Fortune Brands Home & Security, Inc.
Form 424B5
September 20, 2018
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-224612

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(1)
4.000% Senior Notes due 2023	$600,000,000	$74,700

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

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PROSPECTUS SUPPLEMENT

(To prospectus dated May 2, 2018)

$600,000,000

4.000% Senior Notes due 2023

We are offering $600,000,000 aggregate principal amount of our 4.000% senior notes due 2023 (the notes). The notes will mature on September 21, 2023. We will pay interest on the notes semi-annually on each March 21 and September 21, commencing on March 21, 2019. We may redeem some or all of the notes at any time and from time to time at the applicable redemption price described under the heading Description of the Notes Optional Redemption. If we experience a Change of Control Repurchase Event (as defined herein), unless we have exercised our right to redeem the notes, we will be required to offer to repurchase the notes from holders as described under the heading Description of the Notes Offer to Repurchase Upon a Change of Control Repurchase Event.

The notes will be our senior unsecured obligations, and will rank equally in right of payment with all of our other senior unsecured indebtedness from time to time outstanding. The notes will be issued only in registered form in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.

Investing in the notes involves risks. See Risk Factors beginning on page S-9 of this prospectus supplement and page 3 of the accompanying prospectus before investing in the notes.

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.

	Per Note	Total
Public offering price[1]	99.969%	$ 599,814,000
Underwriting discount	0.600%	$ 3,600,000
Proceeds, before expenses, to us [1]	99.369%	$ 596,214,000

[1] Plus accrued interest from September 21, 2018 if settlement occurs after that date.

The notes are a new issue of securities with no established trading market. We do not intend to list the notes on any securities exchange or arrange for the quotation of the notes on any automated dealer quotation system.

We expect to deliver the notes to investors in registered book-entry form through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, S.A., Luxembourg and Euroclear Bank SA/NV, as operator of the Euroclear System, on or about September 21, 2018.

Joint Book-Running Managers

BofA Merrill Lynch **Barclays** **J.P. Morgan**

Citigroup **Credit Suisse** **Wells Fargo Securities**

Co-Managers

Mizuho Securities **PNC Capital Markets LLC** **Scotiabank**
TD Securities **MUFG** **US Bancorp**
Citizens Capital Markets **The Williams Capital Group, L.P.**
September 19, 2018

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Neither we nor the underwriters have authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. Neither we nor the underwriters take responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We and the underwriters are not making an offer to sell the notes in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus, any such free writing prospectus or any document incorporated by reference herein is accurate as of any date other than their respective dates. Unless the context otherwise requires, the terms Fortune Brands, Company, we, our or us refer to Fortune Brands Home & Security, Inc., and its consolidated subsidiaries.

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PROSPECTUS SUPPLEMENT

PROSPECTUS

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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), which the SEC maintains in the SEC s File No. 1-35166. You can read and copy any document we file at the SEC s public reference room at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public at the SEC s web site at http://www.sec.gov.

The SEC allows us to incorporate by reference into this prospectus supplement and the accompanying prospectus the information we file with it. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus supplement and the accompanying prospectus, and later information filed with the SEC will update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act) (excluding any information deemed to be furnished and not filed in accordance with SEC rules) until our offering is completed:

Annual Report on Form 10-K for the fiscal year ended December 31, 2017;

Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2018 and June 30, 2018;

Definitive Proxy Statement on Schedule 14A filed on March 14, 2018; and

Current Reports on Form 8-K filed on May 2, 2018 and July 16, 2018.

You may request a copy of these filings, at no cost other than for exhibits of such filings, by writing to or telephoning us at the following address:

Fortune Brands Home & Security, Inc.

Office of the Secretary

520 Lake Cook Road, Suite 300

Deerfield, Illinois 60015

Telephone number (847) 484-4400

or by visiting our web site at http://www.fbhs.com. The contents of our website are not incorporated by reference into this prospectus supplement or the accompanying prospectus for any purpose.

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FORWARD-LOOKING STATEMENTS

This prospectus supplement and the documents incorporated by reference herein contain certain forward-looking statements made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Exchange Act. These include statements regarding business strategies, estimated impact and effects of the U.S. Tax Cuts and Jobs Act of 2017, expected capital spending, expected pension contributions, the anticipated effects of the combination of our Doors and Security businesses, anticipated market potential, future financial performance and other matters. Statements that include the words believes, expects, anticipates, intends, projects, estimates, plans and similar expressions or future or conditional verbs such as wi should, would, may and could are generally forward-looking in nature and not historical facts. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is based on our current plans and expectations at the time this prospectus supplement is filed with the SEC or, with respect to any documents incorporated by reference, available at the time such document was prepared or filed with the SEC. Although we believe that these statements are based on reasonable assumptions, they are subject to numerous factors, risks and uncertainties that could cause actual outcomes and results to be materially different from those indicated in such statements and therefore you should not place undue reliance on them. Except as required by law, we undertake no obligation to update or revise any forward-looking statements to reflect changed assumptions, the occurrence of anticipated or unanticipated events, new information or changes to future results over time or otherwise. The risks, uncertainties and other factors that prospective investors should consider include, but are not limited to, the following:

- our reliance on the North American home improvement, repair and remodel and new home construction activity levels;
- the North American and global economies;
- risk associated with entering into potential strategic acquisitions and joint ventures, and integrating acquired businesses;
- our ability to remain competitive, innovative and protect our intellectual property;
- our ability to improve organizational productivity and global supply chain efficiency and flexibility;
- global commodity and energy availability and price volatility;
- the risk of doing business internationally;
- our reliance on key customers and suppliers;

the cost and availability associated with our supply chains and the availability of raw materials;

risk of increases in our defined benefit-related costs and funding requirements;

risk associated with the imposition of additional tariffs and taxes related to our imported inputs and finished goods;

compliance with tax, environmental and federal, state and international laws and industry regulatory standards; and

the other risks and uncertainties referred to below under the heading Risk Factors as well as the risks described under Risk Factors in Part I, Item 1A of our most recent Annual Report on Form 10-K, which is incorporated by reference herein.

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SUMMARY

This summary may not contain all of the information that may be important to you. You should read the entire prospectus supplement and accompanying prospectus, including the risks discussed in the section titled Risk Factors beginning on page S-9, as well as the documents incorporated by reference herein and therein, before making an investment decision.

Fortune Brands Home & Security, Inc.

We are a leading home and security products company. Historically, we have had four business segments, which we refer to as Cabinets, Plumbing, Doors and Security.

Cabinets. Our Cabinets segment manufactures custom, semi-custom and stock cabinetry, as well as vanities, for the kitchen, bath and other parts of the home. This portfolio includes brand names such as Aristokraft, Diamond, Mid-Continent, Kitchen Craft, Schrock, Homecrest, Omega, Thomasville, Kemper, StarMark and Ultracraft. Substantially all of this segment s sales are in North America. This segment sells directly to kitchen and bath dealers, home centers, wholesalers and large builders.

Plumbing. Our Plumbing segment manufactures or assembles and sells faucets, accessories, kitchen sinks, and waste disposals in North America and China, predominantly under the Moen, ROHL, Riobel, Perrin & Rowe, Victoria + Albert, Shaws and Waste King brands. Although this segment sells products principally in the U.S., Canada and China, this segment also sells in Mexico, Southeast Asia, Europe and South America. This segment sells directly through its own sales force and indirectly through independent manufacturers representatives, primarily to wholesalers, home centers, mass merchandisers and industrial distributors.

Doors. Our Doors segment manufactures and sells fiberglass and steel entry door systems under the Therma-Tru brand and urethane millwork product lines under the Fypon brand. Therma-Tru products include fiberglass and steel residential entry door and patio door systems, primarily for sale in the U.S. and Canada. This segment s principal customers are home centers, millwork building products and wholesale distributors, and specialty dealers that provide products to the residential new construction market, as well as to the remodeling and renovation markets.

Security. Our Security segment s products consist of locks, safety and security devices and electronic security products manufactured, sourced and distributed primarily under the Master Lock brand and fire resistant safes, security containers and commercial cabinets manufactured, sourced and distributed under the SentrySafe brand. This segment sells products principally in the U.S., Canada, Europe, Central America, Japan and Australia. This segment manufactures and sells key-controlled and combination padlocks, bicycle and cable locks, built-in locker locks, door hardware, automotive, trailer and towing locks, electronic access control solutions, and other specialty safety and security devices for consumer use to hardware, home center and other retail outlets. In addition, the segment sells lock systems and fire resistant safes to locksmiths, industrial and institutional users, and original equipment manufacturers.

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In July 2018, we publicly announced an internal reorganization to combine our Doors and Security segments into a new reportable segment Doors and Security. See Recent Developments below for additional information. Additional information concerning each of our product segments is available in the periodic reports we file with the SEC.

Our principal executive office is located at 520 Lake Cook Road, Suite 300, Deerfield, Illinois 60015 and our telephone number is (847) 484-4400.

Recent Developments

In July 2018, we publicly announced an internal reorganization to combine our Doors and Security segments under common leadership to drive innovation, accelerate product development, and enhance investments and business processes. In conjunction with the reorganization, we changed how our chief operating decision maker evaluates and allocates resources for the combined business. As a result, starting in the third quarter of 2018, we will have a new reportable segment Doors and Security. Reporting for the new Doors and Security segment will begin in the third quarter of 2018 with historical financial segment information restated prospectively to conform to the new segment presentation.

In August 2018, we signed an agreement to acquire Fiberon, a leading manufacturer of outdoor performance materials used primarily in decking, railing and fencing products for approximately $470 million. We completed the acquisition of Fiberon on September 11, 2018, funding the purchase price with cash on hand and borrowings under our $1.25 billion committed revolving credit facility (the revolving credit facility) and our $350 million term loan (the term loan). In 2017, Fiberon had approximately $200 million in annual sales. Fiberon has approximately 475 associates with offices and operations in Meridian, Idaho and New London, North Carolina. We intend that Fiberon will operate as a part of our new Doors & Security segment.

Supplemental Financial Information

Annex A to this prospectus supplement includes certain supplemental financial and other statistical information about our business and financial condition. Such information in Annex A includes certain sales information by channel, operating income by segment and certain non-GAAP financial measures, including EBITDA and EBITDA margin, each for the periods presented. This financial and statistical information supplements, but is not a substitution for, our consolidated financial statements under GAAP that are incorporated by reference herein.

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The Offering

The following summary is a summary of the notes, and is not intended to be complete. It may not contain all of the information that may be important to you. For a more complete understanding of the notes, please refer to the section entitled Description of Notes in this prospectus supplement and the section entitled Description of Debt Securities in the accompanying prospectus.

Issuer	Fortune Brands Home & Security, Inc.
Notes Offered	$600,000,000 aggregate principal amount of 4.000% senior notes due September 21, 2023.
Maturity	The notes will mature on September 21, 2023.
Interest	The notes will bear interest from September 21, 2018 at the rate of 4.000% per year, payable semi-annually in arrears.
Interest Payment Dates	March 21 and September 21 of each year, commencing on March 21, 2019.
Ranking	The notes will be our senior unsecured obligations, will rank equally in right of payment with all of our existing and future senior unsecured debt and will rank senior in right of payment to all of our existing and future subordinated debt. The notes will be effectively subordinated to our secured indebtedness to the extent of the value of the collateral securing such indebtedness and structurally subordinated to all existing and future liabilities of our subsidiaries, including trade payables. As of June 30, 2018, our subsidiaries did not have any indebtedness and we and our subsidiaries did not have any secured indebtedness.
Optional Redemption	Prior to August 21, 2023, we may redeem the notes, in whole or in part, at any time and from time to time, at a redemption price equal to the greater of:

100% of the principal amount of the notes being redeemed; or

the sum of the present value of the remaining scheduled payments of principal and interest on the notes being redeemed (not including any portion of any payments 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 Adjusted Treasury Rate (as defined below), as determined by the Quotation Agent (as defined below) plus 20 basis points;

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	plus accrued and unpaid interest on the notes being redeemed to, but not including, the redemption date. On and after August 21, 2023, we may redeem the notes, in whole or in part, at any time 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, but not including, the redemption date.
Offer to Repurchase Upon a Change of Control Repurchase Event	If a Change of Control Repurchase Event (as defined under Description of Notes Certain Definitions) occurs, we will be required, unless we have exercised our right to redeem the notes, to make an offer to each holder of notes to repurchase the notes at a purchase price equal to 101% of the aggregate principal amount of the notes repurchased, plus accrued and unpaid interest, if any, on the notes repurchased, to, but not including, the date of the repurchase. See Description of Notes Offer to Repurchase Upon a Change of Control Repurchase Event.
Certain Covenants	The indenture contains certain covenants that will, among other things, limit our ability and the ability of our subsidiaries to: create liens; enter into sale and leaseback transactions; and merge or consolidate with another entity or sell substantially all of our assets to another person. These covenants are subject to a number of important qualifications and limitations. See Description of Notes Certain Covenants.
Use of Proceeds	We estimate that we will receive net proceeds from this offering of approximately $594,914,000, after deducting underwriters discounts and other estimated offering expenses payable by us. We intend to use the net proceeds we receive from the offering to repay indebtedness outstanding under our revolving credit facility. The revolving credit facility matures in June 2021. Interest rates under the revolving credit facility are variable based on LIBOR at the time of borrowing and the Company s long-term credit rating and can range from LIBOR + 0.9% to LIBOR + 1.5%. See Use of Proceeds.

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Conflicts of Interest	Affiliates of several of the underwriters are lenders with respect to amounts currently outstanding under our revolving credit facility. Because more than 5% of the net proceeds of this offering may be received by affiliates of certain of these underwriters, this offering is being conducted in compliance with FINRA Rule 5121. See Underwriting (Conflicts of Interest) in this prospectus supplement.
Additional Notes	We may, from time to time, without giving notice to or seeking the consent of the holders or beneficial owners of the notes, issue additional debt securities having the same terms (except for the issue date and, in some cases, the public offering price, the first interest payment date and the date for which interest begins to accrue) as, and ranking equally and ratably with, the notes. Any additional debt securities having such similar terms, together with the notes, will constitute a single series of securities under the indenture.
Denomination and Form	We will issue the notes in the form of one or more fully registered global notes registered in the name of the nominee of The Depository Trust Company (DTC). Beneficial interests in the global notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Clearstream Banking, S.A., Luxembourg (Clearstream) and Euroclear Bank, SA/NV, as operator of the Euroclear System (Euroclear), will hold interests on behalf of their participants through their respective U.S. depositaries, which in turn will hold such interests in accounts as participants of DTC. Except in the limited circumstances described in this prospectus supplement, owners of beneficial interests in the notes will not be entitled to have notes registered in their names, will not receive or be entitled to receive notes in definitive form and will not be considered holders of notes under the indenture. The notes will be issued only in denominations of $2,000 and integral multiples of $1,000 in excess thereof.
No Listing	We do not intend to list the notes on any securities exchange or arrange for the quotation of the notes on any automated dealer quotation system.
Risk Factors	You should carefully read and consider the information set forth in Risk Factors beginning on page S-9 and the risk factors set forth in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2017 and Part II, Item 1A of our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2018 and June 30, 2018.

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Trustee	Wilmington Trust, National Association
Securities Agent	Citibank, N.A.
Governing Law	New York.

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RISK FACTORS

An investment in the notes involves various risks. Before making a decision about investing in the notes, you should carefully consider the following risk factors and those under the heading Risk Factors in Part I, Item 1A of our most recent Annual Report on Form 10-K, which is incorporated by reference in this prospectus supplement and the accompanying prospectus, as well as the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus. These risks are not intended as, and should not be construed as, an exhaustive list of relevant risk factors. There may be other risks that a prospective investor should consider that are relevant to the investor s own particular circumstances or generally.

We may not have sufficient funds to purchase the notes upon a change of control repurchase event, and this covenant provides limited protection to investors.

Holders of the notes may require us to repurchase their notes upon a Change of Control Repurchase Event as described under Description of Notes Offer to Repurchase Upon a Change of Control Repurchase Event. We have no present intention to engage in a transaction involving a Change of Control Repurchase Event, although it is possible that we could decide to do so in the future. We cannot assure you that we will have sufficient financial resources, or will be able to arrange sufficient financing, to pay the purchase price of the notes, particularly if a Change of Control Repurchase Event triggers a similar repurchase requirement for, or results in the acceleration of, our other then-existing debt. Certain events that constitute a Change of Control Repurchase Event for the notes are also events of default under our existing credit agreements, which would permit our lenders to accelerate that indebtedness, to the extent amounts are outstanding.

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

Our ability to make scheduled payments of the principal of, to pay interest on, or to refinance our indebtedness, including the notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt, revising or delaying our strategic plans or obtaining additional equity capital on terms that may be onerous or unfavorable to us. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time, and we may not be able to refinance any of our indebtedness or incur new indebtedness on commercially reasonable terms to us or at all.

The notes do not restrict our ability to incur additional debt or prohibit us from taking other actions, which could have a negative impact on the trading value of the notes.

We are not restricted under the terms of the indenture, the supplemental indenture or the notes from incurring additional indebtedness. The terms of the indenture and supplemental indenture limit our ability to secure additional debt without also securing the notes and to enter into sale and leaseback transactions. However, these limitations are subject to certain exceptions. See Description of Notes Certain Covenants Limitations on Liens and Description of Notes Certain Covenants Restriction on Sales and Leasebacks. In addition, the indenture, the supplemental indenture and 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, secure existing or future debt or take a number of other actions that are not limited by the terms of the indenture, the supplemental indenture and the notes, could have the effect of diminishing our ability to make payments on the notes when due.

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Additionally, under the terms of the indenture, we may restructure our restricted subsidiaries without your consent in a manner such that they could no longer be deemed restricted subsidiaries and not subject to our restrictive covenants in the indenture. This may have a material and adverse effect on the trading value of your notes.

Our right to redeem notes may mean that you may not be able to reinvest the redemption proceeds in a comparable security at a comparable interest rate.

We may choose to redeem your notes from time to time. If prevailing rates are lower at the time of redemption, you likely would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the then-current interest rate on the notes being redeemed.

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

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

We may continue to repurchase our stock, which will reduce cash reserves available for repayment of the notes.

We have repurchased, and may continue to repurchase, our common stock in the open market or in privately negotiated transactions. These purchases may be significant, and any purchase would reduce cash available to repay the notes. On April 30, 2018 and July 13, 2018, our board of directors authorized us to repurchase up to $150 million and up to $400 million, respectively, of shares of our common stock through April 30, 2020 and July 13, 2020, respectively. As of August 31, 2018, $508.7 million remained available for future repurchases under these authorizations.

Active trading markets for the notes may not develop. If any develop, they may not be liquid.

The notes are a new issue of securities with no established trading market. We do not intend to list the notes on any national securities exchange or to seek their quotation on any automated dealer quotation system. If active trading markets do not develop or are not maintained, holders of the notes may experience difficulty in reselling, or an inability to sell, the notes. Further, we cannot provide assurances about liquidity of any markets that may develop for the notes, your ability to sell your notes or the prices at which you will be able to sell your notes. Any trading markets for the notes that develop and any future trading prices of the notes may be affected by many factors, including:

- prevailing interest rates;
- our financial condition and results of operations;
- the then-current ratings assigned to the notes;
- the market for similar securities;

the time remaining to the maturity of the notes;

the outstanding amount of the notes; and

the terms related to optional redemption of the notes.

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Changes in our credit ratings may adversely affect the value of the notes.

Credit ratings assigned to the notes may be lowered, suspended or withdrawn entirely by the rating agencies, if, in each rating agency s judgment, circumstances warrant such an action. Further, any such ratings will be limited in scope and will not address all material risks relating to an investment in the notes, but rather will reflect only the view of each rating agency at the time the rating is issued. The ratings are based on current information furnished to the rating agencies by us and information obtained by the rating agencies from other sources. An explanation of the significance of a rating may be obtained from such rating agency. Actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, could adversely affect the market value or liquidity of the notes and increase our corporate borrowing costs.

The notes are obligations of Fortune Brands Home & Security, Inc. and not of our subsidiaries, and will be structurally subordinated to the indebtedness and other liabilities of our subsidiaries.

The notes are our general unsecured obligations exclusively and not of any of our subsidiaries. A significant portion of our operations is conducted through our subsidiaries. Our subsidiaries are separate legal entities that have no obligation to pay any amounts due under the notes or to make any funds available therefor, whether by dividends, loans or other payments. Our rights and the rights of our creditors (including holders of the notes being offered under this prospectus supplement and the accompanying prospectus) and stockholders to participate in any distribution of the assets or earnings of any subsidiary will be structurally subordinated to the claims of creditors, including trade creditors, of that subsidiary, except to the extent that our claims as a creditor of such subsidiary may be recognized.

The notes will be subject to the prior claims of any secured creditors, and if a default occurs, we may not have sufficient funds to fulfill our obligations under the notes.

The notes are unsecured obligations, ranking equally with all of our future senior unsecured indebtedness and effectively junior to any secured indebtedness we may incur, to the extent of the value of the collateral securing such indebtedness. The indenture and supplemental indenture governing the notes permits us to incur secured debt under specified circumstances as described under Description of Notes Certain Covenants Limitation on Liens. If we incur secured debt, our assets securing that indebtedness will be subject to prior claims by our secured creditors. In the event of our bankruptcy, insolvency, liquidation, reorganization, dissolution or other winding up, our assets will be available to pay obligations on the notes only after all debt secured by those assets has been repaid in full. Holders of the notes will participate in any remaining assets ratably with all of our unsecured and unsubordinated creditors, including trade creditors. If there are not sufficient assets remaining to pay all these creditors, then all or a portion of the notes then outstanding would remain unpaid.

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USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately $594,914,000, after deducting underwriters discounts and other estimated offering expenses payable by us. We intend to use the net proceeds we receive from the offering to repay indebtedness outstanding under our $1.25 billion committed revolving credit facility (the revolving credit facility). The revolving credit facility matures in June 2021. Interest rates under the revolving credit facility are variable based on LIBOR at the time of borrowing and the Company s long-term credit rating and can range from LIBOR + 0.9% to LIBOR + 1.5%. Affiliates of certain of the underwriters are lenders with respect to amounts currently outstanding under our revolving credit facility and will receive a ratable portion of the proceeds of this offering used to repay amounts outstanding thereunder. This amount will equal a significant portion of the net proceeds of the offering. See Underwriting (Conflicts of Interest).

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CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2018 (i) on a historical basis, (ii) as adjusted to reflect our borrowing under our revolving credit facility and term loan to finance our acquisition of Fiberon and (iii) as further adjusted to give effect to the sale of the notes in this offering and our anticipated use of proceeds from the offering thereof, as described under Use of Proceeds . You should read this table in conjunction with Use of Proceeds and our consolidated financial statements and related notes thereto incorporated by reference in this prospectus supplement and the accompanying prospectus. The as adjusted information may not reflect our cash, short-term and long-term debt and capitalization in the future.

	Actual	As Adjusted(1)	As Further Adjusted(2)
		(in millions)	
Cash and cash equivalents	$ 345.5	$ 345.5	$ 345.5
Long-term debt (including current portion)			
Revolving credit facility	900.0	1,195.0	600.1
Term loan	350.0	525.0	525.0
3.000% senior notes due 2020(3)	400.0	400.0	400.0
4.000% senior notes due 2025(3)	500.0	500.0	500.0
4.000% senior notes due 2023 offered hereby			600.0
Total	2,150.0	2,620.0	2,625.1
Total equity	2,174.7	2,174.7	2,174.7
Total capitalization	$ 4,324.7	$ 4,794.7	$ 4,799.8

(1) As adjusted amount reflects $470 million borrowed in September 2018 under our revolving credit facility and term loan to finance our acquisition of Fiberon. This adjustment is not presented as pro forma financial information of a business combination.

(2) As further adjusted amount reflects (i) the adjustments described in footnote (1) and (ii) our receipt of the net proceeds from this offering, and the anticipated use of proceeds thereof, as described under Use of Proceeds.

(3) Senior notes are shown on an aggregate basis, and do not reflect $6.7 million of underwriters discounts paid in connection with the issuance thereof.

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RATIO OF EARNINGS TO FIXED CHARGES

The table below sets forth our ratio of earnings to fixed charges for each of the periods indicated.

	Six Months Ended June 30,	Fiscal Year Ended December 31,				
	2018	2017	2016	2015	2014	2013
Ratio of Earnings to Fixed Charges	8.0	11.0	10.2	11.6	17.7	16.9
Pro Forma Ratio of Earnings to Fixed Charges(1)	7.4	9.5				

(1) Sets forth the ratio of earnings to fixed charges on a pro forma basis to reflect the issuance of the notes and the application of the net proceeds therefrom as described in Use of Proceeds as of the beginning of the period indicated.

For the purposes of computing the ratio of earnings to fixed charges, earnings means the amount resulting from (1) adding (a) pre-tax income from continuing operations before adjustment for income or loss from equity investees, (b) fixed charges, (c) amortization of capitalized interest, (d) distributed income of equity investees and (e) our share of pre-tax losses of equity investees for which charges arising from guarantees are included in fixed charges and (2) subtracting (a) interest capitalized, (b) preference security dividend requirements of consolidated subsidiaries and (c) the non-controlling interest in pre-tax income of subsidiaries that have not incurred fixed charges.

Fixed charges means the sum of (i) interest expensed and capitalized, (ii) amortized premiums, discounts and capitalized expenses related to indebtedness, (iii) an estimate of the interest within rental expense and (iv) preference security dividend requirements of consolidated subsidiaries.

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DESCRIPTION OF NOTES

The following description is a summary of the material provisions of the notes and the Indenture (as defined below). It does not restate those instruments and agreements in their entirety. We urge you to read those instruments and agreements because they, and not this description, define your rights as holders of notes. The notes will have the terms described below. Capitalized terms used but not defined below or under Certain Definitions have the meanings given to them in the Indenture relating to the notes.

General Terms of the Notes

The notes being offered by this prospectus supplement and the accompanying prospectus will be issued under an indenture dated as of June 15, 2015 and a supplemental indenture (together, the Indenture) to be entered into in connection with the issuance of the notes among us, Wilmington Trust, National Association, as trustee, and Citibank, N.A., as securities agent. This prospectus supplement refers to Wilmington Trust, National Association as the trustee and Citibank, N.A., as securities agent. The Indenture is subject to and governed by the Trust Indenture Act of 1939, as amended.

The Indenture and the notes do not limit the amount of indebtedness which may be incurred or the amount of securities which may be issued by us, and contain no financial or similar restrictions on us subject to certain limited exceptions. See Limitations on Liens and Restrictions on Sales and Leasebacks.

The original principal amount of the notes will be $600,000,000.

We may, from time to time, without giving notice to or seeking the consent of the holders or beneficial owners of the notes, issue additional debt securities having the same terms (except for the issue date and, in some cases, the public offering price, the first interest payment date and the date for which interest begins to accrue) as, and ranking equally and ratably with, the notes. Any additional debt securities having such similar terms, together with the notes, will constitute a single series of securities under the Indenture; provided that such additional debt securities are fungible with the previously issued series of notes for U.S. federal income tax purposes.

The notes will be our senior unsecured obligations, will rank equally in right of payment with all of our existing and future senior unsecured debt and will rank senior in right of payment to all of our existing and future subordinated debt. The notes will be effectively subordinated to our secured indebtedness to the extent of the value of the collateral securing such indebtedness and structurally subordinated to all existing and future liabilities of our subsidiaries, including trade payables. As of June 30, 2018, our subsidiaries did not have any indebtedness and we and our subsidiaries did not have any secured indebtedness.

The notes will be issued only in fully registered form without coupons, in minimum denominations of $2,000 with integral multiples of $1,000 thereof.

The notes will mature on September 21, 2023.

The notes will bear interest at the rate of 4.000% per year. Interest on the notes will accrue from September 21, 2018 and be payable semi-annually in arrears on March 21 and September 21 of each year, commencing March 21, 2019 to the persons in whose names the notes were registered at the close of business on the immediately preceding March 6 and September 6, respectively (whether or not a Business Day). Interest on the notes will be computed on the basis of a 360-day year comprised of twelve 30-day months.

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Any payment otherwise required to be made in respect of the notes on a date that is not a Business Day may be made on the next succeeding Business Day with the same force and effect as if made on that date. No additional interest shall accrue as a result of a delayed payment.

Principal and interest will be payable, and the notes will be transferable or exchangeable, at the office or offices or agency maintained by us for this purpose. Payment of interest and principal on the notes may be made at our option by check mailed to the registered holders or by wire transfer to an account maintained by the payee located in the United States.

The notes will be represented by one or more global securities registered in the name of a nominee of DTC. The notes will be available only in book-entry form. See Book-Entry Delivery and Form.

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

Optional Redemption

The notes may be redeemed at our option, at any time in whole or from time to time in part. Prior to August 21, 2023, we may redeem the notes, in whole or in part, at any time and from time to time, at a redemption price equal to the greater of:

- 100% of the principal amount of the notes being redeemed; or
- the sum of the present value of the remaining scheduled payments of principal and interest on the notes being redeemed (not including any portion of any payments 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 Adjusted Treasury Rate (as defined below), as determined by the Quotation Agent (as defined below), plus 20 basis points;

plus accrued and unpaid interest on the notes being redeemed to, but not including, the redemption date.

On and after August 21, 2023, we may redeem the notes, in whole or in part, at any time 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, but not including, the redemption date.

Notwithstanding the foregoing, installments of interest on the notes that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered holders as of the close of business on the relevant record date according to the notes and the Indenture.

We will mail notice of any redemption at least 30 days but not more than 60 days before the redemption date to each registered holder of the notes to be redeemed. Once notice of redemption is

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mailed, the notes called for redemption will become due and payable on the redemption date and at the applicable redemption price, plus accrued and unpaid interest to, but not including, the redemption date.

On and after the redemption date, interest will cease to accrue on the notes or any portion of the notes called for redemption (unless we default in the payment of the redemption price and accrued interest). On or before the redemption date, we will deposit with a paying agent or the securities agent money sufficient to pay the redemption price of and accrued interest on the notes to be redeemed on that date. If less than all of the securities of any series are to be redeemed, the securities to be redeemed shall be selected by the securities agent by a method the securities agent deems to be fair and appropriate or in accordance with applicable DTC procedures.

The notes will not be entitled to the benefit of any mandatory redemption or sinking fund.

Offer to Repurchase Upon a Change of Control Repurchase Event

If a Change of Control Repurchase Event occurs, unless we have exercised our right to redeem the notes as described above, holders of notes will have the right to require us to repurchase all or any part (in integral multiples of $1,000) of their notes pursuant to the offer described below (the Change of Control Offer). In the Change of Control Offer, we will be required to offer payment in cash equal to 101% of the aggregate principal amount of notes repurchased plus accrued and unpaid interest, if any, on the notes repurchased, to, but not including, the date of repurchase (the Change of Control Payment). Within 30 days following any Change of Control Repurchase Event, or, at our option, prior to any Change of Control, but after the public announcement of the Change of Control, we will be required to mail (or use such electronic means as are acceptable to the applicable Depositary for any notes) a notice to holders of notes describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase the notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the Change of Control Payment Date), pursuant to the procedures required by the notes and described in such notice. The notice shall, if mailed prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control occurring on or prior to the Change of Control Payment Date specified in the notice. We will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the Exchange Act), and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the notes, we will be required to comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control provisions of the notes by virtue of such compliance.

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

- accept for payment all notes or portions of notes properly tendered and not withdrawn pursuant to the Change of Control Offer;

- deposit with the paying agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes accepted for payment; and

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

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The definition of Change of Control includes a phrase relating to sale, assignment, transfer, lease or other conveyance (other than by way of merger or consolidation) of all or substantially all of our properties and assets. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of notes to require Fortune Brands to repurchase its notes as a result of a sale, assignment, transfer, lease or conveyance of less than all of the assets of Fortune Brands to another Person or group may be uncertain.

Certain Covenants

Limitations on Liens

The Indenture provides that we will not, and will not permit any of our Restricted Subsidiaries to, create, incur, issue, assume or guarantee any debt for borrowed money secured by a Lien (other than Permitted Liens) upon any Principal Property or on any capital stock of any Restricted Subsidiary (in each case, whether owned on the date of the Indenture or thereafter acquired), without equally and ratably securing any notes then outstanding, unless the aggregate principal amount of all outstanding debt for borrowed money of Fortune Brands and its Restricted Subsidiaries that is secured by Liens (other than Permitted Liens) on any Principal Property or upon the capital stock of any Restricted Subsidiary (in each case, whether owned on the date of the Indenture or thereafter acquired) plus the amount of all outstanding Attributable Debt incurred in respect of Sale and Leaseback Transactions involving any Principal Properties would not exceed 15% of Consolidated Net Tangible Assets calculated as of the date of the creation or incurrence of the Lien.

Restrictions on Sales and Leasebacks

The Indenture provides that we will not, and will not permit any Restricted Subsidiary to, enter into any arrangement with any Person providing for the leasing by us or any Restricted Subsidiary of any property or assets that have been or are to be sold or transferred by us or such Restricted Subsidiary to such Person, with the intention of taking back a lease of such property or assets (a Sale and Leaseback Transaction) unless either:

within 12 months after the receipt of the proceeds of the sale or transfer, we or any Restricted Subsidiary apply an amount equal to the greater of the net proceeds of the sale or transfer or the fair value (as determined in good faith by our board of directors) of such property or assets at the time of such sale or transfer to the prepayment or retirement (other than any mandatory prepayment or retirement) of Funded Debt which ranks equally with or senior to the notes; or

we or such Restricted Subsidiary would be entitled, at the effective date of the sale or transfer, to incur debt for borrowed money secured by a Lien on such property or assets in an amount at least equal to the Attributable Debt in respect of the Sale and Leaseback Transaction, without equally and ratably securing the notes pursuant to the covenant described under Limitations on Liens.

The foregoing restriction in the paragraph above will not apply to any Sale and Leaseback Transaction (i) for a term of not more than three years including renewals; (ii) between us and a Restricted Subsidiary or between Restricted Subsidiaries, provided that the lessor is us or a wholly owned Restricted Subsidiary; or (iii) entered into within 120 days after the later of the acquisition or completion of construction of the subject property or assets.

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Merger, Consolidation or Sale of Assets

The Indenture provides that we shall not consolidate with or merge into any Person or sell, assign, transfer, lease or otherwise convey all or substantially all our properties and assets unless:

- either (A) Fortune Brands shall be the continuing Person (in the case of a merger) or (B) the successor Person (if other than Fortune Brands) formed by such consolidation or into which Fortune Brands is merged or the Person to which such sale, assignment, transfer, lease or other conveyance is made shall be a corporation, limited liability company, partnership or trust organized and existing under the laws of the United States, any state thereof or the District of Columbia, and such Person expressly assumes, by supplemental indenture executed and delivered to the trustee and the securities agent by such Person, the due and punctual payment of the principal of, and premium, if any, and interest on, all the notes, according to their tenor, and the due and punctual performance and observance of all the covenants and conditions of the Indenture to be performed by Fortune Brands;

- immediately before and immediately after giving effect to such transaction, no default or Event of Default shall have occurred and be continuing; and

- Fortune Brands shall deliver, or cause to be delivered, to the trustee and the securities agent, an Officers Certificate and an Opinion of Counsel, each stating that such transaction and the supplemental indenture, if any, in respect thereto comply with this covenant and that all conditions precedent in the Indenture relating to such transaction have been complied with. *(Section 8.01)*.

Upon any consolidation or merger, or any conveyance or transfer of all or substantially all our properties and assets in accordance with the foregoing paragraph, the successor Person formed by such consolidation or into which we are merged or to which such conveyance or transfer is made is substituted for us as obligor under the Indenture. (*Section 8.02*).

Under the terms of the Indenture, we may restructure our restricted subsidiaries without your consent in a manner such that they could no longer be deemed restricted subsidiaries and not subject to our restrictive covenants in the Indenture. This may have a material and adverse effect on the trading value of your notes.

Events of Default

The following are Events of Default under the Indenture with respect to the notes:

- a failure to pay any interest on any note when due and payable, and continuance of such failure for a period of 30 days;

- failure to pay the principal on any note as and when the same shall become due and payable either at maturity, upon redemption, other than with respect to a sinking fund payment, by declaration or otherwise;

default in the performance, or breach, of any other covenant or warranty of Fortune Brands relating to the notes and continuance of such default or breach for a period of 60 days after due notice by the trustee or by the Holders of at least 25% in principal amount of the Outstanding Securities of that series; and

certain events of bankruptcy, insolvency or reorganization of Fortune Brands.

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The Indenture provides that the trustee shall notify the holders of notes of all defaults actually known to a responsible officer of the trustee and affecting those notes within 90 days after the occurrence of a default unless the defaults shall have been cured before the giving of the notice. The term default or defaults means any event or condition which is, or with notice or lapse of time or both would become, an Event of Default. The Indenture provides that notwithstanding the foregoing, except in the case of a default in the payment of the principal of or interest on any of the notes, the trustee shall be protected in withholding such notice if the trustee determines in good faith that the withholding of such notice is in the interest of the holders of the notes.

The Indenture provides that in the case of an Event of Default arising from certain events of bankruptcy, insolvency or reorganization with respect to Fortune Brands, all outstanding notes of each series will become due and payable immediately without further action or notice. The Indenture provides that if any other Event of Default with respect to any series of notes shall have occurred and be continuing, either the trustee or the holders of not less than 25% in aggregate principal amount of notes of that series then outstanding may declare the principal amount of all the notes of that series to be due and payable immediately. However, upon certain conditions such declaration may be annulled. Any past defaults and the consequences of the defaults may be waived by the holders of a majority in principal amount of the notes of that series then outstanding if all amounts due to the trustee and the securities agent have been paid in full, except for a default (1) in the payment of principal of or interest on notes of that series or (2) in respect of a covenant or provision of the Indenture that cannot be modified or amended without the consent of the holder of each note of such series affected, which defaults cannot be waived. The Indenture also permits Fortune Brands to omit compliance with certain covenants in the Indenture with respect to notes of any series upon waiver by the holders of a majority in principal amount of the notes of such series then outstanding.

Subject to the provisions of the Indenture relating to the duties of the trustee or the securities agent in case an Event of Default with respect to any series of notes shall occur and be continuing, the trustee or the securities agent shall be under no obligation to exercise any of the trusts or powers vested in it by the Indenture at the request or direction of any of the holders of that series, unless such holders shall have offered to the trustee or the securities agent security or indemnity satisfactory to the trustee and securities agent. Subject to such provisions for security or indemnification and certain limitations contained in the Indenture, the holders of a majority in aggregate principal amount of the notes of each series affected by an Event of Default and then outstanding shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee under the Indenture or exercising any trust or power conferred on the trustee with respect to the notes of that series.

No holder of any note of any series will have any right by virtue or by availing of any provision of the Indenture to institute any proceeding at law or in equity or in bankruptcy or otherwise upon or under or with respect to the Indenture or for any remedy thereunder, unless such holder shall have previously given the trustee written notice of an Event of Default with respect to notes of that series and unless also the holders of at least 25% in aggregate principal amount of the outstanding notes of that series shall have made written request, and offered to the trustee indemnity satisfactory to the trustee to institute such proceeding as trustee and the trustee shall have failed to institute such proceeding within 60 days after its receipt of such request, and the trustee shall not have received from the holders of a majority in aggregate principal amount of the outstanding notes of that series a direction inconsistent with such request. However, the right of a holder of any note to receive payment of the principal of and any interest on such note on or after the due dates expressed in such note, or to institute suit for the enforcement of any such payment on or after such dates, shall not be impaired or affected without the consent of such holder.

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Modification of the Indenture

We may modify the Indenture or any supplemental indenture governing the terms of the notes, subject to satisfaction of certain conditions. The conditions depend, among other things, on the type of modifications that may be made. These are discussed in the accompanying prospectus under the heading Description of Debt Securities Modification of Indenture which is incorporated by reference in this prospectus supplement.

Satisfaction and Discharge of Indenture

The Indenture will be discharged and canceled upon the satisfaction of certain conditions, including the payment of all the notes of a series or the deposit with the securities agent of cash or appropriate Government Obligations or a combination thereof sufficient for such payment or redemption in accordance with the Indenture and the terms of the notes of such series. These provisions are described in the accompanying prospectus under the heading Description of Debt Securities Satisfaction and Discharge; Defeasance Satisfaction and Discharge which is incorporated by reference in this prospectus supplement.

Covenant Defeasance and Discharge

The notes have been issued subject to provisions of the Indenture which gives us the option to either discharge or defease certain covenants if certain conditions are satisfied. The effect of a discharge or covenant defeasance, and the conditions that must be satisfied for each, are described in the accompanying prospectus under the heading Description of Debt Securities Satisfaction and Discharge; Defeasance Covenant Defeasance and Discharge which is incorporated by reference in this prospectus supplement.

Governing Law

The Indenture provides that it and the notes will be governed by, and construed in accordance with, the laws of the State of New York.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for full disclosure of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

Adjusted Treasury Rate means, with respect to any redemption date, the rate per year equal to the semi-annual equivalent yield to maturity 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 that redemption date.

Attributable Debt in respect of a Sale and Leaseback Transaction means, at the time of determination, the present value discounted at the rate of interest implicit in the terms of the lease (as determined in good faith by us) of the obligations of the lessee under such lease for net rental payments during the remaining term of the lease (including any period for which such lease has been extended or may, at our option, be extended).

Below Investment Grade Rating Event means the rating on the notes is lowered and the notes are rated below an Investment Grade Rating by each of the three Rating Agencies on any date from the date of the public notice of an arrangement that could result in a Change of Control until the

end of the 60-day period following public notice of the occurrence of the Change of Control (which 60-day period shall be extended so long as the rating of the notes under publicly announced consideration for possible downgrade below investment grade by any of the Rating Agencies); provided that a Below Investment Grade Rating Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Below Investment Grade Rating Event for purposes of the definition of Change of Control Repurchase Event) if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the trustee and the securities agent in writing at our request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Below Investment Grade Rating Event).

Business Day means any day, other than a Saturday or Sunday, that is not a legal holiday, or a day on which banking institutions are authorized or required by law or regulation to close in New York City.

Capital Lease Obligation means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with United States generally accepted accounting principles (GAAP).

Change of Control means the occurrence of any of the following:

the sale, assignment, transfer, lease or other conveyance (other than by way of merger or consolidation) of all or substantially all of the properties and assets of Fortune Brands to any Person (including any person (as that term is used in Section 13(d)(3) of the Exchange Act)) other than to Fortune Brands or one of its Subsidiaries;

the consummation of any transaction (including without limitation, any merger or consolidation) the result of which is that any Person (including any person or group (as those terms are used in Section 13(d)(3) of the Exchange Act)) becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of Fortune Brands;

Fortune Brands consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, Fortune Brands, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of Fortune Brands or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Voting Stock of Fortune Brands outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving Person immediately after giving effect to such transaction; or

the adoption of a plan relating to the liquidation or dissolution of Fortune Brands.

Notwithstanding the foregoing, a transaction will not be deemed to involve a Change of Control if (i) Fortune Brands becomes a wholly owned subsidiary of a holding company that has agreed to be bound by the terms of the notes and (ii) the holders of the Voting Stock of such holding company immediately following that transaction are the holders of

at least a majority of the Voting Stock immediately prior to that transaction.

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Change of Control Repurchase Event means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

Comparable Treasury Issue means the United States Treasury security selected by the Quotation Agent as having a 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 those notes.

Comparable Treasury Price means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Quotation Agent obtains fewer than four Reference Treasury Dealer Quotations, the average of all Reference Treasury Dealer Quotations so received.

Consolidated Net Tangible Assets means the excess over current liabilities of all assets as determined by the Company and set forth in a consolidated balance sheet of the Company and its consolidated Subsidiaries prepared in accordance with generally accepted accounting principles as of a date within 90 days of the date of such determination, after deducting goodwill, trademarks, patents, other like intangibles and the minority interest of others.

Fitch means Fitch, Inc.

Funded Debt means debt for borrowed money which matures more than one year from the date of creation, or which is extendable or renewable at the sole option of the obligor so that it may become payable more than one year from such date or which is classified, in accordance with GAAP, as long-term debt on the consolidated balance sheet for the most-recently ended fiscal quarter (or if incurred subsequent to the date of such balance sheet, would have been so classified) of the person for which the determination is being made. Funded Debt does not include (1) obligations created pursuant to leases, (2) any debt or portion thereof maturing by its terms within one year from the time of any computation of the amount of outstanding Funded Debt unless such debt shall be extendable or renewable at the sole option of the obligor in such manner that it may become payable more than one year from such time, (3) any debt for which money in the amount necessary for the payment or redemption of such debt is deposited in trust either at or before the maturity date thereof, (4) endorsements of negotiable instruments for collection, deposit or negotiation, or (5) guarantees by Fortune Brands or a Restricted Subsidiary arising in connection with the sale, discount, guarantee or pledge of notes, chattel mortgages, leases, accounts receivable, trade acceptances and other paper arising, in the ordinary course of business, out of installment or conditional sales to or by, or transactions involving title retention with, distributors, dealers or other customers, of merchandise, equipment or services. Fortune Brands or a Restricted Subsidiary shall be deemed to have assumed any Funded Debt secured by any mortgage upon any of its property or assets whether or not it has actually done so.

Government Obligations means obligations which are (i) direct obligations of the sovereign government in the currency of which Securities of the relevant series are payable, or (ii) obligations of any Person controlled or supervised by and acting as an instrumentality of such sovereign government the payment of which is unconditionally guaranteed by such sovereign government, and which, in the case of either (i) or (ii), are full faith and credit obligations of such sovereign government, are payable in such currency and are not, by their terms, callable or redeemable at the option of the issuer or issuers thereof, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such Government Obligation or a specific payment of interest on or principal of or other amount with respect to any such Government Obligation held by such custodian

for the account of the holder of a depository receipt, *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Obligation or the specific payment of interest on or principal of or other amount with respect to the Government Obligation evidenced by such depository receipt.

Indebtedness means, with respect to any specified Person, any indebtedness of such Person, whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

(3) in respect of bankers acceptances;

(4) representing Capital Lease Obligations; or

(5) representing the balance deferred and unpaid of the purchase price of any property, except any such balance that constitutes an accrued expense or trade payable.

Investment Grade Rating means a rating equal to or higher than Baa3 (or the equivalent) by Moody s and BBB- (or the equivalent) by S&P and Fitch, and the equivalent investment grade credit rating from any replacement rating agency or rating agencies selected by us.

Lien means, with respect to our Principal Property, any mortgage or deed of trust, pledge, hypothecation, security interest, lien, encumbrance or other security arrangement of any kind or nature on or with respect to such property or assets.

Moody s means Moody s Investors Service, Inc.

Permitted Liens means:

(1) Liens (other than Liens created or imposed under the Employee Retirement Income Security Act of 1974, as amended (ERISA)), for taxes, assessments or governmental charges or levies not yet subject to penalties for non-timely payment or Liens for taxes being contested in good faith by appropriate proceedings for which adequate reserves determined in accordance with GAAP have been established (and as to which the property or assets subject to any such Lien is not yet subject to foreclosure, sale or loss on account thereof);

(2) statutory Liens of landlords and Liens of mechanics, materialmen, warehousemen, carriers and suppliers and other Liens imposed by law or pursuant to customary reservations or retentions of title arising in the ordinary course of business, provided that any such Liens which are material secure only amounts not yet due and payable or, if due and payable, are unfiled and no other action has been taken to enforce the same or are being contested in good faith by appropriate proceedings for which adequate reserves determined in accordance with GAAP have been established (and as to which the property or assets subject to any such Lien is not yet subject to foreclosure, sale or loss on account thereof);

(3) Liens (other than Liens created or imposed under ERISA) incurred or deposits made by us and our subsidiaries in the ordinary course of business in connection with workers compensation, unemployment insurance and other types of

social security, laws or regulations,

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or to secure the performance of tenders, statutory obligations, bids, leases, trade or government contracts, surety, indemnification, appeal, performance and return-of-money bonds, letters of credit, bankers acceptances and other similar obligations (exclusive of obligations for the payment of borrowed money), or as security for customs or import duties and related amounts;

(4) Liens in connection with attachments or judgments (including judgment or appeal bonds), provided that the judgments secured shall, within 30 days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall have been discharged within 30 days after the expiration of any such stay;

(5) Liens securing Indebtedness (including capital leases) incurred to finance the purchase price or cost of construction of property or assets (or additions, repairs, alterations or improvements thereto), provided that such Liens and the Indebtedness secured thereby are incurred within twelve months of the later of acquisition or completion of construction (or addition, repair, alteration or improvement) and full operation thereof;

(6) Liens securing industrial revenue bonds, pollution control bonds or similar types of tax-exempt bonds;

(7) Liens arising from deposits with, or the giving of any form of security to, any governmental agency required as a condition to the transaction of business or exercise of any privilege, franchise or license;

(8) encumbrances, covenants, conditions, restrictions, easements, reservations and rights of way or zoning, building code or other restrictions, (including defects or irregularities in title and similar encumbrances) as to the use of real property, or Liens incidental to conduct of the business or to the ownership of our or our subsidiaries properties not securing Indebtedness that does not in the aggregate materially impair the use of said properties in the operation of our business, including our subsidiaries, taken as a whole;

(9) leases, licenses, subleases or sublicenses granted to others not interfering in any material respect with our business, including our Subsidiaries, taken as a whole;

(10) Liens on property or assets at the time such property or assets are acquired by us or any of our subsidiaries; provided that such Liens were in existence prior to the contemplation of such acquisition of property or assets acquired by us or any of our subsidiaries;

(11) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with Fortune Brands or any subsidiary of Fortune Brands; provided that such Liens were in existence prior to the contemplation of such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with the Company or the subsidiary;

(12) Liens on receivables from customers sold to third parties pursuant to credit arrangements in the ordinary course of business;

(13) Liens existing on the date of the Indenture or any extensions, amendments, renewals, refinancings, replacements or other modifications thereto; provided that (a) such extension, renewal or replacement Lien is limited to the same property that secured the original Lien (plus improvements and accessions to such property) and (b) the Indebtedness secured by the new Lien (other than any Indebtedness incurred from transaction costs) is not greater than the Indebtedness secured by the Lien that is extended, renewed or replaced;

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(14) Liens on any property or assets created, assumed or otherwise brought into existence in contemplation of the sale, assignment, transfer, lease or other conveyance of the underlying property or assets, whether directly or indirectly, by way of share disposition, merger, consolidation or otherwise;

(15) Liens in favor of the United States of America or any State thereof, or any department, agency or instrumentality or political subdivision thereof, to secure partial, progress, advance or other payments;

(16) Liens arising solely by virtue of any statutory or common law provisions relating to banker s Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary institution;

(17) Liens arising from financing statement filings regarding operating leases;

(18) Liens in favor of customs and revenue authorities to secure custom duties in connection with the importation of goods;

(19) Liens securing the financing of insurance premiums payable on insurance policies; provided, that such Liens shall only encumber unearned premiums with respect to such insurance, interests in any state guarantee fund relating to such insurance and subject and subordinate to the rights and interests of any loss payee, loss payments which shall reduce such unearned premiums;

(20) Liens securing cash management obligations (that do not constitute Indebtedness), or arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods and contractual rights of set-off relating to purchase orders and other similar arrangements, in each case in the ordinary course of business; and

(21) Liens on any property or assets of any Subsidiaries organized under the laws of a jurisdiction other than the United States or any state thereof, securing Indebtedness of such Subsidiaries (but not Indebtedness of Fortune Brands).

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

Principal Property means any building, structure or other facility, together with the land upon which it is erected and fixtures (other than machinery or equipment) comprising a part thereof, owned or leased by Fortune Brands or any Restricted Subsidiary, used primarily for manufacturing and located in the United States, the gross book value on the books of Fortune Brands or such Restricted Subsidiary (without deduction of any depreciation reserve) of which on the date as of which the determination is being made exceeds 2% of Consolidated Net Tangible Assets, other than any such building, structure or other facility or any portion thereof or any such fixture (together with the land upon which it is erected and any such fixtures comprising a part thereof) (i) which is financed by industrial development bonds which are tax exempt pursuant to Section 103 of the Code (or which receive similar tax treatment under any subsequent amendments thereto or successor laws thereof), or (ii) which, in the opinion of the Board of Directors of Fortune Brands, is not of material importance to the total business conducted by Fortune Brands and its Subsidiaries taken as a whole.

Quotation Agent means the Reference Treasury Dealer appointed by us.

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Rating Agencies means (i) each of Fitch, Moody s and S&P; and (ii) if Fitch, Moody s or S&P ceases to rate the notes or fails to make a rating of the notes publicly available for reasons outside of our control, a nationally recognized statistical rating organization within the meaning of Section 3(a)(62) of the Exchange Act, selected by us (as certified by a resolution of our Board of Directors) as a replacement agency for Fitch, Moody s or S&P, or any of them, as the case may be.

Reference Treasury Dealer means each of Barclays Capital Inc., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and at least one other primary U.S. Government securities dealer in New York City (a Primary Treasury Dealer) selected by us; provided, however, that if any of the foregoing shall cease to be a Primary Treasury Dealer, we will 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 that Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding that redemption date.

Restricted Subsidiary means any Subsidiary other than (i) each Subsidiary organized and existing under laws other than the laws of the United States or a state thereof, (ii) each Subsidiary substantially all of the physical properties of which are located, or substantially all of the business of which is carried on, outside of the United States, (iii) each Subsidiary the primary business of which consists of finance, banking, credit, leasing, insurance, financial services, or similar operations or any combination thereof, (iv) each Subsidiary the primary business of which consists of the ownership, construction, management, operation, sale or leasing of real property or improvements thereon, or similar operations or any combination thereof, (v) each Subsidiary the primary business of which consists of the exploration for, or the extraction, production, transporting, or marketing of, petroleum or gas or other extracted substances, or similar operations or any combination thereof, (vi) each Subsidiary the primary business of which consists of the ownership or operation of one or more transportation businesses or facilities or equipment related thereto or similar operations or any combination thereof, (vii) each Subsidiary the primary business of which consists of obtaining funds with which to make investments outside of the United States, (viii) each Subsidiary substantially all of the assets of which consist of the ownership directly or indirectly of the capital stock of one or more Subsidiaries covered by the preceding clauses (i) through (vii), (ix) each Subsidiary which Fortune Brands or any Subsidiary is, by the terms of the final order of any court of competent jurisdiction from which no further appeal may be taken, required to dispose of and which shall by Board Resolution be determined not to be a Restricted Subsidiary, effective as of the date specified in such resolution and (x) any corporation a majority of the voting shares of which shall at the time be owned directly or indirectly by one or more corporations specified in the preceding clauses (i) through (ix); *provided*, *however*, that the Board of Directors may by Board Resolution declare any such Subsidiary to be a Restricted Subsidiary, effective as of the date such resolution is adopted.

S&P means Standard & Poor s Financial Services LLC, a subsidiary of S&P Global Inc. and its successors.

Subsidiary means any corporation of which Fortune Brands, or Fortune Brands and one or more Subsidiaries, or any one or more Subsidiaries, directly or indirectly own outstanding shares of capital stock having voting power sufficient to elect, under ordinary circumstances (not dependent upon the happening of a contingency), a majority of the directors.

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

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Book-Entry Delivery and Form

The notes will be issued in the form of one or more fully registered global notes which will be deposited with, or on behalf of, DTC and registered in the name of the Cede & Co., DTC s nominee. Beneficial interests in the global notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the global notes through DTC, Clearstream Banking, S.A., Luxembourg (Clearstream), or Euroclear Bank SA/NV, as operator of the Euroclear System (Euroclear) if they are participants of such systems, or indirectly through organizations which are participants in such systems. Clearstream and Euroclear will hold interests on behalf of their participants through customers securities accounts in Clearstream s and Euroclear s names on the books of their respective depositaries. Clearstream s and Euroclear s depositaries will hold interests in customers securities accounts in the depositaries names on the books of DTC. Except as set forth below, the global notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee.

DTC has advised us that it is (1) a limited purpose trust company organized under the laws of the State of New York, (2) a banking organization within the meaning of the New York Banking Law, (3) a member of the Federal Reserve System, (4) a clearing corporation within the meaning of the Uniform Commercial Code, as amended and (5) a clearing agency registered pursuant to Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitates the clearance and settlement of securities transactions between participants through electronic book-entry changes to the accounts of its participants, thereby eliminating the need for physical transfer and delivery of certificates. DTC s participants include securities brokers and dealers, including the underwriters, banks and trust companies, clearing corporations and certain other organizations. Indirect access to DTC s system is also available to other entities such as banks, brokers, dealers and trust companies, referred to as indirect participants, that clear through or maintain a custodial relationship with a participant, either directly or indirectly. Investors who are not participants may beneficially own securities held by or on behalf of DTC only through participants or indirect participants.

Additional information concerning DTC is included in the accompanying prospectus under the heading Description of Debt Securities Book Entry Debt Securities which is incorporated by reference in this prospectus supplement.

According to DTC, the foregoing information with respect to DTC has been provided to the financial community for informational purposes only and is not intended to serve as a representation, warranty or contract modification of any kind. We make no representation as to the accuracy or completeness of such information.

Clearstream has advised that it is incorporated under the laws of the Grand Duchy of Luxembourg as a professional depositary. Clearstream holds securities for its participating organizations (Clearstream participants). Clearstream facilitates the clearance and settlement of securities transactions between Clearstream participants through electronic book-entry changes in accounts of Clearstream participants, eliminating the need for physical movement of certificates. Clearstream provides to Clearstream participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. As a professional depositary, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector (CSSF). Clearstream participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream participant, either directly or indirectly.

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

Euroclear has advised that it was created in 1968 to hold securities for its participants (Euroclear participants) and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, eliminating the need for physical movement of certificates and eliminating any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank SA/NV (the Euroclear Operator), under contract with Euroclear Clearance Systems S.C., a Belgian cooperative corporation (the Cooperative). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

The Euroclear Operator has advised us that it is licensed by the Belgian Banking and Finance Commission to carry out banking activities on a global basis. As a Belgian bank, it is regulated and examined by the Belgian Banking Commission.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the Terms and Conditions). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear participants, and has no record of or relationship with persons holding through Euroclear participants.

Distributions, to the extent received by the U.S. Depositary for Euroclear, with respect to notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Terms and Conditions.

We make no representation as to the accuracy or completeness of information concerning Clearstream or Euroclear Operations provided in this prospectus supplement.

If (1) we notify the trustee and the securities agent in writing that DTC, Euroclear or Clearstream is no longer willing or able to act as a depositary or clearing system for the notes or DTC ceases to be registered as a clearing agency under the Exchange Act, and a successor depositary or clearing system is not appointed within 90 days of this notice or cessation or (2) we, at our option, notify the trustee and the securities agent in writing that we elect to cause the issuance of the notes in definitive form under the Indenture, then, upon surrender by DTC of the global notes, certificated notes will be issued to each person that DTC identifies as the beneficial owner of the notes represented by the global notes. Upon any such issuance, the securities agent is required to register the certificated notes in the name of the person or persons or the nominee of any of these persons and cause the same to be delivered to these persons. None of we, the trustee or the securities agent shall be liable for any delay by DTC or any participant or indirect participant in identifying the beneficial owners of the related notes and each such person may conclusively rely on, and shall be protected in relying on,

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instructions from DTC for all purposes, including with respect to the registration and delivery, and the respective principal amounts, of the notes to be issued.

Title to book-entry interests in the global notes will pass by book-entry registration of the transfer within the records of DTC, Clearstream or Euroclear in accordance with their respective procedures. Book-entry interests in the global notes may be transferred within DTC in accordance with procedures established for this purpose by DTC. Book-entry interests in the notes may be transferred within Euroclear and within Clearstream and between Euroclear and Clearstream in accordance with procedures established for these purposes by Euroclear and Clearstream. Transfers of book-entry interests in the notes between Euroclear and Clearstream and DTC may be effected in accordance with procedures established for this purpose by Euroclear, Clearstream and DTC.

Global Clearance and Settlement Procedures

Subject to compliance with the transfer restrictions applicable to the notes, cross-market transfers between the participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC s rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in the system in accordance with the rules and procedures and within the established deadlines (Brussels time) of the system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant global notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositaries for Euroclear or Clearstream.

Because of time-zone differences, credits of notes received in Clearstream or Euroclear as a result of a transaction with a DTC participant will be made during subsequent notes settlement processing and dated the business day following the DTC settlement date. Credits or any transactions of the type described above settled during subsequent notes settlement processing will be reported to the relevant Euroclear or Clearstream participants on the business day that the processing occurs. Cash received in Clearstream or Euroclear as a result of sales of the notes by or through a Clearstream participant or a Euroclear participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of the notes among participants of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform these procedures. The foregoing procedures may be changed or discontinued at any time. None of we, the trustee or the securities agent will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

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MATERIAL U.S. FEDERAL TAX CONSIDERATIONS

The following summary describes the material United States federal income and estate tax consequences of buying, owning and disposing of the notes by beneficial owners of the notes. We have based this summary on the provisions of the Internal Revenue Code of 1986, as amended to the date hereof, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury Regulations, changes to any of which subsequent to the date of this prospectus supplement may affect the tax consequences described herein (possibly with retroactive effect). The summary below is limited to initial beneficial owners who hold the notes as capital assets (generally, property held for investment) and who purchase the notes at their issue price (as defined below).

For purposes of this discussion, a United States Holder means a beneficial owner of a note other than a partnership that is, or is treated as, for United States federal income tax purposes:

- a citizen or individual resident of the United States;
- a 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 whose income is subject to United States federal income tax on a net basis with respect to its worldwide income; or
- a trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States fiduciaries have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

A Non-United States Holder means a beneficial owner of a note that is not a partnership and that is not a United States Holder.

If a partnership (including any entity treated as a partnership or other pass through entity for United States federal income tax purposes) is a holder of a note, the United States federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Such persons should consult their own tax advisors as to the particular United States federal income tax consequences to them.

This summary does not discuss the particular United States federal income tax consequences that may be relevant to a holder in light of such holder s particular circumstances or if such holder is subject to special rules under United States federal income tax laws. Special rules apply, for example, to:

- some financial institutions;
- insurance companies;

tax-exempt organizations;

brokers or dealers in securities or foreign currencies;

an accrual method taxpayer subject to special tax accounting rules as a result of its use of financial statements;

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persons holding securities as part of a hedge, straddle or integrated transaction;

United States Holders whose functional currency is not the United States dollar;

United States expatriates; or

persons subject to the alternative minimum tax.

This discussion does not address the tax consequences to Non-United States Holders that are subject to United States federal income tax on a net basis on income realized with respect to a note because such income is effectively connected with the conduct of a United States trade or business. Such holders are generally taxed in a similar manner to United States Holders; although certain special rules apply.

Prospective investors are advised to consult their own tax advisors with respect 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.

United States Federal Tax Consequences to United States Holders

Payments of Interest

Interest paid on a note generally will be taxable to a United States Holder as ordinary interest income at the time it accrues or is received, in accordance with the United States Holder s method of accounting for United States federal income tax purposes. If the stated redemption price at maturity of a note exceeds the issue price of such note by more than a de *minimis* amount (as explained below), such note will be deemed to have original issue discount (OID). The issue price of a note will be the first price at which a substantial amount of the notes is sold to the public (i.e., excluding sales to any agent, wholesaler or similar person), and the stated redemption price at maturity of a note is its principal amount. However, a note will not be deemed to have OID if its stated redemption price at maturity exceeds its issue price by less than a de *minimis* amount equal to one-fourth of one percent (0.25%) of its stated redemption price at maturity, multiplied by the number of full years to its maturity. If a note meets this de *minimis* exception, a United States Holder of that note is generally required to include the de *minimis* OID amount in income (as capital gain), as principal payments are made on the note, unless the United States Holder elects to apply the constant yield method that otherwise applies to an instrument with more than de *minimis* OID. If the OID on a note is more than de *minimis*, a United States Holder will be required to include the OID in income for United States federal income tax purposes as it accrues, in accordance with a constant yield method based on interest compounding and in advance of the cash payments attributable to the income. Since the issue price of the notes is expected to be at par or within the de *minimis* exception, it is expected, and the rest of this disclosure assumes, that the notes should not be considered to have OID.

In certain circumstances (i.e., optional redemption or the exercise of the change of control put), we may pay amounts in excess of stated interest or principal on the notes or pay amounts other than stated interest prior to maturity of the notes. The potential to make such payments may implicate the provisions of United States Treasury Regulations relating to contingent payment debt instruments. If the notes were deemed to be contingent payment debt instruments, a United States Holder might be required to accrue income on the holder s notes in excess of stated interest, and would be required to treat as ordinary income, rather than capital gain, any gain realized on the taxable disposition of a note before the resolution of the contingencies. Under the applicable United States Treasury Regulations, the possibility

that we may pay such excess amounts in the event of an optional redemption will not result in the notes being deemed to be contingent payment debt instruments. Under the applicable

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United States Treasury Regulations, the possibility that we may pay such excess amounts upon exercise of a change of control put will not cause the notes to be treated as contingent payment debt instruments if there is only a remote chance as of the date the notes were issued that such payments will be made. We believe that the likelihood that we will be obligated to make any such change of control put payments is remote. Therefore, we do not intend to treat the notes as subject to the contingent payment debt rules. Our determination is binding on a United States Holder unless such holder discloses its contrary position to the Internal Revenue Service (IRS) in the manner required by applicable United States Treasury Regulations. Our determination is not, however, binding on the IRS, and if the IRS were to challenge this determination, the tax consequences to a holder could differ materially and adversely from those discussed herein. In the event such a contingency were to occur, it would affect the amount and timing of the income recognized by a United States Holder. The remainder of this disclosure assumes that the notes will not be treated as contingent payment debt instruments.

Sale, Exchange or Retirement of the Notes

Upon the sale, exchange, retirement or other taxable disposition of a note, a United States Holder generally will recognize taxable gain or loss equal to the difference, if any, between (i) the sum of the cash plus the fair market value of all other property received on the sale, exchange, retirement or other disposition and (ii) the United States Holder s adjusted tax basis in the note. A United States Holder s adjusted tax basis in a note will equal the cost of the note to the United States Holder and increased by any de *minimis* OID previously included in income under the election described above under Payments of Interest. For these purposes, the amount realized does not include any amount attributable to accrued but unpaid interest. Amounts attributable to accrued but unpaid interest are treated as interest as described under Payments of Interest above.

Gain or loss recognized on the sale, exchange, retirement or other disposition of a note will generally be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange, retirement or other disposition the note has been held for more than one year. Long-term capital gains of non-corporate holders are eligible for reduced rates of taxation. For corporate holders, all capital gains are currently subject to U.S. federal income tax at the same rate. The deductibility of any capital losses is subject to limitations.

Backup Withholding and Information Reporting

A United States Holder generally will be subject to United States backup withholding at the applicable rate with respect to interest, principal or redemption premium, if any, paid on a note, and the proceeds from the sale, exchange, retirement or other disposition of a note, if the United States Holder fails to provide its taxpayer identification number to the paying agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding. In addition, the payments of interest, principal, or redemption premium to, and the proceeds of a sale, exchange, retirement or other disposition by, a United States Holder that is not an exempt recipient generally will be subject to information reporting requirements. The amount of any backup withholding from a payment to a United States Holder will be allowed as a credit against the United States Holder s United States federal income tax liability and may entitle the United States Holder to a refund, provided that the required information is timely furnished to the IRS.

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United States Federal Tax Consequences to Non-United States Holders

Payments of Interest

Subject to the discussion below concerning backup withholding, interest paid on a note to a Non-United States Holder that is not engaged in a trade or business in the United States generally will not be subject to United States federal income or withholding tax provided that:

- the Non-United States Holder does not own, actually or constructively, 10 percent or more of the total combined voting power of all classes of our stock entitled to vote;
- the Non-United States Holder is not a controlled foreign corporation related, directly or indirectly, to us through stock ownership;
- the Non-United States Holder is not a bank receiving certain types of interest; and
- either
  - the Non-United States Holder certifies under penalties of perjury on IRS Form W-8BEN or W-8BEN-E as applicable (or a suitable substitute form) that it is not a United States person as defined in the Internal Revenue Code, and provides its name and address, or
  - a securities clearing organization, bank, or other financial institution that holds customers securities in the ordinary course of its trade or business and holds the securities on behalf of the Non-United States Holder certifies under penalties of perjury that such a statement has been received from the Non-United States Holder and furnishes a copy to us.

Interest paid to a Non-United States Holder that is not engaged in a trade or business in the United States and does not satisfy the conditions described above will be subject to United States withholding tax at a rate of 30 percent, unless an income tax treaty applies to reduce or eliminate withholding and the Non-United States Holder provides us with a properly executed IRS Form W-8BEN or W-8BEN-E as applicable (or suitable substitute form) claiming the exemption or reduction in withholding.

Sale, Exchange or Retirement of the Notes

Subject to the discussion below concerning backup withholding, any gain realized by a Non-United States Holder that is not engaged in a trade or business in the United States on the sale, exchange, retirement or other disposition of a note generally will not be subject to United States federal income tax unless the Non-United States Holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met.

Backup Withholding and Information Reporting

Information returns will be filed with the IRS in connection with payments of interest on the notes. Unless the Non-United States 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 any payment of proceeds from a sale or other disposition of a note and the Non-United States Holder may be subject to United States backup withholding on payments on the note or on the proceeds from a sale or other disposition of the note. The certification procedures required to claim the exemption from withholding tax on interest described above will satisfy the certification requirements necessary to

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avoid backup withholding as well. The amount of any backup withholding from a payment to a Non-United States Holder will be allowed as a credit against the Non-United States Holder s United States federal income tax liability and may entitle the Non-United States Holder to a refund, provided that the required information is timely furnished to the IRS.

Estate Tax

Subject to benefits provided by an applicable estate tax treaty, a note held by an individual who at the time of death is not a citizen or resident of the United States (as specifically defined for United States federal estate tax purposes) may be subject to United States federal estate tax upon the individual s death unless, at such time:

- the individual does not own, actually or constructively, 10 percent or more of the total combined voting power of all classes of our stock entitled to vote; and
- the income on the note is not effectively connected to the conduct by such individual of a trade or business in the United States.

Medicare Tax on Investment Income

A 3.8 percent Medicare tax is generally imposed with respect to net investment income above a certain threshold of certain United States citizens and residents, and on the undistributed net investment income of certain estates and trusts. Among other things, net investment income generally includes gross income from interest on, and net gains from the disposition of the notes, less certain deductions. Holders are urged to consult their tax advisors with respect to the tax consequences of this legislation.

Foreign Account Tax Compliance

The Foreign Account Tax Compliance Act (FATCA) imposes a withholding tax of 30% on interest income from, and, after December 31, 2018, the gross proceeds from a disposition of, debt instruments issued by U.S. persons, paid to certain foreign entities unless various information reporting and diligence requirements are satisfied. This would generally apply in the case of such debt instruments held through intermediaries that do not agree to satisfy such diligence and information reporting requirements. Foreign entities located in jurisdictions that have entered into an intergovernmental agreement with the United States governing FATCA may be subject to different rules. Holders should consult their tax advisors regarding the possible implications of FATCA on their ownership and disposition of the notes.

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UNDERWRITING (CONFLICTS OF INTEREST)

Subject to the terms and conditions contained in an underwriting agreement, dated as of the date of this prospectus supplement between us and the underwriters named below, for whom Barclays Capital Inc., J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated are acting as representatives, we have agreed to sell to each underwriter, and each underwriter has severally agreed to purchase from us, the principal amount of notes that appears opposite its name in the table below:

Underwriter	Principal amount of notes
Barclays Capital Inc.	$ 120,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	120,000,000
J.P. Morgan Securities LLC	120,000,000
Citigroup Global Markets Inc.	60,000,000
Credit Suisse Securities (USA) LLC	60,000,000
Wells Fargo Securities, LLC	60,000,000
Mizuho Securities USA LLC	8,220,000
PNC Capital Markets LLC	8,220,000
Scotia Capital (USA) Inc.	8,220,000
TD Securities (USA) LLC	8,220,000
MUFG Securities Americas Inc.	8,220,000
U.S. Bancorp Investments, Inc.	8,220,000
Citizens Capital Markets, Inc.	5,820,000
The Williams Capital Group, L.P.	4,860,000
Total	$ 600,000,000

The underwriters are offering the notes subject to their acceptance of the notes from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the notes offered by this prospectus supplement and the accompanying prospectus are subject to certain conditions. The underwriters are obligated to take and pay for all of the notes offered by this prospectus supplement if any such notes are taken.

The underwriters initially propose to offer the notes to the public at the public offering price that appear on the cover page of this prospectus supplement. In addition, the underwriters may offer the notes to certain dealers at prices that represent a concession not in excess of 0.350% of the principal amount of the notes. Any underwriter may allow, and any such dealer may reallow, a concession not in excess of 0.225% of the principal amount of the notes to certain other dealers. After the initial offering of the notes, the underwriters may from time to time vary the offering prices and other selling terms. The underwriters may offer and sell notes through certain of their affiliates.

The following table shows the underwriting discount that we will pay to the underwriters in connection with the offering of the notes:

	Paid by us notes
Per note	0.600%
Total	$ 3,600,000

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Expenses associated with this offering to be paid by us, other than underwriting discounts, are estimated to be approximately $1,300,000.

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

The notes are a new issue of securities, and there is currently no established trading market for the notes. We do not intend to apply for the notes to be listed on any securities exchange or to arrange for the notes to be quoted on any quotation system. The underwriters have advised us that they intend to make a market in the notes, but they are not obligated to do so. The underwriters may discontinue any market making in the notes at any time at their sole discretion. Accordingly, we cannot assure you that a liquid trading market will develop for the notes, that you will be able to sell your notes at a particular time or that the prices you receive when you sell will be favorable.

In connection with the offering of the notes, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the prices of the notes. Specifically, the underwriters may overallot in connection with the offering of the notes, creating syndicate short positions. In addition, the underwriters may bid for and purchase notes in the open market to cover syndicate short positions or to stabilize the prices of the notes. Finally, the underwriting syndicate may reclaim selling concessions allowed for distributing the notes in the offering of the notes, if the syndicate repurchases previously distributed notes in syndicate covering transactions, stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market prices of the notes above independent market levels. The underwriters are not required to engage in any of these activities, and may end any of them at any time.

Conflicts of Interest

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. An affiliate of J.P. Morgan Securities LLC serves as administrative agent and is a lender on our revolving credit facility, an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated serves as syndication agent and is a lender under that facility and affiliates of Barclays Capital Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, MUFG Securities Americas, Inc., and Wells Fargo Securities, LLC are lenders under that facility. Accordingly, affiliates of Barclays Capital Inc., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, MUFG Securities Americas, Inc., and Wells Fargo Securities, LLC will receive their pro rata portions of the borrowings repaid thereunder, and the amount received by such affiliates through the repayment of those borrowings may exceed 5% of the proceeds of this offering. In the event that greater than 5% of the net proceeds from this offering are used to repay indebtedness owed to any individual underwriter or its affiliates, this offering will be conducted in accordance with FINRA Rule 5121. In such event, such underwriter or underwriters will not confirm sales of the notes to accounts over which they exercise discretionary authority without the prior written approval of the customer.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such inve