KELLOGG CO
Form 424B5
February 26, 2016
Table of Contents

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Note	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(1)
3.250% Senior Notes due 2026	$750,000,000	99.896%	$749,220,000	$75,446.45
4.500% Senior Debentures due 2046	$650,000,000	99.003%	$643,519,500	$64,802.41

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

Table of Contents

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-209699

PROSPECTUS SUPPLEMENT

(To prospectus dated February 25, 2016)

$750,000,000 3.250% Senior Notes due 2026

$650,000,000 4.500% Senior Debentures due 2046

We are offering $750,000,000 aggregate principal amount of 3.250% Senior Notes due 2026 (the 2026 notes), and $650,000,000 aggregate principal amount of 4.500% Senior Debentures due 2046 (the 2046 debentures). The 2026 notes will mature on April 1, 2026 and the 2046 debentures will mature on April 1, 2046. Interest on the notes is payable semi-annually in arrears on April 1 and October 1 of each year, beginning October 1, 2016. The 2026 notes and the 2046 debentures are collectively referred to herein as the notes.

We may redeem some or all of the notes of any series at any time and from time to time at the applicable make-whole redemption prices described under the heading Description of the Notes Optional Redemption.

If we experience a change of control repurchase event, unless we have exercised our right to redeem the notes, we will be required to offer to repurchase the notes from holders as described under the heading Description of the Notes Repurchase at Option of Holders Upon Change of Control Repurchase Event.

The notes will be our senior unsecured obligations, and will rank equally in right of payment with all of our other senior unsecured indebtedness from time to time outstanding.

Investing in the notes involves risks. See Risk Factors beginning on page S-6 of this prospectus supplement.

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

	Public offering price(1)	Underwriting discounts and commissions	Proceeds, before expenses, to us
Per 2026 note	99.896%	0.450%	99.446%
Total	$ 749,220,000	$ 3,375,000	$ 745,845,000
Per 2046 debenture	99.003%	0.875%	98.128%
Total	$ 643,519,500	$ 5,687,500	$ 637,832,000

(1) Interest on the notes will accrue from March 7, 2016 to the date of delivery.

We expect to deliver the notes to investors in registered book-entry form through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, *société anonyme*, Luxembourg and Euroclear Bank S.A./N.V., on or about March 7, 2016.

Joint Book-Running Managers

Morgan Stanley **Citigroup** **J.P. Morgan** **Wells Fargo Securities**

Co-Managers

BBVA **BMO Capital Markets** **Fifth Third Securities** **Mizuho Securities**

SunTrust Robinson Humphrey **US Bancorp** **Drexel Hamilton** **Ramirez & Co., Inc.**

Siebert Brandford Shank & Co., L.L.C. **The Williams Capital Group, L.P.**

February 25, 2016

[Table of Contents](#)

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

Table of Contents

Table of Contents

Summary

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

Kellogg Company

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

Our brands are well recognized around the world. We market our products under well-known registered trademarks, including *Kellogg s, Keebler, Pop-Tarts, Eggo, Cheez-It, Nutri-Grain, Rice Krispies, BearNaked, Murray, Austin, Morningstar Farms, Famous Amos, Club* and *Kashi.* Our registered trademarks also include the brand names of many popular ready-to-eat cereals and convenience foods, including *Special K, All-Bran, Apple Jacks, Kellogg s Corn Flakes, Kellogg s Frosted Flakes, Froot Loops, Rice Krispies Treats, Frosted Mini-Wheats* and *Fudge Shoppe,* as well as animated cartoon characters, such as *Tony the Tiger, Snap!Crackle!Pop!, Dig Em, Toucan Sam* and *Ernie Keebler.*

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

Tender Offer for 7.45% debentures due 2031

On February 25, 2016, we commenced an offer to purchase for cash (the tender offer) up to $440 million aggregate principal amount (the Maximum Tender Amount) of our 7.45% debentures due 2031 (the 2031 Debentures). As of such date, $1,100,000,000 aggregate principal amount of the 2031 Debentures were outstanding. The total consideration payable for the 2031 Debentures tendered and accepted by us for purchase in the tender offer will be at a price per $1,000 principal amount that results, on the date of purchase, in a yield to the maturity date of the 2031 Debentures equal to the sum of (i) the yield to maturity corresponding to the bid side price of a U.S. Treasury reference security set forth on the front cover of the offer to purchase plus (ii) a fixed spread of 275 basis points, minus accrued and unpaid interest thereon to, but not including, the date of purchase. Holders of 2031 Debentures that are validly tendered after March 9, 2016, the early tender date, and on or before 5:00 p.m., New York City time, on March 23, 2016, the expiration date, and accepted for purchase will receive the total consideration minus $30 per $1,000 principal amount of 2031 Debentures tendered and accepted.

The tender offer is being made solely by, and on the terms and subject to the conditions set forth in, the offer to purchase, dated February 25, 2016, and the related letter of transmittal. The tender offer is conditioned on the receipt of net proceeds from the offering of the notes hereby, equal to at least the Maximum Tender Amount,

Table of Contents

as well as certain other conditions. The tender offer is not conditioned on a minimum amount of 2031 Debentures being tendered. Kellogg reserves the right to waive all unsatisfied conditions. Kellogg reserves the right, subject to applicable law, to: (i) waive any and all conditions to the tender offer; (ii) extend, terminate or withdraw the tender offer; (iii) increase or decrease the Maximum Tender Amount; or (iv) otherwise amend the tender offer in any respect. We cannot assure you that the tender offer will be consummated in accordance with its terms, or at all, or of the principal amount of 2031 Debentures we will purchase in the tender offer. This offering is not conditioned upon the successful consummation of the tender offer.

This prospectus supplement is neither an offer to purchase the 2031 Debentures nor is it a solicitation for acceptance of the tender offer.

Table of Contents

The Offering

Issuer	Kellogg Company.
Notes Offered	\$750,000,000 aggregate principal amount of 3.250% senior notes due 2026.
	\$650,000,000 aggregate principal amount of 4.500% senior debentures due 2046.
Maturity	The 2026 senior notes will mature on April 1, 2026.
	The 2046 senior debentures will mature on April 1, 2046.
Interest Rates	The 2026 notes will accrue interest at a rate per year equal to 3.250%.
	The 2046 debentures will accrue interest at a rate per year equal to 4.500%.
Interest Payment Dates	Interest on the notes will accrue from March 7, 2016 and will be payable semi-annually in arrears on April 1 and October 1 of each year, beginning on October 1, 2016.
Ranking	The notes will be our unsecured and unsubordinated obligations and will rank on a parity with all of our other unsecured and unsubordinated indebtedness from time to time outstanding. The notes will be effectively subordinated to all liabilities of our subsidiaries, including trade payables, and effectively subordinated to all secured obligations, to the extent of the assets that serve as security for those obligations. As of January 2, 2016, our subsidiaries had \$554 million of indebtedness (including outstanding letters of credit but excluding trade payables) and we had no secured debt (other than \$5 million of capital lease obligations).
Optional Redemption	We may redeem the notes of any series at our option, at any time in whole or from time to time in part, at a redemption price equal to the greater of:
	100% of the principal amount of the notes being redeemed; and
	the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the date of redemption), discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined in Description of the Notes Optional Redemption), plus 25 basis points, in the case of the 2026 notes, and 30 basis points, in the case of the 2046 debentures.

	We will also pay the accrued and unpaid interest, if any, on the notes to the redemption date.
Repurchase at Option of Holders Upon a Change of Control Repurchase Event	If we experience a Change of Control Repurchase Event (as defined in Description of the Notes Repurchase at Option of Holders Upon

	Change of Control Repurchase Event), we will be required, unless we have exercised our right to redeem the notes, to offer to repurchase the notes at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest to the date of repurchase.
Covenants	Under the indenture, we have agreed to certain restrictions on our ability to incur debt secured by liens and to enter into certain transactions. See Description of Debt Securities Covenants Limitation on Liens, Sale and Leaseback, and Merger, Consolidatic or Sale of Assets in the accompanying prospectus.
Use of Proceeds	We intend to use the net proceeds from this offering (i) to repurchase a portion of our 2031 Debentures through the tender offer, (ii) to repay commercial paper borrowings and (iii) to pay related fees and expenses. See Use of Proceeds in this prospectus supplement
Conflicts of Interest	Affiliates of certain of the underwriters may from time to time hold long or short positions in the 2031 Debentures for their own accounts or for the accounts of customers, and as a result may elect to participate in the tender offer for their own accounts or for the accounts of customers. In addition, affiliates of certain of the underwriters may own our commercial paper. As a result, affiliates of certain of the underwriters may receive a portion of the net proceeds from this offering. See Underwriting (Conflicts of Interest) Conflicts of Interest.
Additional Notes	We may from time to time, without giving notice to or seeking the consent of the holders of the notes, issue debt securities having the same terms (except for the issue date and, in some cases, the public offering price and the first interest payment date) as, and ranking equally and ratably with, the notes. Any additional debt securities having such similar terms, together with the notes, will constitute a single series of securities under the indenture, including for purposes of voting and redemptions.
Denomination and Form	We will issue the notes in the form of one or more fully registered global notes registered in the name of the nominee of The Depository Trust Company, or DTC. Beneficial interests in the notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Clearstream Banking, *société anonyme*, Luxembourg (Clearstream) and Euroclear Bank, S.A./N.V. (Euroclear), will hold interests on behalf of their participants through their respective U.S. depositaries, which in turn will hold such interests in accounts as participants of DTC. Except in the limited circumstances described in this prospectus supplement, owners of beneficial interests in the notes will not be entitled to have

Table of Contents

	notes registered in their names, will not receive or be entitled to receive notes in definitive form and will not be considered holders of notes under the indenture. The notes will be issued only in denominations of $2,000 and integral multiples of $1,000 in excess thereof.
Risk Factors	You should carefully read and consider the information set forth in Risk Factors beginning on page S-6 and the risk factors set forth in Part I, Item 1A of our Annual Report on Form 10-K for the year ended January 2, 2016 before investing in the notes.
Trustee	The Bank of New York Mellon Trust Company, N.A.
Governing Law	New York.

Table of Contents

Risk Factors

An investment in the notes involves risks. Before deciding whether to purchase the notes, you should consider the risks discussed below and elsewhere in this prospectus supplement or the accompanying prospectus, including those set forth under the heading Forward-Looking Statements on page 1 of the accompanying prospectus, and in Part I, Item 1A of our Annual Report on Form 10-K for the year ended January 2, 2016 that we have incorporated by reference in this prospectus supplement and the accompanying prospectus. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also impair our business operations.

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

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

We have indebtedness that is substantial in relation to our shareholders equity. As of January 2, 2016, on a pro forma basis after giving effect to the issuance of the notes and the repurchase of $440 million in aggregate principal amount of our 2031 Debentures in the tender offer, we had total debt of approximately $7.9 billion and equity of $2.1 billion.

Our substantial indebtedness could have important consequences, including:

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

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

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

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

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

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

Although the notes are unsubordinated obligations, they are effectively subordinated to any secured obligations we may have, to the extent of the assets that serve as security for those obligations. As of January 2, 2016, we had no secured debt (other than $5 million of capital lease obligations). However, since the notes are obligations exclusively of Kellogg Company, and are not guaranteed by our subsidiaries, the notes are also effectively subordinated to all liabilities of our subsidiaries since they are separate and distinct legal entities with no obligation to pay any amounts due under our indebtedness, including the notes, or to make any funds available to us, whether by paying dividends or otherwise, so that we can do so. Under the terms of our indenture, our subsidiaries are not prohibited from incurring additional debt or other liabilities, including senior indebtedness. If our subsidiaries were to incur additional debt or liabilities, our ability to pay our obligations on the notes could be adversely affected. As of January 2, 2016, our subsidiaries had $554 million of indebtedness (including outstanding letters of credit but excluding trade payables).

We may incur additional indebtedness.

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

Active trading markets may not develop for the notes.

The notes are new issues of securities for which there are currently no trading markets. We do not intend to apply for listing of the notes on any securities exchange or quotation on an automated dealer quotation system. Although the underwriters have informed us that they currently intend to make a market in the notes of each series after we complete the offering, they have no obligation to do so and may discontinue their market-making at any time without notice. In addition, any market-making activity will be subject to the limits imposed by federal securities laws and may be limited during the offering of the notes.

If active trading markets do not develop or are not maintained, the market prices and liquidity of the notes may be adversely affected. In that case, you may not be able to sell your notes at a particular time or you may not be able to sell your notes at a favorable price. The liquidity of any market for the notes of each series will depend on a number of factors, including:

- the number of holders of the notes;
- our ratings published by major credit rating agencies;
- our financial performance;
- the market for similar securities;
- the interest of securities dealers in making a market in the notes; and
- prevailing interest rates.

We cannot assure you that active markets for the notes will develop or, if developed, will continue.

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

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

Table of Contents

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

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

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

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

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

The change of control put right might not be enforceable.

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

Table of Contents

Use of Proceeds

We expect the net proceeds from the sale of the notes to be approximately $1,382 million, after deduction of our offering expenses and underwriting discounts and commissions. We intend to use the net proceeds from this offering (i) to repurchase a portion of our 2031 Debentures through the tender offer, including the payment of accrued interest, (ii) to repay commercial paper borrowings and (iii) to pay related fees and expenses See Summary Tender Offer for 7.45% debentures due 2031. The 2031 Debentures accrue interest at the rate of 7.45% per year. Our commercial paper carries a weighted-average interest rate of 0.45% and has various maturity dates with the last being April 13, 2016. As of January 2, 2016, we had $1.16 billion of commercial paper borrowings.

Affiliates of certain of the underwriters may from time to time hold long or short positions in the 2031 Debentures for their own accounts or for the accounts of customers, and as a result may elect to participate in the tender offer for their own accounts or for the accounts of customers. Affiliates of certain of the underwriters may own our commercial paper. As a result, affiliates of certain of the underwriters may receive a portion of the net proceeds from this offering. See Underwriting (Conflicts of Interest) Conflicts of Interest.

Table of Contents

Capitalization

The following table sets forth our short-term debt and total long-term debt and equity as of January 2, 2016 and as adjusted to give effect to the sale of the notes offered hereby and the use of the net proceeds from the sale of the notes (i) to repurchase $440 million of our 2031 Debentures through the tender offer, including the payment of accrued interest, (ii) to repay commercial paper borrowings and (iii) to pay related fees and expenses, as described in Use of Proceeds. The following information should be read in conjunction with our consolidated financial statements and the accompanying notes, which are incorporated by reference herein. Refer to Where You Can Find More Information in the accompanying prospectus.

	At January 2, 2016	
	Actual	**As Adjusted**
	(Dollars in millions, except per share information)	
Short-term debt(1)(2):		
Notes payable	$ 1,204	$ 405
Current maturities of long-term debt	1,266	1,266
Total short-term debt	$ 2,470	$ 1,671
Long-term debt:		
7.45% Debentures due 2031(2)	$ 1,090	$ 654
4.45% Notes due 2016	750	750
1.875% Notes due 2016	500	500
1.750% Notes due 2017	399	399
2.05% Canadian Dollar Notes due 2017	217	217
3.25% Notes due 2018	400	400
4.15% Notes due 2019	499	499
4.000% Notes due 2020	846	846
1.750% Euro Notes due 2021	541	541
3.125% Notes due 2022	356	356
2.75% Notes due 2023	210	210
1.25% Euro Notes due 2025	673	673
2026 notes offered hereby		749
2046 debentures offered hereby		644
Other	74	74
Less current maturities of long-term debt	(1,266)	(1,266)
Total long-term debt	5,289	6,246
Equity:		
Common stock ($.25 par value per share)	105	105
Capital in excess of par value	745	745
Retained earnings	6,597	6,597
Treasury stock at cost	(3,943)	(3,943)
Accumulated other comprehensive income (loss)	(1,376)	(1,376)
Noncontrolling interests	10	10
Total equity	2,138	2,138
Total long-term debt and equity	$ 7,427	$ 8,384

(1) At January 2, 2016, we also had $2.3 billion of short-term lines of credit, virtually all of which were unused and available for borrowing on an unsecured basis. These lines were comprised principally of an unsecured Five-Year Credit Agreement, which we entered into during February 2014 and expire in 2019.

(2) Reflects an assumed purchase of $440 million aggregate principal amount of 2031 Debentures in the tender offer at an assumed purchase price of $1,325.19 per $1,000.00 principal amount of 2031 Debentures.

Table of Contents

Description of the Notes

As used in this section, Kellogg, we, us and our refer to Kellogg Company, the issuer of the notes.

The notes will be issued under an indenture between Kellogg and The Bank of New York Mellon Trust Company, N.A., as trustee (the indenture).

The following description of the particular terms of the notes offered by this prospectus supplement augments, and to the extent inconsistent replaces, the description of the general terms and provisions of the debt securities under Description of Debt Securities in the accompanying prospectus. The following discussion summarizes selected provisions of the indenture. Because this is only a summary, it is not complete and does not describe every aspect of the notes and the indenture. Whenever there is a reference to defined terms of the indenture, the defined terms are incorporated by reference, and the statement is qualified in its entirety by that reference.

A copy of the indenture can be obtained by following the instructions under the heading Where You Can Find More Information in the accompanying prospectus. You should read the indenture for provisions that may be important to you but which are not included in this summary.

General Terms of the Notes

The 2026 notes will mature on April 1, 2026 and the 2046 debentures will mature on April 1, 2046, each at 100% of their respective principal amounts. The notes will be our unsecured and unsubordinated obligations and will rank on parity with all of our other unsecured and unsubordinated indebtedness from time to time outstanding. The notes will be effectively subordinated to all liabilities of our subsidiaries, including trade payables, and effectively subordinated to all secured obligations, to the extent of the assets that serve as security for those obligations. As of January 2, 2016, our subsidiaries had $554 million of indebtedness (including outstanding letters of credit but excluding trade payables) and we had no secured debt (other than $5 million of capital lease obligations).

The indenture does not limit the amount of notes, debentures or other evidences of indebtedness that we may issue under the indenture and provides that notes, debentures or other evidences of indebtedness may be issued from time to time in one or more series.

The original principal amount of the 2026 notes will be $750,000,000. The original principal amount of the 2046 debentures will be $650,000,000.

We may from time to time, without giving notice to or seeking the consent of the holders of the notes, issue debt securities having the same terms (except for the issue date and, in some cases, the public offering price and the first interest payment date) as, and ranking equally and ratably with, the notes. Any additional debt securities having such similar terms, together with the notes, will constitute a single series of securities under the indenture, including for purposes of voting and redemptions. No such additional debt securities may be issued if an event of default (as such term is defined in the accompanying prospectus) has occurred and is continuing with respect to the notes.

The 2026 notes will bear interest at the rate of 3.250% per year and the 2046 debentures will bear interest at the rate of 4.500% per year. Interest on the notes will accrue from March 7, 2016, payable semi-annually in arrears on April 1 and October 1 of each year, commencing October 1, 2016, to the persons in whose names the notes were registered at the close of business on the immediately preceding March 15 and September 15, respectively (whether or not a business day). Interest on the notes will be computed on the basis of a 360-day year comprised of twelve 30-day months. Principal and interest will be payable, and the notes will be transferable or exchangeable, at the office or offices or agency maintained by us for this purpose. Payment of interest on the notes may be made at our option by check mailed to the registered holders.

Table of Contents

Any payment otherwise required to be made in respect of notes on a date that is not a business day for the notes may be made on the next succeeding business day with the same force and effect as if made on that date. No additional interest shall accrue as a result of a delayed payment. A business day is defined in the indenture as a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close.

The notes will be issued only in fully registered form without coupons in denominations of $2,000 and integral multiples of $1,000 in excess thereof. No service charge will be made for any transfer or exchange of the notes, but we may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with a transfer or exchange. The notes will be represented by one or more global securities registered in the name of a nominee of DTC. The notes will be available only in book-entry form. Refer to Book-Entry Delivery and Form.

We will initially appoint the trustee at its corporate trust office as a paying agent, transfer agent and registrar for the notes. We will cause each transfer agent to act as a co-registrar and will cause to be kept at the office of the registrar a register in which, subject to such reasonable regulations as we may prescribe, we will provide for the registration of the notes and registration of transfers of the notes. We may vary or terminate the appointment of any paying agent or transfer agent, or appoint additional or other such agents or approve any change in the office through which any such agent acts. We will provide you with notice of any resignation, termination or appointment of the trustee or any paying agent or transfer agent, and of any change in the office through which any such agent will act.

Optional Redemption

The notes of any series may be redeemed at our option, at any time in whole or from time to time in part. The redemption price for the notes to be redeemed on any redemption date will be equal to the greater of the following amounts:

- 100% of the principal amount of the notes being redeemed on the redemption date; or

- the sum of the present values of the remaining scheduled payments of principal and interest on the notes being redeemed on that redemption date (not including any portion of any payments of interest accrued to the redemption date) discounted to the redemption date on a semiannual basis at the Treasury Rate (as defined below), as determined by the Reference Treasury Dealer (as defined below), plus 25 basis points, in the case of the 2026 notes and 30 basis points, in the case of the 2046 debentures;

plus, in each case, accrued and unpaid interest on the notes to the redemption date. Notwithstanding the foregoing, installments of interest on the notes that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered holders as of the close of business on the relevant record date according to the notes and the indenture. The redemption price will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

We will mail notice of any redemption at least 30 days but not more than 60 days before the redemption date to each registered holder of the notes to be redeemed. Once notice of redemption is mailed, the notes called for redemption will become due and payable on the redemption date and at the applicable redemption price, plus accrued and unpaid interest to the redemption date.

Treasury Rate means, with respect to any redemption date, the rate per annum