

Duke Energy CORP
Form 424B5
August 23, 2011

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Filed pursuant to Rule 424(b)(5)
Registration No. 333-169633

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee(1)
3.55% Senior Notes due 2021	\$500,000,000	99.981%	\$499,905,000	\$58,039

(1) The filing fee, calculated in accordance with Rule 457(r), has been transmitted to the Securities and Exchange Commission in connection with the securities offered by means of this prospectus supplement.

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**PROSPECTUS SUPPLEMENT
(To Prospectus dated September 29, 2010)**

\$500,000,000 3.55% Senior Notes due 2021

Duke Energy Corporation is offering \$500 million aggregate principal amount of 3.55% Senior Notes due 2021 (the "Notes"). We will pay interest on the Notes at a rate of 3.55% per annum, payable semi-annually in arrears on March 15 and September 15 of each year, beginning on March 15, 2012. The Notes will mature as to principal on September 15, 2021.

We may redeem the Notes at our option at any time and from time to time, in whole or in part, as described in this prospectus supplement under the caption "Description of the Notes - Optional Redemption." The Notes do not have the benefit of any sinking fund. The Notes are unsecured, senior obligations of Duke Energy Corporation. Please read the information provided under the caption "Description of the Notes" in this prospectus supplement and "Description of Debt Securities" in the accompanying prospectus for a more detailed description of the Notes.

Investing in the Notes involves risks. See the section captioned "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2010, which has been filed with the Securities and Exchange Commission and is incorporated by reference in this prospectus supplement and the accompanying prospectus.

	Price to Public(1)	Underwriting Discount(2)	Proceeds to Duke Energy Corporation before expenses(1)
Per Note	99.981%	0.65%	99.331%
Total Notes	\$499,905,000	\$3,250,000	\$496,655,000

(1) Plus accrued interest, if any, from August 25, 2011, if settlement occurs after that date.

(2) The underwriters have agreed to make a payment to us in an amount equal to \$1,000,000, including in respect of expenses incurred by us in connection with the offering. See "Underwriting."

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

We expect the Notes to be ready for delivery only in book-entry form through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, société anonyme, Luxembourg and Euroclear Bank S.A./N.V. on or about August 25, 2011.

Joint Book-Running Managers

**BNY Mellon Capital Markets, LLC
Citigroup**

Goldman, Sachs & Co.

UBS Investment Bank

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Co-Manager

BNP PARIBAS

Junior Co-Manager

CastleOak Securities, L.P.

The date of this prospectus supplement is August 22, 2011.

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You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide you with information that is different. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer is not permitted. You should not assume that the information included in or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date of the document containing the information.

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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 this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering.

If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in or incorporated by reference in this prospectus supplement.

Unless we have indicated otherwise, or the context otherwise requires, references in this prospectus supplement and the accompanying prospectus to "Duke Energy," "we," "us" and "our" or similar terms are to Duke Energy Corporation and its subsidiaries.

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PROSPECTUS SUPPLEMENT SUMMARY

The following summary is qualified in its entirety by, and should be read together with, the more detailed information, including "Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2010 and the financial statements incorporated by reference in this prospectus supplement and the accompanying prospectus.

Duke Energy Corporation

Duke Energy, together with its subsidiaries, is a diversified energy company with both regulated and unregulated utility operations. We supply, deliver and process energy for customers in the United States and selected international markets.

Duke Energy's regulated utility operations consist of its U.S. franchised electric and gas segment, which serves approximately four million customers located in five states in the southeast and midwest regions of the United States, representing a population of approximately 12 million people. The U.S. franchised electric and gas segment consists of regulated generation and electric and gas transmission and distribution systems. The segment's generation portfolio includes a mix of energy resources with different operating characteristics and fuel sources. In our regulated electric operations, we own approximately 27,000 megawatts of generating capacity for a service area of approximately 50,000 square miles. Our gas operations include regulated natural gas transmission and distribution with approximately 500,000 customers located in southwestern Ohio and northern Kentucky.

Duke Energy's commercial power segment owns, operates and manages power plants, primarily located in the midwest region of the United States. Duke Energy Retail Sales, a subsidiary of Duke Energy and part of the commercial power segment, serves retail electric customers in Ohio with generation and other energy services. The commercial power segment also includes Duke Energy Generation Services, an on-site energy solutions and utility services provider. The commercial power segment owns and operates a generation portfolio of approximately 7,550 net megawatts of power generation, excluding renewable generation assets. Duke Energy Generation Services, in particular, had approximately 1,000 megawatts of renewable energy in operation and over 5,000 megawatts of renewable energy projects under development as of December 31, 2010.

Duke Energy's international business segment operates and manages power generation facilities and engages in sales and marketing of electric power and natural gas outside the United States. Our international segment's activities target power generation in Latin America. Our international segment also has an equity investment in National Methanol Co. in Saudi Arabia, a regional producer of MTBE, a gasoline additive. Our international segment owns, operates or has substantial interests in approximately 4,500 gross megawatts of generation facilities, of which approximately 70% is hydroelectric.

We are a Delaware corporation. The address of our principal executive offices is 550 S. Tryon Street, Charlotte, North Carolina 28202-4200 and our telephone number is (704) 594-6200. Our common stock is listed and trades on the New York Stock Exchange under the symbol "DUK."

On January 10, 2011, we announced that we had entered into an agreement for a stock-for-stock merger with Progress Energy, Inc. In this transaction, which is subject to various conditions, Progress Energy, Inc. would become a subsidiary of Duke Energy Corporation. Accordingly, if this transaction is completed, the debt and other liabilities of Progress Energy, Inc. and its subsidiaries would be structurally senior to the Notes. Based on its quarterly report, at June 30, 2011, Progress Energy, Inc. and its subsidiaries had consolidated total indebtedness of approximately \$12.8 billion.

The foregoing information about Duke Energy is only a general summary and is not intended to be comprehensive. For additional information about Duke Energy, you should refer to the information described under the caption "Where You Can Find More Information."

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The Offering

Issuer	Duke Energy Corporation
Security Offered	We are offering \$500 million aggregate principal amount of 3.55% Senior Notes due 2021.
Maturity	The Notes will mature on September 15, 2021.
Interest Rate	3.55% per year
Interest Payment Dates	Interest on the Notes shall be payable semi-annually in arrears on March 15 and September 15 of each year, beginning on March 15, 2012.
Ranking	The Notes will be our direct, unsecured and unsubordinated obligations, ranking equally in priority with all of our existing and future unsecured and unsubordinated indebtedness and senior in right of payment to all of our existing and future subordinated debt. The Notes will be structurally subordinated to all liabilities of our subsidiaries. As of June 30, 2011, we had approximately \$3.4 billion of unsecured and unsubordinated indebtedness that will rank equally in priority with respect to the Notes. Also as of June 30, 2011, our subsidiaries had approximately \$15.6 billion of indebtedness to which the Notes will be structurally subordinated, payment upon approximately \$2.0 billion of which is guaranteed by Duke Energy Corporation. All of such guarantees were granted to the holders of certain unsecured debt of our subsidiary Duke Energy Carolinas, LLC, in connection with changes in our corporate structure relating to the closing of our merger with Cinergy Corp. in 2006. Our Indenture contains no restrictions on the amount of additional indebtedness that we may issue under it.
Optional Redemption	At any time before three months prior to maturity, we will have the right to redeem the Notes, in whole or in part and from time to time, 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 being redeemed (exclusive of interest accrued to the redemption date), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 25 basis points, plus, in either case, accrued and unpaid interest on the Notes being redeemed to such redemption date. At any time on or after three months prior to maturity, we will have the right to redeem the Notes, in whole or in part and from time to time, at a redemption price equal to 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest on the Notes being redeemed to the date of redemption. See "Description of the Notes Optional Redemption" for a description of how the redemption price is calculated.

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No Sinking Fund

The Notes do not have the benefit of a sinking fund.

Use of Proceeds

The aggregate net proceeds from the sale of the Notes, after deducting the underwriting discount and related offering expenses and giving effect to the underwriters' payment to us, will be approximately \$497,180,000. The net proceeds from the sale of the Notes will be used to repay a portion of our commercial paper as it matures, to fund capital expenditures in our unregulated businesses and for general corporate purposes. As of August 12, 2011, we had approximately \$900 million of commercial paper outstanding, with a weighted average interest rate of approximately 0.38%. Our outstanding commercial paper matures no later than 90 days after its date of issue. We issue commercial paper from time to time to fund our working capital and other needs, including those of our subsidiaries.

Book-Entry

The Notes will be represented by one or more global securities registered in the name of and deposited with or on behalf of The Depository Trust Company ("DTC") or its nominee. Beneficial interests in the Notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the global securities through either DTC in the United States or Clearstream Banking, société anonyme, Luxembourg ("Clearstream, Luxembourg") or Euroclear Bank S.A./N.V., as operator of the Euroclear System (the "Euroclear System"), in Europe if they are participants in those systems, or indirectly through organizations which are participants in those systems. This means that you will not receive a certificate for your Notes and Notes will not be registered in your name, except under certain limited circumstances described under the caption "Book-Entry System."

Trustee

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

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RISK FACTORS

You should carefully consider the risk factors under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2010, which is incorporated by reference in this prospectus supplement, as well as the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This prospectus supplement, the accompanying prospectus, and the information incorporated by reference herein and therein, include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions and on information currently available to us. These forward-looking statements are identified by terms and phrases such as "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," and similar expressions. Forward-looking statements involve risks and uncertainties that may cause actual results to be materially different from the results predicted. Factors that could cause actual results to differ materially from those indicated in any forward-looking statement include, but are not limited to:

State, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements, as well as rulings that affect cost and investment recovery or have an impact on rate structures;

Costs and effects of legal and administrative proceedings, settlements, investigations and claims;

Industrial, commercial and residential growth or decline in Duke Energy's service territories, customer base or customer usage patterns;

Additional competition in electric markets and continued industry consolidation;

Political and regulatory uncertainty in other countries in which Duke Energy conducts business;

The influence of weather and other natural phenomena on Duke Energy's operations, including the economic, operational and other effects of storms, hurricanes, droughts and tornados;

The impact on Duke Energy's facilities and business from a terrorist attack;

The inherent risks associated with the operation and potential construction of nuclear facilities, including environmental, health, safety, regulatory and financial risks;

The timing and extent of changes in commodity prices, interest rates and foreign currency exchange rates;

Unscheduled generation outages, unusual maintenance or repairs and electric transmission system constraints;

The performance of electric generation facilities and of projects undertaken by Duke Energy's non-regulated businesses;

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The results of financing efforts, including Duke Energy's ability to obtain financing on favorable terms, which can be affected by various factors, including Duke Energy's credit ratings and general economic conditions;

Declines in the market prices of equity securities and resultant cash funding requirements for Duke Energy's defined benefit pension plans;

The level of creditworthiness of counterparties to Duke Energy's transactions;

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Employee workforce factors, including the potential inability to attract and retain key personnel;

Growth in opportunities for Duke Energy's business units, including the timing and success of efforts to develop domestic and international power and other projects;

Construction and development risks associated with the completion of Duke Energy's capital investment projects in existing and new generation facilities, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules, and satisfying operating and environmental performance standards, as well as the ability to recover costs from ratepayers in a timely manner or at all;

The effect of accounting pronouncements issued periodically by accounting standard-setting bodies;

The expected timing and likelihood of completion of the proposed merger with Progress Energy, Inc., including the timing, receipt and terms and conditions of any required governmental and regulatory approvals of the proposed merger that could reduce anticipated benefits or cause the parties to abandon the merger, the diversion of management's time and attention from Duke Energy's ongoing business during this time period, the ability to maintain relationships with customers, employees or suppliers as well as the ability to successfully integrate the businesses and realize cost savings and any other synergies and the risk that the credit ratings of the combined company or its subsidiaries may be different from what the companies expect;

The risk that the proposed merger with Progress Energy, Inc. is terminated prior to completion and results in significant transaction costs to Duke Energy; and

The ability to successfully complete merger, acquisition or divestiture plans.

In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements included or incorporated by reference in this prospectus supplement and the accompanying prospectus might not occur or might occur to a different extent or at a different time than we have described. You should not put undue reliance on any forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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The ratios of earnings to fixed charges are calculated using the Securities and Exchange Commission guidelines.

	Six Months Ended June 30,		Year Ended December 31,			
	2011	2010	2009	2008	2007	2006
(dollars in millions)						
Earnings (as defined for the fixed charges calculation):						
Add:						
Pretax income from continuing operations(a)	\$1,307	\$ 2,097	\$ 1,770	\$ 1,993	\$ 2,078	\$ 1,421
Fixed charges	524	1,045	892	883	797	1,382
Distributed income of equity investees	65	111	82	195	147	893
Deduct:						
Preference security dividend requirements of consolidated subsidiaries						27
Interest capitalized(b)	84	168	102	93	71	56
Total earnings (as defined for the fixed charges calculation)	\$1,812	\$ 3,085	\$ 2,642	\$ 2,978	\$ 2,951	\$ 3,613
Fixed charges:						
Interest on debt, including capitalized portions(b)	\$505	\$ 1,008	\$ 853	\$ 834	\$ 756	\$ 1,311
Estimate of interest within rental expense	19	37	39	49	41	44
Preference security dividend requirements of consolidated subsidiaries						27
Total fixed charges	\$524	\$ 1,045	\$ 892	\$ 883	\$ 797	\$ 1,382
Ratio of earnings to fixed charges	3.5	3.0	3.0	3.4	3.7	2.6

(a) Excludes amounts attributable to noncontrolling interests and income or loss from equity investees.

(b) Excludes the equity costs related to Allowance for Funds Used During Construction that are included in Other Income and Expenses in the Condensed Consolidated Statements of Operations.

USE OF PROCEEDS

The aggregate net proceeds from the sale of the Notes, after deducting the underwriting discount and related offering expenses and giving effect to the underwriters' payment to us, will be approximately \$497,180,000. The net proceeds from the sale of the Notes will be used to repay a portion of our commercial paper as it matures, to fund capital expenditures in our unregulated businesses and for general corporate purposes. As of August 12, 2011, we had approximately \$900 million of commercial paper outstanding, with a weighted average interest rate of approximately 0.38%. Our outstanding commercial paper matures no later than 90 days after its date of issue. We issue commercial paper from time to time to fund our working capital and other needs, including those of our subsidiaries.

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DESCRIPTION OF THE NOTES

General

The following description of the Notes summarizes certain general terms that will apply to the Notes. The Notes will be issued as a new series of senior debt securities under an Indenture between us and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.), as Trustee, dated as of June 3, 2008, as supplemented from time to time, including by the Fifth Supplemental Indenture, to be dated as of August 25, 2011, collectively referred to as the Indenture. This description is not complete, and we refer you to the accompanying prospectus and the Indenture. Defined terms have the meanings assigned to them in the Indenture.

The Notes are issuable in denominations of \$2,000 or any integral multiple of \$1,000 in excess thereof. The Notes will be issued in an initial aggregate principal amount of \$500 million.

We may from time to time, without the consent of existing holders, create and issue further notes having the same terms and conditions as the Notes being offered hereby in all respects, except for issue date, issue price and, if applicable, the first payment of interest thereon and the initial interest accrual date. Additional notes issued in this manner will be consolidated with and will form a single series with the previously outstanding Notes.

As used in this prospectus supplement, "business day" means, with respect to the Notes, any day other than a Saturday or Sunday that is neither a legal holiday nor a day on which banking institutions in New York, New York are authorized or required by law, regulation or executive order to close, or a day on which the Corporate Trust Office is closed for business.

Ranking

The Notes will be our direct, unsecured and unsubordinated obligations. The Notes will rank equally in priority with all of our existing and future unsecured and unsubordinated indebtedness and senior in right of payment to all of our existing and future subordinated debt. As of June 30, 2011, we had approximately \$3.4 billion of unsecured and unsubordinated indebtedness that will rank equally in priority with respect to the Notes. Also as of June 30, 2011, our subsidiaries had approximately \$15.6 billion of indebtedness to which the Notes will be structurally subordinated, payment upon approximately \$2.0 billion of which is guaranteed by Duke Energy Corporation. All of such guarantees were granted to the holders of certain unsecured debt of our subsidiary Duke Energy Carolinas, LLC, in connection with changes in our corporate structure relating to the closing of our merger with Cinergy Corp. in 2006. Our Indenture contains no restrictions on the amount of additional indebtedness that we may issue under it.

Interest

The Notes will mature on September 15, 2021 and will bear interest at a rate of 3.55% per annum. Interest shall be payable semi-annually in arrears on March 15 and September 15 of each year, commencing on March 15, 2012. If an interest payment date falls on a day that is not a business day, interest will be payable on the next succeeding business day (and without any interest or payment in respect of any such delay) with the same force and effect as if made on such interest payment date. Interest will be paid to the person in whose name each Note is registered at the close of business on the fifteenth calendar day next preceding each semi-annual interest payment date (whether or not a business day). Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months, and will accrue from August 25, 2011 or from the most recent interest payment date to which interest has been paid or duly provided for.

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Optional Redemption

At any time before three months prior to maturity, we will have the right to redeem the Notes, in whole or in part and from time to time, 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 being redeemed (exclusive of interest accrued to the redemption date), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 25 basis points, plus, in either case, accrued and unpaid interest on the Notes being redeemed to such redemption date. At any time on or after three months prior to maturity, we will have the right to redeem the Notes, in whole or in part and from time to time, at a redemption price equal to 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest on the Notes being redeemed to the date of redemption.

For purposes of these redemption provisions, the following terms have the following meanings:

"*Comparable Treasury Issue*" means the United States Treasury security selected by the Quotation Agent as having an actual or interpolated maturity comparable to the remaining term 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 for the Notes, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (2) if fewer than four such Reference Treasury Dealer Quotations are obtained, the average of all such Reference Treasury Dealer Quotations.

"*Quotation Agent*" means one of the Reference Treasury Dealers appointed by us.

"*Reference Treasury Dealer*" means each of Citigroup Global Markets Inc., Goldman, Sachs & Co., and UBS Securities LLC, plus two other financial institutions appointed by us at the time of any redemption or their respective affiliates which are primary U.S. Government securities dealers in the United States (a "Primary Treasury Dealer"), and their respective successors; provided, however, that if any of the foregoing or their affiliates or successors shall cease to be a Primary Treasury Dealer, we shall substitute therefor another Primary Treasury Dealer.

"*Reference Treasury Dealer Quotations*" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer 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 or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming 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.

Redemption Procedures

We will provide not less than 30 nor more than 60 days' notice mailed to each registered holder of the Notes to be redeemed. If the redemption notice is given and funds deposited as required, then interest will cease to accrue from and after the redemption date on the Notes or portions of such Notes called for redemption. In the event that any redemption date is not a business day, we will pay the redemption price on the next business day without any interest or other payment due to the delay.

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Sinking Fund

There is no provision for a sinking fund applicable to the Notes.

Reports

We will provide the Trustee any information, documents or reports required to be filed by Duke Energy Corporation with the SEC under Section 13 or Section 15(d) of the Securities Exchange Act of 1934, or the Exchange Act, within 15 days after the same is filed with the SEC. See "Where You Can Find More Information."

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following discussion summarizes certain U.S. federal income tax considerations relevant to the acquisition, ownership and disposition of the Notes, and does not purport to be a complete analysis of all potential U.S. federal income tax considerations. This discussion only applies to Notes that are held as capital assets, within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "Code"), and that are purchased in the initial offering at the initial offering price, by Non-U.S. Holders (as defined below). This summary is based on the Code, administrative pronouncements, judicial decisions and regulations of the Treasury Department, changes to any of which subsequent to the date of this prospectus supplement may affect the tax consequences described herein. This discussion does not describe all of the U.S. federal income tax considerations that may be relevant to Non-U.S. Holders in light of their particular circumstances or to Non-U.S. Holders subject to special rules, such as certain financial institutions, tax-exempt organizations, insurance companies, traders or dealers in securities or commodities, persons holding Notes as part of a hedge or other integrated transaction, or certain former citizens or residents of the United States.

Persons considering the purchase of Notes are urged to consult their tax advisors with regard to the application of the U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction. Furthermore, this discussion does not describe the effect of U.S. federal estate and gift tax laws or the effect of any applicable foreign, state or local law.

We have not and will not seek any rulings or opinions from the Internal Revenue Service (the "IRS") or counsel with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the acquisition, ownership or disposition of the Notes or that any such position would not be sustained.

Prospective investors should consult their own tax advisors with regard to the application of the U.S. federal income tax considerations discussed below to their particular situations as well as the application of any state, local, foreign or other tax laws, including gift and estate tax laws.

For purposes of this summary, a "Non-U.S. Holder" means a beneficial owner of a Note that, for U.S. federal income tax purposes, is not (i) an individual that is a citizen or resident of the United States; (ii) a corporation or other entity treated as a corporation for U.S. federal income tax purposes that is created or organized under the laws of the United States, any states thereof or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation; (iv) a trust if (A) a court within the United States is able to exercise primary control over its administration and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of such trust, or (B) the trust has made an election under the applicable Treasury regulations to be treated as a United States person. If a partnership, or other entity or arrangement treated as a partnership for U.S. federal income tax purposes, holds Notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Partners in a

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partnership holding Notes should consult their tax advisors as to the particular U.S. federal income tax considerations relevant to the acquisition, ownership and disposition of the Notes applicable to them.

Interest

A Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on payments of interest on the Notes provided that such Non-U.S. Holder (A) does not directly or indirectly, actually or constructively, own 10% or more of the total combined voting power of all classes of our stock entitled to vote, (B) is not a controlled foreign corporation that is related to us directly or constructively through stock ownership, (C) is not a bank receiving such interest on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business, and (D) satisfies certain certification requirements. Such certification requirements will be met if (x) the Non-U.S. Holder provides its name and address, and certifies on an IRS Form W-8 BEN (or a substantially similar form), under penalties of perjury, that it is not a United States person or (y) a securities clearing organization or certain other financial institutions holding the Notes on behalf of the Non-U.S. Holder certifies on IRS Form W-8IMY, under penalties of perjury, that such certification has been received by it and furnishes us or our paying agent with a copy thereof. In addition, we or our paying agent must not have actual knowledge or reason to know that the beneficial owner of the Notes is a United States person.

If interest on the Notes is not effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States, but such Non-U.S. Holder does not satisfy the other requirements outlined in the preceding sentence, interest on the Notes generally will be subject to U.S. withholding tax at a 30% rate (or lower applicable treaty rate).

If interest on the Notes is effectively connected with the conduct by a Non-U.S. Holder of a trade or business within the United States, and, if certain tax treaties apply, is attributable to a permanent establishment or fixed base within the United States, the Non-U.S. Holder generally will be subject to U.S. federal income tax on a net income basis at the rate applicable to United States persons generally (and, with respect to corporate Non-U.S. Holders, may also be subject to a 30% branch profits tax (or a lower applicable treaty rate)). If interest is subject to U.S. federal income tax on a net income basis in accordance with these rules, such interest payments will not be subject to U.S. withholding tax so long as the Non-U.S. Holder provides us or our paying agent with the appropriate documentation (generally an IRS Form W-8ECI).

Sale or Other Taxable Disposition of the Notes

A Non-U.S. Holder generally will not be subject to U.S. federal withholding tax with respect to gain, if any, recognized on the sale or other taxable disposition of the Notes. A Non-U.S. Holder will also generally not be subject to U.S. federal income tax with respect to such gain, unless (i) the gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States, and, if certain tax treaties apply, is attributable to a permanent establishment or fixed base within the United States, or (ii) in the case of a Non-U.S. Holder that is a nonresident alien individual, such Non-U.S. Holder is present in the United States for 183 or more days in the taxable year of the disposition and certain other conditions are satisfied. In the case described in (i) above, gain or loss recognized on the disposition of such Notes generally will be subject to U.S. federal income taxation in the same manner as if such gain or loss were recognized by a United States person, and, in the case of a Non-U.S. Holder that is a foreign corporation, may also be subject to the branch profits tax at a rate of 30% (or a lower applicable treaty rate). In the case described in (ii) above, the Non-U.S. Holder will be subject to a 30% tax on any capital gain recognized on the disposition of the Notes (after being offset by certain U.S. source capital losses).

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Information Reporting and Backup Withholding

Information returns will be filed annually with the IRS in connection with payments we make on the Notes. Copies of these information returns may also be made available under the provisions of a specific tax treaty or other agreement to the tax authorities of the country in which the Non-U.S. Holder resides. Unless the Non-U.S. Holder complies with certification procedures to establish that it is not a United States person, information returns may be filed with the IRS in connection with the proceeds from a sale or other disposition, and the Non-U.S. Holder may be subject to backup withholding tax (currently at a rate of 28%) on payments on the Notes or on the proceeds from a sale or other disposition of the Notes. The certification procedures required to claim the exemption from withholding tax on interest described above will satisfy the certification requirements necessary to avoid the backup withholding tax as well. The amount of any backup withholding from a payment to a Non-U.S. Holder will be allowed as a credit against the Non-U.S. Holder's U.S. federal income tax liability and may entitle the Non-U.S. Holder to a refund, provided that the required information is furnished to the IRS in a timely manner.

BOOK-ENTRY SYSTEM

We have obtained the information in this section concerning The Depository Trust Company, or DTC, and its book-entry system and procedures from sources that we believe to be reliable, but we take no responsibility for the accuracy of this information.

The Notes initially will be represented by one or more fully registered global securities. Each global security will be deposited with, or on behalf of, DTC or any successor thereto and registered in the name of Cede & Co., DTC's nominee.

Investors may elect to hold interests in the global Notes through either DTC in the United States or Clearstream, Luxembourg or the Euroclear System in Europe if they are participants of such systems, or indirectly through organizations which are participants in such systems. Clearstream, Luxembourg and the Euroclear System will hold interests on behalf of their participants through customers' securities accounts in Clearstream, Luxembourg's and the Euroclear System's names on the books of their respective depositories, which in turn will hold such interests in customers' securities accounts in the depositories' names on the books of DTC. Citibank N.A. will act as depository for Clearstream, Luxembourg and JPMorgan Chase Bank, N.A. will act as depository for the Euroclear System (in such capacities, the "U.S. Depositories").

You may hold your interests in a global security in the United States through DTC, either as a participant in such system or indirectly through organizations which are participants in such system. So long as DTC or its nominee is the registered owner of the global securities representing the Notes, DTC or such nominee will be considered the sole owner and holder of the Notes for all purposes of the Notes and the indenture governing the Notes. Except as provided below, owners of beneficial interests in the Notes will not be entitled to have the Notes registered in their names, will not receive or be entitled to receive physical delivery of the Notes in definitive form and will not be considered the owners or holders of the Notes under the indenture governing the Notes, including for purposes of receiving any reports that we or the Trustee deliver pursuant to the indenture governing the Notes. Accordingly, each person owning a beneficial interest in a Note must rely on the procedures of DTC or its nominee and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, in order to exercise any rights of a holder of Notes.

Unless and until we issue the Notes in certificated form under the limited circumstances described below under the heading " Certificated Notes":

you will not be entitled to receive physical delivery of a certificate representing your interest in the Notes;

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

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

The Depository Trust Company

DTC will act as securities depository for the Notes. The Notes will be issued as fully registered securities registered in the name of Cede & Co. DTC is:

a limited-purpose trust company organized under the New York Banking Law;

a "banking organization" under the New York Banking Law;

a member of the Federal Reserve System;

a "clearing corporation" under the New York Uniform Commercial Code; and

a "clearing agency" registered under the provision of Section 17A of the Exchange Act.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its direct participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in direct participants' accounts, thereby eliminating the need for physical movement of securities certificates.

Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn is owned by a number of direct participants of DTC and members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (which are also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC and the Financial Industry Regulatory Authority, Inc. Access to the DTC system is also available to indirect participants such as securities brokers and dealers, banks and trust companies that clear transactions through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

If you are not a direct participant or an indirect participant and you wish to purchase, sell or otherwise transfer ownership of, or other interests in the Notes, you must do so through a direct participant or an indirect participant. DTC agrees with and represents to DTC participants that it will administer its book-entry system in accordance with its rules and by-laws and requirements of law. The SEC has on file a set of the rules applicable to DTC and its direct participants.

Purchases of the Notes under DTC's system must be made by or through direct participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct participants and indirect participants. Beneficial owners will not receive written confirmation from DTC of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participants through which such beneficial owners entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on

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the books of direct and indirect participants acting on behalf of beneficial owners. Beneficial owners will not receive physical delivery of certificates representing their ownership interests in the Notes, except as provided below in " Certificat