

Clovis Oncology, Inc.
Form 424B5
April 16, 2018
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Filed pursuant to Rule 424(b)(5)
Registration No.: 333-215400

The information in this prospectus supplement is not complete and may be changed. This prospectus supplement and the accompanying prospectus is not an offer to sell these securities in any state or other jurisdiction where the offer or sale is not permitted.

Subject to completion, dated April 16, 2018

Prospectus Supplement

(To Prospectus dated April 16, 2018)

\$200,000,000

% Convertible Senior Notes due 2025

Interest Payable May 1 and November 1

We are offering \$200,000,000 principal amount of our % Convertible Senior Notes due 2025 (the notes). The notes will bear interest at a rate of % per year, payable semiannually in arrears on May 1 and November 1 of each year, beginning on November 1, 2018. The notes will mature on May 1, 2025, unless earlier converted, redeemed or repurchased.

Holders may convert their notes at their option at any time prior to the close of business on the business day immediately preceding the maturity date. Upon conversion of a note, we will deliver for each \$1,000 principal amount of converted notes a number of shares of our common stock equal to the conversion rate in effect on the conversion date, together, if applicable, with cash in lieu of any fractional share, as described in this prospectus supplement. The conversion rate will initially be shares of common stock per \$1,000 principal amount of notes (equivalent to an initial conversion price of approximately \$ per share of common stock). The conversion rate will be subject to adjustment in some events but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events that occur prior to the maturity date or upon our issuance of a notice of redemption, we will increase the conversion rate for a holder who elects to convert its notes in connection with such a corporate event or during the related redemption period in certain circumstances.

We may not redeem the notes prior to May 1, 2022. We may redeem the notes, at our option, in whole or in part, on or after May 1, 2022 if the last reported sale price of our common stock has been at least 150% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period ending not more than two trading days preceding the date on which we provide written notice of redemption, at a cash redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued and unpaid interest to, but excluding, the redemption date, as set forth under Description of Notes Optional redemption. No sinking fund will be provided for the notes.

If we undergo a fundamental change (as defined herein) prior to the maturity date of the notes, holders may require us to repurchase for cash all or any portion of their notes at a fundamental change repurchase price equal to 100% of the principal amount of the notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

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The notes will be our senior unsecured obligations and will rank senior in right of payment to any of our indebtedness that is expressly subordinated in right of payment to the notes; equal in right of payment to all of our liabilities that are not so subordinated, including our currently outstanding 2.50% Convertible Senior Notes due 2021, effectively junior in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of our subsidiaries.

Concurrently with this offering, we are also offering to the public \$100,000,000 of shares of our common stock (or \$115,000,000 of shares of our common stock if the underwriters of that offering exercise their option in full to purchase additional shares), which we refer to herein as the Concurrent Offering, pursuant to a separate prospectus supplement. This prospectus supplement and the accompanying prospectus are not an offer to sell or a solicitation of an offer to buy any securities being offered in the Concurrent Offering. We cannot assure you that the Concurrent Offering will be completed or, if completed, on what terms it will be completed. The completion of this offering is not contingent on the closing of the Concurrent Offering (nor is the completion of the Concurrent Offering contingent on the closing of this offering).

We do not intend to apply to list the notes on any securities exchange or any automated dealer quotation system.

Our common stock is listed on the Nasdaq Global Select Market under the symbol CLVS. On April 13, 2018 the last reported sale price of our common stock on the Nasdaq Global Select Market was \$60.64 per share.

	Per Note	Total
Public offering price(1)	\$	\$
Underwriting discounts and commissions(2)	\$	\$
Proceeds to Clovis, before expenses	\$	\$

(1) Plus accrued interest, if any, from , 2018.

(2) We refer you to Underwriting beginning on page S-62 of this prospectus supplement for additional information regarding underwriting compensation. We have granted the underwriters an option for a period of 30 days to purchase up to an additional \$30,000,000 aggregate principal amount of notes.

Investing in our notes involves risks. See Risk Factors on page S-8 of this prospectus supplement and any other risk factors included in the accompanying prospectus and in the documents incorporated by reference in this prospectus supplement or the accompanying prospectus for a discussion of the factors you should carefully consider before deciding to purchase our notes.

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

The underwriters expect to deliver the notes on or about , 2018.

Book-Running Managers

J.P. Morgan

, 2018

BofA Merrill Lynch

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus dated April 16, 2018 are part of a registration statement, as amended, that we filed with the Securities and Exchange Commission, or the SEC, using a shelf registration process. Under this shelf registration process, we may from time to time offer to sell notes in one or more offerings. We provide information to you about this offering of our notes in two separate documents that are bound together: (1) this prospectus supplement, which describes the specific details regarding this offering; and (2) the accompanying prospectus, which provides general information, some of which may not apply to this offering. Generally, when we refer to this prospectus, we are referring to both documents combined. If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement. However, if any statement in one of these documents is inconsistent with a statement in another document having a later date—for example, a document incorporated by reference in the accompanying prospectus—the statement in the document having the later date modifies or supersedes the earlier statement as our business, financial condition, results of operations and prospects may have changed since the earlier dates. You should read this prospectus supplement, the accompanying prospectus, the documents and the information incorporated by reference in this prospectus supplement and the accompanying prospectus, and any free writing prospectus that we have authorized for use in connection with this offering when making your investment decision. You should also read and consider the information in the documents we have referred you to under the headings **Where You Can Find More Information** and **Incorporation by Reference**.

This prospectus supplement may not be used to consummate a sale of the notes unless it is accompanied by the accompanying prospectus.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus or any related free writing prospectus filed by us with the SEC. We have not authorized anyone to provide you with different information. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy the notes other than the notes described in this prospectus supplement or an offer to sell or the solicitation of an offer to buy the notes in any circumstances in which such offer or solicitation is unlawful. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference and any related free writing prospectus is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed materially since those dates.

Clovis Oncology®, the Clovis logo and Rubraca® are trademarks of Clovis Oncology, Inc. in the United States and in other selected countries. All other brand names or trademarks appearing in this prospectus supplement are the property of their respective holders. Unless the context requires otherwise, references in this prospectus supplement to Clovis, the Company, we, us, and our refer to Clovis Oncology, Inc. together with its consolidated subsidiaries.

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WHERE YOU CAN FIND MORE INFORMATION

We file reports and proxy statements with the SEC. These filings include our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and proxy statements on Schedule 14A, as well as any amendments to those reports and proxy statements, and are available free of charge through our website as soon as reasonably practicable after we file them with, or furnish them to, the SEC. Once at www.clovisoncology.com, go to Investors & News to locate copies of such reports and proxy statements. Our website and the information contained on, or that can be accessed through, the website will not be deemed to be incorporated by reference in, and are not considered part of, this prospectus supplement or the accompanying prospectus. You should not rely on any such information in making your decision whether to purchase the notes. You may also read and copy materials that we file with SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website at www.sec.gov that contains reports, proxy and information statements and other information regarding us and other issuers that file electronically with the SEC.

We have filed with the SEC a registration statement on Form S-3 under the Securities Act of 1933, as amended, or the Securities Act, relating to the notes being offered by this prospectus. This prospectus supplement and the accompanying prospectus, which constitute part of that registration statement, do not contain all of the information set forth in the registration statement or the exhibits and schedules which are part of the registration statement. For further information about us and the notes offered, see the registration statement and the exhibits and schedules thereto. Statements contained in this prospectus supplement or the accompanying prospectus regarding the contents of any contract or any other document to which reference is made are not necessarily complete, and, in each instance where a copy of a contract or other document has been filed as an exhibit to the registration statement, reference is made to the copy so filed, each of those statements being qualified in all respects by the reference.

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INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference into this prospectus supplement the information we file with the SEC in other documents, which means that we can disclose important information to you by referring you to those documents instead of having to repeat the information in this prospectus supplement. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus, and later information that we file with the SEC will automatically update and supersede such information. We incorporate by reference the documents listed below and any future information filed (rather than furnished) with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, between the date of this prospectus supplement and the date we close or otherwise terminate this offering; provided, however, that we are not incorporating any information furnished under Item 2.02 or Item 7.01 of any Current Report on Form 8-K:

our Annual Report on Form 10-K for the year ended December 31, 2017, as filed with the SEC on February 27, 2018;

our Definitive Proxy Statement on Schedule 14A, as filed with the SEC on April 26, 2017, and the additional definitive proxy soliciting materials, as filed with the SEC on April 26, 2017;

our Current Reports on Form 8-K, as filed with the SEC on July 7, 2017 and April 10, 2018; and

the description of our common stock contained in our registration statement on Form 8-A, as filed with the SEC on November 10, 2011, including any amendments or reports filed for the purpose of updating the description.

We will furnish without charge to you a copy of any or all of the documents incorporated by reference, including exhibits to these documents, upon written or oral request. Direct your written request to: Investor Relations, Clovis Oncology, Inc., 5500 Flatiron Parkway, Suite 100, Boulder, Colorado 80301, or contact Investor Relations at (303) 625-5000.

A statement contained in a document incorporated by reference into this prospectus supplement or the accompanying prospectus shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this or any other prospectus supplement, or in any other subsequently filed document which is also incorporated in this prospectus supplement modifies or replaces such statement. Any statements so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement or the accompanying prospectus.

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PROSPECTUS SUPPLEMENT SUMMARY

*The following summary highlights information about us and this offering. This summary does not contain all of the information that may be important to you. You should read and carefully consider the following summary together with the entire prospectus supplement, the accompanying prospectus, the information incorporated by reference in this prospectus supplement and the accompanying prospectus, and any free writing prospectus that we have authorized for use in connection with this offering, before deciding to invest in the notes. Some of the statements in this prospectus supplement constitute forward-looking statements that involve risks and uncertainties. See *Cautionary Note Regarding Forward-Looking Statements*. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including those discussed in the *Risk Factors* and other sections of this prospectus supplement.*

About Clovis

We are a biopharmaceutical company focused on acquiring, developing and commercializing innovative anti-cancer agents in the United States, Europe and additional international markets. We target our development programs for the treatment of specific subsets of cancer populations, and simultaneously develop, with partners, diagnostic tools intended to direct a compound in development to the population that is most likely to benefit from its use.

Our marketed product Rubraca[®] (rucaparib) is approved in the United States by the Food and Drug Administration, or FDA, for two indications, encompassing two settings for the treatment of recurrent epithelial ovarian, fallopian tube or primary peritoneal cancer.

Beyond our initial labeled indication, we have a robust Rubraca clinical development program underway in a variety of solid tumor types, also including prostate and bladder cancers, and in July 2017, we entered into a broad clinical collaboration with Bristol-Myers Squibb Company to evaluate the combination of their immunotherapy Opdivo[®] (nivolumab) with Rubraca in several tumor types. We hold worldwide rights for Rubraca.

We have built our organization to support innovative oncology drug development for the treatment of specific subsets of cancer populations. To implement our strategy, we have assembled an experienced team with core competencies in global clinical and non-clinical development, regulatory operations and commercialization in oncology, as well as conducting collaborative relationships with companies specializing in companion diagnostic development.

We were incorporated under the laws of the State of Delaware in April 2009. Our principal executive offices are located at 5500 Flatiron Parkway, Suite 100, Boulder, Colorado 80301, and our telephone number is (303) 625-5000. Our website address is www.clovisoncology.com. Our website and the information contained on, or that can be accessed through, the website will not be deemed to be incorporated by reference in, and are not considered part of, this prospectus. You should not rely on any such information in making your decision whether to purchase our securities.

Recent Developments

On April 6, 2018, we announced that the FDA has approved Rubraca[®] tablets for the maintenance treatment of adult patients with recurrent epithelial ovarian, fallopian tube, or primary peritoneal cancer who are in a complete or partial response to platinum-based chemotherapy. FDA granted regular approval for Rubraca in this second, broader and earlier-line indication on a priority review timeline based on positive data from the ARIEL3 clinical trial. Diagnostic testing is not required for patients to be prescribed Rubraca in this maintenance treatment indication.

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In addition, the FDA converted the initial Rubraca treatment indication approval that we received in December 2016, from accelerated to regular approval.

Rubraca has been included as part of the National Comprehensive Cancer Network, or NCCN, Clinical Practice Guidelines in Oncology Ovarian Cancer version 1.2018, as maintenance therapy for patients with platinum-sensitive epithelial ovarian, fallopian tube and primary peritoneal cancer who are in partial or complete response after completion of two or more lines of platinum-based therapy. The NCCN designated Rubraca as a category 2A treatment, which is the second highest category of evidence and consensus indicating that based upon lower-level evidence, there is a uniform NCCN consensus that the intervention is appropriate. We expect that inclusion in the NCCN guidelines will facilitate coverage and reimbursement for Rubraca by third-party payors in the maintenance treatment indication.

The Rubraca maintenance treatment indication approval is based on the results from the ARIEL3 trial, a double-blind, multicenter clinical trial in which 564 patients with recurrent epithelial ovarian, fallopian tube, or primary peritoneal cancer who were in response to platinum-based chemotherapy were randomized (2:1) to receive Rubraca tablets 600 mg orally twice daily (n=375) or placebo (n=189). Treatment was continued until disease progression or unacceptable toxicity. All patients had achieved a response (complete or partial) to their most recent platinum-based chemotherapy. Randomization was stratified by best response to last platinum (complete or partial), time to progression following the penultimate platinum therapy (6 to < 12 months and > 12 months), and tumor biomarker status. The major efficacy outcome was investigator-assessed progression-free survival, or PFS, evaluated according to Response Evaluation Criteria in Solid Tumors (RECIST) version 1.1.

The primary efficacy analysis evaluated three prospectively defined molecular sub-groups in a step-down manner: 1) tumor BRCA mutant (tBRCAmut) patients, inclusive of germline and somatic BRCA mutations (n=196); 2) patients with a homologous recombination deficiency, or HRD-positive, signature, including tBRCAmut patients and BRCA wild-type with high genomic loss of heterozygosity, or LOH (n=354), and, finally, 3) the intent-to-treat population, or all patients treated in the ARIEL3 trial (n=564). The ARIEL3 trial demonstrated a statistically significant improvement in PFS for patients randomized to Rubraca as compared with placebo in all patients, regardless of BRCA status. Median PFS in the tBRCAmut patients was 16.6 months (95% CI: 13.4 22.9) in the Rubraca group (n=130) versus 5.4 months (95% CI: 3.4 6.7) in the placebo group (n=66) (Hazard Ratio, or HR: 0.23 [95% CI: 0.16 0.34]; p<0.0001). Median PFS in the intent-to-treat population was 10.8 months (95% CI: 8.3 11.4) in the Rubraca group (n=375) versus 5.4 months (95% CI: 5.3 5.5) in the placebo group (n=189) (HR: 0.36 [95% CI: 0.30 0.45]; p<0.0001).

The safety evaluation of Rubraca for the maintenance treatment indication is based on data from 561 patients with recurrent ovarian cancer treated in the ARIEL3 trial. Most common adverse reactions in the ARIEL3 trial (³ 20% of patients; Grade 1-4) were nausea (76%), fatigue/asthenia (73%), abdominal pain/distention (46%), rash (43%), dysgeusia (40%), anemia (39%), aspartate aminotransferase (AST)/alanine aminotransferase (ALT) elevation (38%), constipation (37%), vomiting (37%), diarrhea (32%), thrombocytopenia (29%), nasopharyngitis/upper respiratory tract infection (29%), stomatitis (28%), decreased appetite (23%), and neutropenia (20%). Most common laboratory abnormalities in the ARIEL3 trial (³ 25% of patients; Grade 1-4) were increase in creatinine (98%), decrease in hemoglobin (88%), increase in cholesterol (84%), increase in ALT (73%), increase in AST (61%), decrease in platelets (44%), decrease in leukocytes (44%), decrease in neutrophils (38%), increase in alkaline phosphatase (37%), and decrease in lymphocytes (29%). In approximately 1,100 treated patients, myelodysplastic syndrome/acute myeloid leukemia, or MDS/AML, occurred in 12 patients (1.1%), including those in long term follow-up. Of these, 5 occurred during treatment or during the 28 day safety follow-up (0.5%). The duration of Rubraca treatment prior to the diagnosis of MDS/AML ranged from 1 month to approximately 28 months. Some cases of MDS/AML were fatal. The majority of adverse reactions and laboratory abnormalities were Grade 1-2.

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On March 23, 2018, we announced that the Committee for Medicinal Products for Human Use, or CHMP, of the European Union's European Medicines Agency, or EMA, has adopted a positive opinion recommending the granting of a conditional marketing authorization for Rubraca as monotherapy treatment of adult patients with platinum sensitive, relapsed or progressive, BRCA mutated (germline and/or somatic), high-grade epithelial ovarian, fallopian tube, or primary peritoneal cancer, who have been treated with two or more prior lines of platinum based chemotherapy, and who are unable to tolerate further platinum based chemotherapy. We anticipate receiving a formal marketing authorization from the European Commission for Rubraca for this indication in the second quarter of 2018. As this is a conditional approval, it will be necessary to complete confirmatory post marketing commitments, including ensuring that sufficient platinum sensitive patients are enrolled in our ARIEL4 confirmatory trial to support the indication. This may require enrollment of additional patients into the study, increasing its overall size and extending the time for enrollment. In the event of such an approval from the European Commission for this treatment indication, we intend to submit to the EMA a variation to the marketing authorization for the maintenance treatment of adult patients with recurrent epithelial ovarian, fallopian tube, or primary peritoneal cancer who are in a complete or partial response to platinum-based chemotherapy, for which we anticipate a CHMP opinion may come during the fourth quarter of 2018. In addition, the EMA's Committee for Orphan Medicinal Products has decided to maintain the orphan drug designation with respect to the Rubraca treatment indication in the European Union.

A former securityholder has threatened to file a claim against us and certain of our current and former officers related to matters substantially similar to the recent and ongoing litigation against us related to rociletinib. In order to prevent further management distraction and focus on our business going forward, we have engaged in discussions to try to resolve the matter. Although there are no assurances that we will be able to resolve the matter on acceptable terms, we believe the matter may be resolved for an amount less than \$10 million. In the event that a complaint is filed, we intend to vigorously defend against the allegations, but there can be no assurance the defense will be successful.

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THE OFFERING

Issuer	Clovis Oncology, Inc., a Delaware corporation.
Securities	\$200,000,000 aggregate principal amount of % Convertible Senior Notes due 2025 (plus up to an additional \$30,000,000 aggregate principal amount pursuant to the underwriters option to purchase additional notes).
Maturity	May 1, 2025, unless earlier converted, redeemed or repurchased.
Interest	% per year. Interest will accrue from , 2018 and will be payable semiannually in arrears on May 1 and November 1 of each year, beginning on November 1, 2018. We will pay additional interest, if any, at our election as the sole remedy relating to the failure to comply with our reporting obligations as described under Description of Notes Events of default.
Conversion rights	<p>Holders may convert all or any portion of their notes, in multiples of \$1,000 principal amount, at their option at any time prior to the close of business on the business day immediately preceding the maturity date.</p> <p>The conversion rate for the notes is initially shares of common stock per \$1,000 principal amount of notes (equivalent to an initial conversion price of approximately \$ per share of common stock), subject to adjustment as described in this prospectus supplement.</p> <p>Upon conversion, we will deliver for each \$1,000 principal amount of notes converted a number of shares of our common stock equal to the conversion rate (together with a cash payment in lieu of delivering any fractional share) on the second business day following the relevant conversion date.</p> <p>See Description of Notes Conversion rights Settlement upon conversion.</p> <p>In addition, following certain corporate events that occur prior to the maturity date or upon our issuance of a notice of redemption, we will increase the conversion rate for a holder who elects to convert its notes in connection with such a corporate event or during the related redemption period in certain circumstances, as described under Description of Notes Conversion rights Increase in conversion rate upon conversion upon a make-whole fundamental change or during a redemption period.</p> <p>You will not receive any additional cash payment or additional shares representing accrued and unpaid interest, if any, upon conversion of a note, except in limited circumstances. Instead, interest will be deemed to be paid by the delivery to you of the shares of our common stock</p>

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together with a cash payment for any fractional share, upon conversion of a note. See Description of Notes Conversion rights General.

Redemption at our option

We may not redeem the notes prior to May 1, 2022. We may redeem the notes, at our option, in whole or in part on or after May 1, 2022 if the last reported sale price per share of our common stock has been at least 150% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period ending not more than two trading days preceding the date on which we provide written notice of redemption, at a cash redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. No sinking fund will be provided for the notes, and, except as described below in connection with a fundamental change, we are not required to redeem or retire the notes periodically.

We will give written notice of redemption not less than 30 nor more than 60 calendar days before the redemption date to the trustee, the conversion agent (if other than the trustee), the paying agent and each holder of notes. See Description of Notes Optional redemption.

Fundamental change

If we undergo a fundamental change (as defined in this prospectus supplement under Description of Notes Fundamental change permits holders to require us to repurchase notes), subject to certain conditions, holders may require us to repurchase for cash all or part of their notes in principal amounts of \$1,000 or an integral multiple thereof. The fundamental change repurchase price will be equal to 100% of the principal amount of the notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date. See Description of Notes Fundamental change permits holders to require us to repurchase notes.

Ranking

The notes will be our senior unsecured obligations and will rank:

senior in right of payment to any of our indebtedness that is expressly subordinated in right of payment to the notes;

equal in right of payment to all of our liabilities that are not so subordinated, including our 2.50% Convertible Senior Notes due 2021;

effectively junior in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and

structurally junior to all indebtedness and other liabilities (including trade payables) of our subsidiaries.

The indenture governing the notes does not limit the amount of debt that we or our subsidiaries may incur.

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Use of proceeds	We estimate that the net proceeds from this offering will be approximately \$193.9 million (or approximately \$223.0 million if the underwriters exercise their option pursuant to this offering to purchase additional notes in full) after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We anticipate that we will use the net proceeds of this offering, together with the proceeds of the Concurrent Offering, which we expect to be approximately \$93.9 million (or approximately \$108.1 million if the underwriters for the Concurrent Offering exercise in full their option to purchase additional shares), after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, for general corporate purposes, including sales and marketing expenses associated with Rubraca in the United States and, if approved by the European Commission, in Europe, funding of our development programs, general and administrative expenses, acquisition or licensing of additional product candidates or businesses and working capital. See Use of Proceeds for a more complete description of the intended use of proceeds from this offering.
Concurrent offering	Concurrently with this offering, we are also offering to the public \$100,000,000 of shares of our common stock (or \$115,000,000 of shares of our common stock if the underwriters of that offering exercise their option in full to purchase additional shares) pursuant to a separate prospectus supplement. We cannot assure you that the Concurrent Offering will be completed, or if completed, on what terms it will be completed. The completion of this offering is not contingent on the closing of the Concurrent Offering (nor is the completion of the Concurrent Offering contingent on the closing of this offering).
Book-entry form	The notes will be issued in book-entry form and will be represented by permanent global certificates deposited with, or on behalf of, The Depository Trust Company, or DTC, and registered in the name of a nominee of DTC. Beneficial interests in any of the notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee, and any such interest may not be exchanged for certificated securities, except in limited circumstances.
Absence of a public market for the notes	The notes are new securities, and there is currently no established market for the notes. Accordingly, we cannot assure you as to the development or liquidity of any market for the notes. The underwriters have advised us that they currently intend to make a market in the notes. However, they are not obligated to do so, and they may discontinue any market making with respect to the notes without notice. We do not intend to apply for a listing of the notes on any securities exchange or any automated dealer quotation system.
U.S. federal income tax considerations	For the U.S. federal income tax consequences of the holding, disposition and conversion of the notes, and the holding and

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disposition of shares of our common stock issuable upon the conversion of the notes, see Material U.S. Federal Income Tax Considerations.

Nasdaq Global Select Market symbol for our common stock

Our common stock is listed on The Nasdaq Global Select Market under the symbol CLVS.

Trustee, paying agent and conversion agent

The Bank of New York Mellon Trust Company, N.A.

Risk factors

You should read the Risk Factors section of this prospectus supplement and the accompanying prospectus and in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of factors you should carefully consider before deciding to invest in the notes.

Unless we specifically state otherwise, the information in this prospectus supplement does not give effect to the:

exercise by the underwriters pursuant to this offering of their option to purchase up to an additional \$30,000,000 aggregate principal amount of notes; or

exercise by the underwriters pursuant to the Concurrent Offering of their option to purchase up to an additional \$15,000,000 of shares of our common stock.

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RISK FACTORS

*Investing in the notes involves significant risks. Please see the risk factors below and under the heading **Risk Factors** in our most recently filed Annual Report on Form 10-K, which is incorporated by reference in this prospectus supplement. Before making an investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference in this prospectus supplement, including those described under **Cautionary Note Regarding Forward-Looking Statements**, and the accompanying prospectus. The risks and uncertainties we have described are not the only ones facing our company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business operations.*

Risks Related to Our Business

We are the subject of an ongoing investigation by the SEC, and the SEC's staff has notified us that the staff intends to recommend that the SEC bring a civil action against us and certain of our current and former officers.

As previously disclosed, the Company has received inquiries and requests for information from governmental agencies, including the U.S. Securities and Exchange Commission, relating to the Company's regulatory update announcement in November 2015 that the FDA requested additional clinical data on the efficacy and safety of rociletinib. On April 9, 2018, we received a Wells Notice letter from the staff of the SEC, issued in connection with this investigation. Certain of our current and former officers also received Wells Notices.

The Wells Notices provide notification of the SEC staff's determination that it intends to recommend to the SEC that it bring a civil action against us and certain of our current and former officers regarding possible violations of Sections 17(a)(1), (2) and (3) of the Securities Act of 1933 and Sections 10(b) and 13(a) of the Securities Exchange Act of 1934 and Rules 10b-5(a), (b), and (c), 12b-20, and 13a-11 thereunder. The Wells Notices state that the SEC staff's recommendation may involve a civil injunctive action, public administrative proceeding, and/or cease-and-desist proceeding, and may seek remedies that include an injunction, a cease-and-desist order, disgorgement, pre-judgment interest, and civil money penalties, and in the case of certain officers a bar from service as an officer or director of a public company.

Under SEC procedures, a recipient of a Wells Notice has an opportunity to respond in the form of a Wells submission that seeks to persuade the SEC that such an action should not be brought. The Company and its current and former officers intend to provide to the SEC staff Wells submissions to further explain their views and beliefs that no enforcement action is warranted against the Company or any individuals associated with the Company. The receipt of the Wells Notice does not change the Company's beliefs that it has complied with all laws and regulations, and therefore, the Company intends to contest any charges that may be brought.

We cannot predict the scope, timing, or other outcomes of the investigation or civil actions, if any, and other matters referred to herein, or the ultimate outcome of any proceedings that might be initiated which may result in the imposition of fines and penalties, which may be significant, and other remedies and sanctions, any of which could impact our ability to obtain financing, our stock price, or the ability to attract or retain key employees. Furthermore, regardless of the outcome of the investigation, the investigation itself has resulted, and may continue to result, in substantial uninsured costs, use of resources and diversion of the attention of management and other employees, which could adversely affect our business. Furthermore, publicity surrounding any civil action that may be brought by the SEC, even if ultimately resolved favorably for us, could have an adverse impact on our reputation, business, financial condition, results of operations or cash flows. We are currently incurring legal expenses in connection with this matter and anticipate that we will be required to indemnify certain current and former officers with respect thereto. We will not receive any further contributions from our insurance carriers for any amounts (including damages, settlement costs or legal fees) relating to these matters. We cannot predict what impact, if any, these matters may have on our business, financial condition, results of operations and cash flow, though they may be material.

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Risks Related to the Notes and Our Common Stock

The notes are effectively subordinated to any liabilities of our subsidiaries.

The notes will rank:

senior in right of payment to any of our indebtedness that is expressly subordinated in right of payment to the notes;

equal in right of payment to all of our liabilities that are not so subordinated, including our 2.50% Convertible Senior Notes due 2021;

effectively junior in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and

structurally junior to all indebtedness and other liabilities (including trade payables) of our subsidiaries.

In the event of our bankruptcy, liquidation, reorganization or other winding up, our assets that secure debt ranking senior in right of payment to the notes will be available to pay obligations on the notes only after the secured debt has been repaid in full, and the assets of our subsidiaries will be available to pay obligations on the notes only after debt and other liabilities of those subsidiaries have been repaid in full. There may not be sufficient assets remaining to pay amounts due on any or all of the notes then outstanding. The indenture governing the notes will not prohibit us from incurring additional senior debt or secured debt, nor will it prohibit our subsidiaries from incurring additional liabilities.

The notes are our obligations only, and a portion of our operations are conducted through, and a portion of our consolidated assets are held by, our subsidiaries.

The notes are our obligations exclusively and are not guaranteed by any of our subsidiaries. A portion of our consolidated assets is held by our subsidiaries. Accordingly, our ability to service our debt, including the notes, depends in part on the results of operations of our subsidiaries and upon the ability of such subsidiaries to provide us with cash, whether in the form of dividends, loans or otherwise, to pay amounts due on our obligations, including the notes. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to make payments on the notes or to make any funds available for that purpose. In addition, dividends, loans or other distributions to us from our subsidiaries may be subject to contractual and other restrictions and are subject to other business and tax considerations.

Recent and future regulatory actions and other events may adversely affect the trading price and liquidity of the notes.

We expect that many investors in, and potential purchasers of, the notes will employ, or seek to employ, a convertible arbitrage strategy with respect to the notes. Investors would typically implement such a strategy by selling short the common stock underlying the notes and dynamically adjusting their short position while continuing to hold the notes. Investors may also implement this type of strategy by entering into swaps on our common stock in lieu of or in addition to short selling the common stock.

The SEC and other regulatory and self-regulatory authorities have implemented various rules and taken certain actions, and may in the future adopt additional rules and take other actions, that may impact those engaging in short selling activity involving equity securities (including our common stock). Such rules and actions include Rule 201 of SEC Regulation SHO, the adoption by the Financial Industry Regulatory Authority, Inc. and the national securities exchanges of a Limit Up-Limit Down program, the imposition of market-wide circuit breakers that halt trading of securities for certain periods following specific market declines, and the implementation of certain regulatory reforms required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Any governmental or regulatory action that restricts the ability of investors in, or potential purchasers of, the notes to effect short sales of our common stock, borrow our common stock or enter into swaps on our common stock could adversely affect the trading price and the liquidity of the notes.

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Volatility in the market price and trading volume of our common stock could adversely impact the trading price of the notes.

The stock market in recent years has experienced significant price and volume fluctuations that have often been unrelated to the operating performance of companies. The trading price of our common stock has been, and may continue to be, volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control.

In addition, the stock market in general, and the Nasdaq Global Select Market and biotechnology companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. Broad market and industry factors may negatively affect the market price of our common stock, regardless of our actual operating performance. The realization of any of the above risks or any of a broad range of other risks, including those described or referred to in these Risk Factors, could have a dramatic and material adverse effect on the market price of our common stock. A decrease in the market price of our common stock would likely adversely impact the trading price of the notes. The market price of our common stock could also be affected by possible sales of our common stock by investors who view the notes as a more attractive means of equity participation in us and by hedging or arbitrage trading activity that we expect to develop involving our common stock. This trading activity could, in turn, affect the trading price of the notes.

We may still incur substantially more debt or take other actions which would intensify the risks discussed above.

We and our subsidiaries may be able to incur substantial additional debt, subject to the restrictions contained in our future debt instruments, some of which may be secured debt. As of December 31, 2017, we had approximately \$287.5 million of outstanding indebtedness. We will not be restricted under the terms of the indenture governing the notes from incurring additional debt, securing existing or future debt, recapitalizing our debt or taking a number of other actions that are not limited by the terms of the indenture governing the notes that could have the effect of diminishing our ability to make payments on the notes when due.

We may not have the ability to raise the funds necessary to repurchase the notes upon a fundamental change, and our other indebtedness may limit our ability to repurchase the notes.

Holders of the notes will have the right to require us to repurchase all or a portion of their notes if we undergo a fundamental change prior to the maturity date of the notes at a cash repurchase price generally equal to the principal amount of the notes to be repurchased, plus accrued and unpaid interest, if any. See Description of Notes Fundamental change permits holders to require us to repurchase notes. However, we may not have enough available cash or be able to obtain financing at the time we are required to repurchase the notes. In addition, applicable law, regulatory authorities and the agreements governing our other indebtedness may restrict our ability to repurchase the notes. Our failure to repurchase notes when required will constitute a default under the indenture. A default under the indenture or the fundamental change itself could also lead to a default under agreements governing our other indebtedness, which may result in that other indebtedness becoming immediately payable in full. We may not have sufficient funds to satisfy all amounts due under the other indebtedness and the notes.

Holders of notes will not be entitled to any rights with respect to the underlying shares of our common stock, but they will be subject to all changes made with respect to our common stock.

Holders of notes will not be entitled to any rights with respect to the underlying shares of our common stock (including, without limitation, voting rights and rights to receive any dividends or other distributions on our common stock) until they convert their notes and are deemed to be a holder of record of the shares, if any, issuable upon conversion, but they will be subject to all changes affecting our common stock. For example, if an

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amendment is proposed to our certificate of incorporation or bylaws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs before the date a converting holder is deemed to be a record holder of the shares, if any, issuable upon conversion, then the converting holder will not be entitled to vote those shares on the amendment, although such holder will nevertheless be subject to any changes affecting our common stock.

We will make only limited covenants in the indenture governing the notes, and these limited covenants may not protect your investment.

The indenture governing the notes will not:

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

limit our subsidiaries' ability to guarantee or incur indebtedness, which would rank structurally senior to the notes;

limit our ability to incur additional indebtedness, including secured indebtedness;

restrict our subsidiaries' ability to issue securities that would be senior to our equity interests in our subsidiaries and therefore would be structurally senior to the notes;

restrict our ability to repurchase our securities; or

restrict our ability to make investments or pay dividends or make other payments in respect of our common stock or our other indebtedness.

Furthermore, the indenture governing the notes will contain only limited protections in the event of a change of control. We could engage in many types of transactions, such as acquisitions, refinancings or certain recapitalizations, that could substantially affect our capital structure and the value of the notes and our common stock but may not constitute a fundamental change that permits holders to require us to repurchase their notes or a make-whole fundamental change that permits holders to convert their notes at an increased conversion rate in certain circumstances. For these reasons, the limited covenants in the indenture governing the notes may not protect your investment in the notes.

The increase in the conversion rate for notes converted in connection with a make-whole fundamental change or during a redemption period may not adequately compensate you for any lost value of your notes as a result of such transaction.

If a make-whole fundamental change occurs prior to the maturity date or upon our issuance of a notice of redemption, under certain circumstances, we will increase the conversion rate by a number of additional shares of our common stock for notes converted in connection with such make-whole fundamental change or during the related redemption period. The increase in the conversion rate will be determined based on the date on which the specified corporate transaction becomes effective or the date we send the related redemption notice, as applicable, and the price paid (or deemed to be paid) per share of our common stock in such transaction or upon redemption, as described below under Description of Notes Conversion rights Increase in conversion rate upon conversion upon a make-whole fundamental change or during a redemption period. The increase in the conversion rate for notes converted in connection with a make-whole fundamental change or during a redemption period may not adequately compensate you for any lost value of your notes as a result of such transaction. In addition, if the price of our common stock in the transaction is greater than \$ per share or less than \$ per share (in each case, subject to adjustment), then no additional shares will be added to the conversion rate. Moreover, in no event will the conversion rate per \$1,000 principal amount of notes as a result of this adjustment exceed shares of common stock, subject to adjustment in the same manner as the conversion rate as set forth under Description of Notes Conversion rights Conversion rate adjustments.

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Our obligation to increase the conversion rate for notes converted in connection with a make-whole fundamental change or upon redemption could be considered a penalty, in which case the enforceability thereof would be subject to general principles of reasonableness and equitable remedies.

The conversion rate of the notes may not be adjusted for all dilutive events.

The conversion rate of the notes is subject to adjustment for certain events, including, but not limited to, the issuance of stock dividends on our common stock, the issuance of certain rights or warrants, subdivisions, combinations, distributions of capital stock, indebtedness, or assets, cash dividends and certain issuer tender or exchange offers as described under [Description of Notes Conversion rights Conversion rate adjustments](#). However, the conversion rate will not be adjusted for other events, such as a third-party tender or exchange offer or an issuance of common stock for cash, that may adversely affect the trading price of the notes or our common stock. An event that adversely affects the value of the notes may occur, and that event may not result in an adjustment to the conversion rate.

Some significant restructuring transactions may not constitute a fundamental change, in which case we would not be obligated to offer to repurchase the notes.

Upon the occurrence of a fundamental change, you have the right to require us to repurchase your notes. However, the fundamental change provisions will not afford protection to holders of notes in the event of other transactions that could adversely affect the notes. For example, transactions such as leveraged recapitalizations, refinancings, restructurings, or acquisitions initiated by us may not constitute a fundamental change requiring us to repurchase the notes. In the event of any such transaction, the holders would not have the right to require us to repurchase the notes, even though each of these transactions could increase the amount of our indebtedness, or otherwise adversely affect our capital structure or any credit ratings, and adversely affect the holders of notes.

In addition, absent the occurrence of a fundamental change or a make-whole fundamental change as described under [Description of Notes Fundamental change permits holders to require us to repurchase notes](#) or [Description of Notes Conversion rights Increase in conversion rate upon conversion upon a make-whole fundamental change or during a redemption period](#), [changes in the composition of our board of directors](#) will not provide holders with the right to require us to repurchase the notes or to an increase in the conversion rate upon conversion.

We cannot assure you that an active trading market will develop for the notes.

Prior to this offering, there has been no trading market for the notes, and we do not intend to apply to list the notes on any securities exchange or to arrange for quotation on any automated dealer quotation system. We have been informed by the underwriters that they intend to make a market in the notes after the offering is completed. However, the underwriters may cease their market-making at any time without notice. In addition, the liquidity of the trading market in the notes and the market price quoted for the notes, may be adversely affected by changes in the overall market for this type of security and by changes in our financial performance or prospects or in the prospects for companies in our industry generally. As a result, we cannot assure you that an active trading market will develop for the notes. If an active trading market does not develop or is not maintained, the market price and liquidity of the notes may be adversely affected. In that case, you may not be able to sell your notes at a particular time, if at all, or you may not be able to sell your notes at a favorable price.

Any adverse rating of the notes may cause their trading price to fall.

We do not intend to seek a rating on the notes. However, if a rating service were to rate the notes and if such rating service were to lower its rating on the notes below the rating initially assigned to the notes or otherwise announces its intention to put the notes on credit watch, the trading price of the notes could decline.

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You may be subject to tax if we make or fail to make certain adjustments to the conversion rate of the notes even though you do not receive a corresponding cash distribution.

The conversion rate of the notes is subject to adjustment in certain circumstances, including the payment of cash dividends on our common stock. If the conversion rate is adjusted as a result of a distribution that is taxable to our common stockholders, such as a cash dividend, if you are a person subject to U.S. federal income taxation, you may be deemed to have received a dividend subject to U.S. federal income tax without the receipt of any cash. In addition, a failure to adjust (or to adjust adequately) the conversion rate after an event that increases your proportionate interest in our assets and earnings could be treated as a deemed taxable dividend to you. If a make-whole fundamental change occurs or we issue a notice of redemption prior to the maturity date, under some circumstances, we will increase the conversion rate for notes converted in connection with the make-whole fundamental change or during the redemption period. Such increase may also be treated as a distribution subject to U.S. federal income tax as a dividend. See Material U.S. Federal Income Tax Considerations. If you are a non-U.S. holder (as defined in Material U.S. Federal Income Tax Considerations), any deemed dividend would be subject to U.S. federal withholding tax at a 30% rate, or such lower rate as may be specified by an applicable treaty, which may be withheld from or set off against subsequent payments with respect to the notes (or, in certain cases, the common stock) to satisfy any applicable withholding tax or set off against other funds or assets of the non-U.S. holder. See Material U.S. Federal Income Tax Considerations.

Provisions in the indenture could delay or prevent an otherwise beneficial takeover of us.

Certain provisions in the notes and the indenture could make a third party attempt to acquire us more difficult or expensive. For example, if a takeover constitutes a fundamental change, then holders will have the right to require us to repurchase their notes for cash. In addition, if a takeover constitutes a make-whole fundamental change, then we may be required to temporarily increase the conversion rate. In either case, and in other cases, our obligations under the notes and the indenture could increase the cost of acquiring us or otherwise discourage a third party from acquiring us or removing incumbent management, including in a transaction that holders or holders of our common stock may view as favorable.

Because the notes will initially be held in book-entry form, holders must rely on DTC's procedures to exercise their rights and remedies.

We will initially issue the notes in the form of one or more global notes registered in the name of Cede & Co., as nominee of DTC. Beneficial interests in global notes will be shown on, and transfers of global notes will be effected only through, the records maintained by DTC. Except in limited circumstances, we will not issue certificated notes. See Description of Notes Book-entry, settlement and clearance. Accordingly, if you own a beneficial interest in a global note, then you will not be considered an owner or holder of the notes. Instead, DTC or its nominee will be the sole holder of the notes. Payments of principal, interest and other amounts on global notes will be made to the paying agent, who will remit the payments to DTC. We expect that DTC will then credit those payments to the DTC participant accounts that hold book-entry interests in the global notes and that those participants will credit the payments to indirect DTC participants. Unlike persons who have certificated notes registered in their names, owners of beneficial interests in global notes will not have the direct right to act on our solicitations for consents or requests for waivers or other actions from holders. Instead, those beneficial owners will be permitted to act only to the extent that they have received appropriate proxies to do so from DTC or, if applicable, a DTC participant. The applicable procedures for the granting of these proxies may not be sufficient to enable owners of beneficial interests in global notes to vote on any requested actions on a timely basis.

Future sales of our common stock in the public market could lower the market price for our common stock and adversely impact the trading price of the notes.

In the future, we may sell additional shares of our common stock to raise capital. In addition, a substantial number of shares of our common stock is reserved for issuance upon the exercise of stock options and upon

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conversion of the notes. We cannot predict the size of future issuances or the effect, if any, that they may have on the market price for our common stock. The issuance and sale of substantial amounts of common stock, or the perception that such issuances and sales may occur, could adversely affect the trading price of the notes and the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities.

We have broad discretion in the use of the net proceeds from this offering and may not use them effectively.

Our management will have broad discretion in the application of the net proceeds from this offering and the net proceeds from the Concurrent Offering, if completed, and you will be relying on the judgment of our management regarding the application of these proceeds. You will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. Our management might not apply our net proceeds in ways that ultimately increase the value of your investment. We anticipate that we will use the net proceeds of this offering, together with the net proceeds of the Concurrent Offering, if completed, for general corporate purposes, including sales and marketing expenses associated with Rubraca in the United States and, if approved by the European Commission, in Europe, funding of our development programs, general and administrative expenses, acquisition or licensing of additional product candidates or businesses and working capital. Pending these uses, we may invest the net proceeds in short-term, interest-bearing investment grade securities, certificates of deposit or direct or guaranteed obligations of the U.S. government. These investments may not yield a favorable return to our stockholders. If we do not invest or apply the net proceeds from this offering or the net proceeds from the Concurrent Offering, if completed, in ways that enhance stockholder value, we may fail to achieve expected financial results, which could cause our stock price to decline.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the information incorporated herein by reference includes statements that are, or may be deemed, forward-looking statements. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms believes, estimates, anticipates, expects, plans, intends, may, could, might, will, should, approximate, negative or other variations thereon or comparable terminology, although not all forward-looking statements contain these words. They appear in a number of places throughout this prospectus supplement and include statements regarding our intentions, beliefs, projections, outlook, analyses or current expectations concerning, among other things, our ongoing and planned non-clinical studies and clinical trials, the timing of and our ability to make regulatory filings and obtain and maintain regulatory approvals for our product candidates, the degree of clinical utility of our products, particularly in specific patient populations, expectations regarding clinical trial data, our results of operations, financial condition, liquidity, prospects, growth and strategies, the industry in which we operate and the trends that may affect the industry or us, as well as the uses of proceeds from this offering and the Concurrent Offering and the successful completion of this offering and the Concurrent Offering.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events, competitive dynamics, and industry change and depend on the economic circumstances that may or may not occur in the future or may occur on longer or shorter timelines than anticipated. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from the forward-looking statements contained herein.

Some of the factors that we believe could cause actual results to differ from those anticipated or predicted include:

the rate and degree of market acceptance and commercial viability, including the safety, efficacy and potency of Rubraca and our other product candidates;

our expectations regarding the FDA's and other regulatory authorities' interpretation of our data and information on our product candidates and the impact on our business of the FDA's and other regulatory authorities' interpretation of our submissions, filing decisions by the FDA and other regulatory authorities, potential advisory committee meeting dates and advisory committee recommendations, and FDA and other regulatory authorities' product approval decisions and related timelines;

the successful development of our sales and marketing capabilities, including establishing and maintaining an appropriate commercial infrastructure necessary for the successful commercialization of Rubraca;

the success of competing drugs that are or become available;

the success and timing of our non-clinical studies and clinical trials;

our ability to verify the clinical benefit of Rubraca through our confirmatory trials and to satisfy other post-marketing requirements and post-marketing commitments, our ability to obtain and maintain regulatory approval of Rubraca and our other product candidates, and the labeling under Rubraca and any other approval we may obtain;

our ability to engage and retain third-party manufacturers with sufficient capability and capacity to support the commercialization of Rubraca and our other product candidates, and the performance of such third-party manufacturers;

third-party payor coverage and reimbursement for Rubraca;

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our ability, with partners, to validate, develop and obtain regulatory approval of companion diagnostics for our product candidates;

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our ability to obtain and maintain intellectual property protection for our product candidates;

our ability to maintain our collaborations with our licensing partners to develop our product candidates;

the size and growth of the potential markets for our product candidates and our ability to serve those markets;

whether future study results will be consistent with study findings to date;

our plans to develop and commercialize our product candidates;

the loss of key scientific or management personnel;

regulatory developments in the United States and foreign countries;

our use of the proceeds from this offering and our ability to raise additional funds to support our business plans;

the integration of acquired businesses into our operations;

the accuracy of our estimates regarding expenses, future revenues, capital requirements and needs for additional financing; and

the impact of any litigation or investigation, including the pending securities claims and inquiries from governmental agencies, on us and the sufficiency of our insurance, including our directors' and officers' policies.

Any forward-looking statements that we make in this prospectus supplement speak only as of the date of such statement, and unless required by law, we undertake no obligation to update such statements to reflect events or circumstances after the date of this prospectus supplement or to reflect the occurrence of unanticipated events. For all forward-looking statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Please refer to the section entitled "Risk Factors" of this prospectus supplement, and any other risk factors set forth in the accompanying prospectus and in any documents incorporated by reference in this prospectus supplement or the accompanying prospectus to better understand the risks and uncertainties inherent in our business and underlying any forward-looking statements, as well as any other risk factors and cautionary statements described in the documents we file from time to time with the SEC, specifically our most recent Annual Report on Form 10-K, and any subsequent Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K.

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USE OF PROCEEDS

We estimate that our net proceeds from the sale of the notes in this offering will be approximately \$193.9 million, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise their option pursuant to this offering to purchase additional notes in full, we estimate that our net proceeds will be approximately \$223.0 million, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

We anticipate that we will use the net proceeds of this offering, together with the net proceeds of the Concurrent Offering, if completed, which we expect to be approximately \$93.9 million (or approximately \$108.1 million if the underwriters for the Concurrent Offering exercise in full their option to purchase additional shares), after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, for general corporate purposes, including sales and marketing expenses associated with Rubraca in the United States and, if approved by the European Commission, in Europe, funding of our development programs, general and administrative expenses, acquisition or licensing of additional product candidates or businesses and working capital.

Pending these uses, we may invest the net proceeds in short-term, interest-bearing investment grade securities, certificates of deposit or direct or guaranteed obligations of the U.S. government. We have not determined the amount of net proceeds to be used specifically for such purposes. As a result, management will retain broad discretion over the allocation of net proceeds.

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DIVIDEND POLICY

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings to support our operations and finance the growth and development of our business. We do not intend to pay cash dividends on our common stock for the foreseeable future. Any future determination related to our dividend policy will be made at the discretion of our board of directors and will depend upon, among other factors, our results of operations, financial condition, capital requirements, contractual restrictions, business prospects and other factors our board of directors may deem relevant.

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RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges in each of the fiscal years ended December 31, 2017, 2016, 2015, 2014 and 2013. The following should be read in conjunction with our consolidated financial statements, including the notes thereto, and the other financial information included or incorporated by reference herein.

	Year ended December 31,				
	2017	2016	2015	2014	2013

For the fiscal years ended December 31, 2017, 2016, 2015, 2014 and 2013, we had earnings to fixed charges deficiencies of \$350.0 million, \$381.2 million, \$381.9 million, \$157.7 million and \$84.5 million, respectively.

For the purposes of computing this ratio, earnings consist of income (loss) before income taxes plus fixed charges and certain other adjustments. Fixed charges consist of the sum of: (a) interest expense; (b) amortized discounts; and (c) an estimate of the interest within rental expense.

We have incurred significant losses since our inception and anticipate that we will continue to incur losses for the foreseeable future.

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The following table sets forth our consolidated cash, cash equivalents and available for sale securities and our consolidated capitalization as of December 31, 2017 on:

an actual basis;

an as adjusted basis giving additional effect to the sale of \$200,000,000 million aggregate principal amount of % Convertible Senior Notes due 2025 in this offering; and

an as further adjusted basis giving additional effect to the sale of \$100,000,000 of shares of our common stock in the Concurrent Offering, assuming a public offering price of \$60.64 per share, the last reported sale price of our common stock on the Nasdaq Global Select Market on April 13, 2018, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The information in this table is illustrative only and our capitalization following the completion of this offering and the Concurrent Offering, if completed, will be adjusted based on the actual public offering price and other terms of this offering and the Concurrent Offering determined at pricing. Moreover, because the closing of this offering is not contingent upon the completion of the Concurrent Offering, you should not assume that the Concurrent Offering, as reflected in the as further adjusted column below, will take place. You should read this table in conjunction with the entire prospectus supplement, the accompanying prospectus and information incorporated by reference in this prospectus supplement and the accompanying prospectus.

	As of December 31, 2017		
	Actual	As Adjusted (unaudited) (dollars in thousands)	As Further Adjusted (unaudited)
Cash, cash equivalents and available for sale securities	\$ 563,731	\$ 757,602	\$ 851,538
Long-term debt:			
2.50% Convertible Senior Notes due 2021(1)	\$ 287,500	\$ 287,500	\$ 287,500
% Convertible Senior Notes due 2025(2)		\$ 200,000	\$ 200,000
Total long-term debt	\$ 287,500	\$ 487,500	\$ 487,500
Stockholders' equity:			
Preferred stock, par value \$0.001 per share; 10,000,000 shares authorized and no shares issued and outstanding, actual and as adjusted			
Common stock, par value \$0.001 per share; 100,000,000 shares authorized and 50,565,119 shares issued and outstanding, actual; 50,565,119 shares issued and outstanding, as adjusted; 52,214,196 shares issued and outstanding, as further adjusted	51	51	52
Additional paid-in capital	1,887,198	1,887,198	1,981,132
Accumulated other comprehensive loss	(42,173)	(42,173)	(42,173)
Accumulated deficit	(1,477,440)	(1,447,440)	(1,477,440)
Total stockholders' equity	367,636	367,636	461,571
Total capitalization	\$ 655,136	\$ 855,136	\$ 949,071

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- (1) The amounts shown in the table above for our 2.50% convertible senior notes due 2021 represent their principal amount. The carrying amount of these notes as of December 31, 2017 was approximately \$282.4 million, which represents their principal amount net of unamortized debt issuance costs.
- (2) The amounts shown in the table above for the notes we are offering represent their principal amount.

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The number of shares of our common stock to be outstanding after this offering set forth above excludes:

5,789,735 shares of our common stock issuable upon the exercise of stock options outstanding as of December 31, 2017 at a weighted-average exercise price of \$ 46.77 per share;

589,529 shares of our common stock issuable upon the vesting of restricted stock units outstanding as of December 31, 2017;

2,589,033 shares of our common stock reserved for future issuance under our 2011 Plan, as of December 31, 2017, plus any annual increases in the number of shares of common stock reserved for future issuance under the 2011 Plan pursuant to an evergreen provision and any other shares that may become issuable under the 2011 Plan pursuant to its terms;

558,870 shares of our common stock reserved for future issuance under our ESPP, as of December 31, 2017, plus any annual increases in the number of shares of our common stock reserved for future issuance under the ESPP pursuant to an evergreen provision and any other shares that may become issuable under the ESPP pursuant to its terms;

4,646,460 shares of our common stock that may be issuable upon conversion of our 2.50% Convertible Senior Notes due 2021; and

the number of shares of our common stock that may be issuable upon conversion of the notes being offered by us in this offering. A 5% increase (decrease) in the assumed public offering price in the Concurrent Offering of \$60.64 per share, the last reported sale price of our common stock on the Nasdaq Global Select Market on April 13, 2018, would decrease (increase) the number of shares of our common stock issued in the Concurrent Offering by approximately 5%.

Table of Contents**PRICE RANGE OF COMMON STOCK**

Our common stock is traded on the Nasdaq Global Select Market under the symbol CLVS. Trading of our common stock commenced on November 16, 2011, following the completion of our initial public offering. The following table sets forth, for the periods indicated, the high and low sales prices for our common stock as reported on the Nasdaq Global Select Market:

	HIGH	LOW
Year Ended December 31, 2016		
First Quarter	\$ 34.75	\$ 16.78
Second Quarter	\$ 20.90	\$ 11.57
Third Quarter	\$ 40.29	\$ 13.43
Fourth Quarter	\$ 46.97	\$ 25.50
Year Ended December 31, 2017		
First Quarter	\$ 74.94	\$ 39.83
Second Quarter	\$ 96.92	\$ 45.42
Third Quarter	\$ 99.45	\$ 64.61
Fourth Quarter	\$ 86.26	\$ 57.33
Year Ending December 31, 2018		
First Quarter	\$ 68.92	\$ 46.78
Second Quarter (through April 13, 2018)	\$ 65.24	\$ 48.70

On April 13, 2018, the last reported sale price of our common stock on the Nasdaq Global Select Market was \$60.64. On February 13, 2018, there were approximately 24 holders of record of our common stock.

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DESCRIPTION OF NOTES

We will issue the notes under a base indenture, to be dated as of the date of initial issuance of the notes, between us and The Bank of New York Mellon Trust Company, N.A., as trustee (the "trustee"), as supplemented by a supplemental indenture, to be dated as of the date of initial issuance of the notes, between us and the trustee. We refer to the base indenture and the supplemental indenture together as the indenture.

The following description is a summary of the material provisions of the notes and the indenture and does not purport to be complete. This summary is subject to and is qualified by reference to all of the provisions of the notes and the indenture, including the definitions of certain terms used in the indenture. In addition, the indenture and the notes will be deemed to include certain terms that are made a part of the indenture and the notes pursuant to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). We urge you to read these documents because they, and not this description, define your rights as a holder of the notes.

This "Description of Notes" section supplements and, to the extent inconsistent therewith, supersedes the information in the accompanying prospectus under the caption "Description of Debt Securities."

You may request a copy of the indenture from us as described under "Where you can find more information."

For purposes of this description, references to "we," "our" and "us" refer only to Clovis Oncology, Inc. and not to its subsidiaries.

As used in this description, "close of business" means 5:00 p.m., New York City time, and "open of business" means 9:00 a.m., New York City time.

General

The notes will:

be our general unsecured, senior obligations;

initially be limited to an aggregate principal amount of \$200,000,000 (or \$230,000,000 if the underwriters' option to purchase additional notes is exercised in full);

accrue interest from [redacted], 2018 at an annual rate of [redacted] % payable semiannually on May 1 and November 1 of each year, beginning on November 1, 2018;

be subject to redemption at our option, in whole or in part, on or after May 1, 2022 if the last reported sale price of our common stock has been at least 150% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period ending not more than two trading days preceding the date on which we provide written notice of redemption, at a cash redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date, as described under "Optional redemption";

be subject to repurchase by us at the option of the holders following a fundamental change occurring prior to the maturity date (as defined below under "Fundamental change permits holders to require us to repurchase notes") at a repurchase price equal to 100% of the principal amount of the notes to be repurchased, plus accrued and unpaid interest to, but excluding, the relevant fundamental change repurchase date;

mature on May 1, 2025, unless earlier converted, redeemed or repurchased in accordance with their terms;

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be issued in denominations of \$1,000 and integral multiples of \$1,000; and

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be represented by one or more registered notes in global form, but in certain limited circumstances may be represented by notes in definitive form. See Book-entry, settlement and clearance.

Subject to satisfaction of certain conditions, the notes may be converted at an initial conversion rate of _____ shares of common stock per \$1,000 principal amount of notes (equivalent to an initial conversion price of approximately \$ _____ per share of common stock). The conversion rate is subject to adjustment if certain events occur. Upon conversion of a note, we will deliver shares of our common stock, together with a cash payment in lieu of delivering any fractional share, as described under Conversion rights Settlement upon conversion.

You will not receive any separate cash payment for interest, if any, accrued and unpaid to the conversion date except under the limited circumstances described below.

The indenture will not limit the amount of debt that may be issued by us or our subsidiaries under the indenture or otherwise. The indenture will not contain any financial covenants and will not restrict us from paying dividends or issuing or repurchasing our other securities. Other than restrictions described under Fundamental change permits holders to require us to repurchase notes and Consolidation, merger or sale of assets below and except for the provisions set forth under Conversion rights Increase in conversion rate upon conversion upon a make-whole fundamental change or during a redemption period, the indenture will not contain any covenants or other provisions designed to afford holders of the notes protection in the event of a highly leveraged transaction involving us or in the event of a decline in our credit rating as the result of a takeover, recapitalization, highly leveraged transaction, or similar restructuring involving us that could adversely affect such holders.

We may, without the consent of the holders, reopen the indenture for the notes and issue additional notes under the indenture with the same terms as the notes offered hereby (other than differences in the issue date, issue price and interest accrued prior to the issue date of such additional notes) in an unlimited aggregate principal amount; *provided* that if any such additional notes are not fungible with the notes initially offered hereby for U.S. federal income tax purposes, such additional notes will have one or more separate CUSIP numbers.

We do not intend to list the notes on any securities exchange or any automated dealer quotation system.

Purchase and cancellation

We will cause all notes surrendered for payment, redemption, repurchase (including as described below), registration of transfer or exchange or conversion, if surrendered to any person other than the trustee (including any of our agents, subsidiaries or affiliates), to be delivered to the trustee for cancellation, and they will no longer be considered outstanding under the indenture. All notes delivered to the trustee shall be cancelled promptly by the trustee. No notes shall be authenticated in exchange for any notes cancelled as provided in the indenture.

We may, to the extent permitted by law, and directly or indirectly (regardless of whether such notes are surrendered to us), repurchase notes in the open market or otherwise, whether by us or our subsidiaries or through a privately negotiated transaction, private or public tender or exchange offer or through counterparties to private agreements, including by cash-settled swaps or cash-settled derivatives, in each case without prior notice to holders. We will cause any notes so repurchased (other than notes repurchased pursuant to cash-settled swaps or other derivatives) to be surrendered to the trustee for cancellation, and they will no longer be considered outstanding under the indenture upon their repurchase.

Payments on the notes; paying agent and registrar; transfer and exchange

We will pay or cause the paying agent to pay the principal of, and interest on, notes in global form registered in the name of or held by DTC or its nominee in immediately available funds to DTC or its nominee, as the case may be, as the registered holder of such global note.

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We will pay or cause the paying agent to pay the principal of any certificated notes at the office or agency designated by us for that purpose. We have initially designated the trustee as our paying agent and registrar. We may, however, change the paying agent or registrar without prior notice to the holders of the notes, and we may act as paying agent or registrar. Interest on certificated notes will be payable (i) to registered holders holding certificated notes having an aggregate principal amount of \$5,000,000 or less, by check mailed to the holders of these notes and (ii) to registered holders holding certificated notes having an aggregate principal amount of more than \$5,000,000, either by check mailed to each holder or, upon written application by such a holder to the registrar not later than the relevant regular record date, by wire transfer in immediately available funds to that holder's account within the United States, which application shall remain in effect until the holder notifies, in writing, the registrar to the contrary.

A holder of notes may transfer or exchange notes at the office of the registrar in accordance with the indenture. The registrar and the trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents. No service charge will be imposed by us, the trustee or the registrar for any registration of transfer or exchange of notes, but we may require a holder to pay a sum sufficient to cover any transfer tax or other similar governmental charge required by law or permitted by the indenture. We are not required to transfer or exchange any note selected for redemption or surrendered for conversion or required repurchase upon a fundamental change.

The registered holder of a note on the books of the registrar will be treated as its owner for all purposes.

Interest

The notes will accrue interest at a rate of % per year until maturity. Interest on the notes will accrue from , 2018 or from the most recent date on which interest has been paid or duly provided for. Interest will be payable semiannually in arrears on May 1 and November 1 of each year, beginning on November 1, 2018.

Interest will be paid to the person in whose name a note is registered at the close of business on April 15 and October 15, as the case may be, immediately preceding the relevant interest payment date (each, a regular record date). Interest on the notes will be computed on the basis of a 360-day year composed of twelve 30-day months and, for partial months, on the basis of the number of days actually elapsed in a 30-day month.

If any interest payment date, the maturity date or any earlier required fundamental change repurchase date of a note falls on a day that is not a business day, the required payment will be made on the next succeeding business day and no interest on such payment will accrue in respect of the delay. The term "business day" means, with respect to any note, any day other than a Saturday, a Sunday or a day on which the Federal Reserve Bank of New York is authorized or required by law or executive order to close or be closed.

Unless the context otherwise requires, all references to interest in this prospectus supplement include additional interest, if any, payable at our election as the sole remedy relating to the failure to comply with our reporting obligations as described under Events of default.

Ranking

The notes will be our general unsecured obligations that rank senior in right of payment to all of our indebtedness that is expressly subordinated in right of payment to the notes. The notes will rank equal in right of payment with all of our existing and future liabilities that are not so subordinated. The notes will effectively rank junior to any of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness. In the event of our bankruptcy, liquidation, reorganization or other winding up, our assets that secure secured debt will be available to pay obligations on the notes only after all indebtedness under such secured debt has been repaid in full. The notes will rank structurally junior to all existing and future indebtedness and other liabilities of our subsidiaries (including trade payables). We advise you that there may not be sufficient assets remaining to pay amounts due on any or all the notes then outstanding.

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As of December 31, 2017, excluding our subsidiaries and intercompany indebtedness, we had no secured indebtedness and \$287.5 million of unsecured indebtedness, all of which was senior indebtedness, and our subsidiaries had \$2.7 million of indebtedness and other liabilities, including trade payables but, excluding intercompany liabilities.

We may not be able to pay cash for the fundamental change repurchase price if a holder requires us to repurchase notes upon a fundamental change as described below. See **Risk Factors** **Risks Related to the Notes and Our Common Stock** We may not have the ability to raise the funds necessary to repurchase the notes upon a fundamental change, and our other indebtedness may limit our ability to repurchase the notes.

Optional redemption

No sinking fund will be provided for the notes, and, except as described below in connection with a fundamental change, we are not required to redeem or retire the notes periodically. Prior to May 1, 2022, the notes will not be redeemable. On or after May 1, 2022, we may redeem all or part of the notes if the last reported sale price (as defined under **Conversion rights** **Settlement upon conversion**) of our common stock has been at least 150% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period ending not more than two trading days preceding the date on which we provide written notice of redemption (a redemption notice date). In the case of any optional redemption, we will provide not less than 30 nor more than 60 calendar days written notice before the redemption date to the trustee, the conversion agent, the paying agent and each holder of notes, and we will redeem the notes at a redemption price equal to 100% of the principal amount of such notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. Any notes redeemed by us will be paid for in cash. The redemption date must be a business day.

Notwithstanding the foregoing, if we set a redemption date after a regular record date and on or before the corresponding interest payment date for a note, we will pay the full amount of the relevant interest payment on such interest payment date to the holder of record of such note on such a regular record date, and the redemption price will not include any interest.

With respect to any notes that are converted during a redemption period as described under **Conversion rights** **General**, we will, under certain circumstances, increase the conversion rate for the notes so surrendered for conversion by a number of additional shares as described under **Conversion rights** **Increase in conversion rate upon conversion upon a make-whole fundamental change or during a redemption period**.

If we redeem notes in part, then the notes to be redeemed will be selected according to DTC's applicable procedures, in the case of notes represented by a global note, or, in the case of notes in certificated form, the notes shall be selected by lot.

If a portion of your notes have been selected for redemption and you convert a portion of such notes, the converted portion will be deemed to be from the portion selected for redemption.

In the event of any redemption in part, we will not be required to register the transfer of or exchange any note so selected for redemption, in whole or in part, except the unredeemed portion of any such note being redeemed in part.

No notes may be redeemed if the principal amount of the notes has been accelerated, and such acceleration has not been rescinded on or prior to the redemption date (except in the case of an acceleration resulting from a default by us in the payment of the redemption price with respect to such notes).

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Conversion rights

General

Holders may convert all or any portion of their notes at their option at any time prior to the close of business on the business day immediately preceding the maturity date.

The conversion rate for the notes will initially be _____ shares of common stock per \$1,000 principal amount of notes (equivalent to an initial conversion price of approximately \$ _____ per share of common stock). Upon conversion of a note, we will satisfy our conversion obligation by delivering shares of our common stock, together with a cash payment in lieu of delivering any fractional share, as set forth below under Settlement upon conversion. We will settle our conversion obligation on the second business day immediately following the relevant conversion date. The trustee will initially act as the conversion agent.

A holder may convert fewer than all of such holder's notes so long as the notes converted are a multiple of \$1,000 principal amount.

If we call any notes for redemption, a holder of notes may convert its notes only until the close of business on the business day immediately preceding the redemption date unless we fail to pay the redemption price (in which case a holder of notes may convert such notes until the redemption price has been paid or duly provided for). If a holder elects to convert such notes from, and including, the redemption notice date until the close of business on the business day immediately preceding the related redemption date (any such period, a redemption period), we will, under certain circumstances, increase the conversion rate for the notes as described under Increase in conversion rate upon conversion upon a make-whole fundamental change or during a redemption period. If a holder of notes has submitted notes for purchase upon a fundamental change, the holder may convert those notes only if that holder first withdraws its fundamental change purchase notice.

Upon conversion, you will not receive any separate cash payment for accrued and unpaid interest, if any, except as described below. We will not issue fractional shares of our common stock upon conversion of notes. Instead, we will pay cash in lieu of delivering any fractional share as described under Settlement upon conversion. Our delivery to you of the full number of shares, together with a cash payment for any fractional share, into which a note is convertible will be deemed to satisfy in full our obligation to pay:

the principal amount of the note; and

accrued and unpaid interest, if any, to, but not including, the relevant conversion date.

As a result, accrued and unpaid interest, if any, to, but not including, the relevant conversion date will be deemed to be paid in full rather than cancelled, extinguished or forfeited.

Notwithstanding the immediately preceding paragraph, if notes are converted after the close of business on a regular record date for the payment of interest, holders of such notes at the close of business on such regular record date will receive the full amount of interest payable on such notes on the corresponding interest payment date notwithstanding the conversion. Notes surrendered for conversion during the period from the close of business on any regular record date to the open of business on the immediately following interest payment date must be accompanied by funds equal to the amount of interest payable on the notes so converted; *provided* that no such payment need be made:

for conversions following the regular record date immediately preceding the maturity date;

if we have specified a redemption date that is after a regular record date and on or prior to the business day immediately after the corresponding interest payment date;

if we have specified a fundamental change repurchase date that is after a regular record date and on or prior to the business day immediately after the corresponding interest payment date; or

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to the extent of any overdue interest, if any overdue interest exists at the time of conversion with respect to such note. Therefore, for the avoidance of doubt, all record holders of notes as of the close of business on the regular record date immediately preceding the maturity date, or immediately preceding any redemption date or fundamental change repurchase date described in the bullets in the preceding paragraph, will receive the full interest payment due on the maturity date or other applicable interest payment date regardless of whether their notes have been converted following such regular record date.

Conversion procedures

If you hold a beneficial interest in a global note, to convert you must comply with DTC's procedures for converting a beneficial interest in a global note and, if required, pay funds equal to the interest payable on the next interest payment date.

If you hold a certificated note, to convert you must:

complete and manually sign the conversion notice on the back of the note, or a facsimile of the conversion notice;

deliver the conversion notice, which is irrevocable, and the note to the conversion agent;

if required, furnish appropriate endorsements and transfer documents; and

if required, pay funds equal to interest payable on the next interest payment date.

We will pay any documentary, stamp or similar issue or transfer tax on the issuance of any shares of our common stock upon conversion of the notes, unless the tax is due because the holder requests such shares to be issued in a name other than the holder's name, in which case the holder will pay the tax.

We refer to the date you comply with the relevant procedures for conversion described above as the conversion date.

If a holder has already delivered a repurchase notice as described under Fundamental change permits holders to require us to repurchase notes with respect to a note, the holder may not surrender that note for conversion until the holder has withdrawn the repurchase notice in accordance with the relevant provisions of the indenture. If a holder submits its notes for required repurchase, the holder's right to withdraw the fundamental change repurchase notice and convert the notes that are subject to repurchase will terminate at the close of business on the business day immediately preceding the relevant fundamental change repurchase date.

Settlement upon conversion

Upon conversion, we will deliver to holders in respect of each \$1,000 principal amount of notes being converted a number of shares of our common stock equal to the conversion rate in effect immediately after the close of business on the conversion date for such conversion, together with a cash payment in lieu of delivering any fractional share of common stock issuable upon conversion based on the last reported sale price of our common stock on such conversion date. We will deliver the consideration due in respect of conversion on the second business day immediately following the relevant conversion date.

Each conversion will be deemed to have been effected as to any notes surrendered for conversion on the conversion date therefor, and the person in whose name the shares of our common stock shall be issuable upon such conversion will be deemed to become the holder of record of such shares as of the close of business on such conversion date.

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For purposes of determining whether we may redeem the notes as set forth under *Description of Notes* *Optional redemption* and for purposes of determining amounts due upon conversion, the *last reported sale price* of our common stock on any date means the closing sale price per share (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on that date as reported in composite transactions for The Nasdaq Global Select Market, or if our common stock is not then listed on The Nasdaq Global Select Market, then such other principal U.S. national or regional securities exchange on which our common stock is traded. If our common stock is not listed for trading on a U.S. national or regional securities exchange on the relevant date, the *last reported sale price* will be the last quoted bid price for our common stock in the over-the-counter market on the relevant date as reported by OTC Markets Group Inc. or a similar organization. If our common stock is not so quoted, the *last reported sale price* will be the average of the mid-point of the last bid and ask prices for our common stock on the relevant date from each of at least three nationally recognized independent investment banking firms selected by us for this purpose.

Exchange in lieu of conversion

When a holder surrenders notes for conversion, we may, at our election, direct the conversion agent to surrender, on or prior to the business day immediately following the relevant conversion date, such notes to a financial institution designated by us for exchange in lieu of conversion. In order to accept any notes surrendered for conversion, the designated financial institution must agree to pay and/or deliver, as applicable, in exchange for such notes, all of the shares of our common stock (and cash in lieu of fractional shares) otherwise due upon conversion, all as provided under *Settlement upon conversion* above. By the close of business on the business day immediately following the relevant conversion date, we will notify the holder surrendering notes for conversion that we have directed the designated financial institution to make an exchange in lieu of conversion.

If the designated financial institution accepts any such notes, it will deliver the shares of our