

CATERPILLAR INC
Form 424B5
May 05, 2014

Use these links to rapidly review the document

[Table of Contents](#)
[TABLE OF CONTENTS](#)

[Table of Contents](#)

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-184729

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these notes, and we are not soliciting an offer to buy these notes, in any state or jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 5, 2014

**PROSPECTUS SUPPLEMENT
(To Prospectus Dated November 2, 2012)**

\$

\$ % Senior Notes due 20
\$ % Senior Notes due 20

We are offering \$ aggregate principal amount of our % Senior Notes due 20 (the "20 notes") and \$ aggregate principal amount of our % Senior Notes due 20 (the "20 notes" and, together with the 20 notes, the "notes"). Interest on the notes is payable semi-annually on and of each year, beginning on , 2014. The 20 notes will mature on , 20 and the 20 notes will mature on , 20 . We may redeem the notes of any series at our option, at any time in whole or from time to time in part, at the redemption prices set forth under the caption "Description of the Notes Optional Redemption."

The notes will be unsecured and will rank senior to all of our existing and future subordinated debt and will rank equally in right of payment with our existing and future unsecured senior debt. The notes will be effectively subordinated to any secured debt we may have or incur in the future to the extent of the assets securing such indebtedness. The notes will be structurally subordinated to the debt and all other obligations of our subsidiaries.

Investing in the notes involves risks. See "Risk Factors" beginning on page S-9 of this prospectus supplement.

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

Public offering price(1)	Underwriting discount	Proceeds to us (before expenses)
---------------------------------	------------------------------	---

Edgar Filing: CATERPILLAR INC - Form 424B5

Per 20	note		%		%		%
Total		\$		\$		\$	
Per 20	note		%		%		%
Total		\$		\$		\$	

(1) Plus accrued interest, if any, from May , 2014.

The notes will not be listed on any securities exchange. Currently, there are no public markets for the notes. The notes will be issued only in registered form in denominations of \$2,000 and in integral multiples of \$1,000 in excess thereof.

The underwriters expect to deliver the notes for purchase on or about May , 2014 in book-entry form through the facilities of The Depository Trust Company and its participants, including Clearstream Banking, *société anonyme*, and Euroclear Bank S.A./N.V.

Joint Book-Running Managers

Barclays

BofA Merrill Lynch

J.P. Morgan

Dated: May , 2014.

Table of Contents**Table of Contents****Prospectus Supplement****Page**

<u>About This Prospectus Supplement</u>	<u>S-ii</u>
<u>Where You Can Find More Information</u>	<u>S-ii</u>
<u>A Note On Forward-Looking Statements</u>	<u>S-iii</u>
<u>Summary</u>	<u>S-1</u>
<u>Risk Factors</u>	<u>S-9</u>
<u>Use of Proceeds</u>	<u>S-11</u>
<u>Ratio of Earnings to Fixed Charges</u>	<u>S-11</u>
<u>Capitalization</u>	<u>S-12</u>
<u>Description of the Notes</u>	<u>S-13</u>
<u>Material United States Federal Income Tax Consequences</u>	<u>S-18</u>
<u>Certain ERISA Considerations</u>	<u>S-23</u>
<u>Underwriting</u>	<u>S-25</u>
<u>Legal Matters</u>	<u>S-30</u>
<u>Experts</u>	<u>S-30</u>

Prospectus**Page**

<u>About This Prospectus</u>	<u>1</u>
<u>The Company</u>	<u>2</u>
<u>Risk Factors</u>	<u>3</u>
<u>Forward-Looking Statements</u>	<u>3</u>
<u>Use of Proceeds</u>	<u>4</u>
<u>Ratio of Earnings to Fixed Charges</u>	<u>4</u>
<u>General Description of Securities</u>	<u>5</u>
<u>Description of Debt Securities</u>	<u>5</u>
<u>Description of Capital Stock</u>	<u>11</u>
<u>Description of Common Stock</u>	<u>11</u>
<u>Description of Preferred Stock</u>	<u>11</u>
<u>Transfer Agent and Registrar</u>	<u>12</u>
<u>Possible Anti-Takeover Provisions</u>	<u>12</u>
<u>Description of Warrants</u>	<u>13</u>
<u>Plan of Distribution</u>	<u>14</u>
<u>Legal Matters</u>	<u>16</u>
<u>Experts</u>	<u>16</u>
<u>Where You Can Find More Information</u>	<u>16</u>
<u>Incorporation of Certain Documents by Reference</u>	<u>16</u>

We have not, and the underwriters have not, authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus we authorize that supplements this prospectus supplement. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. You should not assume that the information in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date on the cover of the applicable document. We are only making an offer with respect to the notes. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or a solicitation of an offer to buy by anyone in any jurisdiction in which such offer or solicitation is not authorized, or in which the person is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Table of Contents

About This Prospectus Supplement

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering of the notes. The second part is the accompanying prospectus dated November 2, 2012, which we refer to as the "accompanying prospectus." The accompanying prospectus contains a description of our debt securities and gives more general information, some of which may not apply to the notes. You should read both this prospectus supplement and the accompanying prospectus, together with the documents incorporated by reference and the additional information described below under the heading "Where You Can Find More Information." If the information contained in this prospectus supplement differs in any way from the information contained in the accompanying prospectus, you should rely on the information in this prospectus supplement.

In this prospectus supplement and the accompanying prospectus, unless otherwise indicated, "we," "us," "our," "Caterpillar" and "the company" refer to Caterpillar Inc. and its subsidiaries. Our executive offices are located at 100 NE Adams St., Peoria, Illinois, 61629, and our telephone number is (309) 675-1000. We maintain a website at www.caterpillar.com where general information about us is available. We are not incorporating the contents of the website into this prospectus supplement or the accompanying prospectus.

Where You Can Find More Information

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). You may read and copy any document that we file at the SEC's Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site at www.sec.gov, from which interested persons can electronically access the registration statement of which this prospectus supplement forms a part, including the exhibits and schedules thereto, and our annual, quarterly and current reports, proxy statements and other information that we file with the SEC.

The SEC allows us to "incorporate by reference" the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus supplement, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules), on or after the date of this prospectus supplement until we sell all of the notes offered by this prospectus supplement and the accompanying prospectus:

- (a) Annual Report on Form 10-K for the fiscal year ended December 31, 2013;
- (b) Quarterly Report on Form 10-Q for the quarter ended March 31, 2014; and

Table of Contents

(c) Definitive Proxy Statement on Schedule 14A for our 2014 Annual Meeting of Stockholders filed on April 21, 2014 (only those parts incorporated into our Annual Report on Form 10-K for the fiscal year ended December 31, 2013).

We will provide without charge to each person, including any beneficial owner, to whom this prospectus supplement and the accompanying prospectus is delivered, upon his or her written or oral request, a copy of any or all documents referred to above which have been or may be incorporated by reference into this prospectus supplement, excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You can request those documents in writing or by telephone from Caterpillar as follows:

Caterpillar Inc.
Attention: Corporate Secretary
100 NE Adams Street
Peoria, Illinois 61629
Telephone: 309-675-1000

A Note On Forward-Looking Statements

Certain statements in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein, relate to future events and expectations and are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "believe," "estimate," "will be," "will," "would," "expect," "anticipate," "plan," "project," "intend," "could," "should" or other similar words or expressions often identify forward-looking statements. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding our outlook, projections, forecasts or trend descriptions. These statements do not guarantee future performance, and we do not undertake to update our forward-looking statements, whether as a result of new information, future events or otherwise.

Our actual results may differ materially from those described or implied in our forward-looking statements based on a number of factors, including, but not limited to: (i) global economic conditions and economic conditions in the industries and markets we serve; (ii) government monetary or fiscal policies and infrastructure spending; (iii) commodity price changes, component price increases, fluctuations in demand for our products or significant shortages of component products; (iv) disruptions or volatility in global financial markets limiting our sources of liquidity or the liquidity of our customers, dealers and suppliers; (v) political and economic risks, commercial instability and events beyond our control in the countries in which we operate; (vi) failure to maintain our credit ratings and potential resulting increases to our cost of borrowing and adverse effects on our cost of funds, liquidity, competitive position and access to capital markets; (vii) our Financial Products segment's risks associated with the financial services industry; (viii) changes in interest rates or market liquidity conditions; (ix) an increase in delinquencies, repossessions or net losses of Cat Financial's customers; (x) new regulations or changes in financial services regulations; (xi) a failure to realize, or a delay in realizing, all of the anticipated benefits of our acquisitions, joint ventures or divestitures; (xii) international trade policies and their impact on demand for our products and our competitive position; (xiii) our ability to develop, produce and market quality products that meet our customers' needs; (xiv) the impact of the highly competitive environment in which we

Table of Contents

operate on our sales and pricing; (xv) failure to realize all of the anticipated benefits from initiatives to increase our productivity, efficiency and cash flow and to reduce costs; (xvi) additional restructuring costs or a failure to realize anticipated savings or benefits from past or future cost reduction actions; (xvii) inventory management decisions and sourcing practices of our dealers and our OEM customers; (xviii) compliance with environmental laws and regulation; (xix) alleged or actual violations of trade or anti-corruption laws and regulations; (xx) additional tax expense or exposure; (xxi) currency fluctuations; (xxii) our or Cat Financial's compliance with financial covenants; (xxiii) increased pension plan funding obligations; (xxiv) union disputes or other employee relations issues; (xxv) significant legal proceedings, claims, lawsuits or investigations; (xxvi) compliance requirements imposed if additional carbon emissions legislation and/or regulations are adopted; (xxvii) changes in accounting standards; (xxviii) failure or breach of IT security; (xxix) adverse effects of unexpected events including natural disasters; and (xxx) other factors described in more detail under "Item 1A. Risk Factors" in our Annual Report on Form 10-K filed with the SEC on February 18, 2014 for the year ended December 31, 2013.

Table of Contents

Summary

This summary highlights certain information about us and this offering of the notes. This summary does not contain all the information that may be important to you. You should carefully read this entire prospectus supplement, the accompanying prospectus and those documents incorporated by reference into this prospectus supplement and the accompanying prospectus, including the risk factors and the financial statements and related notes incorporated by reference herein, before making an investment decision.

Caterpillar Inc.

Overview

With 2013 sales and revenues of \$55.656 billion, Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments: Resource Industries, Construction Industries and Energy & Transportation, and also provides financing and related services through its Financial Products segment. Caterpillar is also a leading U.S. exporter. Through a global network of independent dealers and direct sales of certain products, Caterpillar builds long-term relationships with customers around the world.

We have seven operating segments, of which four are reportable segments and are described below.

Our **Construction Industries** segment is primarily responsible for supporting customers using machinery in infrastructure and building construction applications. The majority of machine sales in this segment are made in the heavy construction, general construction, mining and quarry and aggregates markets.

The **Resource Industries** segment is primarily responsible for supporting customers using machinery in mine and quarry applications. As a result of the acquisition of Bucyrus International, Inc. in July 2011, we are now able to offer mining customers the broadest product range in the industry.

Our **Energy & Transportation** segment is primarily responsible for supporting customers using reciprocating engines, turbines and related parts across industries serving electric power, industrial, petroleum and marine applications as well as rail-related businesses.

The business of our **Financial Products** segment is primarily conducted by Caterpillar Financial Services Corporation (Cat Financial), a wholly owned finance subsidiary of Caterpillar. Cat Financial's primary business is to provide retail and wholesale financing alternatives for Caterpillar products to customers and dealers around the world.

Information in our financial statements and related commentary are presented in the following categories:

Machinery, Energy & Transportation represents the aggregate total of Construction Industries, Resource Industries, Energy & Transportation and All Other operating segments and related corporate items and eliminations.

Table of Contents

Financial Products primarily includes the company's Financial Products segment. This category includes Cat Financial, Caterpillar Financial Insurance Services (Insurance Services) and their respective subsidiaries.

Our products are sold primarily under the brands "Caterpillar," "CAT," design versions of "CAT" and "Caterpillar," "Electro-Motive," "FG Wilson," "MaK," "MWM," "Perkins," "Progress Rail," "SEM" and "Solar Turbines."

Corporate Information

Originally organized as Caterpillar Tractor Co. in 1925 in the State of California, our company was reorganized as Caterpillar Inc. in 1986 in the State of Delaware. Our principal executive offices are located at 100 NE Adams Street, Peoria, Illinois 61629. Our telephone number is (309) 675-1000. Our website is located at <http://www.Caterpillar.com>. Information on our website is not part of this prospectus supplement or the accompanying prospectus.

Table of Contents

At any time on or after _____, 20__ (____ months prior to the maturity date of the 20__ notes), we may redeem the 20__ notes in whole at any time or in part from time to time, at our option, at a redemption price equal to 100% of the principal amount of the 20__ notes being redeemed, plus accrued and unpaid interest on the principal amount being redeemed to the redemption date.

At any time on or after _____, 20__ (____ months prior to the maturity date of the 20__ notes), we may redeem the 20__ notes in whole at any time or in part from time to time, at our option, at a redemption price equal to 100% of the principal amount of the 20__ notes being redeemed, plus accrued and unpaid interest on the principal amount being redeemed to the redemption date.

Certain Covenants

The indenture governing the notes contains certain covenants for your benefit. These covenants restrict our ability to, among other things, incur debt secured by liens, engage in certain sale-leaseback transactions and merge or consolidate or sell all or substantially all of our assets. These covenants are subject to certain significant exceptions. See "Description of Debt Securities Certain Restrictive Covenants" in the accompanying prospectus.

Use of Proceeds

We expect to receive net proceeds, after deducting underwriting discounts and estimated offering expenses, of approximately \$_____ from this offering. We intend to use the net proceeds of this offering for general corporate purposes and to repay existing indebtedness. See "Use of Proceeds."

Form and Denomination

The notes will be issued in fully registered form in minimum denominations of \$2,000 and in integral multiples of \$1,000 in excess thereof.

Further Issuances

We may, from time to time, without notice to or the consent of the holders or the beneficial owners of the notes, create and issue additional notes of any series having the same terms as the notes of such series in all respects (except for the issue date, issue price, payment of interest accruing prior to the issue date of the notes and, in some cases, the initial interest payment date of the notes), so that such additional notes may be consolidated and form a single series with notes of the relevant series being offered by this prospectus supplement and the accompanying prospectus. If the additional notes are not fungible with the previously outstanding notes of such series for United States federal income tax purposes, such additional notes will have a separate CUSIP number. See "Description of the Notes Further Issuances."

Table of Contents

No Listing of the Notes

We do not intend to apply to list the notes for trading on any securities exchange or to arrange for quotation on any automated dealer quotation system. Accordingly, we cannot provide assurance as to the development or liquidity of any market for any series of the notes. See "Underwriting."

Governing Law

The notes will be, and the indenture is, governed by the laws of the State of New York, except as may otherwise be required by mandatory provisions of law.

Trustee

U.S. Bank National Association

Risk Factors

See "Risk Factors" beginning on page S-9 of this prospectus supplement for important information regarding us and an investment in the notes.

Other Relationships

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future, various financial advisory and/or derivatives, commercial banking, investment banking and other commercial transactions and services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. Certain of the underwriters and their affiliates are also parties to and lenders under our existing credit facilities. See "Underwriting Other Relationships."

Table of Contents

Summary Selected Historical Financial Information

The following table sets forth our summary selected historical financial information. The summary selected historical results of operations information for the years ended December 31, 2013, 2012 and 2011, and the summary selected historical financial position information as of December 31, 2013, 2012 and 2011, are derived from our audited consolidated financial statements and the related notes contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, which is incorporated by reference in this prospectus supplement. The selected historical results of operations information for the quarters ended March 31, 2014 and 2013 and the summary selected historical financial position information as of March 31, 2014 are derived from our unaudited consolidated financial statements and the related notes contained in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, which is incorporated by reference in this prospectus supplement. Historical results are not necessarily indicative of the results that may be expected for any future period. The summary selected historical financial information should be read in conjunction with our consolidated financial statements and the related notes and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, each of which is incorporated by reference in this prospectus supplement. See "Where You Can Find More Information" elsewhere in this prospectus supplement.

S-6

Table of Contents

(in millions)	Year ended December 31,			Three months ended March 31,	
	2013	2012	2011	2014	2013
Income statement information:					
Sales and revenues:					
Sales of Machinery, Energy & Transportation	\$ 52,694	\$ 63,068	\$ 57,392	\$ 12,493	\$ 12,484
Revenues of Financial Products	2,962	2,807	2,746	748	726
Total sales and revenues	55,656	65,875	60,138	13,241	13,210
Operating costs:					
Cost of goods sold	40,727	47,055	43,578	9,437	9,639
Selling, general and administrative expenses	5,547	5,919	5,203	1,292	1,390
Research and development expenses	2,046	2,466	2,297	508	562
Interest expense of Financial Products	727	797	826	160	189
Goodwill impairment charge		580			
Other operating (income) expenses	981	485	1,081	446	212
Total operating costs	50,028	57,302	52,985	11,843	11,992
Operating profit	5,628	8,573	7,153	1,398	1,218
Interest expense excluding Financial Products	465	467	396	110	120
Other income (expense)	(35)	130	(32)	54	29
Consolidated profit before taxes	5,128	8,236	6,725	1,342	1,127
Provision (benefit) for income taxes	1,319	2,528	1,720	418	246
Profit of consolidated companies	3,809	5,708	5,005	924	881
Equity in profit (loss) of unconsolidated affiliated companies	(6)	14	(24)	1	1
Profit of consolidated and affiliated companies	3,803	5,722	4,981	925	882
Less: Profit (loss) attributable to noncontrolling interests	14	41	53	3	2
Profit(1)	\$ 3,789	\$ 5,681	\$ 4,928	\$ 922	\$ 880

(1) Profit attributable to common stockholders.

Table of Contents

(in millions, except ratios)	2013	December 31, 2012	2011	March 31, 2014
Balance sheet information (at period end):				
Assets				
Total current assets	\$ 38,335	\$ 42,138	\$ 37,900	\$ 37,968
Property, plant and equipment net	17,075	16,461	14,395	16,716
Long-term receivables trade and other	1,397	1,316	1,130	1,284
Long-term receivables finance	14,926	14,029	11,948	15,206
Investments in unconsolidated affiliated companies	272	272	133	266
Noncurrent deferred and refundable income taxes	594	2,011	2,157	700
Intangible assets	3,596	4,016	4,368	3,509
Goodwill	6,956	6,942	7,080	6,986
Other assets	1,745	1,785	2,107	1,762
 Total assets	 \$ 84,896	 \$ 88,970	 \$ 81,218	 \$ 84,397
Liabilities				
Total current liabilities	\$ 27,297	\$ 29,415	\$ 28,357	\$ 27,295
Long-term debt due after one year:				
Machinery, Energy & Transportation	7,999	8,666	8,415	7,998
Financial Products	18,720	19,086	16,529	18,803
Liability for postemployment benefits	6,973	11,085	10,956	6,715
Other liabilities	3,029	3,136	3,559	3,217
 Total liabilities	 \$ 64,018	 \$ 71,388	 \$ 67,816	 \$ 64,028
Redeemable noncontrolling interest			473	
Total liabilities, redeemable noncontrolling interest and stockholders' equity	\$ 84,896	\$ 88,970	\$ 81,218	\$ 84,397
 Ratio of Earnings to Fixed Charges(1)	 4.7x	 6.7x	 5.8x	 5.4x

(1) These ratios include Caterpillar and its consolidated subsidiaries. Earnings are determined by adding pre-tax income from continuing operations before adjustments for noncontrolling interest and equity in profit (loss) of unconsolidated affiliated companies, and fixed charges excluding capitalized interest. Fixed charges consist of interest expense, that portion of rental expense that is deemed to be representative of the interest factor (which we estimate to be one-third of rental expense), and capitalized interest.

Table of Contents

Risk Factors

You should carefully consider the following risk factors and the information under the heading "Risk Factors" in the accompanying prospectus and in our Annual Report on Form 10-K for the year ended December 31, 2013, which is incorporated by reference into this prospectus supplement, as well as the other information included or incorporated by reference into this prospectus supplement and the accompanying prospectus, before making an investment decision. In addition, there may be other risks that a prospective investor should consider that are relevant to its own particular circumstances or generally.

Risks Related to the Notes

The notes are our unsecured obligations and will rank effectively junior to the existing and future liabilities of our subsidiaries.

The notes are our unsecured obligations and will rank equally in right of payment with all of our other existing and future unsecured, senior obligations. The notes are not secured by any of our assets. As of March 31, 2014, we did not have any secured debt outstanding. Any future claims of secured lenders with respect to assets securing their loans will be prior to any claim of the holders of the notes with respect to those assets.

Our ability to service our debt, including the notes, depends 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 from Caterpillar Inc., the issuer of the notes, and have no obligation, contingent or otherwise, to make payments on the notes or to make any funds available for that purpose. As a result, the notes are structurally subordinated to all liabilities of our subsidiaries, including, without limitation, all indebtedness and trade payables of our subsidiaries. At March 31, 2014, we had approximately \$38.1 billion of indebtedness outstanding on a consolidated basis, approximately \$29.4 billion of which is subsidiary indebtedness that is structurally senior to the notes.

In particular, any payment of dividends, loans or advances by our subsidiaries could be subject to statutory or contractual restrictions. Payments to us by our subsidiaries will also be contingent upon the subsidiaries' earnings and business considerations. Our right to receive any assets of any of our subsidiaries upon their bankruptcy, liquidation or reorganization, and therefore the right of the holders of the notes to participate in those assets, will be effectively subordinated to the claims of that subsidiary's creditors, including trade creditors. In addition, even if we are a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any indebtedness of our subsidiaries senior to that held by us.

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

The notes and indenture under which the notes will be issued do not place any limitation on the amount of unsecured debt that may be incurred by us. Our incurrence of additional debt may have important consequences for you as a holder of the notes, including making it more difficult for us to satisfy our obligations with respect to the notes, a loss in the market value of your notes and a risk that the credit rating of the notes is lowered or withdrawn.

Table of Contents

The terms of 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 indebtedness or common shares or preferred shares, if any, or paying dividends, could have the effect of diminishing our ability to make payments on the notes when due. In addition, our management will have broad discretion in the application of the net proceeds from this offering and could spend the proceeds in ways that do not improve our results of operations. Our failure to apply these funds effectively could adversely affect our ability to make payments on the notes when due.

Our credit ratings may not reflect all risks of an investment in the notes, and changes in our credit ratings may affect the market value and liquidity of the notes.

The credit ratings assigned to the notes may not reflect the potential impact of all risks related to trading markets, if any, for, or trading value of, the notes. Agency ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization. Each agency's rating should be evaluated independently of any other agency's rating. Accordingly, you should consult your own financial and legal advisors as to the risks entailed by an investment in the notes and the suitability of investing in the notes in light of your particular circumstances.

In addition, real or anticipated changes in our credit ratings will generally affect any trading market, if any, for, or trading value of, the notes. There can be no assurance that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in each rating agency's judgment, circumstances so warrant. Actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under review for a downgrade, could affect the market value and liquidity of the notes and increase our borrowing costs.

If active trading markets do not develop for the notes, you may be unable to sell your notes or to sell your notes at a price that you deem sufficient.

The notes are new issues of securities for which there currently are no established trading markets. We do not intend to list the notes on a national securities exchange or arrange for quotation on any automated dealer quotation system. While the underwriters of the notes have advised us that they intend to make a market in each series of notes, the underwriters will not be obligated to do so and may stop their market making at any time. No assurance can be given:

that a market for any series of notes will develop or continue;

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

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

We may redeem your notes at our option, which may adversely affect your return.

As described under "Description of the Notes - Optional Redemption," we have the right to redeem the notes of any series in whole or from time to time in part at the redemption prices described under the caption "Description of the Notes - Optional Redemption." We may exercise this redemption right when prevailing interest rates are relatively low. As a result, you generally will not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the notes.

Table of Contents**Use of Proceeds**

The net proceeds from the offering of the 20 notes and the 20 notes, after deducting the respective underwriting discounts and estimated offering expenses payable by us, are expected to be approximately \$ _____ in the aggregate. We intend to use the net proceeds of this offering for general corporate purposes and to repay certain of our existing senior notes at maturity, including \$750 million aggregate principal amount of our 1.375% Senior Notes due 2014, which mature on May 27, 2014. We currently intend to also use a portion of the net proceeds of this offering to repay at maturity \$500 million aggregate principal amount of our 0.950% Senior Notes due 2015, which mature on June 26, 2015, though management retains broad discretion over such portion of the net proceeds of this offering and may ultimately use such portion of the net proceeds for other general corporate purposes.

Ratio of Earnings to Fixed Charges

Our ratios of earnings to fixed charges for each of the periods indicated are set forth below. The information set forth below should be read together with the financial statements and the accompanying notes incorporated by reference into this prospectus supplement. See "Where You Can Find More Information."

	Year ended December 31,					Three months ended March 31,	
2013	2012	2011	2010	2009	2014	2013	
4.7x	6.7x	5.8x	3.7x	1.3x	5.4x	4.2x	

These ratios include Caterpillar and its consolidated subsidiaries. Earnings are determined by adding pretax income from continuing operations before adjustments for noncontrolling interest and equity in profit (loss) of unconsolidated affiliated companies, and fixed charges excluding capitalized interest. Fixed charges consist of interest expense, that portion of rental expense that is deemed to be representative of the interest factor (which we estimate to be one-third of rental expense), and capitalized interest.

Table of Contents**Capitalization**

The following table sets forth our capitalization as of March 31, 2014, and on an as adjusted basis to give effect to the issuance and sale of the notes and the use of the net proceeds from this offering as set forth under "Use of Proceeds" above. This table should be read in conjunction with our unaudited consolidated financial statements and related notes and the related "Management's Discussion and Analysis of Financial Condition and Results of Operations" section, each of which is included in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 and incorporated by reference in this prospectus supplement. See "Where You Can Find More Information."

(Millions of dollars)	As of March 31, 2014	
	Actual	As Adjusted
Long-term debt due within one year		
Machinery, Energy & Transportation:		
Notes 1.375% due 2014	\$ 750	\$
Other	9	9
Financial Products	6,016	6,016
Long-term debt due after one year		
Machinery, Energy & Transportation:		
20 notes offered hereby	\$	\$
20 notes offered hereby		
Notes 5.700% due 2016	505	505
Notes 3.900% due 2021	1,246	1,246
Notes 5.200% due 2041	757	757
Debentures 0.950% due 2015	500	
Debentures 1.500% due 2017	500	500
Debentures 7.900% due 2018	899	899
Debentures 9.375% due 2021	120	120
Debentures 2.600% due 2022	498	498
Debentures 8.000% due 2023	82	82
Debentures 6.625% due 2028	193	193
Debentures 7.300% due 2031	241	241
Debentures 5.300% due 2035(1)	210	210
Debentures 6.050% due 2036	459	459
Debentures 8.250% due 2038	65	65
Debentures 6.950% due 2042	160	160
Debentures 3.803% due 2042(2)	1,173	1,173
Debentures 7.375% due 2097	244	244
Capital lease obligations	93	93
Other	53	53
Total Machinery, Energy & Transportation	\$ 7,998	\$
Financial Products:		
Medium-term notes	17,853	17,853
Other	950	950
Total Financial Products	\$ 18,803	\$ 18,803
Total long-term debt due after one year	\$ 26,801	\$
Stockholders' equity		
Common stock of \$1.00 par value:		
Authorized shares: 2,000,000,000 Issued shares: (3/31/14 814,894,624) at paid-in amount	4,773	4,773
Treasury stock (3/31/14 190,660,723 shares) at cost	(13,442)	(13,442)
Profit employed in the business	32,775	32,775
Accumulated other comprehensive income (loss)	(3,801)	(3,801)

Edgar Filing: CATERPILLAR INC - Form 424B5

Noncontrolling interests		64		64
Total stockholders' equity		\$	20,369	\$ 20,369
Total capitalization		\$	47,170	\$

- (1) Debentures due in 2035 have a face value of \$307 million and an effective yield to maturity of 8.55%.
- (2) Debentures due in 2042 have a face value of \$1,722 million and an effective yield to maturity of 6.20%.

S-12

Table of Contents

Description of the Notes

The following description of the particular terms of the 20 notes and the 20 notes, which we refer to in this description collectively as the "notes," supplements and, to the extent inconsistent therewith, replaces, the description of the general terms and provisions of the debt securities set forth under "Description of Debt Securities" in the accompanying prospectus. In this "Description of the Notes," unless otherwise indicated, all references to "we," "us" or "our" and "Caterpillar" refer solely to Caterpillar Inc. and not to any of its subsidiaries.

General

The 20 notes will be initially limited to \$ aggregate principal amount. The 20 notes will be initially limited to \$ aggregate principal amount. All references to the "notes" refer to the 20 notes and the 20 notes, collectively. The notes are to be issued under that certain indenture dated as of May 1, 1987, as amended and supplemented, between us and U.S. Bank National Association ("U.S. Bank" or "the trustee"), as successor trustee.

The notes will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Interest

Each note will bear interest at the rate per annum stated on the cover page of this prospectus supplement. Interest on the notes will be payable semi-annually on and of each year, beginning on , 2014. Interest payable on the notes will be paid to the respective holders of record on and , respectively, immediately preceding the and interest payment date, respectively. The 20 notes will mature on , 20 . The 20 notes will mature on , 20 .

If an interest payment date or maturity date is not a Business Day (as defined under " Optional Redemption" below), we will pay interest or principal on the next Business Day. However, interest on the payments will not accrue for the period from the original payment date to the date we make the payments. We will calculate the interest based on a 360-day year consisting of twelve 30-day months.

Further Issuances

We may, from time to time, without notice to or the consent of the holders or the beneficial owners of the notes, create and issue additional notes of any series having the same terms as the notes of such series in all respects (except for the issue date, issue price, payment of interest accruing prior to the issue date of the notes and, in some cases, the initial interest payment date of the notes), so that such additional notes may be consolidated and form a single series with notes of the relevant series being offered by this prospectus supplement and the accompanying prospectus. If the additional notes are not fungible with the previously outstanding notes of such series for United States federal income tax purposes, such additional notes will have a separate CUSIP number.

Table of Contents

Additional Information

For additional important information on the notes, see "Description of Debt Securities" in the accompanying prospectus. That information includes:

additional information on the terms of the notes;

general information on the indenture and the trustee;

a description of certain restrictive covenants contained in the indenture; and

a description of events of default under the indenture.

Payment and Paying Agents

We will maintain in the place of payment for the notes an office or agency where the notes may be presented or surrendered for payment or for registration of transfer or exchange and where holders may serve us with notices and demands in respect of the notes and the indenture.

We will give prompt written notice to the trustee of the location, and any change in the location, of such office or agency. If we fail to maintain any required office or agency or fail to furnish the trustee with the address of such office or agency, presentations, surrenders, notices and demands may be made or served at the corporate trust office of the trustee. We have appointed the trustee as our agent to receive all presentations, surrenders, notices and demands with respect to the notes.

Optional Redemption

20 notes

At any time prior to _____, 20 (_____ months prior to the maturity date of the 20 notes), the 20 notes may be redeemed in whole at any time or in part from time to time, at our option, at a redemption price (the "20 notes make-whole redemption price") equal to the greater of:

100% of the principal amount of the 20 notes to be redeemed; or

the sum of the present values of the remaining scheduled payments of principal and interest on the 20 notes to be redeemed, 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, plus _____ basis points,

in each case, plus accrued and unpaid interest on the principal amount being redeemed to the redemption date.

At any time on or after _____, 20 (_____ months prior to the maturity date of the 20 notes), the 20 notes may be redeemed in whole at any time or in part from time to time, at our option, at a redemption price equal to 100% of the principal amount of the 20 notes being redeemed, plus accrued and unpaid interest on the principal amount being redeemed to the redemption date.

Table of Contents

20 notes

At any time prior to _____, 20 (____ months prior to the maturity date of the 20 notes), the 20 notes may be redeemed in whole at any time or in part from time to time, at our option, at a redemption price (the "20 notes make-whole redemption price") equal to the greater of:

100% of the principal amount of the 20 notes to be redeemed; or

the sum of the present values of the remaining scheduled payments of principal and interest on the 20 notes to be redeemed, 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, plus _____ basis points,

in each case, plus accrued and unpaid interest on the principal amount being redeemed to the redemption date.

At any time on or after _____, 20 (____ months prior to the maturity date of the 20 notes), the 20 notes may be redeemed in whole at any time or in part from time to time, at our option, at a redemption price equal to 100% of the principal amount of the 20 notes being redeemed, plus accrued and unpaid interest on the principal amount being redeemed to the redemption date.

Definitions

"Business Day" means any calendar day that is not a Saturday, Sunday or legal holiday in New York, New York and on which commercial banks are open for business in New York, New York.

"Comparable Treasury Issue" means the United States Treasury security selected by the Independent Investment Banker as having a maturity comparable to the remaining term ("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 Life of such notes.

"Comparable Treasury Price" means (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, after seeking at least five Reference Treasury Dealer Quotations and excluding the highest and lowest Reference Treasury Dealer Quotations, the Independent Investment Banker obtains fewer than five such Reference Dealer Quotations, the average of all such quotations.

"Independent Investment Banker" means any of Barclays Capital Inc., J.P. Morgan Securities LLC or Merrill Lynch, Pierce, Fenner & Smith Incorporated and any of their respective successors, as appointed by us, or, if any of the foregoing is unwilling or unable to select the Comparable Treasury Issue, a nationally recognized investment banking institution which is a Primary Treasury Dealer appointed by us.

"Reference Treasury Dealer" means (1) any of Barclays Capital Inc., J.P. Morgan Securities LLC or Merrill Lynch, Pierce, Fenner & Smith Incorporated and any of their respective successors, as appointed by us, provided, however, that if any of the foregoing shall cease to be a primary U.S. government securities dealer (a "Primary Treasury Dealer"), we will substitute for such

Table of Contents

dealer another Primary Treasury Dealer, and (2) any other nationally recognized Primary Treasury Dealer selected by the Independent Investment Banker and acceptable to us.

"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 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, New York time, on the third Business Day preceding such redemption date.

"Treasury Rate" means, with respect to any redemption date, (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue (or, if no maturity is within three months before or after the Remaining Life, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Treasury Rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month), or (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield-to-maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price of such redemption date. The Treasury Rate will be calculated on the third Business Day preceding the redemption date.

Holders of the notes to be redeemed will receive notice thereof by first-class mail at least 30 and not more than 60 days before the date fixed for redemption. If fewer than all of the notes of a series are to be redeemed, the trustee will select the particular notes of such series or portions thereof for redemption from the outstanding notes of such series not previously called, pro rata or by lot, or in such other manner as we shall direct.

Sinking Fund

The notes will not be entitled to any sinking fund.

Events of Default

With respect to each series of notes, "Event of Default" shall have the meaning set forth in the accompanying prospectus under "Description of Debt Securities Events of Default."

Book-Entry System; Global Clearance and Settlement Procedures

The notes will be issued in book-entry form and the Depository Trust Company ("DTC") will act as securities depository for the notes. The notes will be issued as one or more fully-registered global notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. Except as described in "Description of Debt Securities Book-Entry Issuance and Global Securities" in the

Table of Contents

accompanying prospectus, beneficial owners of the notes will not have notes registered in their names, will not receive physical delivery of notes in certificated form and will not be considered the registered owners or "holders" thereof under the indenture for any purpose.

Beneficial owners of the notes may elect to hold interests in the notes through DTC, Clearstream Banking, *société anonyme* ("Clearstream") or Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"), if they are participants of such systems, or indirectly through organizations that are participants in such systems. Clearstream and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream and Euroclear'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 DTC's books. For more information on book-entry and DTC, please see "Description of Debt Securities Book-Entry Issuance and Global Securities" in the accompanying prospectus.

Payments, deliveries, transfers, exchanges, notices and other matters relating to the notes made through Euroclear or Clearstream must comply with the rules and procedures of those systems. Those systems could change their rules and procedures at any time. We have no control over those systems or their participants and we take no responsibility for their activities. Transactions between participants in Euroclear or Clearstream, on the one hand, and other participants in DTC, on the other hand, would also be subject to the rules and procedures of DTC.

Investors will be able to make and receive through Euroclear and Clearstream payments, deliveries, transfers, exchanges, notices and other transactions involving any securities held through those systems only on days when those 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, U.S. investors who hold their interests in the notes through these systems and wish to transfer their interests, or to receive or make a payment or delivery or exercise any other right with respect to their interests, on a particular day may find that the transaction will not be effected until the next business day in Luxembourg or Brussels, as applicable. Thus, investors who wish to exercise rights that expire on a particular day may need to act before the expiration date. In addition, investors who hold their interests through both DTC and Euroclear or Clearstream may need to make special arrangements to finance any purchases or sales of their interests between the U.S. and European clearing systems, and those transactions may settle later than transactions within one clearing system.

The information in this section and "Description of Debt Securities Book-Entry Issuance and Global Securities" in the accompanying prospectus concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

Trustee

U.S. Bank has performed and may in the future perform for Caterpillar and its subsidiaries various commercial banking services, for which it has received and will receive customary fees and expenses. U.S. Bank and its subsidiaries also serve as trustee with respect to certain other outstanding debt securities of Caterpillar and its subsidiaries.

Table of Contents

Material United States Federal Income Tax Consequences

This section describes the material United States federal income tax consequences of the purchase, ownership and disposition of the notes we are offering. This discussion applies to you only if you acquire the notes in the offering and you hold the notes as capital assets for tax purposes. This section does not apply to you if you are a member of a class of holders subject to special rules, such as:

- a dealer in securities or currencies;
- a regulated investment company;
- a bank or other financial institution;
- a real estate investment trust;
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- an insurance company;
- a tax-exempt organization;
- a partnership or other entity classified as a partnership for United States federal income tax purposes or other pass-through entity;
- a person that is liable for United States federal alternative minimum tax;
- a former citizen or resident of the United States;
- a person that owns debt securities that are a hedge or that are hedged against interest rate risks;
- a person that owns debt securities as part of a straddle or conversion transaction for tax purposes; or
- a United States holder (as defined below) whose functional currency for tax purposes is not the U.S. dollar.

This section is based on the Internal Revenue Code of 1986, as amended (the "Code"), its legislative history, existing and proposed regulations under the Code, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis. The discussion does not address any federal estate or gift, foreign, state, local or non-income tax consequences of the purchase, ownership or disposition of the notes to beneficial owners of the notes.

If a partnership (or other entity properly classified as a partnership for United States federal income tax purposes) holds the notes, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. A partner in a partnership holding the notes should consult its tax advisor with regard to the United States federal income tax treatment of an investment in the notes.

Table of Contents

Please consult your tax advisor concerning the consequences of owning any of the notes in your particular circumstances under the Code and the laws of any other taxing jurisdiction.

United States Holders

This subsection describes the material tax consequences to a United States holder. You are a "United States holder" if you are a beneficial owner of any of the notes and you are, for United States federal income tax purposes:

a citizen or resident of the United States;

a domestic corporation, or other entity taxable as a corporation for United States federal income tax purposes, created or organized in or under the laws of the United States or of any political subdivision thereof;

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

a trust if (i) a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust or (ii) in the case of a trust that was treated as a domestic trust under the laws in effect before 1997, a valid election is in place under applicable United States Treasury regulations to treat such trust as a domestic trust.

Payments of Interest

You will be taxed on any interest on your notes as ordinary income at the time you receive the interest or when it accrues, depending on your method of accounting for tax purposes.

Sale, Exchange or Redemption of the Notes

Upon the sale, exchange, redemption or other taxable disposition of the notes, you generally will recognize gain or loss equal to the difference, if any, between (i) the amount realized upon the sale, exchange, redemption or other taxable disposition of the notes, other than amounts attributable to accrued and unpaid interest (which will be taxed as ordinary interest income to the extent such interest has not been previously included in income), and (ii) your adjusted tax basis in the notes. Your amount realized is the sum of cash plus the fair market value of all other property received on such sale, exchange, redemption or other taxable disposition. Your adjusted tax basis in the notes generally will be your cost for the notes.

Gain or loss recognized on the sale, exchange, redemption or other taxable disposition of the notes generally will be capital gain or loss. Such gain or loss generally will be long-term capital gain or loss if you have held the notes for more than 12 consecutive months. For non-corporate United States holders, long-term capital gains are currently taxed at lower rates than ordinary income. The deductibility of capital losses is subject to limitations. You should consult your own tax advisor regarding the deductibility of capital losses in your particular circumstances.

Tax on Net Investment Income

Certain United States holders who are individuals, estates or trusts are subject to a 3.8% tax on all or a portion of their net investment income. For these purposes, "net investment income"

Table of Contents

generally will include interest (including interest paid or accrued with respect to a note), dividends, annuities, royalties, rents, net gain attributable to the disposition of property not held in a trade or business (including net gain from the sale, exchange, redemption or other taxable disposition of a note) and certain other income, but will be reduced by certain permitted deductions properly allocable to such income or net gain. United States holders should consult their own tax advisors regarding the implications of the net investment income tax in their particular circumstances.

Backup Withholding and Information Reporting

In general, we (or our agents) and other payors are required to report to the Internal Revenue Service all payments of principal of and interest on your notes. In addition, we (or our agents) and other payors are required to report to the Internal Revenue Service any payment of proceeds of the sale of your notes before maturity within the United States. Additionally, backup withholding will apply to any payments if you fail to provide an accurate taxpayer identification number to the payor and certify, under penalties of perjury, that you are not subject to backup withholding on an Internal Revenue Service Form W-9 or a suitable substitute form and otherwise comply with the applicable requirements of the backup withholding rules. Backup withholding will also apply if you are notified by the Internal Revenue Service that you have failed to report payment of interest and dividends properly and the Internal Revenue Service has notified the payor that you are subject to backup withholding. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a United States holder may be allowed as a credit against such holder's United States federal income tax liability and may entitle such holder to a refund, provided the required information is furnished to the Internal Revenue Service in a timely manner.

United States Alien Holders

This subsection describes the tax consequences to a United States alien holder. You are a "United States alien holder" if you are the beneficial owner of any of the notes and are not a United States holder or a partnership (or other entity properly classified as a partnership for United States federal income tax purposes).

Payments of Interest

Under current United States federal income tax law, and subject to the discussion under " Backup Withholding and Information Reporting" below, if you are a United States alien holder of any of the notes:

We (or our agents) and other United States payors generally will not be required to deduct United States withholding tax from payments of principal and interest to you if, in the case of payments of interest:

1. you do not actually or constructively own 10% or more of the total combined voting power of all classes of stock of Caterpillar entitled to vote;
2. you are not a controlled foreign corporation for United States tax purposes that is related to Caterpillar through stock ownership; and

Table of Contents

3. you certify under penalties of perjury on Internal Revenue Service Form W-8BEN or a suitable substitute form that you are not a United States person (as defined in the Code) and provide your name and address, and United States taxpayer identification number, if any.

Even if you do not meet the above requirements, interest payments will not be subject to the withholding of United States federal income tax (or will be subject to withholding at a reduced rate) if you certify on the appropriate Internal Revenue Service Form W-8 that either (i) an applicable tax treaty exempts, or provides for a reduction in, such withholding or (ii) interest paid on a note is effectively connected with your trade or business in the United States and therefore is not subject to withholding (as described below).

If you are engaged in a trade or business in the United States, and if interest on a note is effectively connected with the conduct of such trade or business (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment or fixed base maintained by you), you generally will be subject to regular United States federal income tax on such interest in the same manner as if you were a United States holder. In lieu of providing an Internal Revenue Service Form W-8BEN, you will be required to provide a properly executed Internal Revenue Service Form W-8ECI in order to claim an exemption from withholding. In addition, if you are a foreign corporation, you may be subject to branch profits tax equal to 30%, or such lower rate as may be provided by an applicable treaty, of your effectively connected earnings and profits for the taxable year, subject to certain adjustments.

Sale, Exchange or Redemption of the Notes

If you are a United States alien holder of a note, any gain you recognize on the sale, exchange, redemption or other taxable disposition of a note (other than amounts attributable to accrued and unpaid interest, which may be treated as described above) will be exempt from United States federal income and withholding tax, unless:

You are engaged in a trade or business in the United States and such gain is effectively connected with the conduct of such trade or business (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment or fixed base maintained by you), in which case you generally will be subject to regular United States federal income tax on such gain in the same manner as if you were a United States holder. In addition, if you are a foreign corporation, you may be subject to branch profits tax equal to 30%, or such lower rate as may be provided by an applicable treaty, of your effectively connected earnings and profits for the taxable year, subject to certain adjustments.

You are an individual who is present in the United States for 183 days or more during the taxable year and certain other conditions are met.

Table of Contents

Backup Withholding and Information Reporting

We (or our agents) and other payors must report annually to the Internal Revenue Service and to a United States alien holder the amount of interest paid to such United States alien holder and the tax withheld from those payments. These reporting requirements apply regardless of whether United States withholding tax on such payments was reduced or eliminated by any applicable tax treaty or otherwise. Copies of the information returns reporting those payments and the amounts withheld may also be made available to the tax authorities in the country where a United States alien holder is a resident under the provisions of an applicable income tax treaty or agreement.

Under some circumstances, United States Treasury regulations require backup withholding and additional information reporting on payments of interest and other "reportable payments." Such backup withholding and additional information reporting will not apply to payments on the notes made by us (or our agents) and other payors to a United States alien holder if the certification described above under " Payments of Interest" is received from the United States alien holder.

Backup withholding and information reporting generally will not apply to payments of proceeds from the sale or other disposition of a note made to a United States alien holder by or through the foreign office of a broker. However, information reporting requirements, and possibly backup withholding, will apply if such broker is, for United States federal income tax purposes, a United States person (as defined in the Code) or has certain other enumerated connections with the United States, unless such broker has documentary evidence in its records that the United States alien holder is not a United States person (as defined in the Code) and certain other conditions are met, or the United States alien holder otherwise establishes an exemption. Payments of proceeds from the sale or other disposition of a note made to a United States alien holder by or through the United States office of a broker are subject to information reporting and backup withholding at the applicable rate unless the United States alien holder certifies, under penalties of perjury, that it is not a United States person (as defined in the Code) and satisfies certain other conditions or it otherwise establishes an exemption.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a United States alien holder may be allowed as a credit against such holder's United States federal income tax liability and may entitle such holder to a refund, provided the required information is furnished to the Internal Revenue Service in a timely manner.

United States alien holders should consult their tax advisors regarding the application of information reporting and backup withholding in their particular situations, the availability of an exemption therefrom, and the procedures for obtaining such an exemption, if available.

The United States federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a holder's particular situation. Prospective purchasers of the notes should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of the notes, including the tax consequences under state, local, estate, foreign and other tax laws and tax treaties and the possible effects of changes in United States or other tax laws.

Table of Contents

Certain ERISA Considerations

The following is a summary of certain considerations associated with the purchase of the notes by employee benefit plans that are subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or plans, individual retirement accounts or other arrangements that are subject to Section 4975 of the Code or plans that are subject to provisions under any federal, state, local, non-U.S. or other laws, rules or regulations that are similar to such provisions of ERISA or Section 4975 of the Code (collectively, "Similar Laws"), or entities whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each, a "Plan").

General Fiduciary Matters

ERISA and Section 4975 of the Code impose certain duties on persons who are fiduciaries of a Plan subject to Part 4 Subtitle B of Title I of ERISA or Section 4975 of the Code (an "ERISA Plan"). Under ERISA and Section 4975 of the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation to such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the notes of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code and any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, Section 4975 of the Code and any other applicable Similar Laws.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person (including a fiduciary of the ERISA Plan) who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and Section 4975 of the Code. The acquisition and/or holding of notes by an ERISA Plan with respect to which we or the underwriters are considered a party in interest or disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the United States Department of Labor has issued prohibited transaction class exemptions ("PTCEs") that may apply to the acquisition and holding of the notes. These class exemptions include, without limitation, PTCE 84-14, regarding transactions effected by independent qualified professional asset managers, PTCE 90-1, regarding transactions by insurance company pooled separate accounts, PTCE 91-38, regarding transactions by bank collective investment funds, PTCE 95-60, regarding transactions by life insurance company general accounts and PTCE 96-23, regarding transactions effected by in-house asset managers,

Table of Contents

although there can be no assurance that all of the conditions of any such exemptions will be satisfied.

In addition to the foregoing, ERISA and the Internal Revenue Code provides a statutory exemption (Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code) for transactions between an ERISA Plan and a person that is a party in interest and/or a disqualified person (other than a fiduciary or an affiliate that, directly or indirectly, has or exercises discretionary authority or control or renders investment advice with respect to the assets involved in the transaction) solely by reason of providing services to the Plan or by relationship to a service provider, provided that the ERISA Plan fiduciary has made a determination that there is adequate consideration for the transaction.

Because of the foregoing, the notes should not be purchased or held by any person investing "plan assets" of any Plan, unless such purchase and holding will not constitute a non-exempt prohibited transaction under ERISA and the Code or a similar violation of any applicable Similar Laws.

Representation

By acceptance of a note, or any interest therein, each purchaser and subsequent transferee will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or