive officers, current directors and significant employees as of December 31, 2005. Each director will serve for a term expiring at the annual meeting of shareholders in the year indicated below. See Composition of the Board of Directors below.

Name	Age	Position	Term as Director
Henry Cisneros	58	Director	Expires 2009
Jeffrey T. Hinson	51	Director	Expires 2008
L. Lowry Mays	70	Director	Expires 2007
Mark P. Mays	42	Vice Chairman of the Board of Directors	Expires 2008
Randall T. Mays	40	Chairman of the Board of Directors	Expires 2009
Connie McCombs McNab	49	Director	Expires 2009
John N. Simons, Jr.	45	Director	Expires 2007
Timothy P. Sullivan	42	Director	Expires 2008
Michael Rapino	40	President and Chief Executive Officer and Director	Expires 2007
Alan Ridgeway	39	Chief Financial Officer	
Kathy Willard	39	Chief Accounting Officer	
Faisel Durrani	41	President Marketing	
Bruce Eskowitz	47	President Global Venue Management and Sponsorships	
Arthur Fogel	52	Chairman Global Music	
Thomas O. Johansson	57	Chairman International Music	
David I. Lane	45	Chairman Global Theatre and Chief Executive Officer European Theatre	
Bryan Perez	38	President Interactive	
Carl B. Pernow	44	President International Music	
Charles S. Walker	34	President North American Live Music	
Steve K. Winton	44	Chief Executive Officer North American Theater	

Henry Cisneros has been a director since December 2005. Mr. Cisneros has been the Chairman of American CityVista and City View since August 2000. From January 1997 to August 2000, Mr. Cisneros was the President of Univision Communications. Prior thereto, Mr. Cisneros served as the Secretary of the United States Department of Housing and Urban Development and was a four-term Mayor of San Antonio, Texas. Mr. Cisneros serves on the board of Countrywide Financial.

Jeffrey T. Hinson has been a director since December 2005. From July to December 2005, he was a consultant to Univision Communications Inc., a Spanish language media company in the United States. Mr. Hinson served as Executive Vice President and Chief Financial Officer of Univision Communications from March 2004 to June 2005. He served as Senior Vice President and Chief Financial Officer of Univision Radio, the radio division of Univision Communications, from September 2003 to March 2004. From 1997 to 2003, Mr. Hinson served as Senior Vice President and Chief Financial Officer of Hispanic Broadcasting Corporation, which was acquired by Univision

Communications in 2003 and became the radio division of Univision Communications.

L. Lowry Mays has served as a member of our Board of Directors since our formation in 2005. Mr. Mays is the Chairman of the Board of Clear Channel Communications, Inc., which he founded in 1972, and prior to October 2004 he was that company s Chief Executive Officer. Mr. Mays has been a member of Clear Channel Communications board of directors since its inception. He is currently Chairman of the Board of Clear

Channel Outdoor Holdings, Inc. and has served on the board since 1997. Mr. Mays is the father of Mark P. Mays and Randall T. Mays, both of whom are members of our Board of Directors.

Mark P. Mays is Vice Chairman of our Board of Directors and has served as a member of the board since our formation in 2005. Mr. Mays is Chief Executive Officer of Clear Channel Communications and has served on the board of directors of Clear Channel Communications since May 1998. Prior thereto, he served as the Interim Chief Executive Officer and President and Chief Operating Officer of Clear Channel Communications from May 2004 to October 2004 and as the President and Chief Operating Officer of Clear Channel Communications for the remainder of the relevant five-year period. Since 1997, Mr. Mays has served on the board of Clear Channel Outdoor Holdings, Inc. Mr. Mark Mays is the son of L. Lowry Mays, Clear Channel Communications Chairman and one of our board members, and the brother of Randall T. Mays, Clear Channel Communications President and Chief Financial Officer and Chairman of our Board of Directors. Mr. Mays is also a member of the board of directors of Clear Media Limited.

Randall T. Mays is Chairman of our Board of Directors and from April to August 2005 he served as our Interim Chief Executive Officer. He also serves as the President and Chief Financial Officer of Clear Channel Communications. He has served as a member of our Board of Directors since our formation, has served on the board of directors of Clear Channel Communications since April 1999, and has served on the board of Clear Channel Outdoor Holdings, Inc. since 1997. Mr. Randall Mays is the son of L. Lowry Mays, Clear Channel Communications, Inc. s Chairman and one of our board members, and the brother of Mark P. Mays, Clear Channel Communications Chief Executive Officer and Vice Chairman of our Board of Directors.

Connie McCombs McNab has been a director since December 2005. Mrs. McNab served as Chair of the Board of Trustees for Saint Luke s Episcopal School from 2000 to 2002 and has served as a board member for Saint Luke s Episcopal School since 1997. She has served as a board member of Saint Mary s Hall since 2001 and has served on the board of the McNay Art Institute since 2004.

John N. Simons, Jr. has been a director since December 2005. From 2002 to 2005, he served as President and Chief Executive Officer of Swift & Company. Mr. Simons served as President and Chief Operating Officer of ConAgra Red Meats, Inc. from 1999 to 2002.

Timothy P. Sullivan has been a director since December 2005. Mr. Sullivan has been the Chief Executive Officer of My Family.com, Inc. since September 2005 and is the Chief Executive Officer of Group Publisher, Inc., a company he founded in July 2005. From February 2001 to September 2004, Mr. Sullivan was the Chief Executive Officer of Match.com. Prior to joining Match.com, Mr. Sullivan served as Vice President of e-commerce for Ticketmaster s predecessor, Ticketmaster Online-Citysearch, Inc.

Michael Rapino is our Chief Executive Officer and has served in this capacity since August 2005. He has also been on our Board of Directors since December 2005. From August 2004 to August 2005, Mr. Rapino was Chief Executive Officer and President of our Global Music division. From July 2003 to July 2004, Mr. Rapino served as Chief Executive Officer and President of our International Music division. From July 2001 to 2003, Mr. Rapino served as Chief Executive Officer of our European Music division. Prior to July 2001, Mr. Rapino was an executive in our marketing services group.

Alan Ridgeway is our Chief Financial Officer and has served in this capacity since September 2005. Prior to that, Mr. Ridgeway served as President of our European Music division. From October 2003 to 2004, Mr. Ridgeway was Chief Operating Officer of the European Music division. Mr. Ridgeway served as Chief Financial Officer for the European Music division from January 2002 to October 2003. For the balance of the relevant period, he was Finance Director for Hertz Rent-A-Car s French operation.

Kathy Willard is our Executive Vice-President and Chief Accounting Officer and has served in this capacity since September 2005. Prior to that, Ms. Willard served as Chief Financial Officer of Clear Channel Entertainment from December 2004 to September 2005. From January 2001 to December 2004 she served as Senior Vice President and Chief Accounting Officer of Clear Channel Entertainment. For the balance of the relevant period, Ms. Willard served as Vice President and Controller for Clear Channel Entertainment.

Faisel Durrani is our President of Marketing and has served in this capacity since April 2005. Prior to that, Mr. Durrani served as Executive Vice-President of International Marketing for the Island Def Jam Music Group from February 2002 to March 2005. For the balance of the relevant period, Mr. Durrani served as President of Palm Pictures.

Bruce Eskowitz is the President of our Global Venues/Sponsorship division and has served in this capacity since October 2005. Prior to that, he served as President and Chief Executive Officer of our Properties division from 2004 to October 2005. Prior to 2004 and for the remainder of the relevant period, Mr. Eskowitz was President of our National Sales and Marketing division.

Arthur Fogel is the Chairman of our Global Music division and has served in this capacity since 2005. Prior to that, Mr. Fogel served as President of our Music Touring division since 1999.

Thomas O. Johansson is the Chairman of our International Music division and has served in this capacity since September 2004. Prior to that, Mr. Johansson served as the Chief Executive Officer of our subsidiary EMA Telstar Group, a company he founded in April 1969 and which we acquired in 1999.

David I. Lane is the Chairman of our Global Theatre division and Chief Executive Officer of our European Theatre division and has served in these capacities since 2005 and 2001, respectively. Prior to 2001, he served as Managing Director of our UK Theatre division.

Bryan Perez is the President of our Interactive group and has served in this capacity since September 2005. Prior to that, Mr. Perez served as our Executive Vice President Strategy and Business Development. From October 2002 through 2004, Mr. Perez was Executive Vice President Marketing and Communications for the Dallas Stars Hockey Club. For the balance of the relevant period, he was Executive Vice President Business Development for Southwest Sports Group, LLC.

Carl B. Pernow is the President of our International Music division and has served in this capacity since September 2005. From 2004 to September 2005 he served as the Chief Financial Officer for our European Music division. From 1995 to 2004, he served as the Chief Financial Officer for our EMA Telstar Group, which the Company acquired in 1999.

Charles S. Walker is the President of our North American Music division and has served in this capacity since September 2005. Prior to that, Mr. Walker served as the Chief Operating Officer for our North American Music division. From 2000 to 2002, 2002 to 2003, and 2003 to 2004 he served as a Senior Vice President of the Southwest, Northeast and West regions of Clear Channel Entertainment s North American Music division, respectively, and in 2000 he was a General Manager in our North American Music division.

Steven K. Winton is the Chief Executive Officer of our North American Theater division and has served in this capacity since May 2005. From January through March, 2005, Mr. Winton was President and Chief Operating Officer of the Naples Philharmonic Center in Naples Florida. In 2004, Mr. Winton served as the President of our North American Theater division. Prior to that, Mr. Winton was the Chief Operating Officer of our European Theater division from 2002 to 2003. For the balance of the relevant period, Mr. Winton was an Executive Vice President of our European Theatre division.

Governance Guidelines

Our Board of Directors has adopted a set of written Board of Directors Governance Guidelines that form the framework for the governance policies and practices that we have established to assist in governing the Company. All

of our corporate governance material, including the governance guidelines, code of business conduct and ethics and each of our committee charters, are posted on our website at *www.livenation.com.* Copies of our corporate governance material are also available to shareholders who request them. Requests must be in writing and sent to: Secretary, Live Nation, Inc., 9348 Civic Center Drive, Beverly Hills, California 90210.

Composition of the Board of Directors

Our Board of Directors currently consists of nine directors, five of whom are independent (as defined by our governance guidelines and the listing standards of the New York Stock Exchange (NYSE)) and one of whom is our Chief Executive Officer. For a director to be independent, the Board of Directors must determine that the director does not have any direct or indirect material relationship with the Company. The Board of Directors has established guidelines to assist it in determining director independence, which conform to, or are more exacting than, the independence requirements of the NYSE. The independence guidelines are set forth in Appendix A of our governance guidelines.

Our directors are divided into three classes serving staggered three year terms. At each annual meeting of our shareholders, directors will be elected to succeed the class of directors whose terms have expired. Class I directors terms will expire at the 2007 annual meeting of our shareholders, Class II directors terms will expire at the 2008 annual meeting of our shareholders and Class III directors terms will expire at the 2009 annual meeting of our shareholders. L. Lowry Mays, John N. Simons, Jr. and Michael Rapino initially will be our Class I directors, Jeffrey T. Hinson, Mark P. Mays and Timothy P. Sullivan initially will be our Class II directors and Henry Cisneros, Randall T. Mays and Connie McCombs McNab will initially be our Class III directors. Our classified Board of Directors could have the effect of increasing the length of time necessary to change the composition of a majority of our Board. Generally, at least two annual meetings of shareholders will be necessary for shareholders to effect a change in a majority of the members of the Board of Directors.

Committees of the Board of Directors

The standing committees of our Board of Directors are an Audit Committee, Nominating and Governance Committee and Compensation Committee, each of which is described below.

Audit Committee

The three independent (as defined in the NYSE listing standards) Audit Committee members are Jeffrey T. Hinson, who is the Chairman, John N. Simons, Jr. and Timothy P. Sullivan. Mr. Hinson has been designated by our Board of Directors as the Audit Committee financial expert (as defined in the applicable regulations of the Securities and Exchange Commission). The Audit Committee operates under a written charter adopted by the Board of Directors which reflects standards set forth in SEC regulations and NYSE rules. The composition and responsibilities of the Audit Committee and the attributes of its members, as reflected in the charter, are intended to be in accordance with applicable requirements for corporate audit committees. The charter will be reviewed, and amended if necessary, on an annual basis. The full text of the Audit Committee s charter can be found on our website at *www.livenation.com* or may be obtained upon request from our Secretary.

As set forth in more detail in the charter, the Audit Committee s purpose is to assist the Board of Directors in its general oversight of the Company s financial reporting, internal control and audit functions. The Company s internal audit department will document, test and evaluate our internal control over financial reporting in response to the requirements set forth in Section 404 of the Sarbanes-Oxley Act of 2002 and related regulations. The responsibilities of the Audit Committee will include:

- recommending the hiring or termination of the independent registered public accounting firm and approving any non-audit work performed by such firm;
- approving the overall scope of the audit;

assisting our Board of Directors in monitoring the integrity of our financial statements, the independent registered public accounting firm s qualifications and independence, the performance of the independent registered public accounting firm and our internal audit function and our compliance with legal and regulatory requirements;

annually reviewing our independent registered public accounting firm s report describing the independent registered public accounting firm s internal quality control procedures, any material issues raised by the most recent internal quality control review, or peer review, of the firm;

discussing the annual audited financial and quarterly statements with our management and the independent registered public accounting firm;

discussing earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies;

discussing policies with respect to risk assessment and risk management;

meeting separately, periodically, with management, internal auditors and the independent registered public accounting firm;

reviewing with the independent registered public accounting firm any audit problems or difficulties and management s response;

setting clear hiring policies for employees or former employees of the independent auditors;

annually reviewing the adequacy of the audit committee s written charter;

reviewing with management any legal matters that may have a material impact on us; and

reporting regularly to our full Board of Directors.

Nominating and Governance Committee

The Nominating and Governance Committee members are Henry Cisneros, who is Chairman, and Connie McCombs McNab. The Nominating and Governance Committee operates under a written charter adopted by the Board of Directors. The committee is primarily responsible for assembling, reviewing background information for and recommending candidates for our Board of Directors, including those candidates designated by our shareholders. The committee also makes recommendations to our Board of Directors regarding the structure and membership of the other board committees, annually reviews director compensation and benefits and oversees annual self-evaluations of our Board of Directors and committees.

Compensation Committee

The Compensation Committee members are John N. Simons, Jr., who is Chairman, and Timothy P. Sullivan. The Compensation Committee operates under a written charter adopted by the Board of Directors. The committee is primarily responsible for administering the Company s stock incentive plan, performance-based annual incentive compensation plan and other incentive compensation plans. Also, the committee determines compensation arrangements for all of our executive officers and makes recommendations to the Board of Directors concerning compensation policies for us and our subsidiaries.

Code of Business Conduct and Ethics

We adopted a Code of Business Conduct and Ethics applicable to all of our directors and employees, including our chief executive officer, chief financial officer and chief accounting officer, which is a code of ethics as defined by applicable SEC rules. This code is publicly available on our website at *www.livenation.com* or may be obtained upon request from our Secretary. If we make any amendments to this code, other than technical, administrative or other non-substantive amendments, or grant any waivers, including implicit waivers, from any provisions of this code that

apply to our chief executive officer, chief financial officer and chief accounting officer and relate to an element of the SEC s code of ethics definition, we will disclose the nature of the amendment or waiver, its effective date and to whom it applies on our website or in a report on Form 8-K filed with the SEC.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Company s directors, executive officers and beneficial owners of more than 10% of any class of equity securities of Live Nation to file reports of ownership and changes in ownership with the SEC and the NYSE. Directors, executive officers and greater than 10% shareholders are required to furnish the Company with copies of all Section 16(a) forms they file.

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Based solely on its review of the copies of such forms received by it, or written representations from certain reporting persons that no such forms were required to be filed by those persons, Live Nation believes that all such Section 16(a) filing requirements were satisfied during fiscal year 2005, except that (i) Mr. Simons was late in reporting one stock purchase transaction and (ii) amended Form 3 filings were made for Mr. Walker, Mr. Eskowitz and Ms. Willard and amended Form 4 filings were made for Mr. Rapino and Mr. Simons to correct the previously reported number of shares held by these individuals as a result of the pro rata distribution of shares of our common stock to the stockholders of Clear Channel Communications in the spin-off.

Item 11. ***Executive Compensation***

Executive Compensation

Live Nation was formed on August 2, 2005. The following table sets forth compensation information for our chief executive officer and our other four most highly compensated executive officers, based on employment with Live Nation and Clear Channel Communications, as determined by reference to total annual salary and bonus during 2005. Information for 2004 is only included below for our named executive officers to the extent previously reported. All of the information included in this table reflects compensation earned by the individuals for services with Live Nation and Clear Channel Communications. We refer to these individuals as our named executive officers elsewhere in this Annual Report.

Summary Compensation Table

		Annual Compensation			Long-Term Compensation			
					Awards		Payouts	
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($) (1)	Restricted Stock Award(s) ($)	Options (#)	LTIP Payouts ($)	All Other Compensation ($)
Michael Rapino	2005	612,500			887,750(3)	335,000		
Chief Executive Officer	2004	467,411	200,000		123,793(2)			
Randall T. Mays*(4)	2005				265,000	50,000		
Former Interim Chief Executive Officer	2004							
Brian Becker*	2005	398,161						930,250(5)(6)
Former Chief Executive Officer	2004	516,561				60,000		5,125(5)
Alan Ridgeway(7)	2005	344,158	258,199		662,500(8)			34,416
Chief Financial Officer	2004							
Kathy Willard	2005	304,583	50,000			25,000		5,250(5)
Chief Accounting Officer	2004							
Bruce Eskowitz	2005	476,010				200,000		47,787(5)(9)
President Global Venue Management and Sponsorships	2004							
Charles S. Walker	2005	377,083				200,000		74,331(5)(9)
President North American LiveMusic	2004							

* No longer serves in this capacity with the Company.

(1) Perquisites that are less than $50,000 in the aggregate for any named executive officer are not disclosed in the table in accordance with SEC rules.

(2) Mr. Rapino received an award of 2,780 shares of Clear Channel Communications restricted stock on February 19, 2004. These restricted shares were forfeited at the date of Separation.

(3) Mr. Rapino received an award of 83,750 shares of Live Nation restricted stock on December 23, 2005. The restricted stock had a fair market value of $1,097,125 as of December 31, 2005. The restriction will lapse on 20,937.5 shares on December 22, 2008, 20,937.5 shares on December 22, 2009, and the

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remaining 41,875 shares on December 22, 2010. Mr. Rapino will receive all cash dividends declared and paid during the vesting period.

(4) Mr. Mays did not receive any compensation from Live Nation for these services. As Chairman of our Board of Directors, Mr. Mays received 50,000 stock options and an award of 25,000 shares of Live Nation restricted stock on December 23, 2005. The restricted stock had a fair market value of $327,500 as of December 31, 2005. The restriction will lapse on 5,000 shares per year on December 22, 2006, 2007, 2008, 2009 and 2010. On this restricted stock, Mr. Mays will receive all cash dividends declared and paid during the vesting period.

(5) Represents the amount of matching contributions paid by Clear Channel Communications or Live Nation under the 401(k) Plan.

(6) In October 2005, we entered into a severance agreement with Mr. Becker. The terms and conditions of the agreement require severance payments of $925,000. Additionally, the agreement provides for payment to Becker Entertainment Group, LLC in the amount of $1,275,000 to fund operating expenses for the purpose of seeking and developing the production of live entertainment shows until December 31, 2007. In exchange, we will receive the right of first refusal to invest, produce, promote or otherwise materially participate in shows. The agreement also provides that Mr. Becker will have the right of first refusal on certain of our divestitures should they occur.

(7) Mr. Ridgeway is a citizen of the United Kingdom. The compensation amounts reported in this table have been converted from British pounds to United States dollars using the year-end exchange rate.

(8) Mr. Ridgeway received an award of 62,500 shares of Live Nation restricted stock on December 23, 2005. The restricted stock had a fair market value of $818,750 as of December 31, 2005. The restriction will lapse on 15,625 shares on December 22, 2008, 15,625 shares on December 22, 2009, and the remaining 31,250 shares on December 22, 2010. Mr. Ridgeway will receive all cash dividends declared and paid during the vesting period.

(9) Represents taxable relocation expense paid to or on behalf of Mr. Eskowitz for $42,537 and Mr. Walker for $69,081.

Stock Options

The following table sets forth certain information regarding stock options to acquire shares of Live Nation s common stock granted to our named executive officers in 2005. The options are subject to the terms of the Live Nation 2005 Stock Incentive Plan.

Stock Option Grant Table

	Individual Grants				
	Number of Securities Underlying Options	Percent of Total Options Granted to Employees in	Exercise of Base Price	Expiration	Grant Date Present

Name	Granted (#)	Fiscal Year	($/Sh)	Date(2)	Value $(1)
Michael Rapino Chief Executive Officer	335,000	16.12%	10.60	12/22/12	1,175,850
Alan Ridgeway Chief Financial Officer					
Kathy Willard Chief Accounting Officer	25,000	1.20%	10.60	12/22/12	87,750
Bruce Eskowitz President Global Venue Management and Sponsorships	200,000	9.63%	10.60	12/22/12	702,000
Charles S. Walker President North American Live Music	200,000	9.63%	10.60	12/22/12	702,000

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(1) Present value for this option was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions: Risk-free of 4.71%, a dividend yield of zero, a volatility factor of the expected market price of Live Nation s common stock of 25% and the average expected life of 5.75 years. The present value of stock options granted is based on a theoretical option-pricing model. In actuality, because Live Nation s stock options are not traded on an exchange, option holders can receive no value nor derive any benefit from holding stock options under these plans without an increase in the market price of Live Nation stock. Such an increase in stock price would benefit all shareholders commensurately.

(2) Based on the election of these employees, these options will vest 25% on December 22, 2008, 25% on December 22, 2009 and 50% on December 22, 2010.

Exercise of Stock Options

The following table discloses information regarding the exercise of stock options to acquire shares of Clear Channel Communications common stock by our named executive officers in 2005 and the value of unexercised Clear Channel Communications stock options held by the named executive officers. See Stock Option Grant Table above for Live Nation unexercisable options and values for each of the listed individuals.

Aggregated Option Exercises and Fiscal Year-End Option Value Table

Name	Shares Acquired on Exercise (#)	Value Realized ($)	Number of Securities Underlying Unexercised Options at Fiscal Year-End (#) Exercisable/Unexercisable	Value of Unexercised in-the-Money Options at Fiscal Year-End ($) Exercisable/Unexercisable
Michael Rapino Chief Executive Officer			0/0	0/0
Alan Ridgeway Chief Financial Officer			0/0	0/0
Kathy Willard Chief Accounting Officer			15,888/0	5,813/0
Bruce Eskowitz President Global Venue Management and Sponsorships			35,250/0	0/0
Charles S. Walker President North American Live Music			6,893/0	665/0

Director Compensation

We pay our non-employee directors an annual cash retainer of $30,000, an additional $1,500 for each board meeting attended and an additional $1,000 for each committee meeting attended. We may also grant stock options or other stock-based awards to our non-employee directors, and non-employee directors may elect to receive their fees in the form of shares of our common stock. We pay the chairpersons of the audit committee, compensation committee and nominating and governance committee an additional annual cash retainer of approximately $10,000, $5,000 and $5,000, respectively.

Employment Agreements

Michael Rapino. On August 17, 2005, we entered into an Employment Agreement with Michael Rapino. The initial term of the agreement ends on August 31, 2007; the term automatically extends one day at a time beginning on August 31, 2007, until one party gives the other one year s notice of termination. The contract calls for Mr. Rapino to receive a base salary of $550,000 per year. Mr. Rapino is also eligible to receive a performance bonus as decided at the sole discretion of the Compensation Committee of our Board of Directors. We may terminate Mr. Rapino s employment at any time after August 31, 2007, without Cause by giving him a one year written notice. We may also terminate Mr. Rapino s employment at any time with

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Cause, as defined in the agreement. If Mr. Rapino is terminated without Cause, he is entitled to receive a lump sum payment of accrued and unpaid base salary and prorated bonus, if any, and any payments to which he may be entitled under any applicable employee benefit plan. In addition, he would have the option to elect to become a part-time consultant to us for one year, and agree not to compete with us during that time, in exchange for severance pay equal to his base salary and acceleration of certain stock options. In the event that we experience a Change of Control (other than in connection with the spin-off), all of Mr. Rapino s outstanding stock options will become fully exercisable and any restricted stock will no longer be restricted. Mr. Rapino is prohibited by his employment agreement from soliciting our employees for employment for 12 months after termination regardless of the reason for termination of employment.

Alan Ridgeway. On November 28, 2005, we entered into an employment agreement with Alan Ridgeway. The initial term of the employment agreement ends on December 31, 2006; the term automatically extends one day at a time for twelve months beginning on December 31, 2006, so that commencing on January 1, 2007 and continuing for so long thereafter as he remains employed, there will always be exactly one year remaining in the term of the agreement. Mr. Ridgeway receives a base salary of $400,000 per year, which is subject to annual increases in accordance with company policy. Mr. Ridgeway is also eligible to receive a base salary bonus for 2006 and 2007 aggregating approximately $80,000, and performance bonuses for each calendar year during the term of the contract. We may terminate the contract without cause at any time after December 31, 2006. The contract allows us to summarily terminate the contract for cause. If Mr. Ridgeway is terminated without Cause, he is entitled to receive a lump sum payment of accrued and unpaid base salary and prorated bonus, if any, unreimbursed expenses and any payments to which he may be entitled under any applicable employee benefit plan. Additionally, he would have the option to elect to become a part-time consultant to us for one year, and agrees not to compete with us during that time, in exchange for severance pay equal to his base salary and reimbursement of expenses related to repatriation and relocation. The agreement provides that Mr. Ridgeway may not compete with us during the term of the agreement where we operate or plan to operate, including a 50 mile radius of such location.

Kathy Willard. On December 22, 2004, we entered into an employment agreement with Ms. Willard, which was amended on December 1, 2005, effective as of January 1, 2005. The initial term of the employment agreement ends on December 31, 2007; the term automatically extends one day at a time for twelve months beginning on January 1, 2007, so that commencing on January 1, 2008 and continuing for so long thereafter as she remains employed, there will always be exactly one year remaining in the term of the agreement. Under the employment agreement, she receives a base salary of $300,000 per year, which is subject to annual increases in accordance with company policy. Ms. Willard is also eligible to receive a performance bonus targeted at $90,000; provided, however, for 2005 she will receive a guaranteed minimum performance bonus of $50,000. We may terminate the contract for any reason at any time. We may also terminate Ms. Willard s employment at any time with Cause, as defined in the agreement. If Ms. Willard is terminated without Cause, she is entitled to receive a lump sum payment of accrued and unpaid base salary and prorated bonus, if any, and any payments to which she may be entitled under any applicable employee benefit plan. In addition, if Ms. Willard signs a general release of claims, she will be entitled to receive a lump sum payment equal to twelve months of her annual base salary. The agreement provides that Ms. Willard may not compete with us during the term of the agreement and for one year thereafter where we operate or plan to operate, including within a 50 mile radius of such location.

Compensation Committee Interlocks and Insider Participation in Compensation Decisions

None of our executive officers serve as a member of the compensation committee or as a member of the board of directors of any other company of which any member of our Compensation Committee or Board of Directors is an executive officer.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters***

The table below sets forth information concerning the beneficial ownership of Live Nation common stock as of February 28, 2006, for each director currently serving on the board; each of the named executive officers not listed as a director, the directors and executive officers as a group and each person known to Live Nation to own beneficially more than 5% of outstanding common stock. At the close of business on February 28, 2006, there were 67,174,912 shares of Live Nation common stock outstanding. Except as otherwise noted, each shareholder has sole voting and investment power with respect to the shares beneficially owned.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent
Henry Cisneros	12,000	*
Jeffrey T. Hinson	10,000	*
L. Lowry Mays(1)	3,565,898	5.6%
Mark P. Mays(2)	206,399	*
Randall T. Mays(3)	158,259	*
Connie McCombs McNab(4)	270,071	*
John N. Simons, Jr.	22,325	*
Timothy P. Sullivan	10,000	*
Michael Rapino	85,350	*
Alan Ridgeway	62,500	*
Kathy Willard	84	*
Bruce Eskowitz	19	*
Charles S. Walker	255	*
FMR Corp.(5)	10,127,048	15.8%
Wellington Management Company, LLP(6)	6,933,726	10.8%
Capital Research and Management Company(7)	4,198,850	6.6%
Alson Capital Partners, LLC(8)	4,121,000	6.4%
All directors and executive officers as a group (13 persons)(9)	4,403,160	6.9%

* Percentage of common stock beneficially owned by the named person does not exceed one percent of our common stock.

(1) Includes 6,057 shares held by trusts of which Mr. L. Mays is the trustee, but not a beneficiary, 3,334,663 shares held by the LLM Partners Ltd of which Mr. L. Mays shares control of the sole general partner, 191,515 shares held by the Mays Family Foundation and 12,859 shares held by the Clear Channel Foundation over which Mr. L. Mays has either sole or shared investment or voting authority.

(2) Includes 19,529 shares held by trusts of which Mr. M. Mays is the trustee, but not a beneficiary, and 127,786 shares held by the MPM Partners, Ltd. Mr. M. Mays controls the sole general partner of MPM Partners, Ltd.

(3)

Includes 21,027 shares held by trusts of which Mr. R. Mays is the trustee, but not a beneficiary, and 77,821 shares held by RTM Partners, Ltd. Mr. R. Mays controls the sole general partner of RTM Partners, Ltd.

(4) Includes 260,071 shares held by McCombs Family Ltd. over which Mrs. McNab has shared investment or voting authority.

(5) Address: 82 Devonshire Street, Boston, Massachusetts 02109. Based on a Schedule 13G/A filed by FMR Corp. and Edward C. Johnson III with the SEC on January 10, 2006. The Schedule 13G states that the filers have sole voting power with respect to 132,373 shares and sole dispositive power with respect to all shares.

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(6) Address: 75 State Street, Boston, Massachusetts 02109. Based on a Schedule 13G/A filed by Wellington Management Company, LLP with the SEC on March 10, 2006. The Schedule 13G/A states that Wellington Management, as an investment adviser, is deemed to be the beneficial owner of Live Nation shares as a result of acting as investment adviser to various investment companies in accordance with Rule 240.13d-1(b)(1)(ii)(E). Wellington Management has shared voting power with respect to 5,707,085 shares and shared dispositive power with respect to 6,874,526 shares.

(7) Address: 333 South Hope Street, Los Angeles, California 90071. Based on a Schedule 13G/A filed by Capital Research and Management Company with the SEC on February 10, 2006. The Schedule 13G/A states that Capital Research, as an investment adviser, is deemed to be the beneficial owner of Live Nation shares as a result of acting as investment adviser to various investment companies registered under the Section 203 of the Investment Company Act of 1940. Capital Research has sole voting power with respect to 903,260 shares and sole dispositive power with respect to all shares.

(8) Address: 810 Seventh Avenue, 39th Floor, New York, New York 10019. Based on a Schedule 13G/A filed by Alson Capital Partners, LLC, Neil Barsky, The General Partner, Alson Signature Fund Offshore Portfolio, Ltd., Signature Fund, and Signature Fund I with the SEC on January 25, 2006. The filers have shared voting and dispositive powers with respect to all shares.

(9) Includes 46,613 shares held by trusts of which such persons are trustees, but not beneficiaries, 3,334,663 shares held by the LLM Partners, Ltd., 127,786 shares held by the MPM Partners, Ltd., 77,821 shares held by the RTM partners, Ltd., 191,515 shares held by the Mays Family Foundation, 12,859 shares held by the Clear Channel Foundation and 260,071 shares held by McCombs Family Ltd.

Equity Compensation Plans

The following table summarizes information, as of December 31, 2005, relating to Live Nation s equity compensation pursuant to which grants of options, restricted stock or other rights to acquire shares may be granted from time to time.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders(1)	2,396,846	$ 10.60	6,603,154
Equity compensation plans not approved by security holders			
Total	2,396,846	$ 10.60	6,603,154

(1) This equity compensation plan was approved by our Board of Directors and by our former shareholder prior to the distribution of our common stock.

Item 13. ***Certain Relationships and Related Transactions***

We have provided below a summary description of the master separation and distribution agreement between Clear Channel Communications and us and the other key agreements that relate to our separation from Clear Channel Communications. This description, which summarizes the material terms of these agreements, is not complete. You should read the full text of these agreements, which are incorporated by reference as exhibits to this annual report.

Overview

The master separation and distribution agreement contains many of the key provisions related to our separation from Clear Channel Communications and the distribution of our shares to Clear Channel

Communications common stockholders. The other agreements referenced in the master separation and distribution agreement govern certain aspects relating to the separation and various interim and ongoing relationships between Clear Channel Communications and us following the Distribution. These agreements are:

- the tax matters agreement;
- the employee matters agreement;
- the trademark and copyright license agreement; and
- the transition services agreement.

Master Separation and Distribution Agreement

We entered into a master separation and distribution agreement with Clear Channel Communications prior to the completion of the Distribution. The master separation and distribution agreement sets forth our agreements with Clear Channel Communications regarding the principal transactions that were required to effect the transfer of assets and the assumption of liabilities necessary to separate our company from Clear Channel Communications. It also sets forth other agreements governing our relationship after the Distribution.

Auditors and Audits; Annual Financial Statements and Accounting

We agreed that for our 2005 fiscal year and for all fiscal years thereafter for so long as Clear Channel Communications is required to consolidate our results of operations and financial position with its results of operations and financial position:

- not to select an independent registered public accounting firm different from Clear Channel Communications;
- to use reasonable commercial efforts to cause our independent registered public accounting firm to date their opinion on our audited annual financial statements on the same date that Clear Channel Communications independent registered public accounting firm date their opinion on Clear Channel Communications consolidated financial statements and to enable Clear Channel Communications to meet its timetable for the printing, filing and the dissemination to the public of any of its annual financial statements;
- to provide Clear Channel Communications with all relevant information that Clear Channel Communications reasonably requires to enable Clear Channel Communications to prepare its quarterly and annual financial statements for quarters or years that include any financial reporting period for which our financial results are consolidated with Clear Channel Communications financial statements;
- to make our auditors available to Clear Channel Communications auditors so that the Clear Channel Communications auditors are able to perform any procedures necessary to take responsibility for our auditors work as it relates to Clear Channel Communications financial statements;
- to provide Clear Channel Communications internal auditors with access to our books and records to enable Clear Channel Communications to conduct reasonable audits of our financial statements provided by us to Clear Channel Communications, as well as our internal accounting controls and procedures; and
- to provide prior notice to Clear Channel Communications of any proposed determination of, or significant changes in, our accounting estimates or accounting principles.

Exchange of Other Information

The master separation and distribution agreement also provides for other arrangements with respect to the mutual sharing of information between us and Clear Channel Communications in order to comply with reporting, filing, audit or tax requirements, for use in judicial proceedings and in order to comply with our

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respective obligations after the completion of the Separation. We also agreed to provide mutual access to historical records relating to the other s businesses that may be in our possession.

Releases and Indemnification

Except for each party s obligations under the master separation and distribution agreement, the other transaction documents and certain other specified liabilities, we and Clear Channel Communications have agreed to release and discharge each other and each of our affiliates from all liabilities existing or arising between us on or before the Separation, including in connection with the Separation, the Distribution, the preferred stock offering by our subsidiary and the senior secured credit facility. The releases do not extend to obligations or liabilities under any agreements between us and Clear Channel Communications that remain in effect following the Separation.

We agree to indemnify, hold harmless and defend Clear Channel Communications, each of its affiliates and each of their respective directors, officers and employees, on an after-tax basis, from and against all liabilities relating to, arising out of or resulting from:

the failure by us or any of our affiliates or any other person or entity to pay, perform or otherwise promptly discharge any liabilities or contractual obligations associated with our businesses, whether arising before or after the Separation;

the operations, liabilities and contractual obligations of our business, whether arising before or after the Separation;

any guarantee, indemnification obligation, surety bond or other credit support arrangement by Clear Channel Communications or any of its affiliates for our benefit;

any breach by us or any of our affiliates of the master separation and distribution agreement, the other transaction documents or our amended and restated certificate of incorporation or amended and restated bylaws;

any untrue statement of, or omission to state, a material fact in Clear Channel Communications public filings to the extent the statement or omission was as a result of information that we furnished to Clear Channel Communications or that Clear Channel Communications incorporated;

by reference from our public filings, if the statement or omission was made or occurred after the Distribution; and

any untrue statement of, or omission to state, a material fact in our Form 10 registration statement related to the Distribution, any offering memorandum, registration statement or information statement related to the senior secured credit facility, or otherwise related to the Distribution or related transactions, except to the extent the statement was made or omitted in reliance upon information provided to us by Clear Channel Communications expressly for use in any such offering memorandum, registration statement or information statement.

Clear Channel Communications agrees to indemnify, hold harmless and defend us, each of our affiliates and each of our and their respective directors, officers and employees, on an after-tax basis, from and against all liabilities relating to, arising out of or resulting from:

the failure of Clear Channel Communications or any of its affiliates or any other person or entity to pay, perform or otherwise promptly discharge any liabilities of Clear Channel Communications or its affiliates, other than liabilities associated with our businesses, whether arising before or after the Separation;

the liabilities of Clear Channel Communications and its affiliates businesses, other than liabilities associated with our businesses;

any breach by Clear Channel Communications or any of its affiliates of the master separation and distribution agreement or the other transaction documents;

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any untrue statement of, or omission to state, a material fact in our public filings, other than any registration statement or information statement related to the Distribution, our debt offerings or associated exchange offer, to the extent the statement or omission was as a result of information that Clear Channel Communications furnished to us or that we incorporated by reference from Clear Channel Communications public filings, if the statement or omission was made or occurred after the Distribution; and

any untrue statement of, or omission to state, a material fact contained in the Form 10 registration statement related to the Distribution, in any offering memorandum, registration statement or information statement or related to the senior secured credit facility, or otherwise related to the Distribution or related transactions, but only to the extent the statement was made or omitted in reliance upon information provided by Clear Channel Communications expressly for use in any such offering memorandum, registration statement or information statement.

The master separation and distribution agreement also specifies procedures with respect to claims subject to indemnification and related matters and will provide for contribution in the event that indemnification is not available to an indemnified party.

Expenses of the Separation and Debt Offering

Clear Channel Communications agreed to pay or reimburse us for all out-of-pocket fees, costs and expenses (including all legal, accounting and printing expenses) incurred prior to the completion of the Distribution in connection with our Separation from Clear Channel Communications, other than our out-of-pocket fees and expenses related to the senior secured credit facility and the issuance of redeemable preferred stock by our subsidiary.

Insurance Matters

Prior to the Distribution, Clear Channel Communications was required to maintain in full force its existing insurance policies that applied to us, our assets and our business. Following the Distribution, Clear Channel Communications continues to own its insurance policies and we are responsible for establishing and maintaining separate property damage, business interruption and liability insurance policies and programs. The master separation and distribution agreement contains provisions regarding the handling after the Distribution of claims relating to our business that were initiated or arise from occurrences before the Distribution.

Litigation

As of the date of the Distribution, generally we assumed all actions, claims, demands, disputes, lawsuits, arbitrations, inquiries, proceedings or investigations (referred to as Actions) relating in any material respect to our business in which Clear Channel Communications or any of its subsidiaries is a defendant or the party against whom the Action is directed. We will conduct the defense of all of the Actions we assumed at our sole cost and expense and we will be responsible for all liabilities resulting from the Actions we assumed. We will continue to be liable for Actions in which we are named as a defendant or we are the party against whom the Action is directed. As of the date of the Distribution, Clear Channel Communications transferred to us specified Actions relating primarily to our business in which Clear Channel Communications is a claimant or plaintiff. Clear Channel Communications may participate in any Action we assumed at its cost and expense and we will cooperate with Clear Channel Communications in any settlement of an Action we assumed. For Actions commenced after the Distribution naming both Clear Channel Communications and us as defendants and one party is a nominal defendant, the other party will use commercially reasonable efforts to have the nominal defendant removed from the Action.

Dispute Resolution Procedures

We agreed with Clear Channel Communications that neither party will commence any court action to resolve any dispute or claim arising out of or relating to the master separation and distribution agreement, subject to certain exceptions. Instead, any dispute that is not resolved in the normal course of business will be

submitted to senior executives of each business entity involved in the dispute for resolution. If the dispute is not resolved by negotiation within 45 days after submission to the executives, either party may submit the dispute to mediation. If the dispute is not resolved by mediation within 30 days after the selection of a mediator, either party may submit the dispute to binding arbitration before a panel of three arbitrators. The arbitrators will determine the dispute in accordance with Texas law. Most of the other agreements between us and Clear Channel Communications have similar dispute resolution provisions.

Other Provisions

The master separation and distribution agreement also contains covenants between us and Clear Channel Communications with respect to other matters, including protecting the confidentiality of our and Clear Channel Communications information.

Transition Services Agreement

We entered into a transition services agreement with one of Clear Channel s affiliates to provide us certain transitional administrative and support services and other assistance. Clear Channel Communications provides services to us, including, but not limited to, the following:

- treasury, payroll and other financial related services;
- human resources and employee benefits;
- legal and related services;
- information systems, network and related services;
- investment services; and
- corporate services.

The transition services agreement also provides for the lease or sublease of certain facilities used in the operation of our respective businesses.

The charges for the transition services generally are intended to allow Clear Channel Communications to fully recover the allocated direct costs of providing the services, plus all out-of-pocket costs and expenses, generally without profit. The allocation of costs is based on various measures depending on the service provided, including relative revenue, employee headcount or number of users of a service.

The services provided under the transition services agreement will terminate at various times specified in the agreement (generally ranging from two months to one year after the completion of the Distribution), but we may terminate any service, other than certain information technology and tax services, by giving at least 90 days prior written notice to Clear Channel Communications, and we may terminate tax services with 120 days prior written notice. Under the terms of the transition services agreement, Clear Channel Communications will not be liable to us for, or in connection with, any services rendered pursuant to the agreement or for any actions or inactions taken by Clear Channel Communications in connection with the provision of services. However, Clear Channel Communications will be liable for, and will indemnify us for, liabilities resulting from its gross negligence, willful misconduct, improper use or disclosure of customer information or violations of law, subject to a cap on Clear Channel Communications liability of an amount equal to payments made by us to Clear Channel Communications

pursuant thereto during the twelve months preceding such event. Additionally, we will indemnify Clear Channel Communications for any losses arising from the provision of services, except to the extent the liabilities are caused by Clear Channel Communications gross negligence or material breach of the transition services agreement.

Tax Matters Agreement

We and Clear Channel Communications have entered into a tax matters agreement that became effective at the time of the spin-off that governs the respective rights, responsibilities and obligations of Clear Channel Communications and us with respect to tax liabilities and benefits, tax attributes, tax contests and other

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matters regarding income taxes, non-income taxes and preparing and filing combined tax returns for taxable periods (or portions thereof) ending on or before the date of the spin-off, which period we refer to as a pre-spin-off period, as well as with respect to any additional taxes incurred by Clear Channel Communications attributable to actions, events or transactions relating to our stock, assets or business following the spin-off, including taxes imposed if the spin-off fails to qualify for tax-free treatment under Section 355 of the Internal Revenue Code of 1986, as amended (the Code), or if Clear Channel Communications is not able to recognize certain losses (as defined below).

Preparing and Filing Combined Tax Returns

Under the tax matters agreement, Clear Channel Communications has the right and obligation to prepare and file all combined tax returns. We are required to provide information and to cooperate with Clear Channel Communications in the preparation and filing of these combined tax returns.

Allocation of Tax Liability

For pre-spin-off periods, Clear Channel Communications generally is responsible for all federal, foreign, state and local taxes attributable to our business and assets to the extent the amount of these taxes exceeds the amount we paid to Clear Channel Communications prior to the spin-off in connection with the filing of relevant tax returns. Clear Channel Communications is not required to pay us for its utilization of our tax attributes (or benefits) to reduce federal, foreign, state and local taxes for pre-spin-off periods, whether such utilization occurs upon the filing of a relevant tax return or upon an adjustment to such taxes and whether the tax being reduced is attributable to its or our business and assets.

In some circumstances, including those discussed below, we will be responsible, and we will indemnify Clear Channel Communications, for any additional federal, foreign, state and local taxes that are imposed for pre-spin-off periods to the extent such additional taxes are imposed as a result of actions, events or transactions relating to our stock, assets or business following the spin-off, or a breach of the relevant representations or covenants made by us in the tax matters agreement. We will also be responsible for all federal, foreign, state and local taxes attributable to our business and assets for taxable periods (or portions thereof) beginning after the date of the spin-off, which period we refer to as a post-spin-off period.

Spin-Off

We and Clear Channel Communications intend that the spin-off qualify as a reorganization under Sections 355 and 368(a)(1)(D) of the Internal Revenue Code. However, if the failure of the spin-off to qualify as a tax-free transaction under Section 355 of the Internal Revenue Code (including as a result of Section 355(e) of the Internal Revenue Code) is attributable to actions, events or transactions relating to our stock, assets or business, or a breach of the relevant representations or covenants made by us in the tax matters agreement, we have agreed in the tax matters agreement to indemnify Clear Channel Communications and its affiliates against any and all tax-related liabilities. If the failure of the spin-off to qualify under Section 355 of the Internal Revenue Code is for any reason for which neither we nor Clear Channel Communications is responsible, we and Clear Channel Communications have agreed in the tax matters agreement that we will each be responsible for 50% of the tax-related liabilities arising from the failure to so qualify.

Tax Contests

Clear Channel Communications generally has the right to control all administrative, regulatory and judicial proceedings relating to federal, foreign, state and local taxes attributable to pre-spin-off periods and all proceedings relating to taxes resulting from the failure of the spin-off, or transactions relating to the internal reorganization prior to the spin-off, to qualify as tax-free.

Post-Spin-Off Tax Attributes

Generally, we may not carry back a loss, credit or other tax attribute from a post-spin-off period to a pre-spin-off period, unless we obtain the consent of Clear Channel Communications and then only to the extent permitted by applicable law.

SFX Entertainment, Inc. Loss

Prior to the spin-off, Clear Channel Communications transferred (the SFXE Exchange) all of the outstanding stock of SFX Entertainment, Inc. to Holdco #2, one of our subsidiaries, in exchange for Holdco #2 common stock and all of Holdco #2 s Series B (non-voting) mandatorily Redeemable Preferred Stock. Pursuant to a pre-existing binding commitment entered into prior to the SFXE Exchange, Clear Channel Communications immediately sold the Series B Redeemable Preferred Stock to third-party investors. As a result of these transactions, Clear Channel Communications expects to recognize a loss (the SFXE Loss).

Prior to the spin-off, Clear Channel Communications contributed the common stock of Holdco #2 to us, which we then contributed to one of our wholly-owned subsidiaries. If Clear Channel Communications is unable to deduct the SFXE Loss for United States federal income tax purposes as a result of any action we take following the spin-off or our breach of a relevant representation or covenant made by us in the tax matters agreement, we have agreed in the tax matters agreement to indemnify Clear Channel Communications for the lost tax benefits that Clear Channel Communications would have otherwise realized if it were able to deduct the SFXE Loss.

Employee Matters Agreement

We have in place an employee matters agreement with Clear Channel Communications covering a number of compensation and employee benefit matters relating to our employees. In general, the employee matters agreement provides that we are solely responsible for the majority of the liabilities and expenses relating to our current and former employees and their covered dependents and beneficiaries, regardless of when incurred. In addition, for a period of one year following the date of the Distribution, neither we nor Clear Channel Communications may, nor will they permit any of their respective subsidiaries, affiliates or agents to, solicit or recruit for employment any employees at the level of vice president and above currently and then in the employ of the other company or its subsidiaries or affiliates, without the prior written consent of the other company.

Our employees participation in the Clear Channel Communications employee plans ended at the time of the spin-off or, in the case of certain plans (including group health), at December 31, 2005. We adopted our own group health plan and certain other welfare benefit plans in order to avoid coverage gaps following the date(s) our employees ceased to be covered by the Clear Channel Communications plans. We will continue to maintain our 401(k) plan and we will adopt such other incentive compensation and employee plans as we deem necessary or appropriate. Our plans will recognize and give full credit to our current employees for their service with the Clear Channel Communications group before the spin-off.

Use of Clear Channel Communications Name and Mark

Clear Channel Communications owns all rights in the Clear Channel name and logo. We are required to remove the Clear Channel name from the names of our subsidiaries and stop using the Clear Channel name and logo by December 21, 2006.

Products and Services Provided between Clear Channel Communications and Us

We have provided to, and received from, Clear Channel Communications various products and services on terms comparable to those we provide to third parties, and we expect to continue to provide and receive such services.

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Transactions with Clear Channel Communications

Prior to the Separation, we had a revolving line of credit with Clear Channel Communications. As part of the Separation, $220.0 million of the outstanding debt balance was repaid, with Clear Channel Communications contributing the remaining balance to our capital.

Clear Channel Communications has provided funding for certain of our acquisitions of net assets. These amounts funded by Clear Channel Communications for these acquisitions are recorded in owner s net investment as a component of business/shareholders equity. Also, certain tax related receivables and payables, which are considered non-cash capital contributions or dividends, are recorded in owner s net investment. During the fiscal year 2005, Clear Channel Communications made additional non-cash capital contributions of $8.8 million to us. During the fourth quarter of 2005, the Company completed the separation from Clear Channel Communications. As a result, the Company recognized the par value and additional paid-in-capital in connection with the issuance of our common stock in exchange for the net assets contributed by Clear Channel Communications. As of December 31, 2005 there is no longer an owner s net investment balance recorded.

We purchase advertising from Clear Channel Communications and its subsidiaries. For the year ended December 31, 2005, we recorded $12.9 million as a component of divisional operating expenses, for these advertisements. It is our opinion that these transactions were recorded at fair value.

Prior to the Separation, Clear Channel Communications provided management services to us, which included, among other things: (i) treasury, payroll and other financial related services; (ii) executive oversight; (iii) human resources and employee benefits services; (iv) legal and related services; and (v) information systems, network and related services. These services were allocated to us based on actual direct costs incurred or on our share of Clear Channel Communications estimate of expenses relative to a seasonally adjusted headcount. We believe this allocation method to be reasonable and the expenses allocated to be materially the same as the amount that would have been incurred on a stand-alone basis. For the year ended December 31, 2005, we recorded $9.5 million as a component of corporate expenses for these services.

Clear Channel Communications owns the trademark and trade names used by us prior to the Separation. Clear Channel Communications charged us a royalty fee based upon a percentage of annual revenue. Clear Channel Communications used a third party valuation firm to assist in the determination of the royalty fee. For the year ended December 31, 2005, we recorded $0.5 million, of royalty fees in corporate expenses.

Prior to the Separation, our operations were included in a consolidated federal income tax return filed by Clear Channel Communications. Our provision for income taxes has been computed on the basis that we file separate consolidated income tax returns with our subsidiaries. Tax payments were made to Clear Channel Communications on the basis of our separate taxable income. Tax benefits recognized on employee stock options exercises are retained by Clear Channel Communications.

Our domestic employees participated in Clear Channel Communications employee benefit plans prior to the Separation, including employee medical insurance, an employee stock purchase plan and a 401(k) retirement benefit plan. These costs were recorded primarily as a component of divisional operating expenses and were approximately $9.0 million for the year ended December 31, 2005.

In connection with the Separation, we entered into various lease and licensing agreements with Clear Channel Communications primarily for office space occupied by our employees.

As of December 31, 2005, we have recorded a liability to Clear Channel Communications of $12.7 million, which is recorded in accrued expenses.

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Item 14. ***Principal Accountant Fees and Services***

Fees billed by Ernst & Young for periods prior to the 2005 audit and all fees related to Live Nation s separation from Clear Channel Communications were approved by the Audit Committee of Clear Channel Communications and paid by Clear Channel Communications. Live Nation incurred the following fees for services provided by Ernst & Young LLP during the year ended December 31, 2005:

	Fees Paid During Year Ended December 31, 2005 (In thousands)	
Annual audit fees(1)	$	1,964
Audit-related fees(2)		
Tax fees		
All other fees		
Total fees for services	$	1,964

(1) Annual audit fees are for professional services rendered for the audit of our annual financial statements and reviews of quarterly financial statements. This category also includes fees for statutory audits required domestically and internationally, comfort letters, consents, assistance with review of documents filed with the SEC, attest services, work done by tax professional in connection with the audit or quarterly reviews, and accounting consultations and research work necessary to comply with generally accepted auditing standards. During 2005, Clear Channel Communications paid $0.7 million of audit fees related to Live Nation s 2005 audit, which are not included above.

(2) Audit-related fees are for attest services, agreed-upon-procedure services and investee audits not required by statute or regulation.

The Audit Committee pre-approves all audit and permitted non-audit services (including the fees and terms thereof) to be performed for Live Nation by its independent auditor. The chairperson of the Audit Committee may represent the entire committee for the purposes of pre-approving permissible non-audit services, provided that the decision to pre-approve any service is disclosed to the Audit Committee no later than its next scheduled meeting.

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PART IV

Item 15. *Exhibits and Financial Statement Schedules*

(a)1. *Financial Statements.*

The following consolidated and combined financial statements are included in Item 8.

Consolidated and Combined Balance Sheets as of December 31, 2005 and 2004

Consolidated and Combined Statements of Operations for the Years Ended December 31, 2005, 2004 and 2003

Consolidated and Combined Statements of Changes in Business/Shareholders Equity for the Years Ended December 31, 2005, 2004 and 2003

Consolidated and Combined Statements of Cash Flows for the Years Ended December 31, 2005, 2004 and 2003

Notes to Consolidated and Combined Financial Statements

(a)2. *Financial Statement Schedule.*

The following financial statement schedule for the years ended December 31, 2005, 2004 and 2003 is filed as part of this report and should be read in conjunction with the consolidated and combined financial statements.

Schedule II Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

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SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS

Allowance for Doubtful Accounts

Description	Balance at Beginning of Period	Charges to Costs, Expenses and Other	Write-off of Accounts Receivable	Other		Balance at End of Period
		(In thousands)				
Year ended December 31, 2003	$ 14,788	$ 3,417	$ (6,994)	$ 384	(1)	$ 11,595
Year ended December 31, 2004	$ 11,595	$ 2,017	$ (3,546)	$ 108	(1)	$ 10,174
Year ended December 31, 2005	$ 10,174	$ 4,767	$ (5,191)	$ (232)	(1)	$ 9,518

(1) Foreign currency adjustments.

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SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS

Deferred Tax Asset Valuation Allowance

Description	Balance at Beginning of Period	Charges to Costs, Expenses and Other	Deletions(1) (In thousands)	Other(2)	Balance at End of Period
Year ended December 31, 2003	$ 64,035	$	$ 6,230	$	$ 57,805
Year ended December 31, 2004	$ 57,805	$	$ 57,805	$	$
Year ended December 31, 2005	$	$	$	$ 77,266	$ 77,266

(1) In 2003 and 2004, the Company utilized net operating loss carryforwards and certain deferred tax assets, which resulted in the reduction of the allowance for those net operating loss carryforwards and other assets.

(2) In 2005, the Company determined that it may not be able to realize certain deferred tax assets in the future and recorded a valuation allowance accordingly.

(a)3. *Exhibits.*

Exhibit Number	Description
2.1	Master Separation and Distribution Agreement between Clear Channel Communications, Inc. and CCE Spinco, Inc., (now Live Nation, Inc.) dated December 20, 2005 (incorporated by reference to the exhibits of the Company s Current Report on Form 8-K filed December 23, 2005).
3.1	Amended and Restated Certificate of Incorporation of CCE Spinco, Inc. (Incorporated by reference to the exhibits of the Company s Current Report on Form 8-K filed December 16, 2005).
3.2	Amended and Restated Bylaws of CCE Spinco, Inc. (incorporated by reference to the exhibits of the Company s Current Report on Form 8-K filed December 23, 2005).
4.1	Specimen Common Stock Certificate of CCE Spinco, Inc. (incorporated by reference to the exhibits of the Company s Registration Statement on Form 10 (File No. 001-32601)).
4.2	Rights Agreement between CCE Spinco, Inc. and The Bank of New York, as rights agent, dated December 21, 2005 (incorporated by reference to the exhibits of the Company s Current Report on Form 8-K filed December 23, 2005).
4.3	Form of Certificate of Designations of Series A Junior Participating Preferred Stock (incorporated by reference to the exhibits of the Company s Current Report on Form 8-K filed December 23, 2005).
4.4	Form of Right Certificate (incorporated by reference to the exhibits of the Company s Current Report on Form 8-K filed December 23, 2005).
10.1	Transition Services Agreement between CCE Spinco, Inc. and Clear Channel Management Services, L.P. dated December 21, 2005 (incorporated by reference to the exhibits of the Company s Current Report on Form 8-K filed December 23, 2005).
10.2	Tax Matters Agreement among CCE Spinco, Inc., CCE Holdco #2, Inc. and Clear Channel Communications, Inc., dated December 21, 2005 (incorporated by reference to the exhibits of the Company s Current Report on Form 8-K filed December 23, 2005).
10.3	Employee Matters Agreement between CCE Spinco, Inc. and Clear Channel Communications, Inc., dated December 21, 2005 (incorporated by reference to the exhibits of the Company s Current Report on Form 8-K filed December 23, 2005).
10.4	Trademark and Copyright License Agreement between CCE Spinco, Inc. and Clear Channel Identity, L.P., dated December 21, 2005 (incorporated by reference to the exhibits of the Company s Current Report on Form 8-K filed December 23, 2005).
10.5§	Clear Channel Entertainment Nonqualified Deferred Compensation Plan (incorporated by reference to the exhibits of the Company s Current Report on Form 8-K filed December 23, 2005).
10.6	Certificate of Incorporation of CCE Holdco #2, Inc. (incorporated by reference to the exhibits of the Company s Current Report on Form 8-K filed December 23, 2005).
10.7§	CCE Spinco, Inc. 2005 Stock Incentive Plan (incorporated by reference to the exhibits of the Company s Current Report on Form 8-K filed December 23, 2005).
10.8§	Form of Stock Option Agreement under the CCE Spinco, Inc. 2005 Stock Incentive Plan (incorporated by reference to the exhibits of the Company s Current Report on Form 8-K filed December 23, 2005).
10.9§	Form of Restricted Stock Award Agreement under the CCE Spinco, Inc. 2005 Stock Incentive Plan (incorporated by reference to the exhibits of the Company s Current Report on Form 8-K filed December 23, 2005).
10.10§	CCE Spinco, Inc. Annual Incentive Plan (incorporated by reference to the exhibits of the Company s Current Report on Form 8-K filed December 23, 2005).
10.11	Credit Agreement, dated as of December 21, 2005, among SFX Entertainment, Inc. and the foreign borrowers party thereto, as Borrowers, and CCE Spinco, Inc., the Lenders party thereto, JPMorgan Chase

Bank, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A., Toronto Branch, as Canadian Agent, J.P. Morgan Europe Limited, as London Agent, Bank of America, N.A., as Syndication Agent, and J.P. Morgan Securities Inc. and Bank of America Securities LLC, as Co-Lead Arrangers and Joint Bookrunners (incorporated by reference to the exhibits of the Company s Current Report on Form 8-K filed December 23, 2005).

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Exhibit Number	Description
10.12	Guarantee and Collateral Agreement, dated December 21, 2005, among CCE Spinco, Inc., SFX Entertainment, Inc., the other subsidiaries of CCE Spinco, Inc. identified therein and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to the exhibits of the Company s Current Report on Form 8-K filed December 23, 2005).
10.13§	Employment Agreement, dated August 17, 2005, by and between SFX Entertainment, Inc., d/b/a Clear Channel Entertainment and Michael Rapino (incorporated by reference to the exhibits of the Company s Registration Statement on Form 10 (File No. 001-32601)).
10.14§	Employment Agreement, dated November 28, 2005, by and between SFX Entertainment, Inc., d/b/a Clear Channel Entertainment and Alan Ridgeway (incorporated by reference to the exhibits of the Company s Registration Statement on Form 10 (File No. 001-32601)).
10.15§	Employment Agreement, dated December 22, 2004, by and between Kathy Willard and SFX Entertainment, Inc., d/b/a/ Clear Channel Entertainment, as amended December 1, 2005 effective January 1, 2005 (incorporated by reference to the exhibits of the Company s Current Report on Form 8-K filed December 23, 2005).
10.16	Membership Interest Purchase Agreement dated January 26, 2006 by and among SFX Sports Group, Inc. and Arn Tellem (incorporated by reference to the exhibits of the Company s Current Report on Form 8-K filed February 1, 2006).
12.1*	Computation of Ratio of Earnings to Fixed Charges.
21.1*	Subsidiaries of the Company.
31.1*	Certification of Chief Executive Officer.
31.2*	Certification of Chief Financial Officer.
32.1*	Section 1350 Certification of Chief Executive Officer.
32.2*	Section 1350 Certification of Chief Financial Officer.

* Filed herewith.

§ Management contract or compensatory plan or arrangement.

The Company has not filed long-term debt instruments of its subsidiaries where the total amount under such instruments is less than ten percent of the total assets of the Company and its subsidiaries on a consolidated basis. However, the Company will furnish a copy of such instruments to the Commission upon request.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 21, 2006.

LIVE NATION, INC.

By: /s/ Michael Rapino

Michael Rapino
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Name	Title	Date
/s/ Michael Rapino Michael Rapino	President and Chief Executive Officer and Director	March 21, 2006
/s/ Alan Ridgeway Alan Ridgeway	Chief Financial Officer	March 21, 2006
/s/ Kathy Willard Kathy Willard	Chief Accounting Officer	March 21, 2006
/s/ Henry Cisneros Henry Cisneros	Director	March 21, 2006
/s/ Jeffrey T. Hinson Jeffrey T. Hinson	Director	March 21, 2006
/s/ L. Lowry Mays L. Lowry Mays	Director	March 21, 2006
/s/ Mark P. Mays Mark P. Mays	Director	March 21, 2006
/s/ Randall T. Mays Randall T. Mays	Director	March 21, 2006
/s/ Connie McCombs McNab Connie McCombs McNab	Director	March 21, 2006
/s/ John N. Simons, Jr. John N. Simons, Jr.	Director	March 21, 2006
/s/ Timothy P. Sullivan Timothy P. Sullivan	Director	March 21, 2006

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EXHIBIT INDEX

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