

AUTOLIV INC  
Form 424B5  
March 09, 2012  
Table of Contents

**The information in this preliminary prospectus supplement is not complete and may be changed. The registration statement filed with the Securities and Exchange Commission relating to these securities is effective. Neither the preliminary prospectus supplement nor the accompanying prospectus is an offer to sell these securities and neither is soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

Filed pursuant to Rule 424(b)(5)

Registration Statement No. 333-179948

**SUBJECT TO COMPLETION, DATED MARCH 9, 2012**

**PRELIMINARY PROSPECTUS SUPPLEMENT**

(To Prospectus Dated March 7, 2012)

**\$106,273,000**

**% Senior Notes due 2014**

This prospectus supplement relates to the remarketing and interest rate reset of \$106,273,000 aggregate principal amount of 8% Senior Notes due 2014 issued by Autoliv, Inc. in March 2009, which we refer to in this prospectus supplement as the senior notes. The senior notes were originally issued as components of the 6,600,000 equity units we issued in March 2009, which we refer to in this prospectus supplement as the equity units. Each equity unit initially consisted of (1) a forward purchase contract, obligating the holder to purchase from us, for a price in cash of \$25.00, a variable number of shares of our common stock, on April 30, 2012, which we refer to in this prospectus supplement as the purchase contract settlement date, subject to early settlement in certain circumstances, and (2) a 1/40, or 2.5%, undivided beneficial ownership interest in a senior note of Autoliv, Inc., with a principal amount of \$1,000, which together, we refer to in this prospectus supplement as a corporate unit.

The senior notes will mature on April 30, 2014. Interest on the senior notes is currently payable quarterly in arrears on January 31, April 30, July 31 and October 31 of each year, and following \_\_\_\_\_, 2012, which we refer to in this prospectus supplement as the reset effective date, interest on the senior notes will be payable semi-annually in arrears on April 30 and October 31, commencing on October 31, 2012, until maturity on April 30, 2014. The interest rate on the senior notes will be reset at \_\_\_\_\_ % per annum, effective on and after the reset effective date, which is the third business day following the date on which the remarketing of the senior notes is successfully completed. The senior notes are issuable in denominations of \$1,000 and integral multiples of \$1,000. The senior notes will not be listed on any national securities exchange.

The senior notes are our unsecured, senior obligations. The payment of the principal of, and interest on, the senior notes will rank equally in right of payment with our existing and future unsecured and unsubordinated indebtedness and senior in right of payment to any of our existing and future subordinated indebtedness. The senior notes will be effectively subordinated to any secured indebtedness to the extent of the value of the assets securing such indebtedness. Additionally, the senior notes will be effectively subordinated to all existing and future indebtedness of our subsidiaries. As of December 31, 2011, our total consolidated indebtedness was approximately \$666 million, all of which, with the exception of the senior notes, was indebtedness of our subsidiaries to third parties. The senior notes may not be redeemed by us at our option prior to the stated maturity date. If we experience a change of control, a holder may require us to repurchase their senior notes in whole, but not in part, for cash at a price equal to 100% of the principal amount of the senior notes to be repurchased, plus any unpaid and accrued interest.

**Investing in the senior notes involves risks, including those that are described under Risk Factors beginning on page S-8 of this prospectus supplement, which we urge you to carefully read prior to making any decision to invest in the senior notes.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the senior 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.**

	<b>Per Senior Note</b>	<b>Total</b>
Public offering price (1)	%	\$
Remarketing fee to remarketing agent (2)	%	\$

- (1) Plus accrued interest, if any, from \_\_\_\_\_, 2012, if settlement occurs after that date.
- (2) Autoliv will pay the remarketing fee and certain expenses of the remarketing agent.

The remarketing agent is remarketing the senior notes subject to various conditions. The remarketing agent expects that the senior notes will be ready for delivery in book-entry form only through the Depository Trust Company for the accounts of its participants, Clearstream Banking Luxembourg S.A. or Euroclear Bank S.A./N.V., on or about \_\_\_\_\_, 2012.

*Remarketing Agent*

**Morgan Stanley**

, 2012

## **Table of Contents**

### **Notices to Investors**

#### **Notice to Investors in Sweden**

This prospectus supplement and the accompanying prospectus are not a prospectus within the meaning of, and have not been prepared in accordance with, the prospectus requirements laid down in the Swedish Financial Instruments Trading Act (*lag (1991:980) om handel med finansiella instrument*) or any other Swedish enactment. Neither the Swedish Financial Supervisory Authority nor any other Swedish regulatory body has examined, approved or registered this prospectus supplement.

No senior notes will be offered or sold to any investor in Sweden except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act.

#### **Notice to Investors in the European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date), an offer to the public of any senior notes which are the subject of the remarketing contemplated by this prospectus supplement and the accompanying prospectus may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any senior notes may be made at any time with effect from and including the Relevant Implementation Date under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to legal entities which are qualified investors as defined in the Prospectus Directive;
- (b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the remarketing agent for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of senior notes shall require Autoliv or the remarketing agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

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

#### **Notice to Investors in the United Kingdom**

This prospectus supplement and the accompanying prospectus are only being distributed to and are only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). The senior notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such senior notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this prospectus supplement and the accompanying prospectus or any of their contents.

**Table of Contents**

The remarketing agent has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the FSMA )) received by it in connection with the issue or sale of the senior notes which are the subject of the remarketing contemplated by this prospectus supplement and the accompanying prospectus in circumstances in which Section 21(1) of the FSMA does not apply to Autoliv; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the senior notes in, from or otherwise involving the United Kingdom.

**Table of Contents**

**Prospectus Supplement**

<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	Page S-1
<u>AVAILABLE INFORMATION</u>	S-1
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	S-1
<u>FORWARD-LOOKING STATEMENTS</u>	S-2
<u>PROSPECTUS SUPPLEMENT SUMMARY</u>	S-4
<u>RISK FACTORS</u>	S-8
<u>USE OF PROCEEDS</u>	S-11
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA</u>	S-12
<u>DESCRIPTION OF THE SENIOR NOTES</u>	S-14
<u>CERTAIN MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS</u>	S-25
<u>REMARKETING</u>	S-31
<u>LEGAL MATTERS</u>	S-32
<u>EXPERTS</u>	S-32

**Prospectus**

<u>IMPORTANT INFORMATION ABOUT THIS PROSPECTUS</u>	Page 2
<u>INCORPORATION OF CERTAIN INFORMATION BY REFERENCE</u>	3
<u>CAUTIONARY STATEMENT CONCERNING FORWARD LOOKING STATEMENTS</u>	5
<u>THE COMPANY</u>	5
<u>RISK FACTORS</u>	6
<u>USE OF PROCEEDS</u>	6
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	6
<u>DESCRIPTION OF CAPITAL STOCK</u>	7
<u>SWEDISH DEPOSITORY RECEIPTS</u>	10
<u>DESCRIPTION OF OTHER SECURITIES</u>	14
<u>PLAN OF DISTRIBUTION</u>	14
<u>LEGAL MATTERS</u>	15
<u>EXPERTS</u>	15
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	15

We have prepared the information contained in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein and therein that have been filed by us with the SEC and any free writing prospectus provided, authorized, or used by us or filed by us with the SEC. Neither we nor the remarketing agent has authorized anyone to provide you with any other information and neither we nor the remarketing agent takes any responsibility for other information others may give you. We are not, and the remarketing agent is not, making an offer of these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus supplement and the accompanying prospectus, any free writing prospectus or in any document incorporated by reference herein and therein is accurate only as of its date, regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or any sale of the senior notes. Our business, financial condition, results of operations and prospects may have changed since the dates of such respective documents.

**Table of Contents**

**ABOUT THIS PROSPECTUS SUPPLEMENT**

This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the U.S. Securities and Exchange Commission, which we refer to in this prospectus supplement as the SEC, using a shelf registration process. Under the shelf registration process, we may offer from time to time shares of common stock, shares of preferred stock, depositary shares (which may include Swedish Depositary Receipts representing shares of common stock), debt securities, warrants, stock purchase contracts, units or any combination of the foregoing securities. In the accompanying prospectus, we provide you with a general description of the securities we may offer from time to time under our shelf registration statement. In this prospectus supplement, we provide you with specific information about the senior notes that we are selling in this offering. Both this prospectus supplement and the accompanying prospectus include important information about us, our senior notes and other information you should know before investing. This prospectus supplement also adds, updates and changes information contained in the accompanying prospectus. You should read both this prospectus supplement and the accompanying prospectus as well as additional information described under "Incorporation of Certain Information by Reference" in this prospectus supplement before investing in our senior notes.

Unless the context indicates otherwise, the terms we, our, ours, us, Autoliv, and the Company in this prospectus supplement refer to Autoliv and our consolidated subsidiaries, except that in the discussion of the senior notes and related matters, these terms refer solely to Autoliv, Inc. and not to any of our subsidiaries.

**AVAILABLE INFORMATION**

We are required to file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any documents filed by us at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. Our filings with the SEC are also available to the public through the SEC's Internet site at <http://www.sec.gov> and through the New York Stock Exchange, 20 Broad Street, New York, New York 10005, on which our common stock is listed.

We have filed with the SEC a registration statement on Form S-3 relating to the securities covered by this prospectus supplement and the accompanying prospectus. This prospectus supplement and the accompanying prospectus are a part of the registration statement and do not contain all the information in the registration statement. Whenever a reference is made in this prospectus supplement or the accompanying prospectus supplement to a contract or other document, the reference is only a summary and you should refer to the exhibits that are a part of the registration statement for a copy of the contract or other document. You may review a copy of the registration statement at the SEC's public reference room in Washington, D.C., as well as through the SEC's Internet site.

**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

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

## Table of Contents

We incorporate by reference into this prospectus supplement the following documents or information filed with the SEC (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, filed with the SEC on February 23, 2012, as amended by our Annual Report on Form 10-K/A for the fiscal year ended December 31, 2011, filed with the SEC on March 7, 2012;

our Current Reports on Form 8-K filed with the SEC on February 21, 2012 and February 27, 2012;

all documents filed by us under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act ), on or after the date of this prospectus supplement and before the termination of the applicable offering.

We will provide without charge to each person, including any beneficial owner, to whom this prospectus supplement is delivered, upon his or her written or oral request, a copy of any or all of the information that has been incorporated by reference into this prospectus supplement, excluding exhibits to those documents, unless they are specifically incorporated by reference into those documents. These documents are available on our website at <http://www.autoliv.com>. You can also request those documents from our Vice President of Corporate Communications at the following address:

Box 70381,

SE-107 24, Stockholm, Sweden

+46 8 587 20 600

**Except as expressly provided above, no other information, including information on our Internet site, is incorporated by reference into this prospectus supplement or the accompanying prospectus.**

## **FORWARD-LOOKING STATEMENTS**

We have included or incorporated by reference herein forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act ), and Section 21E of the Exchange Act. Such forward-looking statements are those that address activities, events or developments that we or our management believes or anticipates may occur in the future, including statements relating to industry trends, business opportunities, sales contracts, sales backlog and on-going commercial arrangements and discussions, as well as any statements about future operating performance or financial results. In some cases, you can identify these statements by forward-looking words such as estimates, expects, anticipates, projects, plans, intends, believes, might, will, should, or the negative of these terms and other terminology, although not all forward-looking statements are so identified.

All such forward-looking statements, including without limitation, management's examination of historical operating trends and data, are based upon our current expectations, various assumptions and data available from third parties and apply only as of the date of this prospectus supplement or as otherwise specified therein. Our expectations, beliefs and assumptions are expressed in good faith and we believe there is a reasonable basis for them. However, there can be no assurance that such forward-looking statements will materialize or prove to be correct, as these assumptions are inherently subject to risks and uncertainties and contingencies which are difficult or impossible to predict and are beyond our control.

Because these forward-looking statements involve risks and uncertainties, the outcome could differ materially from those set out in the forward-looking statements for a variety of reasons, including without limitation, changes in and the successful execution of our restructuring and cost reduction initiatives discussed herein and the market reaction thereto, changes in general industry and market conditions, increased competition,

**Table of Contents**

higher raw material, fuel and energy costs, changes in consumer and customer preferences for end products, customer losses, customer bankruptcies, consolidations or restructuring, divestiture of customer brands, fluctuation of foreign currencies or interest rates, fluctuation in vehicle production schedules for which the Company is a supplier, component shortages, market acceptance of our new products, costs or difficulties related to the global operation and integration of any new or acquired businesses and technologies, continued uncertainty in program awards and performance, the financial results of companies in which Autoliv has made technology investments or joint venture arrangements, pricing negotiations with customers, our ability to be awarded new business, increased costs, supply issues, product liability, warranty and recall claims and other litigation and customer reactions thereto, possible adverse results of pending or future litigation or infringement claims, negative impacts of governmental investigations and litigation relating to the conduct of our business, tax assessments by governmental authorities, legislative or regulatory changes, political conditions, dependence on key personnel, customers and suppliers, as well as the risks identified in Item 1A Risk Factors in our Form 10-K for the fiscal year ended December 31, 2011.

Except for our ongoing obligation to disclose information under the U.S. federal securities laws, we undertake no obligation to update publicly or revise any forward-looking statements whether as a result of new information or future events. For any forward-looking statements contained in this or any other document, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and we assume no obligation to update any such statement.



**Table of Contents**

**PROSPECTUS SUPPLEMENT SUMMARY**

*This prospectus supplement summary contains information about us and the terms of this offering. Because it is a summary, it does not contain all the information that you should consider before investing. To understand this offering fully, you should carefully read this entire prospectus supplement, including the Risk Factors section, the accompanying prospectus and the information incorporated by reference in them, including our Consolidated Financial Statements and the accompanying Notes and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2011.*

**Our Company**

Autoliv is a Delaware corporation with its principal executive offices in Stockholm, Sweden. The Company functions as a holding corporation and owns two principal subsidiaries, Autoliv AB ( "AAB" ) and Autoliv ASP, Inc. ( "ASP" ).

Autoliv, through AAB and ASP, is the world's leading supplier of automotive safety systems, with a broad range of product offerings, including modules and components for passenger and driver-side airbags, side-impact airbag protection systems, seatbelts, steering wheels, safety electronics, whiplash protection systems and child seats, as well as night vision systems, radar and other active safety systems. Autoliv has approximately 79 production facilities in 27 countries and our customers include the world's largest car manufacturers. Autoliv's sales in 2011 were \$8.2 billion, approximately 65% of which consisted of airbags and associated products, and approximately 33% of which consisted of seatbelts and associated products, and approximately 2% of which consisted of active safety and associated products. Our geographical regions are in Europe, the Americas, China, Japan and the Rest of Asia (ROA).

Autoliv's principal executive office is located at Vasagatan 11, 7<sup>th</sup> Floor, SE-111 20, Box 70381, SE-107 24, Stockholm, Sweden, where it currently employs 48 people. The telephone number of Autoliv's principal executive office is: +46 8 587 20 600. Autoliv had approximately 38,500 employees worldwide at December 31, 2011, and a total headcount, including temporary personnel, of approximately 47,900.

Shares of Autoliv common stock are traded on the New York Stock Exchange under the symbol "ALV" and Swedish Depository Receipts representing shares of Autoliv common stock trade on the NASDAQ OMX Stockholm under the symbol "ALIV SDB". Options in Autoliv shares are traded in Philadelphia and NYSE Amex Equities under the symbol "ALV". Autoliv's corporate units are currently traded on the New York Stock Exchange under the symbol "ALV.PRZ".

**Table of Contents**

**THE REMARKETING**

*The brief summary below describes the principal terms of the senior notes. Some of the terms and conditions described below are subject to important limitations and exceptions. The Description of the Senior Notes section of this prospectus supplement contains more detailed descriptions of the terms and conditions of the senior notes.*

Issuer	Autoliv, Inc.
Securities Remarketed	\$106,273,000 aggregate principal amount of senior notes due April 30, 2014, remarketed on behalf of holders of corporate units for which the senior notes serve as collateral.
Maturity	The senior notes will mature on April 30, 2014.
Interest; Payment Dates	If the remarketing is successful, the interest rate on the senior notes will be reset to % per annum (the reset rate ), effective on the reset effective date. Interest on the senior notes is currently payable quarterly in arrears on January 31, April 30, July 31 and October 31 of each year, and from and including the reset effective date, the interest on the senior notes at the reset rate will be payable semi-annually in arrears on April 30 and October 31, commencing on October 31, 2012, until, but excluding, maturity on April 30, 2014. The first interest payment period will be from and including the reset effective date to, but excluding, October 31, 2012. Interest will be payable to the persons in whose names the senior notes are registered at the close of business (whether or not a business day) on the fifteenth day of the month in which the interest payment date falls.
Reset Effective Date	, 2012, which is the third business day following the date on which the remarketing of the senior notes is successfully completed.
Ranking	The senior notes will be our unsecured, senior obligations. The payment of the principal of, and interest on, the senior notes will rank equally in right of payment with our existing and future unsecured and unsubordinated indebtedness and senior in right of payment to any of our existing and future subordinated indebtedness. The senior notes will be effectively subordinated to any secured indebtedness to the extent of the value of the assets securing such indebtedness. Additionally, the senior notes will be effectively subordinated to all existing and future indebtedness of our subsidiaries.
Redemption or Repurchase	The senior notes may not be redeemed by us prior to the stated maturity date. No holder of the senior notes will have any right to require us to repurchase or redeem any or all of their senior notes prior to the stated maturity date, except upon a change of control.
Change of Control Prepayment Offer	If a change of control (as defined in this prospectus supplement under Description of the Senior Notes Change of Control Prepayment Offer ) occurs, subject to certain conditions, a holder will have the right to require us to repurchase their senior notes in whole,



---

**Table of Contents**

but not in part, for cash at a price equal to 100% of the principal amount of the senior notes to be repurchased, plus any unpaid and accrued interest.

**The Remarketing**

The senior notes were issued by us in March 2009 in connection with our issuance and sale to the public of equity units. Each equity unit initially consisted of (1) a forward purchase contract, obligating the holder to purchase from us, for a price in cash of \$25.00, a variable number of shares of our common stock, on April 30, 2012, the purchase contract settlement date, subject to early settlement in certain circumstances, and (2) a 1/40, or 2.5%, undivided beneficial ownership interest in a senior note of Autoliv, Inc., with a principal amount of \$1,000, together called a corporate unit. In order to secure their obligations under the purchase contracts to purchase from us for a price in cash of \$25.00 a variable number of shares of our common stock, holders of equity units pledged their undivided beneficial ownership interests in the senior notes to us through a collateral agent.

Pursuant to the terms of the equity units, the remarketing agent is remarketing the senior notes on behalf of current holders of corporate units under the terms of and subject to the conditions in the remarketing agreement among us, the remarketing agent and U.S. Bank National Association, as purchase contract agent and as attorney-in-fact for holders of equity units. See Remarketing in this prospectus supplement.

The terms of the remarketing agreement require the remarketing agent to use its reasonable efforts to remarket the senior notes that are included in the corporate units at a public offering price that will result in proceeds sufficient to purchase the remarketing Treasury portfolio at the Treasury portfolio price.

**Use of Proceeds**

The proceeds from the remarketing of the senior notes are \$ . We will not receive any proceeds from the remarketing. Instead, the proceeds from the remarketing of the senior notes will be used to purchase the remarketing Treasury portfolio described in this prospectus supplement, which remarketing Treasury portfolio will then be pledged to secure the purchase contract obligations of the holders of the corporate units. Any remaining proceeds will be remitted ratably to holders of the corporate units on the third business day following a successful early remarketing, which we refer to in this prospectus supplement as the remarketing settlement date. On April 30, 2012, the purchase contract settlement date, a portion of the proceeds from the remarketing Treasury portfolio will be paid to us in settlement of the obligations of the holders of corporate units under the purchase contracts in exchange for the shares of our common stock that are to be issued to such holders pursuant to the purchase contracts. See Use of Proceeds in this prospectus supplement.

**Table of Contents**

Tax Consequences	The senior notes are treated as contingent payment debt obligations for U.S. tax purposes and are subject to special U.S. federal income tax rules. For a discussion of material U.S. federal income tax considerations relating to an investment in the senior notes, see <u>Certain Material United States Federal Income Tax Considerations</u> in this prospectus supplement.
Risk Factors	You should consider carefully all the information set forth and incorporated by reference in this prospectus supplement and the accompanying prospectus and, in particular, you should evaluate the specific factors set forth under <u>Risk Factors</u> beginning on page S-8 of this prospectus supplement before deciding whether to invest in the senior notes.
Trustee	U.S. Bank National Association
Governing Law	New York

---

**Table of Contents**

**RISK FACTORS**

*An investment in our senior notes involves a high degree of risk. You should carefully consider the risks described below before making an investment decision. You should also refer to the other information in this prospectus supplement, the accompanying prospectus and the information incorporated by reference herein and therein, including the risks identified in Item 1A Risk Factors in our Form 10-K for the year ended December 31, 2011. The risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. The risks discussed below also include forward-looking statements, and our actual results may differ substantially from those discussed in these forward-looking statements.*

**Risk Relating to the Senior Notes**

***The senior notes are effectively subordinated to any existing or future liabilities of our subsidiaries, as well as to our secured indebtedness to the extent of the value of the assets securing such indebtedness***

The senior notes will be effectively subordinated to any existing or future liabilities, including trade payables, of any of our subsidiaries, as well as to our secured indebtedness to the extent of the value of the assets securing such indebtedness. The indenture governing the senior notes will not restrict us or our subsidiaries from incurring substantial additional indebtedness in the future. As of December 31, 2011, our total consolidated indebtedness was approximately \$666 million, all of which, with the exception of the senior notes, was indebtedness of our subsidiaries to third parties.

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

Our ability to make scheduled payments with respect to our indebtedness, including the senior notes, will depend on our financial and operating performance, which, in turn, is subject to prevailing economic conditions and to financial, business and other factors beyond our control.

***Most of our operations are conducted through our subsidiaries, which may negatively affect our business and our ability to meet our debt service obligations***

A significant portion of our assets is held by our direct and indirect subsidiaries. As a result, our results of operations depend significantly on the results of operations of our subsidiaries. Moreover, we rely in part on intercompany transfers of funds from our subsidiaries. The ability of our subsidiaries to repay loans or make other payments or pay dividends to us will depend on their operating results and will be subject to applicable laws and any restrictions that may be contained in agreements governing such subsidiaries.

***Our level of indebtedness may harm our financial condition and results of operations, and could materially adversely affect our ability to generate sufficient cash to fulfill our obligations under the senior notes***

As of December 31, 2011, we had total outstanding debt of \$666 million, including: the senior notes; \$400 million in privately placed debt issued in 2007, which will mature in 2012, 2014, 2017 and 2019; \$43.3 million in medium-term notes, which will mature after 2016; \$96.7 million in overdrafts and loans; and \$19.1 million in hedging instruments. We may incur additional debt for a variety of reasons. Our level of indebtedness could have several important effects on our future operations and on the holders of the senior notes, including, without limitation:

increases in our outstanding indebtedness and leverage could make it more difficult for us to satisfy our obligations with respect to our debt, including the senior notes;

a portion of our cash flows from operations will be dedicated to the payment of any interest or could be used for amortization required with respect to outstanding indebtedness;

---

**Table of Contents**

increases in our outstanding indebtedness and leverage will increase our vulnerability to adverse changes in general economic and industry conditions, as well as to competitive pressure;

depending on the levels of our outstanding debt, our ability to obtain additional financing for working capital, acquisitions, capital expenditures, general corporate and other purposes may be limited; and

potential future tightening of the availability of capital both from financial institutions and the debt markets may have an adverse effect on our ability to access additional capital.

***The indenture does not restrict the amount of additional debt that we may incur***

The indenture does not limit the amount of debt that we may issue under the indenture or otherwise. Our incurrence of additional debt may have important consequences for you as a holder of the senior notes, including making it more difficult for us to satisfy our obligations with respect to the senior notes, a loss in the trading value of your senior notes, if any, and a risk that a credit rating, if any, of the senior notes is lowered or withdrawn.

***Our corporate credit rating may not reflect all risks of your investment in the senior notes***

Our current corporate credit rating could be lowered as a result of our experiencing significant negative cash flows or a dire financial outlook. Our corporate credit rating is an assessment by a rating agency of our ability to pay our debts when due. Consequently, real or anticipated changes in our corporate credit rating will generally affect the market value of the senior notes. Our corporate credit rating may not reflect the potential impact of risks relating to the structure or marketing of the senior notes. An agency rating is not a recommendation to buy, sell or hold any security, inasmuch as a rating does not comment as to market price or suitability for a particular investor, is limited in scope, and does not address all material risks relating to an investment in the senior notes, but rather reflects only the view of the rating agency at the time the rating is issued. Our corporate credit rating is based on current information furnished to the ratings agency by us and information obtained by the ratings agency from other sources. There can be no assurance that such rating will remain in effect for any given period of time or that such rating will not be lowered, suspended or withdrawn entirely by the rating agency, if, in the rating agency's judgment, circumstances so warrant.

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

Upon the occurrence of a change of control, each holder of senior notes will have the right to require us to repurchase, subject to certain conditions, its senior notes in whole, but not in part, at a price equal to 100% of the principal amount of the senior notes to be purchased, plus accrued and unpaid interest, if any, to, but excluding, the date of purchase. If we experience a change of control, there can be no assurance that we would have sufficient financial resources available to satisfy our obligations to repurchase the senior notes and any other obligations we may have as a result of the change of control, including to offer to repurchase our privately placed notes and to prepay of any outstanding balances under our revolving credit facilities. Our failure to provide timely notice in connection with a change of control or to make payments following your acceptance of our prepayment offer would result in a default under the indenture governing the senior notes. Such default could, in turn, constitute a default under all of our existing debt, and may constitute a default under future debt as well. See Description of the Senior Notes Change of Control Prepayment Offer.

***Special U.S. federal income tax rules apply to U.S. holders of the senior notes***

We have treated and intend to continue to treat, and by purchasing a senior note, each holder agrees to treat, the senior notes as contingent payment debt instruments. Special U.S. federal income tax rules apply to contingent payment debt obligations. Under these rules, a U.S. holder will be required to accrue interest income on the senior notes regardless of whether the U.S. holder uses the cash or accrual method of tax accounting and may be required to include interest in taxable income in excess of interest payments actually received in a taxable year. See Certain Material United States Federal Income Tax Considerations.

**Table of Contents**

*Our senior notes have no prior public market and we cannot assure you that an active trading market will develop*

Prior to this offering, there has not been a market for our senior notes and an active trading market in the senior notes might not develop or continue. We do not intend to list the senior notes on a national securities exchange. While the remarketing agent has advised us that it intends to make a market in the senior notes, the remarketing agent will not be obligated to do so and it may stop its market-making at any time. No assurance can be given:

that a market for the senior notes will develop or continue;

as to the liquidity of any market that does develop; or

as to your ability to sell any senior notes you may own or the price at which you may be able to sell your senior notes.

S-10



---

**Table of Contents**

**USE OF PROCEEDS**

We are remarketing \$106,273,000 aggregate principal amount of the senior notes to investors on behalf of holders of corporate units. The proceeds from the remarketing are \$ . We will not receive any cash proceeds from the remarketing of the senior notes. Instead, the proceeds from the remarketing will be used as follows:

\$ of these proceeds will be applied to purchase, on the reset effective date, the remarketing Treasury portfolio at the Treasury portfolio purchase price as described below, which will be pledged to the collateral agent to secure the corporate unit holders obligations to purchase our common stock under the purchase contracts on April 30, 2012; and

any proceeds from the remarketing of the senior notes remaining after deducting the purchase price for the remarketing Treasury portfolio will be remitted ratably to holders of the corporate units on the remarketing settlement date.

As discussed above, a portion of the proceeds from the remarketing equal to the remarketing Treasury portfolio purchase price will be applied to purchase a remarketing Treasury portfolio consisting of:

U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to April 30, 2012 in an aggregate amount at maturity equal to the principal amount of the senior notes that are components of the corporate units; and

With respect to each scheduled interest payment date on the senior notes that occurs after the reset effective date, to and including the purchase contract settlement date, U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to such scheduled interest payment date in an aggregate amount at maturity equal to the aggregate interest payment that would be due on such date on the principal amount of the senior notes that would have been components of the corporate units assuming no remarketing and no reset of the interest rate on the senior notes.

As used in this context, remarketing Treasury portfolio purchase price means the lowest aggregate ask-side price quoted by a primary U.S. government securities dealer in New York City to the quotation agent between 9:00 a.m. and 11:00 a.m., New York City time, on the third business day immediately preceding the reset effective date for the purchase of the remarketing Treasury portfolio described above for settlement on the reset effective date. Quotation agent means any primary U.S. government securities dealer in New York City selected by us. The amount and issue of U.S. Treasury securities (or principal or interest strips thereof) constituting the remarketing Treasury portfolio will be determined by the remarketing agent.

On April 30, 2012, the purchase contract settlement date, a portion of the proceeds from the Treasury portfolio will be paid to us in settlement of the obligations of the holders of corporate units under the purchase contracts in exchange for the shares of our common stock that are to be issued to such holders pursuant to the purchase contracts.

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA**

The following table sets forth selected historical consolidated financial data and other information at and for the periods indicated. You should read this data in conjunction with our Consolidated Financial Statements and Notes thereto incorporated by reference into this prospectus supplement and the accompanying prospectus from our Annual Report on Form 10-K for the year ended December 31, 2011. See

*Incorporation of Certain Documents by Reference* and *Where You Can Find More Information* on pages 3 and 15 of the accompanying prospectus. The financial information presented in the table below is not necessarily indicative of the financial condition or results of operations of any other period.

(Dollars in millions, except per share data)	2011 <sup>(1)</sup>	2010 <sup>(1)</sup>	2009 <sup>(1)</sup>	2008 <sup>(1)</sup>	2007 <sup>(1,2)</sup>
<b>Sales and Income</b>					
Net sales	\$ 8,232	\$ 7,171	\$ 5,121	\$ 6,473	\$ 6,769
Operating income	889	869	69	306	502
Income before income taxes	828	806	6	249	446
Net income attributable to controlling interest	623	591	10	165	288
<b>Financial Position</b>					
Current assets excluding cash	2,261	2,101	1,707	1,598	1,941
Property, plant and equipment	1,121	1,026	1,042	1,158	1,260
Intangible assets (primarily goodwill)	1,716	1,722	1,729	1,745	1,760
Non-interest bearing liabilities	2,102	2,001	1,610	1,361	1,552
Capital employed <sup>(3)</sup>	3,257	3,066	3,098	3,369	3,583
Net (cash) debt	(92)	127	662	1,195	1,182
Total equity <sup>(3)</sup>	3,349	2,939	2,436	2,174	2,401
Total assets	6,117	5,665	5,186	5,206	5,305
Long-term debt	364	638	821	1,401	1,040

**Share data**