

KELLOGG CO
Form 424B3
March 02, 2015
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**Filed Pursuant to Rule 424(b)(3)
Registration No. 333-181377**

The information in this preliminary prospectus supplement is not complete and may be changed. We are not using this preliminary prospectus supplement or the accompanying prospectus to offer to sell these securities or to solicit offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated March 2, 2015

PRELIMINARY PROSPECTUS SUPPLEMENT

(To prospectus dated May 14, 2012)

% Senior Notes due 2025

We are offering _____ aggregate principal amount of _____ % senior notes due 2025 (the _____ notes _____). The notes will mature on _____, 2025. Interest on the notes is payable annually in arrear on _____ of each year, commencing _____, 2016.

We may redeem some or all of the notes at any time and from time to time at the _____ make whole _____ redemption price described under the heading _____ Description of the Notes _____ Optional Redemption. In addition, we may redeem the notes in whole, but not in part, at our option, in the event of certain developments affecting United States taxation as described under the heading _____ Description of the Notes _____ Redemption for Tax Reasons.

If we experience a _____ change of control repurchase event, _____ unless we have exercised our right to redeem the notes, we will be required to offer to repurchase the notes from holders.

The notes will be our senior unsecured obligations and will rank equally in right of payment with all of our other senior unsecured indebtedness from time to time outstanding. The notes will be issued only in minimum denominations of _____ 100,000 and integral multiples of _____ 1,000 in excess thereof.

Investing in the notes involves risks. See Risk Factors beginning on page S-6 of this prospectus supplement and the risks discussed elsewhere in this prospectus supplement, the accompanying prospectus and the documents we file with the U.S. Securities and Exchange Commission.

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

Currently there is no public market for the notes. We intend to apply to list the notes on the New York Stock Exchange. The listing application will be subject to approval by the New York Stock Exchange. If such listing is obtained, we have no obligation to maintain such listing and we

may delist the notes at any time.

	Per Note	Total
Public offering price (1)	%	
Underwriting discounts and commissions	%	
Proceeds, before expenses, to us	%	

(1) Plus accrued interest from _____, 2015 if delivery of the notes occurs after that date.

The notes will initially be represented by one or more global notes in registered form which will be registered in the name of a nominee of a common depository for Euroclear Bank S.A./N.V. (Euroclear) and Clearstream Banking, *société anonyme* (Clearstream). It is expected that delivery of the global note(s) will be made on _____, 2015 or such later date as may be agreed by us and the underwriters.

Joint Book-Running Managers

BofA Merrill Lynch

HSBC

J.P. Morgan

The date of this prospectus supplement is _____, 2015.

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About This Prospectus Supplement

No person has been authorized to give any information or to make any representations other than those contained in this prospectus supplement, the accompanying prospectus or any free writing prospectus we have authorized and, if given or made, such information or representations must not be relied upon as having been authorized. This prospectus supplement, the accompanying prospectus and any free writing prospectus we have authorized do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities described in this prospectus supplement in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus supplement, the accompanying prospectus or any free writing prospectus we have authorized nor any sale made hereunder or thereunder shall, under any circumstances, create any implication that there has been any change in the affairs of Kellogg since the date of this prospectus supplement or that the information contained herein or therein is correct as of any time subsequent to its date.

The notes are being offered for sale only in jurisdictions where it is lawful to make such offers. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in certain jurisdictions may be restricted by law. Persons outside the United States who receive this prospectus supplement and the accompanying prospectus should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. See **Underwriting** in this prospectus supplement.

Unless otherwise specified or indicated by the context, references in this prospectus supplement and the accompanying prospectus to the Company, Kellogg, we, us and our refer to Kellogg Company and its divisions and subsidiaries. References in this prospectus supplement and the accompanying prospectus to \$ and dollars are to the currency of the United States. References to and euro in this prospectus supplement and the accompanying prospectus are to the currency of the member states of the European Monetary Union that have adopted or that adopt the single currency in accordance with the treaty establishing the European Community, as amended by the Treaty on European Union. The financial information presented, or incorporated by reference in this prospectus supplement and the accompanying prospectus has been prepared in accordance with Generally Accepted Accounting Principles in the United States (GAAP).

Notice to Prospective Investors in the European Economic Area

This prospectus supplement and the accompanying prospectus have been prepared on the basis that any offer of notes in any member state of the European Economic Area (the EEA) that has implemented the Prospectus Directive (2003/71/EC, as amended, including by Directive 2010/73/EU) (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of notes. Accordingly, any person making or intending to make any offer in that Relevant Member State of notes which are the subject of the offering contemplated by this prospectus supplement and the accompanying prospectus may only do so in circumstances in which no obligation arises for Kellogg or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither Kellogg nor the underwriters have authorized, nor does Kellogg or they authorize, the making of any offer of notes in circumstances in which an obligation arises for us or the underwriters to publish a prospectus for such offer.

Notice to Prospective Investors in the United Kingdom

This prospectus supplement and accompanying prospectus are only being distributed to, and are only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive and that are also (1) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (2) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the

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Order (each such person being referred to as a Relevant Person). This prospectus supplement and accompanying prospectus and their contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a Relevant Person should not act or rely on this prospectus supplement and/or accompanying prospectus or any of their contents.

This prospectus supplement and accompanying prospectus have not been approved for the purposes of section 21 of the UK Financial Services and Markets Act 2000 (FSMA) by a person authorized under FSMA. This prospectus supplement and the accompanying prospectus are being distributed and communicated to persons in the United Kingdom only in circumstances in which section 21(1) of FSMA does not apply. The notes are not being offered or sold to any person in the United Kingdom except in circumstances which will not result in an offer of securities to the public in the United Kingdom within the meaning of Part VI of FSMA.

Stabilization

IN CONNECTION WITH THE ISSUE OF THE NOTES, MERRILL LYNCH INTERNATIONAL (IN THIS CAPACITY, THE STABILIZING MANAGER) (OR ANY PERSON ACTING ON ITS BEHALF) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) WILL UNDERTAKE ANY STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE, AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. SEE UNDERWRITING.

THE UNDERWRITERS HAVE ADVISED US THAT ANY STABILIZATION ACTION COMMENCED WILL BE CARRIED OUT IN ACCORDANCE WITH APPLICABLE LAWS AND REGULATIONS.

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Summary

*This summary highlights information contained elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary is not intended to be a complete description of the matters covered in this prospectus supplement and the accompanying prospectus and is subject to, and qualified in its entirety by reference to, the more detailed information and financial statements (including the notes thereto) included or incorporated by reference in this prospectus supplement and the accompanying prospectus. You should read this prospectus supplement, the accompanying prospectus and any free writing prospectus we have authorized, together with additional information described in the accompanying prospectus in the sections titled *Where You Can Find More Information* and *Incorporation of Certain Information by Reference*.*

Kellogg Company

Kellogg Company is the world's leading producer of cereal, second largest producer of cookies and crackers, and a leading producer of savory snacks and frozen foods. Additional product offerings include toaster pastries, cereal bars, fruit-flavored snacks and veggie foods. Kellogg products are manufactured and marketed globally.

The Company's principal products are ready-to-eat cereals and convenience foods, such as cookies, crackers, savory snacks, toaster pastries, cereal bars, fruit-flavored snacks, frozen waffles and veggie foods. The Company's cereal products are generally marketed under the *Kellogg's* name and are sold to the grocery trade through direct sales forces for resale to consumers. The Company uses broker and distributor arrangements for certain products. The Company also markets cookies, crackers, crisps, and other convenience foods, under brands such as *Kellogg's*, *Keebler*, *Pringles*, *Cheez-It*, *Murray*, *Austin* and *Famous Amos*, to supermarkets in the United States through a direct store-door (DSD) delivery system, although other distribution methods are also used. The Company also generally uses these, or similar arrangements, in less-developed market areas or in those market areas outside of the Company's focus.

Kellogg Company was incorporated in Delaware in 1922. Our principal executive offices are located at One Kellogg Square, P.O. Box 3599, Battle Creek, Michigan 49016-3599 and our telephone number is (269) 961-2000.

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The following table presents our summary financial data prepared in accordance with GAAP and the regulations of the U.S. Securities and Exchange Commission. The summary historical financial data has been derived from our audited consolidated financial statements as of and for the three fiscal years ended January 3, 2015, December 28, 2013 and December 29, 2012, which are incorporated by reference herein. The information set forth below should be read together with the other information contained herein and in the documents incorporated by reference herein.

The summary historical financial data should be read in conjunction with **Risk Factors** in this prospectus supplement, the risks discussed elsewhere in this prospectus supplement and the accompanying prospectus, including those set forth under the heading **Forward-Looking Statements** in the accompanying prospectus, and the risk factors set forth in Part I, Item 1A of our Annual Report on Form 10-K for the year ended January 3, 2015, which is incorporated by reference herein, the section **Management's Discussion and Analysis of Financial Condition and Results of Operations** appearing in Part II, Item 7 of our Annual Report on Form 10-K for the year ended January 3, 2015, which is incorporated by reference herein, and our consolidated financial statements and the related notes thereto incorporated by reference in this prospectus supplement.

	Fiscal Year Ended		
	January 3, 2015	December 28, 2013	December 29, 2012
(in millions, except per share data and number of employees)			
Operating trends			
Net sales	\$ 14,580	\$ 14,792	\$ 14,197
Gross profit as a % of net sales	34.7%	41.3%	38.3%
Depreciation	494	523	444
Amortization	9	9	4
Advertising expense	1,094	1,131	1,120
Research and development expense	199	199	206
Operating profit	1,024	2,837	1,562
Operating profit as a % of net sales	7.0%	19.2%	11.0%
Interest expense	209	235	261
Net income attributable to Kellogg Company	632	1,807	961
Average shares outstanding:			
Basic	358	363	358
Diluted	360	365	360
Per share amounts:			
Basic	1.76	4.98	2.68
Diluted	1.75	4.94	2.67
Cash flow trends			
Net cash provided by operating activities	\$ 1,793	\$ 1,807	\$ 1,758
Capital expenditures	582	637	533
Net cash provided by operating activities reduced by capital expenditures (1)	1,211	1,170	1,225
Net cash used in investing activities	(573)	(641)	(3,245)
Net cash used in financing activities	(1,063)	(1,141)	1,317
Capital structure trends			
Total assets	\$ 15,153	\$ 15,474	\$ 15,169
Property, net	3,769	3,856	3,782
Short-term debt and current maturities of long-term debt	1,435	1,028	1,820
Long-term debt	5,935	6,330	6,082
Total Kellogg Company equity	2,789	3,545	2,404

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Number of employees	29,790	30,277	31,006
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- (1) We present this non-GAAP financial measure, which is reconciled above, to focus management and investors on the amount of cash available for debt repayment, dividend distribution, acquisition opportunities, and share repurchase.

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The Offering

Issuer	Kellogg Company.
Notes Offered	aggregate principal amount of % senior notes due 2025.
Maturity	The notes will mature on , 2025.
Interest	% per annum. Interest on the notes is payable annually in arrear on of each year, commencing , 2016.
Ranking	The notes will be our senior unsecured obligations and will rank equally in right of payment with all of our other senior unsecured indebtedness from time to time outstanding. The notes will be effectively subordinated to all liabilities of our subsidiaries, including trade payables. As of January 3, 2015, our subsidiaries had \$469 million of indebtedness (including outstanding letters of credit but excluding trade payables).
Currency of Payment	All payments of interest and principal, including payments made upon any redemption of the notes, will be made in euro. If the euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or if the euro is no longer being used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the notes will be made in dollars until the euro is again available to us or so used.
Additional Amounts	We will, subject to certain exceptions and limitations set forth herein, pay additional amounts on the notes as are necessary in order that the net payment by us of the principal of, and premium, if any, and interest on the notes to a holder who is not a United States person, after withholding or deduction for any future tax, assessment or other governmental charge imposed by the United States or a taxing authority in the United States will not be less than the amount provided in the notes to be then due and payable. See Description of the Notes Payment of Additional Amounts.
Optional Redemption	We may redeem the notes at our option, at any time in whole or from time to time in part, at a redemption price equal to the greater of: <p style="margin-left: 40px;">100% of the principal amount of the notes being redeemed; and</p> <p style="margin-left: 40px;">the sum of the present values of the remaining scheduled payments of principal and interest on the notes being redeemed on that redemption date (not including any portion of any payments of interest accrued to the redemption date) discounted to the redemption date on an annual basis (ACTUAL/ACTUAL</p>

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(ICMA)) at the applicable Comparable Government Bond Rate (as defined herein), plus basis points.

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In case of redemption, we will also pay the accrued and unpaid interest on the notes to the redemption date.

Redemption for Tax Reasons

We may redeem the notes at our option in whole but not part if the tax laws of the United States (or any taxing authority in the United States) change and we become obligated to pay additional amounts on the notes as described under Description of the Notes Payments of Additional Amounts. This redemption would be at 100% of the principal amount, together with accrued and unpaid interest on the notes to the date fixed for redemption. See Description of the Notes Redemption for Tax Reasons.

Repurchase at Option of Holders Upon a Change of Control Repurchase Event

If we experience a Change of Control Repurchase Event (as defined in Description of the Notes Repurchase at Option of Holders Upon Change of Control Repurchase Event), we will be required, unless, we have exercised our right to redeem the notes, to offer to repurchase the notes at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest to the repurchase date.

Covenants

Under the indenture governing the notes, we have agreed to certain restrictions on our ability to incur debt secured by liens and to enter into certain transactions. See Description of Debt Securities Covenants Limitation on Liens, Sale and Leaseback, and Merger, Consolidation or Sale of Assets in the accompanying prospectus.

Use of Proceeds

We intend to use the net proceeds from the sale of the notes for general corporate purposes, including the repayment of a portion of our commercial paper borrowings. See Use of Proceeds in this prospectus supplement.

Additional Notes

We may from time to time, without giving notice to or seeking the consent of the holders of the notes, issue debt securities having the same terms (except for the issue date and, in some cases, the public offering price and the first interest payment date and the initial interest accrual date) as, and ranking equally and ratably with, the notes. Any additional debt securities having such similar terms, together with the notes, will constitute a single series of securities under the indenture, including for purposes of voting and redemptions.

Denomination and Form

We will issue the notes in the form of one or more global notes fully registered in the name of a nominee of, and deposited with, a common depository for Clearstream and Euroclear. Except in the limited circumstances described in this prospectus supplement, owners of beneficial interests in the notes will not be entitled to have notes registered in their names, will not receive or be entitled to receive notes in definitive form and will not be considered holders of

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notes under the indenture. The notes will be issued only in minimum denominations of 100,000 and integral multiples of 1,000 in excess thereof.

Listing

We intend to apply to list the notes on the New York Stock Exchange. The listing application will be subject to approval by the New York Stock Exchange. If such a listing is obtained, we have no obligation to maintain such listing, and we may delist the notes at any time.

Material U.S. Federal Income Tax Considerations

If you are a holder subject to U.S. income tax, you will generally be taxed on stated interest on the notes as ordinary income at the time the interest is received or when it accrues, depending on your method of accounting for tax purposes. Any gain or loss you recognize on the sale, exchange, redemption or other disposition of a note generally will be capital gain or loss, subject to the special rules that apply to foreign currency transactions. The purchase of the notes in euro and payment of interest and proceeds upon disposition of the notes in euro may have significant tax consequences. You should consult your tax advisor regarding the United States federal, state, local or other tax consequences of acquiring, owning and disposing of the notes. See Material U.S. Federal Income Tax Considerations.

Risk Factors

You should carefully read and consider the information set forth in Risk Factors, the risks discussed elsewhere in this prospectus supplement and the accompanying prospectus, including those set forth under the heading Forward-Looking Statements in the accompanying prospectus, and the risk factors set forth in Part I, Item 1A of our Annual Report on Form 10-K for the year ended January 3, 2015 before investing in the notes.

Selling Restrictions

You should carefully read and consider the information set forth in About This Prospectus Supplement and Underwriting Selling Restrictions before investing in the notes.

Trustee, Registrar, U.S. Paying Agent and U.S. Transfer Agent

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

London Paying Agent

The Bank of New York Mellon, London Branch.

Governing Law

New York.

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Risk Factors

An investment in the notes involves risks. Before deciding whether to purchase the notes, you should consider the risks discussed below and elsewhere in this prospectus supplement or the accompanying prospectus, including those set forth under the heading "Forward-Looking Statements" on page 1 of the accompanying prospectus, and in Part I, Item 1A of our Annual Report on Form 10-K for the year ended January 3, 2015, which is incorporated by reference in this prospectus supplement and the accompanying prospectus. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also impair our business operations.

Any of the risks discussed below or elsewhere in this prospectus supplement, the accompanying prospectus or in our SEC filings incorporated by reference in this prospectus supplement and the accompanying prospectus, and other risks we have not anticipated or discussed, could have a material adverse impact on our business, financial condition or results of operations. In that case, our ability to pay interest on the notes when due or to repay the notes at maturity could be adversely affected, and the trading price of the notes could decline substantially.

We have a substantial amount of indebtedness, which could limit financing and other options and adversely affect our ability to make payments on the notes.

We have indebtedness that is substantial in relation to our shareholders' equity. As of January 3, 2015, on a pro forma basis after giving effect to the issuance of the notes and the use of proceeds therefrom, we had total debt of approximately \$ _____ billion and equity of \$2.9 billion. See Capitalization.

Our substantial indebtedness could have important consequences, including:

impairing the ability to obtain additional financing for working capital, capital expenditures or general corporate purposes, particularly if the ratings assigned to our debt securities by rating organizations were revised downward; a downgrade in our credit ratings, particularly our short-term credit rating, would likely reduce the amount of commercial paper we could issue, increase our commercial paper borrowing costs, or both;

restricting our flexibility in responding to changing market conditions or making us more vulnerable in the event of a general downturn in economic conditions or our business;

requiring a substantial portion of our cash flow from operations to be dedicated to the payment of principal and interest on our debt, reducing the funds available to us for other purposes such as expansion through acquisitions, marketing spending and expansion of our product offerings; and

causing us to be more leveraged than some of our competitors, which may place us at a competitive disadvantage.

Our ability to make scheduled payments or to refinance our obligations with respect to indebtedness will depend on our financial and operating performance, which in turn, is subject to prevailing economic conditions, the availability of, and interest rates on, short-term financing, and financial, business and other factors beyond our control.

The notes are effectively subordinated to any secured obligations we may have outstanding and to the obligations of our subsidiaries.

Although the notes are unsubordinated obligations, they are effectively subordinated to any secured obligations we may have, to the extent of the assets that serve as security for those obligations. As of January 3, 2015, we had no secured debt (other than \$5 million of capital lease obligations). However, since the notes are obligations exclusively of Kellogg Company, and are not guaranteed by our subsidiaries, the notes are also

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effectively subordinated to all liabilities of our subsidiaries since they are separate and distinct legal entities with no obligation to pay any amounts due under our indebtedness, including the notes, or to make any funds available to us, whether by paying dividends or otherwise, so that we can do so. Under the terms of our indenture, our subsidiaries are not prohibited from incurring additional debt or other liabilities, including senior indebtedness. If our subsidiaries were to incur additional debt or liabilities, our ability to pay our obligations on the notes could be adversely affected. As of January 3, 2015, our subsidiaries had \$469 million of indebtedness (including outstanding letters of credit but excluding trade payables).

We may incur additional indebtedness.

The indenture governing the notes does not prohibit us from incurring additional unsecured indebtedness in the future. We are also permitted to incur additional secured indebtedness that would be effectively senior to the notes subject to the limitations described in the section entitled Description of Debt Securities Covenants Limitations on Liens in the accompanying prospectus. The indenture governing the notes also permits unlimited additional borrowings by our subsidiaries that are effectively senior to the notes. In addition, the indenture does not contain any restrictive covenants limiting our ability to pay dividends or make any payments on junior or other indebtedness.

An active trading market may not develop for the notes.

The notes are a new issue of securities for which there is currently no trading market. Although we intend to apply for listing of the notes for trading on the New York Stock Exchange, no assurance can be given that the notes will become or will remain listed or that an active trading market for the notes will develop or, if developed, that it will continue. The listing application will be subject to approval by the New York Stock Exchange. If such a listing is obtained, we have no obligation to maintain such listing, and we may delist the notes at any time. In addition, although the underwriters have informed us that they currently intend to make a market in the notes after we complete the offering, they have no obligation to do so and may discontinue their market-making at any time without notice. Any market-making activity will be subject to the limits imposed by federal securities laws and may be limited during the offering of the notes.

If an active trading market does not develop or is not maintained, the market prices 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 or you may not be able to sell your notes at a favorable price. The liquidity of any market for the notes will depend on a number of factors, including:

the number of holders of the notes;

our ratings published by major credit rating agencies;

our financial performance;

the market for similar securities;

the interest of securities dealers in making a market in the notes; and

prevailing interest rates.

Our credit ratings may not reflect all risks of an investment in the notes.

The notes will be rated by at least one nationally recognized statistical rating organization. The ratings of our notes will primarily reflect our financial strength and will change in accordance with the rating of our financial strength. Any rating is not a recommendation to purchase, sell or hold any particular security, including the notes. These ratings do not comment as to market price or suitability for a particular investor. In addition, ratings at any time may be lowered or withdrawn in their entirety. The ratings of the notes may not reflect the potential impact of all risks related to structure and other factors on any trading market for, or trading value of,

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the notes. Actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, could affect the market value of the notes and increase our corporate borrowing costs.

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

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

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

Upon the occurrence of a Change of Control Repurchase Event, unless we have exercised our right to redeem the notes, each holder of notes will have the right to require us to repurchase all or any part of such holder's notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of repurchase. If we experience a Change of Control Repurchase Event, there can be no assurance that we would have sufficient financial resources available to satisfy our obligations to repurchase the notes. Our failure to repurchase the notes as required under the indenture governing the notes would result in a default under the indenture, which could have material adverse consequences for us and the holders of the notes. See Description of the Notes Repurchase at Option of Holders Upon Change of Control Repurchase Event.

The change of control put right might not be enforceable.

In a 2009 decision that was subsequently affirmed by the Delaware Supreme Court, the Chancery Court of Delaware raised the possibility that a change of control put right occurring as a result of a failure to have continuing directors comprising a majority of a board of directors might be unenforceable on public policy grounds.

An investment in the notes by a holder whose home currency is not euro entails significant risks.

All payments of interest on and the principal of the notes and any redemption price for the notes will be made in euro. An investment in the notes by a holder whose home currency is not euro entails significant risks. These risks include the possibility of significant changes in rates of exchange between the holder's home currency and euro and the possibility of the imposition or subsequent modification of foreign exchange controls. These risks generally depend on factors over which we have no control, such as economic, financial and political events and the supply of and demand for the relevant currencies. In the past, rates of exchange between euro and certain currencies have been highly volatile, and each holder should be aware that volatility may occur in the future. Fluctuations in any particular exchange rate that have occurred in the past, however, are not necessarily indicative of fluctuations in the rate that may occur during the term of the notes. Depreciation of euro against the holder's home currency would result in a decrease in the effective yield of the notes below its coupon rate and, in certain circumstances, could result in a loss to the holder. If you are a holder subject to United States income tax, see Material United States Federal Income Tax Considerations Foreign Currency Considerations for the material United States federal income tax consequences of the acquisition, ownership and disposition of the notes related to the notes being denominated in euro.

The notes permit us to make payments in dollars if we are unable to obtain euro.

If the euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or if the euro is no longer being used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the

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international banking community, then all payments in respect of the notes will be made in dollars until the euro is again available to us or so used. The amount payable on any date in euro will be converted into dollars on the basis of the market exchange rate for euro most recently available on, or prior to, the second business day before the relevant payment date. Any payment in respect of the notes so made in dollars will not constitute an event of default under the notes or the indenture governing the notes.

In a lawsuit for payment on the notes, an investor may bear currency exchange risk.

The indenture is, and the notes will be, governed by the laws of the State of New York. Under New York law, a New York state court rendering a judgment on the notes would be required to render the judgment in euro. However, the judgment would be converted into dollars at the exchange rate prevailing on the date of entry of the judgment. Consequently, in a lawsuit for payment on the notes, investors would bear currency exchange risk until a New York state court judgment is entered, which could be a significant amount of time. A federal court sitting in New York with diversity jurisdiction over a dispute arising in connection with the notes would apply New York law.

In courts outside of New York, investors may not be able to obtain a judgment in a currency other than dollars. For example, a judgment for money in an action based on the notes in many other United States federal or state courts ordinarily would be enforced in the United States only in dollars. The date used to determine the rate of conversion of euro into dollars would depend upon various factors, including which court renders the judgment and when the judgment is rendered.

Trading in the clearing systems is subject to minimum denomination requirements.

The terms