

BOEING CO
 Form 424B2
 July 24, 2009
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Filed Pursuant to Rule 424(b)(2)

Registration No. 333-157790

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(1)
3.500% Senior Notes due 2015	\$ 750,000,000	99.157%	\$ 743,677,500	\$ 41,497.20
4.875% Senior Notes due 2020	\$ 750,000,000	98.958%	\$ 742,185,000	\$ 41,413.92
5.875% Senior Notes due 2040	\$ 450,000,000	97.680%	\$ 439,560,000	\$ 24,527.45
Total	\$ 1,950,000,000		\$ 1,925,422,500	\$ 107,438.57

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

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(To Prospectus dated March 9, 2009)

The Boeing Company**\$1,950,000,000****\$750,000,000 3.500% Senior Notes due 2015****\$750,000,000 4.875% Senior Notes due 2020****\$450,000,000 5.875% Senior Notes due 2040**

We are offering \$750,000,000 of our 3.500% Senior Notes due 2015 (the 2015 notes), \$750,000,000 of our 4.875% Senior Notes due 2020 (the 2020 notes) and \$450,000,000 of our 5.875% Senior Notes due 2040 (the 2040 notes), together with the 2015 notes and the 2020 notes, the notes).

The 2015 notes will mature on February 15, 2015, the 2020 notes will mature on February 15, 2020 and the 2040 notes will mature on February 15, 2040, in each case, unless redeemed earlier. We will pay interest on the notes semi-annually in arrears on February 15 and August 15 of each year, beginning February 15, 2010. Interest on the notes will accrue from July 28, 2009.

We may redeem each series of notes at any time prior to maturity, in whole or in part, upon at least 30 days notice, at a redemption price equal to the principal amount of the notes to be redeemed plus a make-whole premium, together with accrued interest on such notes to the redemption date. The redemption provisions are more fully described in this prospectus supplement in the section titled Description of Notes. The notes will not be listed on any securities exchange.

The notes will be our unsecured senior obligations. The notes will rank equally in right of payment with all our existing and future unsecured and unsubordinated indebtedness and will rank senior in right of payment to any future indebtedness that is subordinated to the notes.

Investing in the notes involves risks. See the section entitled Risk Factors beginning on page S-7 of this prospectus supplement, in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, and in our Quarterly Reports on Form 10-Q for the quarterly periods subsequent to such date.

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

	Per 2015		Per 2020		Per 2040	
	Note	Total	Note	Total	Note	Total
Price to Public(1)	99.157%	\$ 743,677,500	98.958%	\$ 742,185,000	97.680%	\$ 439,560,000
Underwriting Discounts and Commission	0.350%	\$ 2,625,000	0.450%	\$ 3,375,000	0.875%	\$ 3,937,500
Proceeds, before expenses, to The Boeing Company	98.807%	\$ 741,052,500	98.508%	\$ 738,810,000	96.805%	\$ 435,622,500

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(1) Plus accrued interest from July 28, 2009, if settlement occurs after that date.

We urge you to carefully read this prospectus supplement and the accompanying prospectus which will describe the terms of the offering before you make your investment decision.

The underwriters expect to deliver the notes to purchasers in book-entry form only, through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, *société anonyme* and the Euroclear Bank, S.A./N.V., against payment on or about July 28, 2009.

Joint Book-Running Managers

Global Coordinator

BofA Merrill Lynch

Deutsche Bank Securities

Morgan Stanley

Barclays Capital

BNP PARIBAS

CALYON

Credit Suisse

Daiwa Securities America Inc.

Mitsubishi UFJ Securities

Mizuho Securities USA Inc.

RBS

Wells Fargo Securities

The date of this prospectus supplement is July 23, 2009

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In making your investment decision, you should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus, and any free writing prospectus relating to this offering that we may provide to you. Neither The Boeing Company nor the underwriters have authorized anyone to provide you with information that is different. If anyone provides you with different or inconsistent information, you should not rely on it. Neither The Boeing Company nor the underwriters is making an offer of these notes in any jurisdiction where the offer is not permitted.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and other matters relating to us and our financial condition. The second part is the accompanying prospectus, which gives more general information about securities we may offer from time to time, some of which may not apply to this offering. This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the Securities and Exchange Commission (the SEC) using the SEC's shelf registration rules. You should read both this prospectus supplement and the accompanying prospectus, 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."

Any statement made in this prospectus supplement, in the accompanying prospectus or in a document incorporated or deemed to be incorporated by reference in this prospectus supplement or the accompanying prospectus will be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document that is also incorporated or deemed to be incorporated by reference in this prospectus supplement or the accompanying prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement or the accompanying prospectus. You should not assume that the information in this prospectus supplement, in the accompanying prospectus and any free writing prospectus is accurate as of any date other than the date on the front of those documents or that the information incorporated by reference is accurate as of any date other than the date of the document incorporated by reference. The Boeing Company's business, financial condition, results of operations and prospects may have changed since those dates.

This prospectus supplement and the accompanying prospectus contain information about The Boeing Company and the notes. They also refer to information contained in other documents that we file with the SEC.

When we refer to "The Boeing Company," "the Company," "we," "us," or "our" in this prospectus supplement, we mean The Boeing Company and its subsidiaries unless the context otherwise requires.

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FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus supplement and in the accompanying prospectus may be forward-looking statements within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. Words such as expects, intends, plans, projects, believes, estimates, targets, anticipates, and similar expressions are used to identify these forward-looking statements. Forward-looking statements are based upon assumptions about future events that may not be accurate. These statements are not guarantees of future performance and are assumptions that are difficult to predict. Actual outcomes and results may differ materially from what is expressed or forecasted in these forward-looking statements. As a result, these statements speak to events only as of the date they are made and we undertake no obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by federal securities laws. Specific factors that could cause actual results to differ materially from forward-looking statements include, but are not limited to, those set forth below and other important factors disclosed previously and from time-to-time in our other filings with the SEC:

the effect of economic conditions in the United States and globally;

the impact on our accounts receivable, customer financing portfolios and allowance for losses of customer defaults and changes in customer credit ratings, credit default rates and collateral values;

the impact on our revenues and operating results of changes to indices included in indexed price escalation clauses included in our contracts with commercial airplane and defense customers;

the successful execution of our Commercial Airplanes and Integrated Defense Systems backlog;

the effects of customers canceling, modifying and/or rescheduling contractual orders;

the timing and effects of any decisions to increase or decrease the rate of commercial airplane production;

the timing and effects of decisions to complete or launch a Commercial Airplanes program;

the ability to successfully develop and timely produce the 787 and 747-8 aircraft;

the ability of our suppliers and, as applicable, subcontractors to successfully and timely perform their obligations;

the effect on our revenues of political and legal processes; changing defense priorities; and associated budget reductions by U.S. and international government customers affecting Boeing defense programs;

our relationship with our union-represented workforce and the negotiation of collective bargaining agreements;

the continuation of long-term trends in passenger and cargo traffic and revenue yields in the airline industry;

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the impact of volatile fuel prices and the airline industry's response;

the effect of declines in aircraft valuation;

the impact on our revenues or operating results of airline bankruptcies;

the availability of commercial and government financing and the extent to which we are called upon to fund outstanding financing commitments or satisfy other financing requests, and our ability to satisfy those requirements;

the continuation of historical costs for fleet support services;

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the receipt of estimated award and incentive fees on U.S. government contracts;

the future demand for commercial satellites and projections of future order flow;

the potential for technical or quality issues on development programs, including the Airborne Early Warning and Control program, International KC-767 Tanker, other fixed-price development programs, or commercial satellite programs, to affect schedule and cost estimates, or cause us to incur a material charge or experience a termination for default;

the outcome of any litigation and/or government investigation in which we are a party, and other contingencies;

returns on pension fund assets, impacts of future interest rate changes on pension obligations and rising healthcare costs;

our ability to access external capital resources to fund our operations;

the amounts and effects of underinsured operations, including satellite launches;

our ability to recover proportionate amounts owed to us from the other Sea Launch partners; and

the scope, nature or impact of acquisition or disposition activity and investment in any joint ventures/strategic alliances, including Sea Launch and United Launch Alliance, and indemnifications and guarantees related thereto.

These factors and the other risk factors discussed in this prospectus supplement and the accompanying prospectus, including those in the section titled Risk Factors, are not necessarily all of the important factors that could cause The Boeing Company's actual results to differ materially from those expressed in any of its forward-looking statements. Other unknown or unpredictable factors also could have material adverse effects on The Boeing Company's future results. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Please see The Boeing Company's periodic reports filed with the SEC for more information on these factors. The forward-looking statements included in this prospectus supplement or in the accompanying prospectus are made only as of the date of this prospectus supplement or in the accompanying prospectus.

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SUMMARY

The following summary is provided solely for your convenience. It is not intended to be complete. You should read carefully this entire prospectus supplement, the accompanying prospectus and all the information included or incorporated by reference herein or therein carefully, especially the risks discussed in the section titled "Risk Factors" beginning on page S-7 of this prospectus supplement and in our periodic reports filed with the SEC.

The Boeing Company

The Boeing Company is one of the world's major aerospace firms. Our Commercial Airplanes segment is involved in developing, producing and marketing commercial jet aircraft and providing related support services, principally to the commercial airline industry worldwide. Our Integrated Defense Systems segments are principally involved in the research, development, production, modification and support of the following products and related systems and services: military aircraft, including fighters, transports, tankers, intelligence surveillance and reconnaissance aircraft, and helicopters; unmanned systems; missiles; space systems; missile defense systems; satellites and satellite launch vehicles; and communications, information and battle management systems. Our Boeing Capital Corporation segment facilitates, arranges, structures and provides selective financing solutions, primarily for our Commercial Airplanes segment customers, and arranges and structures financing solutions for our Integrated Defense Systems segment government customers.

The Boeing Company was incorporated in the State of Washington in 1916 and reincorporated in Delaware in 1934. We have a principal executive office located at 100 N. Riverside, Chicago, Illinois, U.S.A. 60606, telephone number (312) 544-2000. We maintain an Internet website at <http://www.boeing.com>. We have not incorporated by reference into this prospectus supplement the information on our website, and you should not consider it to be a part of this prospectus supplement.

The information above concerning The Boeing Company is only a summary and does not purport to be comprehensive. For additional information about The Boeing Company, you should refer to the information described in "Where You Can Find More Information" in the accompanying prospectus.

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The following summary contains basic information about this offering. For a more complete understanding of this offering, we encourage you to read this entire prospectus supplement and the accompanying prospectus.

Issuer	The Boeing Company
Notes Offered	\$1,950,000,000 aggregate principal amount of notes, consisting of: <ul style="list-style-type: none"> \$750,000,000 aggregate principal amount of 2015 notes \$750,000,000 aggregate principal amount of 2020 notes \$450,000,000 aggregate principal amount of 2040 notes
Maturity Date	The 2015 notes mature on February 15, 2015, the 2020 notes mature on February 15, 2020 and the 2040 notes mature on February 15, 2040, unless such series of notes is redeemed in whole as described below under Description of Notes Optional Redemption.
Interest Rate	The 2015 notes will bear interest from July 28, 2009 at the rate of 3.500% per annum, payable semi-annually in arrears, the 2020 notes will bear interest from July 28, 2009 at the rate of 4.875% per annum, payable semi-annually in arrears and the 2040 notes will bear interest from July 28, 2009 at the rate of 5.875% per annum, payable semi-annually in arrears.
Interest Payment Dates	Interest will be paid on February 15 and August 15 of each year, beginning on February 15, 2010. Interest on the notes will accrue from July 28, 2009.
Use of Proceeds	We expect to receive net proceeds from this offering of approximately \$1,914,385,000, after deducting underwriting discounts and our estimated offering expenses totaling approximately \$1.1 million. We intend to use the net proceeds from this offering for repayment of debt, acquisitions, additions to working capital, capital expenditures, pension funding, funding and making investments in our subsidiaries, including Boeing Capital Corporation, and repurchase of common stock, or other general corporate purposes. We may also use a portion of the net proceeds to purchase the business, assets and operations of Vought Aircraft Industries, Inc.'s 787 business conducted at North Charleston, South Carolina. The planned acquisition of these assets is described in our Current Report on Form 8-K filed with the SEC on July 7, 2009, which is incorporated herein by reference. If we do not use the net proceeds immediately, we may temporarily invest them in short-term, interest-bearing obligations.
Optional Redemption	The notes will be redeemable at our option, in whole or in part, at any time and from time to time. See the section titled Description of Notes Optional Redemption in this prospectus supplement. Upon redemption, we will pay a redemption price equal to the greater of: <ul style="list-style-type: none"> 100% of the principal amount of the notes then outstanding of such series to be redeemed; or

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the sum of the present values of the Remaining Scheduled Payments (as defined in this prospectus supplement) of principal and interest on the notes to be redeemed,

plus, in each case, accrued and unpaid interest on the principal amount being redeemed to, but not including, the redemption date.

The present value will be determined by discounting the remaining principal and interest payments to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), using the Treasury Rate (as defined in this prospectus supplement) applicable to such notes, plus 25 basis points with respect to the relevant notes.

Ranking

The notes will be our unsecured senior obligations. The notes will rank equally in right of payment with all our existing future unsecured and unsubordinated indebtedness and will rank senior in right of payment to any future indebtedness that is subordinated to the notes. The notes will be effectively subordinated to all of our existing and future secured indebtedness to the extent of the assets securing such indebtedness and to the indebtedness and liabilities of our subsidiaries.

Certain Covenants

The indenture governing the notes limits our ability and the ability of our subsidiaries, among other things, to:

create liens without equally and ratably securing the notes; and

engage in certain sale and leaseback transactions.

The indenture also limits our ability to engage in mergers, consolidations and certain sales of assets. These covenants are subject to important exceptions and qualifications, as described in the sections titled Description of Debt Securities Limitation on Liens and Description of Debt Securities Sale and Leaseback Transactions in the accompanying prospectus.

Additional Notes

We may, without notice to or consent of the holders or beneficial owners of any series of the notes, issue in a separate offering additional notes having the same ranking, interest rate, maturity and other terms as the notes of a particular series. The notes of such series and any such additional notes will constitute a single series under the indenture.

No Listing

We do not intend to list the notes on any securities exchange or automated quotation system. The notes will be new securities for which there currently is no public market. See Risk Factors Risks Related to the Offering There may not be active trading markets for the notes in this prospectus supplement.

Trustee

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

Governing Law

The notes will be governed by New York law.

Risk Factors

Investing in the notes involves risks. See the section titled Risk Factors beginning on page S-7 of this prospectus supplement and other information included or incorporated by reference in the accompanying prospectus for a discussion of factors you should carefully consider before deciding to invest in the notes.

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*Your investment in the notes is subject to certain risks. This prospectus supplement does not describe all of the risks of an investment in the notes. You should consult your own financial and legal advisors about the risks entailed by an investment in the notes and the suitability of your investment in the notes in light of your particular circumstances. For a discussion of the factors you should carefully consider before deciding to purchase any notes that may be offered, please read **Risk Factors** in our Annual Report on Form 10-K for the year ended December 31, 2008, our Quarterly Reports on Form 10-Q for the quarterly periods subsequent to such date, **Liquidity and Capital Resources Credit Ratings** in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, as well as those risk factors included below that are related to this offering. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may also adversely affect our business and operations. If any of the matters described in the risk factors were to occur, our business, financial condition, results of operations, cash flows or prospects could be materially adversely affected. In such case, you could lose all or a portion of your investment.*

Risks Related to the Offering

The notes are structurally subordinated to the liabilities of our subsidiaries.

The notes are obligations exclusively of The Boeing Company and not of any of our subsidiaries. A significant portion of our operations is conducted through our subsidiaries. Our subsidiaries are separate legal entities that have no obligation to pay any amounts due under the notes or to make any funds available therefor, whether by dividends, loans or other payments. Except to the extent we are a creditor with recognized claims against our subsidiaries, all claims of creditors (including trade creditors) and holders of preferred stock, if any, of our subsidiaries will have priority with respect to the assets of such subsidiaries over our claims (and therefore the claims of our creditors, including holders of the notes). Consequently, the notes will be effectively subordinated to all liabilities of any of our subsidiaries and any subsidiaries that we may in the future acquire or establish. As of June 30, 2009, our subsidiaries had approximately \$3.9 billion of outstanding debt.

Negative covenants in the indenture will have a limited effect.

The indenture governing the notes contains only limited negative covenants that apply to us and our subsidiaries. These covenants do not limit the amount of additional debt that we may incur and do not require us to maintain any financial ratios or specific levels of net worth, revenues, income, cash flows or liquidity. Accordingly, the indenture does not protect holders of the notes in the event we experience significant adverse changes in our financial condition or results of operations. See **Description of Debt Securities Limitation on Liens** and **Description of Debt Securities Sale and Leaseback Transactions** in the accompanying prospectus. In light of the limited negative covenants applicable to the notes, holders of the notes may be structurally or contractually subordinated to new lenders.

There may not be active trading markets for the notes.

The notes are a new issue of securities for which currently there is no trading market. We do not intend to apply for listing of the notes on any securities exchange or any automated quotation system. Accordingly, there can be no assurance that trading markets for the notes will ever develop or will be maintained. Further, there can be no assurance as to the liquidity of any market that may develop for the notes, your ability to sell your notes or the prices at which you will be able to sell your notes. Future trading prices of the notes will depend on many factors, including prevailing interest rates, our financial condition and results of operations, the then-current ratings assigned to the notes and the market for similar securities. Any trading markets that develop, would be affected by many factors independent of and in addition to the foregoing, including:

time remaining to the maturity of the notes;

outstanding amount of the notes;

the terms related to optional redemption of the notes; and

the level, direction and volatility of market interest rates generally.

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USE OF PROCEEDS

We expect the net proceeds from this offering to be approximately \$1,914,385,000, after deducting the underwriting discount and our estimated offering expenses totaling approximately \$1.1 million. We intend to use the net proceeds from this offering for repayment of debt, acquisitions, additions to working capital, capital expenditures, pension funding, funding and making investments in our subsidiaries, including Boeing Capital Corporation, and repurchase of common stock, or other general corporate purposes. We may also use a portion of the net proceeds to purchase the business, assets and operations of Vought Aircraft Industries, Inc.'s 787 business conducted at North Charleston, South Carolina. The planned acquisition of these assets is described in our Current Report on Form 8-K filed with the SEC on July 7, 2009, which is incorporated herein by reference. If we do not use the net proceeds immediately, we may temporarily invest them in short-term, interest-bearing obligations.

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DESCRIPTION OF NOTES

The following description of the notes offered by this prospectus supplement is intended to supplement, and to the extent inconsistent to replace, the more general terms and provisions of the debt securities described in the accompanying prospectus, to which we refer you. Each series of notes is a separate series of debt securities. This description of the notes is only a summary and may not include all the information that is important to you. You should read the indenture we refer to below and the notes for more details regarding our obligations and your rights with respect to the notes.

General

The 2015 notes, the 2020 notes and the 2040 notes will be issued as separate series of senior debt securities under a senior indenture dated February 1, 2003 between us and The Bank of New York Mellon Trust Company, N.A., as successor to JPMorgan Chase Bank, or any successor trustee. The indenture has been filed as an exhibit to the registration statement of which the accompanying prospectus is part. The notes will bear interest from July 28, 2009 at the applicable annual rate of interest stated on the cover page of this prospectus supplement. Interest on the notes will be payable semi-annually on February 15 and August 15, beginning February 15, 2010, to the persons in whose names such notes are registered at the close of business on the February 1 or August 1 preceding each February 15 or August 15, payable in arrears in equal semi-annual installments. Interest on the notes will be computed on the basis of a 360-day year consisting of twelve 30-day months. Unless previously redeemed, repurchased or cancelled as provided below, the 2015 notes will mature at par on February 15, 2015, the 2020 notes will mature at par on February 15, 2020 and the 2040 notes will mature at par on February 15, 2040. If an interest payment date or the maturity date falls on a day that is not a business day, the payment will be made on the next business day as if it were made on the date the payment was due, and no interest will accrue on the amount so payable for the period from and after that interest payment date or the maturity date, as the case may be. A business day, as used in this prospectus supplement, means any day except Saturday or Sunday or any day on which banks are permitted or required by applicable law or regulation to close in the place in which payment on the notes is required, as the case may be.

The notes will be subject to defeasance as provided in the section titled "Description of Debt Securities—Discharge and Defeasance" in the accompanying prospectus. The notes will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000.

We may, without the consent of the holders of notes, issue additional securities having the same ranking and the same interest rate, maturity and other terms as the notes and with the same CUSIP number; provided, however, that no such additional securities may be issued unless such additional securities are fungible with the notes for U.S. federal income tax purposes. Any additional securities having such similar terms, together with the notes, will constitute a single series of securities under the indenture. No additional securities may be issued if an event of default has occurred with respect to the applicable series of notes.

Optional Redemption

The notes will be redeemable, as a whole or in part, at our option, at any time or from time to time, on at least 30 days, but not more than 60 days, prior notice to each registered holder of the series of notes to be redeemed, at a redemption price equal to the greater of:

100% of the principal amount of the notes then outstanding of such series to be redeemed; or

the sum of the present values of the Remaining Scheduled Payments (as defined below) on the notes being redeemed, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below) applicable to such notes, plus 25 basis points with respect to the relevant notes,

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plus, in each case, accrued and unpaid interest on the principal amount being redeemed to, but not including, the redemption date.

Treasury Rate means, with respect to any redemption date for the notes:

the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue, provided that, if no maturity is within three months before or after the maturity date for the notes, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Treasury Rate will be interpolated or extrapolated from those yields on a straight line basis rounding to the nearest month; or

if that release, or any successor release, is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that redemption date.

The Treasury Rate will be calculated by us on the third business day preceding the redemption date.

Comparable Treasury Issue means the United States Treasury security or securities selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the notes being redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

Independent Investment Banker means one of the Reference Treasury Dealers (as defined below), to be appointed by us.

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

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

if we obtain fewer than four Reference Treasury Dealer Quotations, the average of all quotations obtained by us.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer (as defined below) and any redemption date, the average, as determined by us, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to us by such Reference Treasury Dealer at 3:30 p.m., New York City time on the third business day preceding such redemption date.

Reference Treasury Dealer means Banc of America Securities LLC, Deutsche Bank Securities Inc. and Morgan Stanley & Co. Incorporated and one other treasury dealer selected by us, and their respective successors; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer (each, a Primary Treasury Dealer), we will substitute therefor another nationally recognized investment banking firm that is a Primary Treasury Dealer.

Remaining Scheduled Payments means, with respect to each note to be redeemed, the remaining scheduled payments of the principal thereof and interest thereon that would be due after the related redemption date but for such redemption; provided, however, that, if such redemption date is not an interest payment date with respect to such note, the amount of the next succeeding scheduled interest payment thereon will be deemed to be reduced by the amount of interest accrued thereon to such redemption date.

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On and after the redemption date, interest will cease to accrue on the notes or any portion thereof called for redemption, unless we default in the payment of the redemption price and accrued interest. On or before the redemption date, we will deposit with a paying agent, or the trustee, money sufficient to pay the redemption price of and accrued interest on the notes to be redeemed on such date. If less than all of the notes are to be redeemed, the notes to be redeemed shall be selected pro rata by the trustee or by such method as the trustee shall deem fair and appropriate; provided, however, that a partial redemption must be in an amount not less than \$1,000,000 principal amount of notes.

Ranking

The notes will be unsecured and will have the same rank as all of our other unsecured and unsubordinated debt.

Certain Covenants

Certain covenants in the indenture limit our ability and the ability of our subsidiaries to create or permit to exist mortgages and other liens, and enter into sale and leaseback transactions.

For a description of these covenants, see the sections titled "Description of Debt Securities - Limitation on Liens" and "Description of Debt Securities - Sale and Leaseback Transactions" in the accompanying prospectus.

Information Concerning the Trustee

The Bank of New York Mellon Trust Company, N.A., as successor to JPMorgan Chase Bank, under the indenture, has its principal office at 2 North LaSalle Street, Suite 1020, Chicago, IL 60602. The indenture limits the right of the trustee, if it becomes our creditor, to obtain payment of claims or secure its claims. The trustee is permitted to engage in certain other transactions. If the trustee acquires any conflicting interest, however, and there is a default under the debt securities of any series for which they are trustee, the trustee must eliminate the conflict or resign.

From time to time, we may borrow from the trustee or its affiliates. We and certain of our subsidiaries may maintain deposit accounts and conduct other banking transactions with the trustee.

We will designate the trustee as our sole paying agent for the notes.

Governing Law

The indenture and the notes for all purposes will be governed by and construed in accordance with the internal laws of the State of New York. Actions regarding the notes may be brought in any court of competent jurisdiction in the United States.

Unclaimed Funds

All funds deposited with the trustee or any paying agent for the payment of principal, interest, premium or additional amounts in respect of the notes that remain unclaimed for two years after the maturity date of the notes will be repaid to us upon our request. Thereafter, any right of any noteholder to such funds shall be enforceable only against us, and the trustee and paying agents will have no liability therefor.

Book-Entry, Delivery and Form

We have obtained the information in this section or in the accompanying prospectus concerning The Depository Trust Company ("DTC"), Clearstream Banking, *société anonyme* ("Clearstream") and Euroclear Bank S.A./N.V., as operator of the Euroclear Bank, S.A./N.V. ("Euroclear") and their book-entry systems and procedures from sources that we believe to be reliable. We take no responsibility for an accurate portrayal of this

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information. In addition, the description of the clearing systems in this section reflects our understanding of the rules and procedures of DTC, Clearstream and Euroclear as they are currently in effect. Those systems could change their rules and procedures at any time.

The notes of each series will initially be represented by one or more fully registered global notes. Each such global note will be deposited with, or on behalf of, DTC or any successor thereto and registered in the name of Cede & Co. (DTC's nominee). You may hold your interests in the global notes in the United States through DTC, or in Europe through Clearstream or Euroclear, either as a participant in such systems or indirectly through organizations which are participants in such systems. Clearstream and Euroclear will hold interests in the global notes on behalf of their respective participating organizations or customers through customers' securities accounts in Clearstream's or Euroclear's names on the books of their respective depositories, which in turn will hold those positions in customers' securities accounts in the depositories' names on the books of DTC. Citibank, N.A. will act as depository for Clearstream and JPMorgan Chase Bank will act as depository for Euroclear.

So long as DTC or its nominee is the registered owner of the global securities representing the notes, DTC or such nominee will be considered the sole owner and holder of the notes for all purposes of the notes and the indenture. Except as provided below, owners of beneficial interests in the notes will not be entitled to have the notes registered in their names, will not receive or be entitled to receive physical delivery of the notes in definitive form and will not be considered the owners or holders of the notes under the indenture, including for purposes of receiving any reports delivered by us or the Trustee pursuant to the indenture. Accordingly, each person owning a beneficial interest in a note must rely on the procedures of DTC or its nominee and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, in order to exercise any rights of a holder of notes.

Unless and until we issue the notes in fully certificated, registered form under the limited circumstances described in the accompanying prospectus under the heading "Description of Debt Securities - Form, Exchange, Registration and Transfer":

you will not be entitled to receive a certificate representing your interest in the notes;

all references in this prospectus supplement to actions by holders will refer to actions taken by DTC upon instructions from its direct participants; and

all references in this prospectus supplement to payments and notices to holders will refer to payments and notices to DTC or Cede & Co., as the registered holder of the notes, for distribution to you in accordance with DTC procedures.

Same-Day Settlement and Payment

Settlement for the notes will be made by the underwriters in immediately available funds. All payments of principal, premium, if any, and interest will be made by us in immediately available funds.

All secondary trading in the notes will settle in immediately available funds.

Because of time-zone differences, credits of notes received in Clearstream or Euroclear as a result of a transaction with a DTC participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Such credits or any transactions in such notes settled during such processing will be reported to the relevant Clearstream or Euroclear participants on such business day. Cash received in Clearstream or Euroclear as a result of sales of notes by or through a Clearstream participant or a Euroclear participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of notes among participants of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

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CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain United States federal income tax considerations relating to the purchase, ownership and disposition of the notes, but does not purport to be a complete analysis of all potential tax considerations. This summary is based on the provisions of the United States Internal Revenue Code of 1986, as amended (the Code), the Treasury regulations promulgated thereunder, judicial authority, published administrative positions of the United States Internal Revenue Service (IRS) and other applicable authorities, all as in effect on the date of this document, and all of which are subject to change, possibly on a retroactive basis. We have not sought any ruling from the IRS with respect to the statements made and the conclusions reached in the following summary and there can be no assurance that the IRS will agree with our statements and conclusions.

This summary deals only with beneficial owners of notes that purchase the notes in this offering at their issue price (as defined below) and that will hold the notes as capital assets within the meaning of section 1221 of the Code (generally, property held for investment). This summary does not purport to deal with all aspects of United States federal income taxation that might be relevant to particular holders in light of their personal investment circumstances or status, nor does it address tax considerations applicable to investors that may be subject to special tax rules, such as certain financial institutions, individual retirement and other tax-deferred accounts, tax-exempt organizations, S corporations, partnerships or other pass-through entities for United States federal income tax purposes or investors in such entities, insurance companies, broker-dealers, dealers or traders in securities or currencies, certain former citizens or residents of the United States subject to section 877 of the Code and taxpayers subject to the alternative minimum tax. This summary also does not discuss notes held as part of a hedge, straddle, synthetic security or conversion transaction, or situations in which the functional currency of a United States Holder (as defined below) is not the United States dollar. Moreover, the effect of any applicable federal estate or gift, state, local or non-United States tax laws is not discussed.

The following discussion is for informational purposes only and is not a substitute for careful tax planning and advice. Investors considering the purchase of notes should consult their own tax advisors with respect to the application of the United States federal income tax laws to their particular situations, as well as any tax consequences arising under the federal estate or gift tax laws or the laws of any state, local or non-United States taxing jurisdiction or under any applicable tax treaty.

Issue price

The issue price of each note in an issue of notes generally will be equal to the first price at which a substantial amount of the notes in that issue is sold for money (not including sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers).

It is expected that each series of notes will be issued to investors in this offering for a price equal to the price set out on the cover page of this prospectus supplement with respect to such series. If, contrary to current expectations, any series of notes is sold to investors hereunder at a discount from par that is equal to or greater than a specified de minimis amount, then the notes will be issued with original issue discount (OID) for United States federal income tax purposes. This specified de minimis amount for any issue of notes is generally equal to 1/4 of 1 percent of the principal amount of the notes multiplied by the number of complete years to maturity of such notes from their original issue date. In the event that any series of notes is issued with OID, you generally will be required to include the OID in income as ordinary interest income, on a constant-yield basis over the term of the notes, in advance of the receipt of the cash attributable to that income. The remainder of this discussion assumes that each series of notes will not be issued with OID.

United States Holders

The term United States Holder means a beneficial owner of a note that is, for United States federal income tax purposes:

an individual who is a citizen or a resident of the United States;

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a corporation, or other entity taxable as a corporation for United States federal income tax purposes, created or organized under the laws of the United States or any state thereof or the District of Columbia;

an estate, the income of which is subject to United States federal income taxation regardless of its source; or

a trust, if (i) a court within the United States is able to exercise primary jurisdiction over its administration and one or more United States persons have the authority to control all of its substantial decisions, or (ii) in the case of a trust that was treated as a domestic trust under the law in effect before 1997, a valid election is in place under applicable Treasury regulations to treat such trust as a domestic trust.

In the case of a beneficial owner of notes that is classified as a partnership for United States federal income tax purposes, the tax treatment of the notes to a partner of the partnership generally will depend upon the tax status of the partner and the activities of the partnership. If you are a partner of a partnership holding notes, then you should consult your own tax advisors.

Payment of interest

Stated interest on a note will be included in the gross income of a United States Holder as ordinary income at the time such interest is accrued or received, in accordance with the holder's method of accounting for United States federal income tax purposes.

Sale, exchange, redemption, retirement or other taxable disposition of the notes

Upon the sale, exchange, redemption, retirement or other taxable disposition of a note, a United States Holder generally will recognize gain or loss equal to the difference between (i) the amount realized upon the disposition and (ii) the holder's adjusted tax basis in the note. The amount realized will be equal to the sum of the amount of cash and the fair market value of any property received in exchange for the note (less any portion allocable to any accrued and unpaid interest, which will be taxed as ordinary interest income to the extent not previously so taxed). A United States Holder's adjusted tax basis in a note generally will equal the cost of the note to such holder. This gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the United States Holder has held the note for more than one year. In general, long-term capital gains of a non-corporate United States Holder are taxed at lower rates than those applicable to ordinary income. The deductibility of capital losses is subject to limitations. United States Holders should consult their own tax advisors as to the deductibility of capital losses in their particular circumstances.

Information reporting and backup withholding tax

In general, we must report certain information to the IRS with respect to payments of principal, premium, if any, and interest on a note, and payments of the proceeds of the sale or other disposition of a note, to certain non-corporate United States Holders. The payor (which may be us or an intermediate payor) will be required to impose backup withholding tax, currently at a rate of 28%, if (i) the payee fails to furnish a taxpayer identification number (TIN) to the payor or to establish an exemption from backup withholding tax; (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a notified payee underreporting described in section 3406(c) of the Code, or (iv) the payee has not certified under penalties of perjury that it has furnished a correct TIN and that the IRS has not notified the payee that it is subject to backup withholding tax under the Code. United States backup withholding tax is not an additional tax. Any amounts withheld under the backup withholding tax rules from a payment to a United States Holder will be allowed as a credit against the holder's United States federal income tax liability and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS.

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Non-United States Holders

The term non-United States Holder means a beneficial owner of a note that is, for United States federal income tax purposes:

a nonresidential alien individual;

a foreign corporation; or

a foreign estate or trust.

The following discussion applies only to non-United States Holders, and assumes that no item of income, gain, deduction or loss derived by the non-United States Holder in respect of the notes at any time is effectively connected with the conduct of a United States trade or business. Special rules, not discussed herein, may apply to certain non-United States Holders, such as:

certain former citizens or residents of the United States;