

JOHNSON CONTROLS INC

Form 424B5

February 03, 2011

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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-157502

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Maximum Aggregate Offering Price	Amount of Registration Fee(1)
Debt Securities	\$1,600,000,000	\$185,760

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

Prospectus Supplement
(To Prospectus Dated February 23, 2009)

\$1,600,000,000

Johnson Controls, Inc.

\$350,000,000 Floating Rate Notes due 2014

\$450,000,000 1.75% Senior Notes due 2014

\$500,000,000 4.25% Senior Notes due 2021

\$300,000,000 5.70% Senior Notes due 2041

We are offering four series of notes consisting of \$350,000,000 aggregate principal amount of Floating Rate Notes due 2014 (the floating rate notes), \$450,000,000 aggregate principal amount of 1.75% Senior Notes due 2014 (the 2014 notes), \$500,000,000 aggregate principal amount of 4.25% Senior Notes due 2021 (the 2021 notes) and \$300,000,000 aggregate principal amount of 5.70% Senior Notes due 2041 (the 2041 notes and, together with the 2014 notes and the 2021 notes, the fixed rate notes). We refer to the floating rate notes together with the fixed rate notes as the notes. We will pay interest on the floating rate notes quarterly on February 4, May 4, August 4 and November 4 of each year, beginning May 4, 2011, at a rate, reset quarterly, equal to three-month LIBOR plus 41 basis points. We will pay interest on the fixed rate notes semiannually on March 1 and September 1 of each year, beginning September 1, 2011. The floating rate notes will mature on February 4, 2014, the 2014 notes will mature on March 1, 2014, the 2021 notes will mature on March 1, 2021, and the 2041 notes will mature on March 1, 2041. The floating rate notes will not be redeemable prior to maturity. We may redeem the notes of any series of fixed rate notes, in whole or in part, at any time at the applicable redemption prices described in this prospectus supplement under Description of the Notes Optional Redemption. If we experience a change of control triggering event, we may be required to offer to purchase the notes from holders at 101% of the principal amount thereof plus accrued and unpaid interest to the repurchase date. See Description of the Notes Offer to Repurchase Upon Change of Control Triggering Event.

The notes will be our senior unsecured obligations and will rank equally with all of our other existing and future senior unsecured obligations.

Investing in the notes involves risks, including those described in the **Risk Factors** section beginning on page S-4 of this prospectus supplement.

	Public Offering Price(1)	Underwriting Discounts and Commissions	Proceeds, Before Expenses, to Us(1)
Per floating rate note	100.000%	0.450%	99.550%
Total	\$ 350,000,000	\$ 1,575,000	\$ 348,425,000
Per 2014 note	99.967%	0.450%	99.517%
Total	\$ 449,851,500	\$ 2,025,000	\$ 447,826,500
Per 2021 note	99.276%	0.650%	98.626%
Total	\$ 496,380,000	\$ 3,250,000	\$ 493,130,000
Per 2041 note	99.708%	0.875%	98.833%
Total	\$ 299,124,000	\$ 2,625,000	\$ 296,499,000

(1) Plus accrued interest, if any, from February 4, 2011.

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.

The underwriters expect to deliver the notes to purchasers through the book-entry delivery system of The Depository Trust Company and its participants, including Clearstream Banking, société anonyme and Euroclear Bank, S.A./N.V. as operator of the Euroclear System, on or about February 4, 2011.

Joint Book-Running Managers

**BofA Merrill Lynch
Citi**

Goldman, Sachs & Co.

**J.P. Morgan
US Bancorp**

Senior Co-Managers

**Banca IMI
Credit Agricole CIB
Mitsubishi UFJ Securities**

**Barclays Capital
Danske Markets Inc.
Standard Chartered Bank**

**COMMERZBANK
ING
Wells Fargo Securities**

Co-Managers

BBVA Securities

RBS

TD Securities

UniCredit Capital Markets

February 1, 2011

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus prepared by us. We and the underwriters have not authorized anyone else to provide you with different or additional information. We are not, and the underwriters are not, making an offer of these notes in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement or in the accompanying prospectus is accurate as of any date other than the date on the front of that document.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the notes that we are offering and other matters relating to us and our financial condition. The second part is the attached base prospectus, which gives more general information about securities we may offer from time to time, some of which does not apply to the notes we are offering. The description of the terms of the notes in this prospectus supplement supplements the description in the accompanying prospectus under Description of the Debt Securities, and to the extent it is inconsistent with that description, the information in this prospectus supplement replaces the information in the accompanying prospectus. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. If information in the prospectus supplement differs from information in the accompanying prospectus, you should rely on the information in this prospectus supplement.

Except as used in Description of the Notes, as the context otherwise requires, or as otherwise specified or used in this prospectus supplement or the accompanying prospectus, the terms we, our, us, the company, JCI and Johnson Controls refer to Johnson Controls, Inc. and its subsidiaries. References in this prospectus supplement to U.S. dollars, U.S. \$ or \$ are to the currency of the United States of America.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in certain jurisdictions may be restricted by law. Persons who come into possession of this prospectus supplement and the accompanying prospectus should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

You should not consider any information in this prospectus supplement or the accompanying prospectus to be investment, legal or tax advice. You should consult your own counsel, accountant and other advisors for legal, tax, business, financial and related advice regarding the purchase of the notes. We are not making any representation to you regarding the legality of an investment in the notes by you under applicable investment or similar laws.

You should read and consider all information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus before making your investment decision.

CAUTIONARY NOTE FOR FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus supplement, the accompanying prospectus and/or other offering material and the information incorporated by reference in the prospectus and/or other offering material, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). These forward-looking statements generally are identified by the words believe, project, expect, anticipate, estimate, forecast, outlook, intend, strategy, plan, may, should, will, would, will be, will continue, and the negative thereof or variations thereon or similar terminology generally intended to identify forward-looking statements. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. A detailed discussion of risks and uncertainties that could cause actual results and events to differ materially from such

forward-looking statements has been included in the section entitled "Risk Factors" in this prospectus supplement and in our Annual Report on Form 10-K for the year ended September 30, 2010. We undertake no obligation, and we disclaim any obligation, to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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SUMMARY

This summary highlights information from this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. It is not complete and may not contain all of the information that you should consider before investing in our notes. We encourage you to read this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in their entirety before making an investment decision, including the information set forth under the heading Risk Factors.

Johnson Controls, Inc.

Johnson Controls is a corporation organized under the laws of the State of Wisconsin. We bring ingenuity to the places where people live, work and travel. By integrating technologies, products and services, we create smart environments that redefine the relationships between people and their surroundings. We strive to create a more comfortable, safe and sustainable world through our products and services to millions of vehicles, homes and commercial buildings. Johnson Controls provides innovative automotive interiors that help make driving more comfortable, safe and enjoyable. For buildings, we offer products and services that optimize energy use and improve comfort and security. We also provide batteries for automobiles and hybrid electric vehicles, along with related systems engineering, marketing and service expertise.

Our building efficiency business is a global market leader in designing, producing, marketing and installing integrated heating, ventilating and air conditioning (HVAC) systems, building management systems, controls, security and mechanical equipment. In addition, our building efficiency business provides technical services, energy management consulting and operations of entire real estate portfolios for the non-residential buildings market. We also provide residential air conditioning and heating systems and industrial refrigeration products.

Our automotive experience business is one of the world's largest automotive suppliers, providing innovative interior systems through our design and engineering expertise. Our technologies extend into virtually every area of the interior including seating and overhead systems, door systems, floor consoles, instrument panels, cockpits and integrated electronics. Our customers include most of the world's major automakers.

Our power solutions business is a leading global supplier of lead-acid automotive batteries for virtually every type of passenger car, light truck and utility vehicle. We serve both automotive original equipment manufacturers and the general vehicle battery aftermarket. We offer Absorbent Glass Mat and lithium-ion battery technologies to power hybrid vehicles.

Our principal executive offices are located at 5757 North Green Bay Avenue, Milwaukee, Wisconsin 53209-4408, and our telephone number is (414) 524-1200.

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The Offering

The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of the Notes section of this prospectus supplement and the Description of the Debt Securities section of the accompanying prospectus contain a more detailed description of the terms and conditions of the notes. As used in this section, we, our, us and JCI refer to Johnson Controls, Inc. and not to its subsidiaries.

Issuer	Johnson Controls, Inc.
Notes Offered	\$350,000,000 aggregate principal amount of floating rate notes due 2014, \$450,000,000 aggregate principal amount of 1.75% notes due 2014, \$500,000,000 aggregate principal amount of 4.25% notes due 2021, and \$300,000,000 aggregate principal amount of 5.70% notes due 2041.
Maturity	The floating rate notes will mature on February 4, 2014, the 2014 notes will mature on March 1, 2014, the 2021 notes will mature on March 1, 2021, and the 2041 notes will mature on March 1, 2041.
Interest Rate	The floating rate notes will bear interest at a floating rate, reset quarterly, equal to three-month LIBOR plus 41 basis points per year, the 2014 notes will bear interest at a rate of 1.75% per year, the 2021 notes will bear interest at a rate of 4.25% per year, and the 2041 notes will bear interest at a rate of 5.70% per year.
Interest Payment Dates	Interest on the floating rate notes will be payable quarterly in arrears on February 4, May 4, August 4, and November 4, beginning on May 4, 2011. Interest on the fixed rate notes will be payable semiannually in arrears on March 1 and September 1 of each year, beginning on September 1, 2011.
Optional Redemption	<p>We may redeem the notes of any series of fixed rate notes at any time in whole or from time to time in part, prior to their maturity date, in each case at the redemption price equal to the greater of:</p> <ul style="list-style-type: none"> 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 on the notes to be redeemed (not including any portion of such payments of interest accrued to 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 applicable Treasury Rate (as defined in this prospectus supplement), plus 15 basis points, in the case of the 2014 notes, 15 basis points, in the case of the 2021 notes, or 20 basis points, in the case of the 2041 notes. <p>We will also pay the accrued and unpaid interest on the notes being redeemed to the redemption date.</p>

Offer to Repurchase Upon Change of Control Triggering Event

If we experience a Change of Control Triggering Event (as defined in this prospectus supplement) with respect to the notes, 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 a portion of such holder's notes at a price equal to 101% of the principal amount of the notes repurchased plus accrued and unpaid interest,

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if any, as described more fully under **Description of the Notes Offer to Repurchase Upon Change of Control Triggering Event**.

Ranking

The notes will be our senior unsecured obligations and will rank equally with all of our existing and future senior unsecured obligations.

Certain Covenants

The indenture governing the notes will, among other things, limit our and our subsidiaries ability to:

incur secured indebtedness;

enter into certain sale and leaseback transactions; and

enter into certain mergers, consolidations and transfers of substantially all of our assets.

The above restrictions are subject to significant exceptions. See **Description of the Debt Securities Covenants Applicable to Senior Debt Securities** and **Merger** in the accompanying prospectus.

Use of Proceeds

We intend to use the net proceeds to repay short-term debt, including commercial paper issued in January 2011 to repay \$654 million aggregate principal amount of our 5.25% senior notes due 2011, which matured on January 15, 2011, and for general corporate purposes. See **Use of Proceeds**.

Denominations

The notes will be issued only in denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof.

Form of Notes

We will issue the notes in the form of fully registered global notes registered in the name of the nominee of The Depository Trust Company (**DTC**). Investors may elect to hold the interests in the global notes through any of **DTC**, **Clearstream Luxembourg** or the **Euroclear System**, as described under the heading **Description of the Notes Delivery and Form**.

Further Issues

We may, without the consent of the holders of any series of notes, reopen any series of notes and issue additional debt securities that have the same ranking, interest rate, maturity date and other terms as the applicable series of notes being offered by this prospectus supplement (except for the issue date, the public offering price and, in some cases, the first interest payment date), as described under **Description of the Notes Principal Amount; Maturity**. These additional debt securities, together with the applicable series of notes offered by this prospectus supplement, would constitute a single series of debt securities under the indenture.

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 Risk Factors beginning on page S-4 of this prospectus supplement before deciding whether to invest in the notes.

Governing Law

New York.

Trustee

U.S. Bank National Association.

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RISK FACTORS

Investing in the notes involves a high degree of risk. In addition to the other information contained in this prospectus supplement, the accompanying prospectus and the information incorporated by reference herein and therein, you should consider carefully the following factors relating to us and the notes before making an investment in the notes offered hereby. If any of the following events actually occur, our business, results of operations, financial condition, cash flows or prospects could be materially adversely affected, which in turn could adversely affect the trading price of the notes. You may lose all or part of your original investment.

Risks Related to the Notes

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

The notes will rank senior in right of payment to existing and future indebtedness that is expressly subordinated in right of payment to the notes; equal in right of payment to our existing and future indebtedness that is not so subordinated; junior in right of payment to any future secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness and other liabilities of our subsidiaries. In the event of our bankruptcy, liquidation, reorganization or other winding up, our assets that secure debt ranking senior or equal in right of payment to the notes will be available to pay obligations on the notes only after any secured debt has been repaid in full from these assets. There may not be sufficient assets remaining to pay amounts due on any or all of the notes then outstanding. The indenture governing the notes does not prohibit us from incurring additional indebtedness, nor does it prohibit any of our subsidiaries from incurring additional liabilities. The terms of the indenture limit our ability to secure additional debt without also securing the notes, to enter into sale and leaseback transactions and to transfer certain of our assets to unrestricted subsidiaries. However, these limitations are subject to numerous exceptions. See Description of the Debt Securities Covenants Applicable to Senior Debt Securities in the accompanying prospectus.

As of December 31, 2010, we had \$3.5 billion of outstanding indebtedness on a consolidated basis, of which \$0.2 billion was indebtedness of our subsidiaries. After giving effect to the repayment of \$654 million aggregate principal amount of our 5.25% senior notes due 2011 at their maturity on January 15, 2011, the issuance of the notes and the use of proceeds of that issuance, our total consolidated indebtedness would have been \$4.3 billion as of December 31, 2010.

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

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

Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial debt.

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive.

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Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

The notes do not restrict our ability to incur additional debt or prohibit us from taking other action that could negatively impact holders of the notes.

We are not restricted under the terms of the indenture or the notes from incurring additional indebtedness. The terms of the indenture limit our ability to secure additional debt without also securing the notes, to enter into sale and leaseback transactions and to transfer certain of our assets to unrestricted subsidiaries. However, these limitations are subject to numerous exceptions. See Description of the Debt Securities Covenants Applicable to Senior Debt Securities in the accompanying prospectus. In addition, the notes do not require us to achieve or maintain any minimum financial results relating to our financial position or results of operations. Our ability to recapitalize, incur additional debt, secure existing or future debt or take a number of other actions that are not limited by the terms of the indenture and the notes, including repurchasing subordinated indebtedness or common stock or to transfer assets to our parent if we were to form a holding company, could have the effect of diminishing our ability to make payments on the notes when due, causing a loss in the trading value of your notes, if any, and increasing the risk that the credit rating of the notes is lowered or withdrawn.

We may not have sufficient cash to repurchase the notes upon the occurrence of a Change of Control Triggering Event.

As described under Description of the Notes Offer to Repurchase upon Change of Control Triggering Event, we will be required to offer to repurchase all of the notes upon the occurrence of a Change of Control Triggering Event. We may not, however, have sufficient cash at that time or have the ability to arrange necessary financing on acceptable terms to repurchase the notes under such circumstances. If we are unable to repurchase the notes upon the occurrence of a Change of Control Triggering Event, it would result in an event of default under the indenture. A default under the indenture could also lead to a default under the agreements governing our existing or future indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the notes.

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

Our ability to make scheduled payments with respect to our indebtedness, including the 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.

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

Prior to this offering, there have been no trading markets for the notes. We do not intend to apply for listing of the notes on any securities exchange or to arrange for quotation on any interdealer quotation system. We have been informed by the underwriters that they intend to make a market in the notes of each series after the offering is completed. However, the underwriters may cease their market-making at any time without notice. In addition, the liquidity of the trading markets in the notes, and the market prices quoted for the notes, may be adversely affected by changes in the overall market for this type of security and by changes in our financial performance or prospects or in the prospects for companies in our industry generally. As a result, we cannot assure you that active trading markets will develop for 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 favorable prices.

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Ratings of the notes 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 values of, your notes.

Our management will have broad discretion in allocating the net proceeds of this offering.

Our management has significant flexibility in applying the net proceeds we expect to receive in this offering. We intend to use the net proceeds from this offering to repay short-term debt, including commercial paper issued in January 2011 to repay \$654 million aggregate principal amount of our 5.25% senior notes due 2011, which matured on January 15, 2011, and for general corporate purposes. Because a significant portion of the net proceeds are not required to be allocated to any specific investment or transaction, you cannot determine at this time the value or propriety of our application of the proceeds, and you may not agree with our decisions. In addition, our use of the proceeds from this offering may not yield a significant return or any return at all. The failure by our management to apply these funds effectively could have a negative impact on our business, results of operations or financial condition. See Use of Proceeds.

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

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

If you are able to resell your notes, many other factors may affect the price you receive, which may be lower than you believe to be appropriate.

If you are able to resell your notes, the price you receive will depend on many other factors that may vary over time, including:

- our financial performance;
- the amount of indebtedness we have outstanding;
- the market for similar securities;
- market interest rates;
- the liquidity of the market in which the notes trade;
- the redemption and repayment features of the notes to be sold; and
- the time remaining to maturity of your notes.

As a result of these factors, you may only be able to sell your notes at prices below those you believe to be appropriate, including prices below the price you paid for them.

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The net proceeds from the sale of the notes will be approximately \$1.585 billion, after deducting underwriting discounts and commissions and our offering expenses. We intend to use the net proceeds to repay short-term debt, including commercial paper issued in January 2011 to repay \$654 million aggregate principal amount of our 5.25% senior notes due 2011, which matured on January 15, 2011, and for general corporate purposes. As of December 31, 2010, we had various forms of short-term debt outstanding that had a weighted average maturity of 42 days and carried a weighted average annual interest rate of 2.55%.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges for each year in the five-year period ended September 30, 2010, and for the three months ended December 31, 2010.

	Year Ended September 30,				Three Months
2006	2007	2008	2009	2010	Ended December 31, 2010
4.1x	5.0x	4.1x	(1)	6.3x	6.7x

(1) Total earnings were insufficient to cover fixed charges by \$89 million in the year ended September 30, 2009.

For the purposes of computing this ratio, earnings consist of net income attributable to Johnson Controls, Inc. from continuing operations before income taxes, income attributable to noncontrolling interests and income from equity affiliates plus (a) amortization of previously capitalized interest, (b) distributed income from equity affiliates and (c) fixed charges, minus interest capitalized during the period. Fixed charges consist of (i) interest incurred and amortization of debt expense plus (ii) the portion of rent expense representative of the interest factor.

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The following table sets forth, as of December 31, 2010, our consolidated cash and cash equivalents, short-term debt and total long-term debt and total equity on an actual basis and as adjusted to give effect to:

the repayment of \$654 million aggregate principal amount of our 5.25% senior notes due 2011, which matured on January 15, 2011; and

the sale of the notes and the application of the net proceeds to repay short-term debt, including commercial paper issued in January 2011 to repay \$654 million aggregate principal amount of our 5.25% senior notes due 2011, which matured on January 15, 2011.

You should read this table in conjunction with our consolidated financial statements and the notes thereto which are incorporated by reference.

	At December 31, 2010	
	As	
	Actual	Adjusted
	(dollars in millions)	
Cash and cash equivalents	\$ 321	\$ 1,065
Short-term debt	\$ 187	\$
Long-term debt:		
Notes due from 2011 to 2046	\$ 3,202	\$ 2,548
Floating rate notes due 2014 offered hereby		350
2014 notes offered hereby		450
2021 notes offered hereby		500
2041 notes offered hereby		300
Other	145	145
Current portion of long-term debt	663	9
Total long-term debt, net of current portion	2,684	4,284
Stockholders equity:		
Common stock	9	9
Capital in excess of par value	2,548	2,548
Retained earnings	8,036	8,036
Treasury stock, at cost	(74)	(74)
Accumulated other comprehensive loss	(88)	(88)
Equity attributable to noncontrolling interests	117	117
Total equity	10,548	10,548

Total long-term debt and total equity	\$ 13,232	\$ 14,832
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DESCRIPTION OF THE NOTES

General

For purposes of the accompanying prospectus, the notes are Senior Debt Securities. We refer you to the Description of the Debt Securities in the accompanying prospectus, which you should read carefully. The following description of the particular terms of the notes offered by this prospectus supplement supplements, and to the extent inconsistent with the description in the accompanying prospectus replaces, that description. The notes will be issued under an Indenture, dated as of January 17, 2006, which we refer to as the indenture, between us and U.S. Bank National Association (as successor trustee to JPMorgan Chase Bank). U.S. Bank National Association will be the trustee for the notes. Except as otherwise defined in this prospectus supplement, capitalized definitional terms used in this prospectus supplement have the meanings specified in the accompanying prospectus. The notes of each series will be issued in the form of one or more fully registered global securities which will be deposited with, or on behalf of, The Depository Trust Company, or DTC, as the depository, and registered in the name of the depository's nominee. See Delivery and Form below and Description of the Debt Securities Book-Entry, Delivery and Settlement in the accompanying prospectus.

Principal Amount; Maturity

We will issue four series of notes consisting of \$350,000,000 initial principal amount of the floating rate notes that will mature on February 4, 2014, \$450,000,000 initial principal amount of the 2014 notes that will mature on March 1, 2014, \$500,000,000 initial principal amount of the 2021 notes that will mature on March 1, 2021, and \$300,000,000 initial principal amount of the 2041 notes that will mature on March 1, 2041. If the maturity date for a series of notes falls on a day that is not a business day, the related payment of principal and interest will be made on the next business day as if it were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the next business day.

The notes are issuable only in registered form without coupons in denominations of \$2,000 and any integral multiples of \$1,000 in excess thereof.

We may, without the consent of the holders of any series of notes, reopen any series of notes and issue additional debt securities that have the same ranking, interest rate, maturity date and other terms as the applicable series of notes being offered by this prospectus supplement (except for the issue date, the public offering price and, in some cases, the first interest payment date). These additional debt securities, together with the applicable series of notes offered by this prospectus supplement, would constitute a single series of debt securities under the indenture.

Interest on the Fixed Rate Notes

The 2014 notes will bear interest at a rate of 1.75% per year, the 2021 notes will bear interest at a rate of 4.25% per year, and the 2041 notes will bear interest at a rate of 5.70% per year. Interest will accrue from February 4, 2011. Interest on the fixed rate notes is payable semiannually on March 1 and September 1 of each year to the holders of record at the close of business on February 15 and August 15 (whether or not that date is a business day), as the case may be, immediately preceding such interest payment date. Interest on the fixed rate notes will be computed on the basis of a 360-day year of twelve 30-day months. The first interest payment date on the fixed rate notes will be September 1, 2011. If any interest payment date on the fixed rate notes is not a business day, the payment of interest will be made on the next succeeding business day and no additional interest will accrue.

Interest on the Floating Rate Notes

We will pay interest on the floating rate notes quarterly on February 4, May 4, August 4 and November 4 of each year, beginning May 4, 2011 (each, an interest payment date), at a rate, reset quarterly, equal to three-month LIBOR plus 41 basis points. The interest rate on the floating rate notes will be reset quarterly on February 4, May 4, August 4 and November 4 of each year, commencing May 4, 2011 (each, an interest reset date). The floating rate notes will bear interest at a per annum rate equal to three-month LIBOR (as defined below) for the

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applicable interest period or initial interest period (each as defined below) plus 41 basis points. The interest rate for the initial interest period will be three-month LIBOR, determined as of two London business days prior to the original issue date, plus 41 basis points per annum. The initial interest period will be the period from and including the date of original issuance to but excluding the first interest payment date. Thereafter, each interest period will be the period from and including an interest payment date to but excluding the immediately succeeding interest payment date; provided that the final interest period for the floating rate notes will be the period from and including the interest payment date immediately preceding the maturity date of such notes to but excluding the maturity date. Interest on the floating rate notes will be computed on the basis of the actual number of days elapsed over a 360-day year.

If any interest payment date or interest reset date would otherwise be a day that is not a business day, the interest payment date or the interest reset date, as applicable will be postponed to the immediately succeeding day that is a business day, except that if that business day is in the immediately succeeding calendar month, the interest payment date or the interest reset date shall be the immediately preceding business day.

The interest rate in effect on each day will be (i) if that day is an interest reset date, the interest rate determined as of the interest determination date (as defined below) immediately preceding such interest reset date or (ii) if that day is not an interest reset date, the interest rate determined as of the interest determination date immediately preceding the most recent interest reset date or the original issue date, as the case may be.

The interest rate applicable to each interest period commencing on the related interest payment date, or the date of original issuance in the case of the initial interest period, will be the rate determined as of the applicable interest determination date. The interest determination date will be the second London business day immediately preceding the date of original issuance, in the case of the initial interest period, or thereafter the applicable interest reset date.

U.S. Bank National Association, or its successor appointed by us, will act as calculation agent. Three-month LIBOR will be determined by the calculation agent as of the applicable interest determination date in accordance with the following provisions:

(i) LIBOR is the rate for deposits in U.S. dollars for the 3-month period which appears on Bloomberg Page BBAM1 (as defined below) at approximately 11:00 a.m., London time, on the applicable interest determination date.

Bloomberg Page BBAM1 means the display designated on page BBAM1 on the Bloomberg Service (or such other page as may replace the BBAM1 page on that service, any successor service or such other service or services as may be nominated by the British Bankers Association for the purpose of displaying London interbank offered rates for U.S. dollar deposits). If no rate appears on Bloomberg Page BBAM1, LIBOR for such interest determination date will be determined in accordance with the provisions of paragraph (ii) below.

(ii) With respect to an interest determination date on which no rate appears on Bloomberg Page BBAM1 as of approximately 11:00 a.m., London time, on such interest determination date, the calculation agent shall request the principal London offices of each of four major reference banks (which may include affiliates of the underwriters) in the London interbank market selected by the calculation agent (after consultation with the company) to provide the calculation agent with a quotation of the rate at which deposits of U.S. dollars having a three-month maturity, commencing on the second London business day immediately following such interest determination date, are offered by it to prime banks in the London interbank market as of approximately 11:00 a.m., London time, on such interest determination date in a principal amount equal to an amount of not less than U.S. \$1,000,000 that is representative for a single transaction in such market at such time. If at least two such quotations are provided, LIBOR for such interest determination date will be the arithmetic mean of such quotations as calculated by the calculation agent. If fewer than two quotations are provided, LIBOR for such interest determination date will be the arithmetic mean of the rates quoted as of approximately 11:00 a.m., New York City time, on such interest determination date by three major banks (which may include affiliates of the underwriters) selected by the calculation agent (after consultation with the

company) for loans in U.S. dollars to leading European banks having a three-month maturity commencing on the second London business day immediately following such interest determination date and in a principal amount equal to an amount of not less than U.S. \$1,000,000 that is representative for a single transaction in such market at such time; provided, however, that if the banks selected as aforesaid by the calculation agent are not quoting such

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rates as mentioned in this sentence, LIBOR for such interest determination date will be LIBOR determined with respect to the immediately preceding interest determination date.

All percentages resulting from any calculation of any interest rate for the floating rate notes will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one-millionths of a percentage point rounded upward (e.g., 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655), and all dollar amounts will be rounded to the nearest cent, with one-half cent being rounded upward.

Promptly upon such determination, the calculation agent will notify us and the trustee (if the calculation agent is not the trustee) of the interest rate for the new interest period. Upon request of a holder of the floating rate notes, the calculation agent will provide to such holder the interest rate in effect on the date of such request and, if determined, the interest rate for the next interest period.

All calculations made by the calculation agent for the purposes of calculating interest on the floating rate notes shall be conclusive and binding on the holders and us, absent manifest errors.

Optional Redemption

The floating rate notes will not be redeemable prior to maturity. The notes of each series of fixed rate notes are redeemable, in whole at any time or in part from time to time, at our option at a redemption price equal to the greater of:

- (1) 100% of the principal amount of the notes being redeemed; and
- (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed (not including any portion of such payments of interest accrued to 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 applicable Treasury Rate (as defined below), plus 15 basis points, in the case of the 2014 notes, 15 basis points, in the case of the 2021 notes, or 20 basis points, in the case of the 2041 notes,

plus, in each case, accrued and unpaid interest on the notes being redeemed 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.

Comparable Treasury Issue means the U.S. Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term (the **Remaining Life**) of the notes to be 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.

Comparable Treasury Price means, with respect to any redemption date, (1) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

Independent Investment Banker means one of the Reference Treasury Dealers appointed by us.

Reference Treasury Dealer means (1) each of J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc. and Goldman, Sachs & Co. (or their respective affiliates that are primary

U.S. Government securities dealers); provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a Primary Treasury Dealer), we will substitute therefor another Primary Treasury Dealer, and (2) any other Primary Treasury Dealer selected by us after consultation with the Independent Investment Banker.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked

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prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

Treasury Rate means, with respect to any redemption date, 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 such redemption date. The Treasury Rate will be calculated on the third business day preceding the redemption date.

Holders of notes to be redeemed will receive notice thereof by first-class mail at least 30 and not more than 60 days prior to the date fixed for redemption. If fewer than all of the notes are to be redeemed, the trustee will select, not more than 60 days prior to the redemption date, the particular notes or portions thereof for redemption from the outstanding not previously called by such method as the trustee deems fair and appropriate.

Sinking Fund

The notes will not be entitled to any sinking fund.

Offer to Repurchase Upon Change of Control Triggering Event

Upon the occurrence of a Change of Control Triggering Event with respect to the notes, unless we have exercised our right to redeem the notes as described under **Optional Redemption** by giving irrevocable notice to the trustee in accordance with the indenture, each holder of notes will have the right to require us to purchase all or a portion of such holder's notes pursuant to the offer described below (the **Change of Control Offer**), at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, up to but not including the date of purchase (the **Change of Control Payment**), subject to the rights of holders of notes on the relevant record date to receive interest due and owing on the relevant interest payment date.

Within 30 days following the date upon which the Change of Control Triggering Event occurs or, at our option, prior to any Change of Control but after the public announcement of the pending Change of Control, we will be required to send, by first class mail, a notice to each holder of notes, with a copy to the trustee, which notice will govern the terms of the Change of Control Offer. Such notice will state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date such notice is mailed, other than as may be required by law (the **Change of Control Payment Date**). The notice, if mailed prior to the date of consummation of the Change of Control, will state that the Change of Control Offer is conditioned on the Change of Control being consummated on or prior to the Change of Control Payment Date.

On the Change of Control Payment Date, we will, to the extent lawful:

accept or cause a third party to accept for payment all notes or portions of notes properly tendered pursuant to the Change of Control Offer;

deposit or cause a third party to deposit with the paying agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes properly tendered; and

deliver or cause to be delivered to the trustee the notes properly accepted together with an officers certificate stating the aggregate principal amount of notes or portions of notes being repurchased.

We will not be required to make a Change of Control Offer with respect to the notes if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for such an offer made by us and such third party purchases all the notes properly tendered and not withdrawn under its offer. In addition, we will not repurchase any notes if there has occurred and is continuing on the Change of Control Payment Date an event of default under the indenture, other than a default in the payment of the Change of Control Payment on the Change of Control Payment Date.

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We must comply in all material respects with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the Exchange Act), and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any such securities laws or regulations conflict with the Change of Control Offer provisions of the notes, we will be required to comply with those securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Offer provisions of the notes by virtue of any such conflict.

For purposes of the foregoing discussion of a Change of Control Offer, the following definitions are applicable:

Change of Control means the occurrence of any of the following after the date of issuance of the notes:

- (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of our assets and the assets of our subsidiaries taken as a whole to any person or group (as those terms are used in Section 13(d)(3) of the Exchange Act) other than to us or one of our subsidiaries;
- (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person or group (as those terms are used in Section 13(d)(3) of the Exchange Act) (other than Johnson Controls or one of our subsidiaries) becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of our Voting Stock representing a majority of the voting power of our outstanding Voting Stock;
- (3) we consolidate with, or merge with or into, any Person, or any Person consolidates with, or merges with or into, us, in any such event pursuant to a transaction in which any of our outstanding Voting Stock or Voting Stock of such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where our Voting Stock outstanding immediately prior to such transaction constitutes, or is converted into or exchanged for, Voting Stock representing a majority of the voting power of the Voting Stock of the surviving Person immediately after giving effect to such transaction;
- (4) the first day on which the majority of the members of the board of directors of the Company cease to be Continuing Directors; or
- (5) the adoption by our shareholders of a plan relating to our liquidation or dissolution.

Notwithstanding the foregoing, a transaction will not be deemed to involve a change of control under clause (2) above if (1) we become a direct or indirect wholly-owned subsidiary of a holding company and (2)(A) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of our Voting Stock immediately prior to that transaction or (B) immediately following that transaction no person (as that term is used in Section 13(d)(3) of the Exchange Act) (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company.

Change of Control Triggering Event means, with respect to the notes, the notes cease to be rated Investment Grade by each of the Rating Agencies on any date during the period (the Trigger Period) commencing 60 days prior to the first public announcement by us of any Change of Control (or pending Change of Control) and ending 60 days following consummation of such Change of Control (which Trigger Period will be extended following consummation of a Change of Control for so long as any of the Rating Agencies has publicly announced that it is considering a possible ratings change). However, a Change of Control Triggering Event otherwise arising by virtue of a particular

reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Change of Control Triggering Event for purposes of the definition of Change of Control Repurchase Event) if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the trustee in writing at our request that the reduction was the result, in whole or

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in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Change in Control Triggering Event). If a Rating Agency is not providing a rating for the notes at the commencement of any Trigger Period, the notes will be deemed to have ceased to be rated Investment Grade by such Rating Agency during that Trigger Period.

Notwithstanding the foregoing, no Change of Control Triggering Event will be deemed to have occurred in connection with any particular Change of Control unless and until such Change of Control has actually been consummated.

Continuing Director means, as of any date of determination, any member of our board of directors who:

- (1) was a member of our board of directors on the date of the issuance of the notes; or
- (2) was nominated for election or elected or appointed to our board of directors with the approval of a majority of the Continuing Directors who were members of our board of directors at the time of such nomination, election or appointment (either by a specific vote or by approval of our proxy statement in which such member was named as a nominee for election as a director, without objection to such nomination).

Investment Grade means a rating of Baa3 or better by Moody's (or its equivalent under any successor rating category of Moody's) and a rating of BBB-or better by S&P (or its equivalent under any successor rating category of S&P), and the equivalent investment grade credit rating from any replacement rating agency or rating agencies selected by us under the circumstances permitting us to select a replacement rating agency and in the manner for selecting a replacement rating agency, in each case as set forth in the definition of Rating Agency.

Moody's means Moody's Investors Service, Inc., a subsidiary of Moody's Corporation, and its successors.

Person means any individual, corporation, partnership, limited liability company, business trust, association, joint-stock company, joint venture, trust, incorporated or unincorporated organization or government or any agency or political subdivision thereof.

Rating Agency means each of Moody's and S&P; *provided*, that if any of Moody's or S&P ceases to provide rating services to issuers or investors, we may appoint another nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act as a replacement for such Rating Agency; *provided*, that we shall give notice of such appointment to the trustee.

S&P means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors.

Voting Stock of any specified Person as of any date means the capital stock of such Person that is at the time entitled to vote generally in the election of the board of directors of such Person.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of all or substantially all of the properties or assets of Johnson Controls and its subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise, established definition of the phrase under applicable law. Accordingly, the applicability of the requirement that we offer to repurchase the notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of Johnson Controls and its subsidiaries taken as a whole to another person or group (as those terms are used in Section 13(d)(3) of the Exchange Act) may be uncertain.

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Defeasance

The defeasance provisions of Article Thirteen of the indenture will apply to each series of notes. See Description of the Debt Securities Covenant Defeasance and Satisfaction and Discharge of a Series in the accompanying prospectus.

Same-Day Settlement and Payment

Settlement for each series of notes will be made in same-day funds. All payments of principal and interest will be made by us in immediately available funds. To the extent any notes of any series are held by DTC, such notes will trade in DTC's Same-Day Funds Settlement System until maturity, and therefore DTC will require secondary trading activity in the notes to be settled in immediately available funds. Please see Description of the Debt Securities Book-Entry, Delivery and Settlement in the accompanying prospectus for a further description of book entry procedures.

Delivery and Form

The notes of each series will be represented by one or more permanent global certificates (each a Global Note and collectively, the Global Notes) deposited with, or on behalf of, DTC and registered in the name of Cede & Co. (DTC's partnership nominee). The notes will be available for purchase in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof in book-entry form only. Unless and until certificated notes for any series are issued under the limited circumstances described in the accompanying prospectus, no beneficial owner of a note shall be entitled to receive a definitive certificate representing a note. So long as DTC or any successor depository (collectively, the Depository) or its nominee is the registered owner of the Global Notes, the Depository, or such nominee, as the case may be, will be considered to be the sole owner or holder of the senior notes for all purposes of the indenture.

Beneficial interests in the Global Notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the Global Notes through DTC either directly if they are participants in DTC or indirectly through organizations that are participants in DTC.

Clearstream. Clearstream Banking, S.A. is incorporated under the laws of Luxembourg as a professional depository. Clearstream holds securities for its participating organizations (Clearstream Participants) and facilitates the clearance and settlement of securities transactions between Clearstream Participants through electronic book-entry changes in accounts of Clearstream Participants, thereby eliminating the need for physical movement of certificates. Clearstream provides Clearstream Participants with, among other things, services for safekeeping, administration, clearance and establishment of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. As a professional depository, Clearstream is subject to regulation by the Luxembourg Monetary Institute. Clearstream Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, and may include the underwriters. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Participant either directly or indirectly.

Distributions with respect to notes held beneficially through Clearstream will be credited to cash accounts of Clearstream Participants in accordance with its rules and procedures to the extent received by the U.S. Depository for Clearstream.

Euroclear. Euroclear Bank SP/N.V. was created in 1968 to hold securities for participants of Euroclear (Euroclear Participants) and to clear and settle transactions between Euroclear Participants through simultaneous electronic

book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear includes various other services, including securities lending and borrowing and interfaces with domestic markets in several markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V. (the Euroclear Operator),

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under contract with Euro-clear Clearance Systems S.C., a Belgian cooperative corporation (the Cooperative). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear Participants. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

The Euroclear Operator is regulated and examined by the Belgian Banking Commission.

Links have been established among DTC, Clearstream and Euroclear to facilitate the initial issuance of the senior notes sold outside of the United States and cross-market transfers of the senior notes associated with secondary market trading.

Although DTC, Clearstream and Euroclear have agreed to the procedures provided below in order to facilitate transfers, they are under no obligation to perform these procedures, and these procedures may be modified or discontinued at any time.

Clearstream and Euroclear will record the ownership interests of their participants in much the same way as DTC, and DTC will record the total ownership of each of the U.S. agents of Clearstream and Euroclear, as participants in DTC. When notes are to be transferred from the account of a DTC participant to the account of a Clearstream participant or a Euroclear participant, the purchaser must send instructions to Clearstream or Euroclear through a participant at least one day prior to settlement. Clearstream or Euroclear, as the case may be, will instruct its U.S. agent to receive senior notes against payment. After settlement, Clearstream or Euroclear will credit its participant's account. Credit for the notes will appear on the next day (European time).

Because settlement is taking place during New York business hours, DTC participants will be able to employ their usual procedures for sending notes to the relevant U.S. agent acting for the benefit of Clearstream or Euroclear participants. The sale proceeds will be available to the DTC seller on the settlement date. As a result, to the DTC participant, a cross-market transaction will settle no differently than a trade between two DTC participants.

When a Clearstream or Euroclear participant wishes to transfer notes to a DTC participant, the seller will be required to send instructions to Clearstream or Euroclear through a participant at least one business day prior to settlement. In these cases, Clearstream or Euroclear will instruct its U.S. agent to transfer these notes against payment for them. The payment will then be reflected in the account of the Clearstream or Euroclear participant the following day, with the proceeds back valued to the value date, which would be the preceding day, when settlement occurs in New York, if settlement is not completed on the intended value date, that is, the trade fails, proceeds credited to the Clearstream or Euroclear participant's account will instead be valued as of the actual settlement date.

You should be aware that you will only be able to make and receive deliveries, payments and other communications involving the senior notes through Clearstream and Euroclear on the days when those clearing systems are open for business. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States. In addition, because of time zone differences there may be problems with completing transactions involving Clearstream and Euroclear on the same business day as in the United States.

The information in this section concerning the operations and procedures of DTC, Clearstream Luxembourg and Euroclear has been obtained from sources that we believe to be reliable, but neither we nor the underwriters take responsibility for its accuracy. These operations and procedures are solely within the control of DTC, Euroclear and Clearstream Luxembourg, as applicable, and are subject to change by them from time to time. None of us, the

underwriters or the trustee takes any responsibility for these operations and procedures, and you are urged to contact DTC, Euroclear, Clearstream Luxembourg or their respective participants to discuss these matters.

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MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

THIS SUMMARY IS OF A GENERAL NATURE AND IS INCLUDED HEREIN SOLELY FOR INFORMATION PURPOSES. THIS SUMMARY IS NOT INTENDED TO BE, AND SHOULD NOT BE, CONSTRUED TO BE LEGAL OR TAX ADVICE. NO REPRESENTATION WITH RESPECT TO THE CONSEQUENCES TO ANY PARTICULAR PURCHASER OF THE NOTES IS MADE. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR OWN ADVISORS WITH RESPECT TO THEIR PARTICULAR CIRCUMSTANCES.

The following is a summary of certain U.S. federal income tax considerations relevant to U.S. Holders and Non-U.S. Holders (both as defined below) relating to the purchase, ownership and disposition of the notes. This summary is based upon current provisions of the U.S. Internal Revenue Code of 1986, as amended (the Internal Revenue Code), existing and proposed Treasury Regulations promulgated thereunder, rulings, pronouncements, judicial decisions and administrative interpretations of the U.S. Internal Revenue Service (the IRS), all of which are subject to change, possibly on a retroactive basis, at any time by legislative, judicial or administrative action. We cannot assure you that the IRS will not challenge the conclusions stated below, and no ruling from the IRS or an opinion of counsel has been (or will be) sought on any of the matters discussed below.

The following summary does not purport to be a complete analysis of all the potential U.S. federal income tax considerations relating to the purchase, ownership, and disposition of the notes. Without limiting the generality of the foregoing, this summary does not address the effect of any special rules applicable to certain types of beneficial owners, including, without limitation, dealers in securities or currencies, insurance companies, financial institutions, thrifts, regulated investment companies, tax-exempt entities, governmental bodies or agencies and instrumentalities thereof, U.S. Holders whose functional currency is not the U.S. dollar, U.S. expatriates, persons who hold notes as part of a straddle, hedge, conversion transaction, or other risk reduction or integrated investment transaction, investors in securities that elect to use a mark-to-market method of accounting for their securities holdings, individual retirement accounts or qualified pension plans, controlled foreign corporations, passive foreign investment companies, or investors in pass through entities, including partnerships and Subchapter S corporations. In addition, this summary is limited to holders who are the initial purchasers of the notes at their original issue price and who hold the notes as capital assets within the meaning of Section 1221 of the Internal Revenue Code (generally, notes held for investment). This summary does not address the effect of any U.S. state or local income or other tax laws, any U.S. federal estate and gift tax laws, or any foreign tax laws.

U.S. Holders

The term U.S. Holder means a beneficial owner of a note that is:

an individual who is a citizen of the United States or who is a resident alien of the United States for U.S. federal income tax purposes;

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

an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or if a valid election is in effect under applicable Treasury Regulations to be treated as a U.S. person.

Taxation of Interest

All of the notes bear interest at a fixed rate or, in the case of the floating rate notes, at a qualified floating rate, as defined in the applicable Treasury Regulations. Moreover, we do not intend to issue the notes at a discount that will exceed a de minimis amount of original issue discount. Accordingly, interest on a note

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will generally be includable in income of a U.S. Holder as ordinary income, in accordance with the U.S. Holder's regular method of accounting for U.S. federal income tax purposes. A U.S. Holder using the accrual method of accounting for federal income tax purposes must include interest on the notes in ordinary income as interest accrues. A U.S. Holder using the cash receipts and disbursements method of accounting for U.S. federal income tax purposes must include interest in ordinary income when payments are received, or made available for receipt, by the U.S. Holder.

In certain circumstances (See Description of the Notes Optional Redemption, and Description of the Notes Offer to Repurchase Upon a Change of Control Triggering Event), we may pay amounts on the notes that are in excess of the stated interest or principal of the notes. We intend to take the position that the possibility that any such payment will be made is remote so that such possibility will not affect the timing or amount of interest income that holders recognize unless and until any such payment is made. Our determination that these contingencies are remote is binding on the holder, unless the holder discloses its contrary position to the IRS in the manner that is required by applicable Treasury regulations. Our determination is not, however, binding on the IRS. It is possible that the IRS might take a different position from that described above, in which case the timing, character and amount of taxable income in respect of the notes may be different from that described herein.

Sale, Exchange, or Other Disposition

A U.S. Holder will generally recognize capital gain or loss on a sale, exchange, redemption, retirement or other taxable disposition of a note measured by the difference, if any, between:

the amount of cash and the fair market value of any property received, except to the extent that the cash or other property received in respect of a note is attributable to accrued interest on the note not previously included in income, which amount will be taxable as ordinary income; and

the U.S. Holder's adjusted tax basis in the note.

Such capital gain or loss will be treated as a long-term capital gain or loss if, at the time of the sale or exchange, the note has been held by the U.S. Holder for more than one year; otherwise, the capital gain or loss will be short-term. Non-corporate taxpayers may be subject to a lower federal income tax rate on their net long-term capital gains than that applicable to ordinary income. U.S. Holders are subject to certain limitations on the deductibility of their capital losses.

Recently-Enacted Legislation Relating to Net Investment Income

For taxable years beginning after December 31, 2012, recently-enacted legislation is scheduled to impose a 3.8% tax on the net investment income of certain United States individuals and on the undistributed net investment income of certain estates and trusts. Among other items, net investment income generally includes interest and certain net gain from the disposition of property, less certain deductions.

Prospective holders should consult their tax advisors with respect to the tax consequences of the new legislation described above.

Information Reporting and Backup Withholding

U.S. Holders of notes will be subject to information reporting and may be subject, under certain circumstances, to backup withholding (currently at a rate of 28%) on payments of interest, principal, gross proceeds from disposition of notes, and redemption premium, if any. Backup withholding generally applies only if the U.S. Holder:

fails to furnish its social security or other taxpayer identification number within a reasonable time after a request for such information;

furnishes an incorrect taxpayer identification number;

has been notified by the IRS that the U.S. Holder has failed to report interest properly; or

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fails, under certain circumstances, to provide a certified statement, signed under penalty of perjury, that the taxpayer identification number provided is its correct number and that the U.S. Holder is not subject to backup withholding.

Backup withholding is not an additional tax. Any amount withheld from a payment to a U.S. Holder under the backup withholding rules is allowable as a credit against such U.S. Holder's U.S. federal income tax liability and such U.S. Holder may be entitled to a refund of any amounts withheld in excess of its actual U.S. federal income tax liability, provided such U.S. Holder files the appropriate returns and/or timely furnishes the required information to the IRS. Certain persons are exempt from backup withholding. U.S. Holders of notes should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining such exemption. We cannot refund amounts once withheld.

We will furnish annually to the IRS, and to record holders of the notes to whom we are required to furnish such information, information relating to the amount of interest and the amount of backup withholding, if any, with respect to the notes.

Non-U.S. Holders

The following summary is limited to the U.S. federal income tax consequences relevant to a beneficial owner of a note who is not classified for U.S. federal income tax purposes as a partnership or as a disregarded entity and who is not a U.S. Holder (a Non-U.S. Holder). In the case of a Non-U.S. Holder who is an individual, the following summary assumes that this individual was not formerly a U.S. citizen, and was not formerly a resident of the United States for U.S. federal income tax purposes.

Taxation of Interest

Subject to the summary of backup withholding rules below, payments of interest on a note to any Non-U.S. Holder will not generally be subject to U.S. federal income tax or withholding provided we or the person otherwise responsible for withholding U.S. federal income tax from payments on the notes receives a required certification from the Non-U.S. Holder (as discussed below) and the Non-U.S. Holder is not:

an actual or constructive owner of 10% or more of the total combined voting power of all our voting stock;

a controlled foreign corporation related, directly or indirectly, to us through stock ownership;

a bank receiving interest on the notes in connection with an extension of credit made pursuant to a loan entered into in the ordinary course of business; or

receiving such interest payments as income effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States (and, if an income tax treaty applies to the Non-U.S. Holder, as income attributable to a permanent establishment of the Non-U.S. Holder in the United States).

In order to satisfy the certification requirement, the Non-U.S. Holder must provide a properly completed IRS Form W-8BEN (or substitute Form W-8BEN or the appropriate successor form) under penalties of perjury that provides the Non-U.S. Holder's name and address and certifies that the Non-U.S. Holder is not a U.S. person. Alternatively, in a case where a security clearing organization, bank or other financial institution holds the notes in the ordinary course of its trade or business on behalf of the Non-U.S. Holder, the certification requirements provide that we or the person who otherwise would be required to withhold U.S. federal income tax receive from the financial

institution a certification under penalties of perjury that a properly completed Form W-8BEN (or substitute Form W-8BEN or the appropriate successor form) has been received by it, or by another such financial institution, from the Non-U.S. Holder, and a copy of such a form is furnished to the payor. Special rules apply to foreign partnerships, estates and trusts, and in certain circumstances, certifications as to foreign status of partners, trust owners, or beneficiaries may be required to be provided to our paying agent or to us. In addition, special rules apply to payments made through a qualified intermediary.

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A Non-U.S. Holder that does not qualify for exemption from withholding under the preceding paragraphs generally will be subject to withholding of U.S. federal income tax at the rate of 30%, unless (i) the Non-U.S. Holder provides a properly completed IRS Form W-8BEN and other required documentation evidencing its entitlement to an exemption from (or a reduction of) withholding under an applicable income tax treaty, or (ii) payments of interest on the notes are effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States and the Non-U.S. Holder meets the certification requirement discussed at the end of the following paragraph.

If the payments of interest on a note are effectively connected with the conduct by a Non-U.S. Holder of a trade or business in the United States (or, in the event that an income tax treaty is applicable, if the payments of interest are attributable to a U.S. permanent establishment maintained by the Non-U.S. Holder), such payments will be subject to U.S. federal income tax on a net basis at the rates applicable to U.S. persons generally. If the Non-U.S. Holder is a corporation for U.S. federal income purposes, such payments also may be subject to a branch profits tax at the rate of 30%, or lower applicable treaty rate. If payments are subject to U.S. federal income tax on a net basis in accordance with the rules described in the preceding two sentences, such payments will not be subject to U.S. federal income tax withholding so long as the Non-U.S. Holder provides us, or the person who otherwise would be required to withhold U.S. federal income tax, with a properly completed and executed IRS Form W-8ECI.

Non-U.S. Holders should consult their tax advisors regarding any applicable income tax treaties, which may provide for a lower rate of withholding, exemption from or reduction of branch profits tax, or other rules different from those described above.

Sale, Exchange, or Other Disposition

Subject to the summary of backup withholding rules below, any gain realized by a Non-U.S. Holder on the sale, exchange, redemption, retirement or other disposition of a note generally will not be subject to U.S. federal income tax, unless:

such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States (or, in the event that an income tax treaty is applicable, such gain is attributable to a U.S. permanent establishment maintained by the Non-U.S. Holder); or

the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are satisfied.

Proceeds from the disposition of a note that are attributable to accrued but unpaid interest generally will be subject to, or exempt from, tax to the same extent as described above with respect to interest paid on a note, although such proceeds generally are not subject to withholding. A non-U.S. Holder should treat any amount received on redemption of a note in the same manner as the non-U.S. Holder treats proceeds received on a sale.

If the gain on a disposition of a note is effectively connected with the conduct by a Non-U.S. Holder of a trade or business in the United States (or, in the event that an income tax treaty is applicable, if the gain is attributable to a U.S. permanent establishment maintained by the Non-U.S. Holder), such gain will be subject to U.S. federal income tax in the same manner as interest that is effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States, as described under *Taxation of Interest* above.

Information Reporting and Backup Withholding

Any payments of interest on the notes to a Non-U.S. Holder will generally be reported to the IRS and to the Non-U.S. Holder. Copies of these information returns also may be made available under the provisions of a specific

treaty or other agreement to the tax authorities of the country in which the Non-U.S. Holder resides.

Backup withholding and certain additional information reporting generally will not apply to payments of interest with respect to which either the requisite certification, as described above, has been received or an exemption otherwise has been established, provided that neither we nor the person who otherwise would be

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required to withhold U.S. federal income tax has actual knowledge or reason to know that the holder is, in fact, a U.S. person or that the conditions of any other exemption are not, in fact, satisfied.

The payment of the proceeds from the disposition of the notes by or through the U.S. office of any broker, U.S. or foreign, will be subject to information reporting and backup withholding unless the Non-U.S. Holder certifies as to its non-U.S. status (e.g., by furnishing the broker with a properly completed and executed IRS Form W-8BEN) or otherwise establishes an exemption, provided that the broker does not have actual knowledge or reason to know that the holder is a U.S. person or that the conditions of any other exemption are not, in fact, satisfied. The payment of the proceeds from the disposition of the notes by or through a non-U.S. office of a non-U.S. broker will not be subject to information reporting or backup withholding unless the non-U.S. broker has certain types of relationships with the United States (a U.S. related person). In the case of the payment of the proceeds from the disposition of the notes by or through a non-U.S. office of a broker that is either a U.S. person or a U.S. related person, the Treasury Regulations require information reporting (but not backup withholding) on the payment unless the broker has documentary evidence in its files that the beneficial owner is a Non-U.S. Holder and the broker has no knowledge or reason to know to the contrary.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be credited against the Non-U.S. Holder's U.S. federal income tax liability (and the Non-U.S. Holder may be entitled to a refund of amounts withheld in excess of the Non-U.S. Holder's U.S. federal income tax liability) provided such Non-U.S. Holder timely furnishes the required information to and/or files the necessary returns or claims with the IRS. We cannot refund amounts once withheld.

THE PRECEDING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION ONLY AND IS NOT LEGAL OR TAX ADVICE. ACCORDINGLY, PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR OWN ADVISORS ON THE U.S. FEDERAL, STATE AND LOCAL, AND FOREIGN TAX CONSEQUENCES OF THEIR PURCHASE, OWNERSHIP, AND DISPOSITION OF THE NOTES, AND ON THE CONSEQUENCES OF ANY CHANGES IN APPLICABLE LAW.

Table of Contents**UNDERWRITING**

We intend to offer the notes through the underwriters. J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated are acting as representatives of the underwriters named below. Subject to the terms and conditions contained in an underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters and the underwriters severally have agreed to purchase from us, the principal amount of the notes of each series listed opposite their names below:

Underwriter	Principal Amount of Floating Rate Notes	Principal Amount of 2014 Notes	Principal Amount of 2021 Notes	Principal Amount of 2041 Notes
J.P. Morgan Securities LLC	\$ 79,310,000	\$ 101,970,000	\$ 113,300,000	\$ 67,980,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	79,310,000	101,970,000	113,300,000	67,980,000
Citigroup Global Markets Inc.	29,085,000	37,395,000	41,550,000	24,930,000
Goldman, Sachs & Co.	29,085,000	37,395,000	41,550,000	24,930,000
U.S. Bancorp Investments, Inc.	29,085,000	37,395,000	41,550,000	24,930,000
Banca IMI S.p.A.	9,485,000	12,195,000	13,550,000	8,130,000
Barclays Capital Inc.	9,485,000	12,195,000	13,550,000	8,130,000
Commerz Markets LLC	9,485,000	12,195,000	13,550,000	8,130,000
Credit Agricole Securities (USA) Inc.	9,485,000	12,195,000	13,550,000	8,130,000
Danske Markets Inc.	9,485,000	12,195,000	13,550,000	8,130,000
ING Financial Markets LLC	9,485,000	12,195,000	13,550,000	8,130,000
Mitsubishi UFJ Securities (USA), Inc.	9,485,000	12,195,000	13,550,000	8,130,000
Standard Chartered Bank	9,485,000	12,195,000	13,550,000	8,130,000
Wells Fargo Securities, LLC	9,485,000	12,195,000	13,550,000	8,130,000
BBVA Securities Inc.	4,690,000	6,030,000	6,700,000	4,020,000
RBS Securities Inc.	4,690,000	6,030,000	6,700,000	4,020,000
TD Securities (USA) LLC	4,690,000	6,030,000	6,700,000	4,020,000
UniCredit Capital Markets, LLC	4,690,000	6,030,000	6,700,000	4,020,000
Total	\$ 350,000,000	\$ 450,000,000	\$ 500,000,000	\$ 300,000,000

The underwriters have agreed to purchase all of the notes sold pursuant to the underwriting agreement if any of these notes are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the notes, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The

underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Discounts and Commissions

The underwriters have advised us that they propose to initially offer the floating rate notes at a price of 100.000% of their principal amount, the 2014 notes at a price of 99.967% of their principal amount, the 2021 notes at a price of 99.276% of their principal amount and the 2041 notes at a price of 99.708% of their principal amount, plus, in each case, accrued interest from the original issue date of such notes, if any, and to

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dealers at that price less a concession not in excess of 0.300% of the principal amount of the floating rate notes, 0.300% of the principal amount of the 2014 notes, 0.400% of the principal amount of the 2021 notes and 0.500% of the principal amount of the 2041 notes, plus, in each case, accrued interest from the original issue date of such notes, if any. The underwriters may allow, and dealers may reallow, a concession not in excess of 0.125% of the principal amount of the floating rate notes, 0.125% of the principal amount of the 2014 notes, 0.250% of the principal amount of the 2021 notes and 0.250% of the principal amount of the 2041 notes, on sales to other dealers. After the initial public offering, the public offering prices, concessions and discounts may be changed.

The following table shows the underwriting discounts and commissions that we are to pay the underwriters in connection with this offering (expressed as a percentage of the principal amounts of the notes).

	Paid by us
Per floating rate note	0.450%
Per 2014 note	0.450%
Per 2021 note	0.650%
Per 2041 note	0.875%

The expenses of the offering, not including the underwriting discounts and commissions, are estimated to be \$700,000 and are payable by us.

New Issues of Notes

Each series of notes is a new issue of securities with no established trading markets. We do not intend to apply for listing of the notes on any national securities exchange or for inclusion of the notes on any automated dealer quotation system. We have been advised by the underwriters that they presently intend to make a market in the notes of each series after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. We cannot assure the liquidity of the trading markets for the notes or that active public markets for the notes will develop. If active public trading markets for the notes do not develop, the market prices and liquidity of the notes may be adversely affected. If the notes are traded, they may trade at a discount from their initial public offering prices, depending on prevailing interest rates, the market for similar securities, our performance and other factors.

Price Stabilization and Short Positions

In connection with the offering, the underwriters are permitted to engage in transactions that stabilize the market prices of the notes. Such transactions consist of bids or purchases to peg, fix or maintain the price of the notes.

If the underwriters create a short position in the notes of any series in connection with the offering, i.e., if they sell more notes than are on the cover page of this prospectus supplement, the underwriters may reduce that short position by purchasing notes of that series in the open market. Purchases of notes to stabilize the price or to reduce a short position are not permitted under the terms of the offering. (1) Due Diligence Fees For professional services related to potential acquisitions and services related to the audit of the Company's defined benefit and defined contribution plans. (2) Tax Fees For professional services performed by Deloitte with respect to tax compliance, tax advice and tax planning. This includes preparation of original and amended tax returns for the Company and its consolidated subsidiaries; tax planning and consultations; payment planning; tax audit assistance; and tax work stemming from Audit-Related items. (3) All Other Fees For other permissible work performed by Deloitte that does not meet the above category descriptions.

All services rendered for the Company by Deloitte in 2005 were permissible under applicable laws and regulations, and were pre-approved by the Audit Committee. The Audit Committee's Audit and Non-Audit Services Pre-Approval Policy provides for the pre-approval of audit and non-audit services performed by our independent registered public accounting firm. Under the policy, the Audit Committee may pre-approve specific services, including fee levels, by the independent registered public accounting firm in a designated category (audit, audit-related, tax services and all other services). The Audit Committee may delegate, in writing, this authority to one or more of its members, provided that the member or members to whom such authority is delegated must report their decisions to the Audit Committee at its next scheduled meeting.

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ANNUAL REPORT ON FORM 10-K

Copies of the Company's Annual Report on Form 10-K for the year ended December 31, 2005, as filed with the SEC, are being mailed to shareholders with this Proxy Statement. A shareholder may obtain a copy of the Annual Report without charge by writing to: Investor Relations, P. H. Glatfelter Company, 96 South George Street, Suite 500, York, PA 17401.

OTHER BUSINESS

As of the date of this Proxy Statement, the Board knows of no business that will be presented for consideration at the Annual Meeting other than the items referred to above. If any other matter is properly brought before the Meeting for action by shareholders, the persons named in the accompanying proxy will have discretionary authority to vote proxies with respect to such matter in accordance with their best judgment.

ADDITIONAL INFORMATION

The Company is permitted by SEC regulations to deliver a single Annual Report or Proxy Statement to any household at which two or more registered shareholders have the same last name and address, unless the Company has received instructions to the contrary from one or more of the shareholders. The Company will continue to include a separate proxy card for each registered shareholder account.

The Company will deliver promptly, upon written or oral request, a separate copy of the Annual Report or Proxy Statement, as applicable, to a shareholder at a shared address to which a single copy of the documents was delivered. The shareholder should send a written request to Investor Relations, P. H. Glatfelter Company, 96 South George Street, Suite 500, York, PA 17401, or call us at (717) 225-2724, if the shareholder (i) wishes to receive a separate copy of an Annual Report or Proxy Statement for this Meeting; (ii) would like to receive separate copies of those materials for future meetings; or (iii) is sharing an address and wishes to request delivery of a single copy of Annual Reports or Proxy Statements if the shareholder is now receiving multiple copies of Annual Reports or Proxy Statements.

Jeffrey J. Norton
Vice President,
General Counsel and Corporate Secretary
March 21, 2006

PROXY

**P. H. GLATFELTER
COMPANY
YORK, PENNSYLVANIA**

**PROXY SOLICITED ON BEHALF OF THE
BOARD OF DIRECTORS OF THE COMPANY FOR THE ANNUAL MEETING
OF SHAREHOLDERS TO BE HELD APRIL 26, 2006, 10:00 A. M.**

The undersigned shareholders of P. H. Glatfelter Company hereby appoints J. Robert Hall and Lee C. Stewart, each of them, attorneys and proxies, with power of substitution in each of them, to vote and act for and on behalf of the undersigned at the annual meeting of shareholders of the Company to be held at the **York Expo Center, 334 Carlisle Avenue, York, Pennsylvania in the White Rose Room**, on Wednesday, April 26, 2006, and at all adjournments thereof, according to the number of shares which the undersigned would be entitled to vote if then personally present, as indicated hereon and in their discretion upon such other business as may come before the meeting and hereby ratifies and confirms all that said attorneys and proxies may do or cause to be done by virtue hereof.

When properly executed, this proxy will be voted as directed herein. It is agreed that, if no direction is given or directed on the other side of this proxy card, said attorneys and proxies are appointed WITH authority to vote FOR the re-election of each of the directors listed.

**(PLEASE FILL IN, SIGN AND DATE ON THE OTHER SIDE AND
RETURN PROMPTLY IN THE ENCLOSED ENVELOPE)**

(Continued and to be signed on reverse side)

Driving Instructions

to the

York Expo Center, 334 Carlisle Avenue, York, Pennsylvania

From the South:

Take I-83 North to Exit 15 (Old Exit 5) S. George Street Business 83. Turn left at first traffic light. Follow Country Club Road to Richland Avenue to Market Street. Turn left on Market Street to York Fair Grounds.

From the North:

Take I-83 to Exit 22 (Old Exit 10) N. George Street. At first traffic light, take Route 30 West to Carlisle Avenue (Rte.74) exit. Turn left on Carlisle Avenue to York Fair Grounds.

From the East:

Take Route 30 West to Carlisle Avenue (Rte. 74) exit. Turn left on Carlisle Avenue to York Fair Grounds.

From the West:

Take Route 462 (W. Market Street) from Route 30. Follow Market Street to Highland Avenue. Turn left on Highland Avenue and continue to Bannister. Turn right to Carlisle Avenue. Turn right to York Fair Grounds.

x Please mark your
votes as in this
example.

THE BOARD OF DIRECTORS RECOMMENDS VOTING FOR THE FOLLOWING DIRECTORS

	VOTE FOR all nominees listed at right, except as indicated below	VOTE WITHHELD for all nominees	Term expiring in 2009
Election of Directors	<input type="radio"/>	<input type="radio"/>	George H. Glatfelter II Ronald J. Naples Richard L. Smoot

To withhold authority for any individual nominee, write that nominee's name in the space below.

PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY PROMPTLY USING THE ENCLOSED ENVELOPE

Signature	Date	Signature	Date
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IF HELD JOINTLY

Note: Signature should be the same as the name printed above. Executors, administrators, trustees, guardians, attorneys, and officers of corporations should add their title when signing.

RSVP We request that you advise us of your intention to attend the annual meeting in person so that we can make arrangements for suitable accommodations. (Your failure to advise us of your intentions will not prevent you from attending the meeting in person.)

I will attend in person