

EBAY INC
Form 424B5
March 04, 2016
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Filed Pursuant to Rule 424(b)(5)
File No. 333-197522

CALCULATION OF REGISTRATION FEE

Title of Each Class of	Amount	Proposed	Proposed	Amount of
Securities to be Registered	to be	Maximum	Maximum	Registration Fee (1)
	Registered	Offering Price	Aggregate	
		Per Security	Offering Price	
2.500% Notes due 2018	\$750,000,000	99.897%	\$749,227,500	\$75,447.21
3.800% Notes due 2022	\$750,000,000	99.772%	\$748,290,000	\$75,352.81

- (1) Calculated in accordance with Rules 456(b) and 457(r) under the Securities Act of 1933, as amended, and relates to the Registration Statement on Form S-3 (File No. 333-197522) filed by the registrant on July 18, 2014. Total registration fee is \$150,800.02.

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(To Prospectus dated July 18, 2014)

\$1,500,000,000**\$750,000,000 2.500% Notes due 2018****\$750,000,000 3.800% Notes due 2022**

eBay Inc. is offering \$750,000,000 aggregate principal amount of its 2.500% Notes due 2018 (the 2018 notes) and \$750,000,000 aggregate principal amount of its 3.800% Notes due 2022 (the 2022 notes and, together with the 2018 notes, the notes). Unless redeemed prior to maturity, the 2018 notes will mature on March 9, 2018 and the 2022 notes will mature on March 9, 2022. We will pay interest on the notes of each series semi-annually in arrears on March 9 and September 9 of each year, commencing September 9, 2016.

We may redeem some or all of the notes of each series at any time and from time to time prior to their maturity at the applicable redemption prices described in this prospectus supplement under the heading Description of Notes Optional Redemption.

If a Change of Control Triggering Event (as defined) occurs with respect to the notes of any series, we may be required to offer to purchase the notes of such series from the holders as described under the heading Description of Notes Change of Control Triggering Event.

The notes will be the senior unsecured obligations of eBay Inc. The notes will rank equally in right of payment with all other existing and future senior unsecured indebtedness of eBay Inc.

Investing in the notes involves a high degree of risk. See Risk Factors beginning on page S-7 of this prospectus supplement, on page 3 of the accompanying prospectus and in our most recent Annual Report on Form 10-K for information about important risks you should consider before buying the notes.

	Public Offering Price ⁽¹⁾	Underwriting discount	Proceeds, before expenses, to eBay
Per 2018 Note	99.897%	0.200%	99.697%
Total For 2018 Notes	\$ 749,227,500	\$ 1,500,000	\$ 747,727,500
Per 2022 Note	99.772%	0.375%	99.397%
Total For 2022 Notes	\$ 748,290,000	\$ 2,812,500	\$ 745,477,500
Total For All Notes	\$ 1,497,517,500	\$ 4,312,500	\$ 1,493,205,000

⁽¹⁾ Plus accrued interest, if any, from March 9, 2016, if settlement occurs after that date.

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

a criminal offense.

The underwriters expect to deliver the notes in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, société anonyme and Euroclear Bank, S.A./N.V., as operator for the Euroclear System, against payment in New York, New York on or about March 9, 2016.

Joint Book-Running Managers

BofA Merrill Lynch

J.P. Morgan

Morgan Stanley

Wells Fargo Securities

Citigroup

Deutsche Bank Securities

Co-Managers

BNP PARIBAS

Credit Suisse

Goldman, Sachs & Co.

HSBC

MUFG

RBC Capital Markets

Standard Chartered Bank

The Williams Capital Group, L.P.

The date of this prospectus supplement is March 2, 2016

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus are part of a shelf registration statement that we have filed with the Securities and Exchange Commission (the SEC). By using a shelf registration statement, we may sell one or more series of the debt securities described in the accompanying prospectus from time to time in one or more offerings. The accompanying prospectus provides you with a general description of some of the terms of the debt securities we may offer, some of which may not be applicable to this offering. This prospectus supplement describes some of the specific terms applicable to this offering of notes. In addition, this prospectus supplement and any related free writing prospectus may also add, update or change information contained in the accompanying prospectus or any document incorporated or deemed to be incorporated by reference therein and, accordingly, any statement in the accompanying prospectus or in any document incorporated or deemed to be incorporated by reference therein will be deemed modified or superseded to the extent that any statement contained in this prospectus supplement or any related free writing prospectus modifies or supersedes that statement. We urge you to read carefully this prospectus supplement, the accompanying prospectus and any related free writing prospectus, together with the documents incorporated and deemed to be incorporated by reference in the accompanying prospectus as described under the heading **Where You Can Find More Information** in the accompanying prospectus, before deciding whether to invest in any of the notes.

The distribution of this prospectus supplement, the accompanying prospectus and any related free writing prospectus and the offering of the notes in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement, the accompanying prospectus and any related free writing prospectus come should inform themselves about and observe any such restrictions. No action has been or will be taken by us or by any underwriter or dealer that would permit a public offering of the notes or the possession or distribution of this prospectus supplement, the accompanying prospectus or any related free writing prospectus in any jurisdiction where action for that purpose is required, other than the United States. Neither this prospectus supplement, the accompanying prospectus nor any related free writing prospectus constitutes, and none of the foregoing may be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

You should rely only on the information contained or incorporated or deemed to be incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus. We have not, and the underwriters have not, authorized any person to provide you with different or inconsistent information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities or soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, the documents incorporated and deemed to be incorporated by reference in the accompanying prospectus and any related free writing prospectus is accurate only as of the respective dates of those documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

This prospectus supplement, the accompanying prospectus, the documents incorporated and deemed to be incorporated by reference in the accompanying prospectus and any related free writing prospectus include or may include trademarks, service marks and trade names owned by us or others. All trademarks, service marks and trade names included in this prospectus supplement, the accompanying prospectus, the documents incorporated or deemed to be incorporated by reference in the accompanying prospectus or any related free writing prospectus are the property of their respective owners.

Unless we otherwise specify or the context otherwise requires, in this prospectus supplement references to **we**, **us**, **our** or **eBay** mean the current Delaware corporation (eBay Inc.) and its California predecessor, as well as all of our consolidated subsidiaries, references to **eBay Inc.** refer to eBay Inc. excluding its subsidiaries, references to **PayPal** mean the businesses underlying our former Payments segment, references to any **free writing prospectus** mean any free writing prospectus we file with the SEC in connection with this offering, and references to any of our Annual Reports on Form 10-K filed with the SEC include any amendments thereto.

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PROSPECTUS SUPPLEMENT SUMMARY

This following summary highlights information contained elsewhere or incorporated or deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus and does not contain all of the information that you should consider in your evaluation of an investment in the notes. You should read carefully this prospectus supplement and the accompanying prospectus, including the information set forth under the headings Risk Factors, the documents incorporated and deemed to be incorporated by reference in the accompanying prospectus and any related free writing prospectus in their entirety before making an investment decision.

eBay

eBay is a global commerce leader including our Marketplace, StubHub and Classifieds platforms. Collectively, we connect millions of buyers and sellers around the world. The technologies and services that power our platforms are designed to enable sellers worldwide to organize and offer their inventory for sale and buyers to find and buy it virtually anytime and anywhere. Our Marketplace platforms include our online marketplace located at www.ebay.com, its localized counterparts and the eBay mobile apps, which we believe are among the world's largest and most vibrant marketplaces for discovering great value and unique selection. Our StubHub platforms include our online ticket platform located at www.stubhub.com and the StubHub mobile apps. These platforms provide fans with a safe, convenient place to purchase tickets to the games, concerts and theater shows they want to attend and an easy way to sell tickets. Our Classifieds platforms include a collection of brands such as Mobile.de, Kijiji, Gumtree, Marktplaats, eBay Classifieds and others. Offering online classifieds in more than 1,500 cities around the world, these platforms help people find whatever they are looking for in their local communities.

On September 30, 2014, we announced that our Board of Directors (the Board), following a strategic review of our growth strategies and structure, had approved a plan to separate PayPal into an independent publicly traded company. On July 17, 2015, we completed the distribution (the Distribution) of 100% of the outstanding common stock of our former subsidiary PayPal Holdings, Inc. to our stockholders pursuant to which PayPal Holdings, Inc. became an independent company.

Additionally, during the second quarter of 2015, our Board approved a plan to sell our Enterprise segment (Enterprise). On July 16, 2015, we signed a definitive agreement to sell Enterprise and on November 2, 2015, the sale closed.

For additional information on the Distribution and the sale of Enterprise, see Note 4 - Discontinued Operations in our Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated by reference in the accompanying prospectus and may be obtained as described under Where You Can Find More Information in the accompanying prospectus.

Our principal executive offices are located at 2065 Hamilton Avenue, San Jose, California 95125, and our telephone number is (408) 376-7400. Our internet address is www.ebay.com. Our investor relations website is located at <http://investor.ebayinc.com>. The information contained in, or that can be accessed through, our websites (including, without limitation, any of the websites mentioned in this paragraph or elsewhere under this caption eBay) is not part of this prospectus supplement, the accompanying prospectus, the documents incorporated or deemed to be incorporated by reference in the accompanying prospectus or any free writing prospectus and any references to our websites are intended to be inactive textual references only.

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The Offering

*The summary below describes some of the terms of this offering of notes. Certain of the terms described below are subject to important limitations and exceptions. The **Description of Notes** section of this prospectus supplement and the **Description of Debt Securities** section in the accompanying prospectus contain a more detailed description of some of the terms of the notes. In this section, we, us, and our refer only to eBay Inc. and not any of its subsidiaries.*

Issuer	eBay Inc.
Securities Offered	<p>\$750,000,000 aggregate principal amount of 2.500% Notes due 2018 (the 2018 notes).</p> <p>\$750,000,000 aggregate principal amount of 3.800% Notes due 2022 (the 2022 notes and, together with the 2018 notes, the notes).</p>
Maturity	<p>2018 notes: March 9, 2018.</p> <p>2022 notes: March 9, 2022.</p>
Interest Rate	<p>2018 notes: 2.500% per year payable semi-annually in arrears on March 9 and September 9 of each year, commencing on September 9, 2016, and accruing from March 9, 2016.</p> <p>2022 notes: 3.800% per year payable semi-annually in arrears on March 9 and September 9 of each year, commencing on September 9, 2016, and accruing from March 9, 2016.</p>
Ranking	<p>The notes will be our senior unsecured obligations. The notes will rank equally in right of payment with all of our other existing and future senior unsecured indebtedness. The notes will be effectively subordinated in right of payment to all of our existing and future secured indebtedness to the extent of the collateral securing that indebtedness. The notes will also be effectively subordinated in right of payment to all existing and future indebtedness and other liabilities of our subsidiaries.</p> <p>At December 31, 2015, we had approximately \$6.8 billion carrying value (including hedge accounting fair value adjustments) of senior unsecured notes outstanding; no indebtedness outstanding under our up to \$1.5 billion commercial paper program; no indebtedness outstanding under our \$2.0 billion senior unsecured revolving credit facility and \$2.0 billion of available borrowing capacity under our senior unsecured revolving credit facility (of which \$1.5 billion of available borrowing capacity was reserved to provide liquidity support, if required, for our commercial paper program); and no secured indebtedness outstanding. In addition, on February 29, 2016, we issued \$750 million aggregate principal amount of our 6.00% Notes due 2056. At December 31, 2015, our subsidiaries had no indebtedness outstanding.</p>

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Certain Covenants

The indenture governing the notes contains covenants that will limit our ability and the ability of our Significant Subsidiaries (as defined

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under Description of Debt Securities Covenants Certain Definitions in the accompanying prospectus) to:

issue, incur, create, assume or guarantee any debt for borrowed money secured by a Lien upon any Principal Property (as those terms are defined under Description of Debt Securities Covenants in the accompanying prospectus), any shares of capital stock of our Significant Subsidiaries or any intercompany debt for borrowed money owed by any of our Significant Subsidiaries to us or any of our other subsidiaries; and

enter into certain sale and lease-back transactions with respect to any Principal Property.

The indenture also contains a covenant that requires that we satisfy certain conditions in order to consolidate with or merge into, or convey, transfer or lease all or substantially all of our properties and assets to, any person.

These covenants are subject to important exceptions and limitations and you should carefully review the information appearing under the headings Risk Factors in this prospectus supplement and the accompanying prospectus and Description of Debt Securities in the accompanying prospectus for additional information and for the definitions of some of the capitalized and other terms used under this caption Prospectus Supplement Summary The Offering.

Optional Redemption

The 2018 notes are redeemable at our option, at any time in whole or from time to time in part, at a redemption price equal to the greater of (i) 100% of the principal amount of the 2018 notes to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal of and interest on the 2018 notes to be redeemed (exclusive of accrued and unpaid interest to the applicable redemption date), discounted to such redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 25 basis points, plus, in the case of both clauses (i) and (ii) above, accrued and unpaid interest, if any, to such redemption date.

The 2022 notes are redeemable at our option, at any time in whole or from time to time in part, prior to February 9, 2022 (the Par Call Date) at a redemption price equal to the greater of (i) 100% of the principal amount of the 2022 notes to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal of and interest on the 2022 notes to be redeemed (exclusive of accrued and unpaid interest to the applicable redemption date) that would be due if the 2022 notes matured on the Par Call Date, discounted to such redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 40 basis points, plus, in the case of both clauses (i) and (ii) above, accrued and unpaid interest, if any, to such redemption date.

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On and after the Par Call Date, we may at our option redeem the 2022 notes, at any time in whole or from time to time in part, at a redemption price equal to 100% of the principal amount of the 2022 notes to be redeemed, plus accrued and unpaid interest, if any, to the applicable redemption date.

For additional information and the definition of *Treasury Rate* and other relevant terms, see *Description of Notes* *Optional Redemption* in this prospectus supplement.

Change of Control Triggering Event

If a Change of Control Triggering Event occurs with respect to the notes of any series, we must, subject to certain exceptions, offer to purchase the notes of such series at a price equal to 101% of the principal amount plus any accrued and unpaid interest, if any, to the applicable Change of Control Payment Date. The provisions of the notes of each series that may require us to offer to purchase notes of such series upon the occurrence of a Change of Control Triggering Event with respect to the notes of such series, and what constitutes a Change of Control Triggering Event with respect to the notes of any series, are subject to important exceptions and limitations and you should carefully review the information appearing under the headings *Risk Factors* and *Description of Notes* *Change of Control Triggering Event* in this prospectus supplement for additional information and for the definitions of *Change of Control Triggering Event*, *Change of Control Payment Date* and other relevant terms.

Use of Proceeds

We intend to use the net proceeds from this offering for general corporate purposes, which may include capital expenditures, share repurchases, repayment of indebtedness and possible acquisitions. See *Use of Proceeds*.

No Listing

The notes are not and are not expected to be listed on any securities exchange or included in any automated quotation system.

Further Issuances

We may, without notice to or consent of the holders or beneficial owners of the notes of any series, issue additional notes of any series having the same ranking, interest rate, maturity and other terms (except for the issue date, public offering price, sale price and, in some cases, the first interest payment date and the date from which interest shall begin to accrue) as the notes of that series offered hereby.

Denominations and Form

We will issue the notes of each series in the form of one or more fully registered global notes registered in the name of The Depository Trust Company or its nominee. Purchasers of notes of any series will not be entitled to receive physical certificates registered in their names except in limited circumstances described under *Book-Entry Form and Transfer* in the accompanying prospectus and, unless physical certificates registered in their names are issued, purchasers will not be considered holders of notes of any series under the indenture.

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

Governing Law

The notes and the related indenture will be governed by, and construed in accordance with, the laws of the State of New York.

Trustee, Registrar and Paying Agent

Wells Fargo Bank, National Association.

Risk Factors

An investment in the notes involves risks. You should carefully consider all of the information in this prospectus supplement, the accompanying prospectus, the documents incorporated and deemed to be incorporated by reference in the accompanying prospectus and any related free writing prospectus. In particular, you should evaluate the information set forth and referred to under **Risk Factors** and **Forward-Looking Statements** in this prospectus supplement and the accompanying prospectus and under **Risk Factors** in our most recent Annual Report on Form 10-K incorporated by reference in the accompanying prospectus before deciding whether to invest in the notes.

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RISK FACTORS

Investing in the notes involves a high degree of risk. Before you decide to invest in the notes, you should carefully consider the risk factors set forth below, as well as the risks and uncertainties described under the caption "Risk Factors" in the accompanying prospectus and in our most recent Annual Report on Form 10-K, which is incorporated by reference into the accompanying prospectus and may be obtained as described under "Where You Can Find More Information" therein, as well as the other information contained in this prospectus supplement, the accompanying prospectus, the documents incorporated and deemed to be incorporated by reference in the accompanying prospectus and any related free writing prospectus. Each of these risks could have a material adverse effect on our business, results of operations and financial condition and the occurrence of any of these risks might cause you to lose all or part of your investment in the notes. In addition, the information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated and deemed to be incorporated by reference in the accompanying prospectus includes forward-looking statements that involve risks and uncertainties. We refer you to the

Forward-Looking Statements" section of this prospectus supplement and the accompanying prospectus for information regarding some of the risks and uncertainties inherent in forward-looking statements. Our actual results could differ materially from those anticipated in or implied by the forward-looking statements as a result of many factors, including the risks described below, under the caption "Risk Factors" in the documents referred to above and elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated and deemed to be incorporated by reference in the accompanying prospectus and any related free writing prospectus.

We have substantial indebtedness, and we may incur substantial additional indebtedness in the future, and we may not generate sufficient cash flow from our business to service our indebtedness, including the notes. Failure to comply with the terms of our indebtedness could result in the acceleration of our indebtedness, which could have an adverse effect on our cash flow and liquidity.

At December 31, 2015, eBay Inc. had approximately \$6.8 billion carrying value (including hedge accounting fair value adjustments) of senior unsecured notes outstanding; no indebtedness outstanding under its up to \$1.5 billion commercial paper program; no indebtedness outstanding under its \$2.0 billion senior unsecured revolving credit facility and \$2.0 billion of available borrowing capacity under its senior unsecured revolving credit facility (of which \$1.5 billion of available borrowing capacity was reserved to provide liquidity support, if required, for its commercial paper program); and no secured indebtedness outstanding. In addition, on February 29, 2016, we issued \$750 million aggregate principal amount of our 6.00% Notes due 2056. At December 31, 2015, eBay Inc.'s subsidiaries had no indebtedness outstanding.

In addition to the substantial amount of our outstanding indebtedness and the indebtedness to be incurred by issuing the notes in this offering, we may incur substantial additional indebtedness in the future, including under our commercial paper program and revolving credit facility or through public or private offerings of debt securities. The notes offered by this prospectus supplement and the accompanying prospectus and the indenture pursuant to which the notes will be issued do not place any limitation on the amount of unsecured debt that we or our subsidiaries may incur. Our outstanding indebtedness and any additional indebtedness we incur, including the notes, may have significant consequences, including, without limitation, any of the following:

requiring us to use a significant portion of our cash flow from operations and other available cash to service our indebtedness, thereby reducing the amount of cash available for other purposes, including capital expenditures and acquisitions;

our indebtedness and leverage may increase our vulnerability to downturns in our business, to competitive pressures and to adverse changes in general economic and industry conditions;

adverse changes in the ratings assigned to our debt securities by credit rating agencies will likely increase our borrowing costs;

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our ability to obtain additional financing for working capital, capital expenditures, acquisitions, share repurchases or other general corporate and other purposes may be limited; and

our flexibility in planning for, or reacting to, changes in our business and our industry may be limited.

Our ability to make payments of principal of and interest on our indebtedness, including the notes, depends upon our future performance, which will be subject to general economic conditions, industry cycles and financial, business and other factors affecting our consolidated results of operations and financial condition, many of which are beyond our control. If we are unable to generate sufficient cash flow from operations in the future to service our debt (including the notes), we may be required to, among other things:

repatriate funds to the United States at substantial tax cost;

seek additional financing in the debt or equity markets;

refinance or restructure all or a portion of our indebtedness (including the notes);

sell selected assets; or

reduce or delay planned capital or operating expenditures.

Such measures might not be sufficient to enable us to service our debt, including the notes. In addition, any such financing, refinancing or sale of assets might not be available on economically favorable terms or at all.

Our revolving credit facility and the indenture pursuant to which certain of our outstanding debt securities were issued (and pursuant to which the notes will be issued) contain, and any debt instruments we enter into in the future may contain, financial and other covenants that restrict or could restrict, among other things, our business and operations. If we fail to pay amounts due under, or breach any of the covenants in, a debt instrument, then the lenders would typically have the right to demand immediate repayment of all borrowings thereunder (subject in certain cases to grace or cure periods). Moreover, any such acceleration and required repayment of or default in respect of any of our indebtedness could, in turn, constitute an event of default under other debt instruments, including the notes, thereby resulting in the acceleration and required repayment of that other indebtedness. Any of these events could materially adversely affect our liquidity and financial condition.

The notes will be effectively subordinated to all indebtedness and other liabilities of eBay Inc. s subsidiaries, which may adversely affect your ability to receive payments on the notes.

The notes are obligations exclusively of eBay Inc. and not of any of its subsidiaries. eBay Inc. currently conducts a substantial majority of its operations through its subsidiaries and its subsidiaries have significant liabilities.

eBay Inc. s subsidiaries are separate and distinct legal entities from eBay Inc. eBay Inc. s subsidiaries will not guarantee the notes and are under no contractual obligation to pay any amounts due on the notes or to provide eBay Inc. with funds for that purpose, whether by dividends, distributions, loans or other payments. Any dividends, distributions, loans or other payments to eBay Inc. by its subsidiaries will also be contingent upon those subsidiaries' respective results of operations and financial condition and other business considerations and may be subject to statutory or contractual restrictions and taxes on distributions.

eBay Inc. s right to receive any assets of any of its subsidiaries upon the bankruptcy, insolvency, liquidation, reorganization, dissolution or other winding-up of that subsidiary (and, as a result, the right of the holders of the notes to participate in those assets) will be effectively subordinated to the claims of that

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subsidiary's creditors, including trade creditors, except to the extent that eBay Inc. may itself be a creditor of that subsidiary. In addition, even if eBay Inc. were a creditor of any of its subsidiaries, eBay Inc.'s rights as a creditor would be subordinate to any secured indebtedness, if any, of that subsidiary to the extent of the value of the collateral securing that indebtedness and any indebtedness of that subsidiary senior to the indebtedness held by eBay Inc.

As a result of the foregoing, the notes will be effectively subordinated in right of payment to all existing and future indebtedness and other liabilities of eBay Inc.'s subsidiaries, including any subsidiaries that eBay Inc. may in the future acquire or establish.

Your right to receive payments on the notes is effectively subordinated to the rights of secured creditors.

The notes will be effectively subordinated in right of payment to our secured indebtedness, if any, to the extent of the value of the collateral securing that indebtedness. As of December 31, 2015, neither eBay Inc. nor any of its subsidiaries had any secured indebtedness outstanding. However, the indenture governing the notes permits us to incur additional secured debt under specified circumstances. Our assets securing our secured indebtedness will be subject to the prior claims of our secured creditors. In the event of our bankruptcy, insolvency, liquidation, reorganization, dissolution or other winding-up, our assets that secure debt will be available to pay our other obligations, including the notes, only after all debt secured by those assets has been repaid in full. There can be no assurance that any such assets will remain following their application to pay such secured debt and, in the event that there are any remaining assets, holders of notes will participate in such assets ratably with all of our remaining unsecured creditors, including trade creditors. Moreover, if indebtedness of any of our subsidiaries is secured by assets owned by that subsidiary, then, even if any of those assets remain after repayment of that secured debt in full, the notes will effectively be subordinated to the claims of that subsidiary's unsecured creditors to those assets, except to the extent that eBay Inc. may itself be a creditor of that subsidiary, as described in the preceding risk factor.

The negative covenants in the indenture that governs the notes provide limited protection to the holders of the notes and may not protect your investment.

The indenture governing the notes contains covenants limiting the ability of eBay Inc. and its Significant Subsidiaries (as defined in the accompanying prospectus under "Description of Debt Securities—Covenants—Certain Definitions") to incur indebtedness for borrowed money secured by certain liens and to enter into certain sale and lease-back transactions, and limiting eBay Inc.'s ability, but not the ability of its subsidiaries, to consolidate with or merge into, or convey, transfer or lease all or substantially all of its properties and assets to, any person unless certain conditions specified in the indenture are satisfied. The covenants contain significant exceptions and limitations and therefore may not protect your investment. For example, the covenants do not prohibit us or our subsidiaries from incurring additional unsecured debt. See "Description of Debt Securities—Covenants" in the accompanying prospectus.

Furthermore, the indenture for the notes does not prohibit us from engaging in many types of transactions, including certain acquisitions, refinancings, recapitalizations or other similar transactions that could increase the total amount of our indebtedness, adversely affect our capital structure or credit ratings or otherwise adversely affect the market value of the notes. In addition, the indenture for the notes does not:

require us to maintain any financial ratios or specific levels of net worth, revenues, income, cash flow or liquidity and, accordingly, does not protect holders of the notes in the event that we experience significant adverse changes in our financial condition or results of operations;

limit our subsidiaries' ability to incur indebtedness or other liabilities, which would effectively rank senior in right of payment to the notes;

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limit our ability to incur substantial secured indebtedness that would effectively rank senior in right of payment to the notes to the extent of the value of the assets securing that indebtedness;

limit our ability to incur unsecured indebtedness;

restrict our subsidiaries' ability to issue securities or incur indebtedness and other liabilities that are senior in right of payment to our equity interests in our subsidiaries;

restrict our ability to repay other indebtedness; or

restrict our ability to make investments or to repurchase, or pay dividends or make other payments in respect of, our common stock or other securities ranking junior to the notes.

A downgrade in our credit ratings could materially adversely affect our business and the market value of the notes.

Some of our outstanding indebtedness has received, and we expect that the notes offered hereby will receive, credit ratings from certain rating agencies. Such ratings are limited in scope and do not purport to address all risks relating to an investment in those debt securities (including the notes), but rather reflect only the view of each rating agency at the time the rating was issued. The credit ratings assigned to our debt securities (including the notes) could change based upon, among other things, our results of operations and financial condition. These ratings are subject to ongoing evaluation by credit rating agencies and there can be no assurance that such credit ratings will not be lowered, suspended or withdrawn entirely by the rating agencies or placed on a so-called "watch list" for a possible downgrade or assigned a negative ratings outlook if, in any rating agency's judgment, circumstances so warrant. Moreover, these credit ratings are not recommendations to buy, sell or hold any of our debt securities (including the notes). Actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under review for a downgrade or have been assigned a negative outlook, would likely adversely affect any trading market for, and the market value of, the notes offered hereby, and also increase our borrowing costs, which could in turn have a material adverse effect on our financial condition, results of operations and cash flows and could harm our business.

Our credit ratings were downgraded as a result of the Distribution of 100% of the outstanding common stock of PayPal Holdings, Inc. to our stockholders as described above under "Prospectus Supplement Summary" eBay. As of January 1, 2014, our long-term debt and short-term funding were rated investment grade by Standard and Poor's Financial Services, LLC (long-term rated A, short-term rated A-1, with a stable outlook), Moody's Investor Service (long-term rated A2, short-term rated P-1, with a stable outlook), and Fitch Ratings, Inc. (long-term rated A, short-term rated F-1, with a stable outlook). All of these credit rating agencies lowered their ratings in connection with the Distribution, which occurred on July 17, 2015. Since July 20, 2015, our debt has been rated investment grade by Standard and Poor's Financial Services, LLC (long-term rated BBB+, short-term rated A-2, with a stable outlook), Moody's Investor Service (long-term rated Baa1, short-term rated P-2, with a stable outlook), and Fitch Ratings, Inc. (long-term rated BBB, short-term rated F-2, with a stable outlook). We disclose these ratings to enhance the understanding of our sources of liquidity and the effects of these ratings on our costs of funds. Our borrowing costs depend, in part, on our credit ratings and any further actions taken by these credit rating agencies to lower our credit ratings, as described above, will likely increase our borrowing costs.

There may not be an active trading market for the notes.

The notes are new issues of securities with no established trading market. We do not intend to apply for listing of the notes on any securities exchange or any automated quotation system. Accordingly, there can be no assurance that a trading market for the notes will ever develop or will be maintained. Further, there can be no assurance as to the liquidity of any market that may develop for the notes, whether you will be able to sell the notes or the prices at which you may be able to sell the notes. Future trading prices of the notes will depend on

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many factors, including, but not limited to, prevailing interest rates and economic conditions, our financial condition and results of operations, our prospects and prospects for companies in our industry generally, the then-current credit ratings assigned to our securities (including, if applicable, the notes) and the market for similar securities.

We may not be able to repurchase all of the notes of any series upon a Change of Control Triggering Event.

As described under **Description of Notes Change of Control Triggering Event**, if a Change of Control Triggering Event (as defined) occurs with respect to the notes of any series, then, unless we have exercised our right to redeem all of the outstanding notes of such series and subject to certain other exceptions, we must offer to purchase the notes of such series. If we were so required to repurchase the notes of one or more series, we cannot assure you that we would have sufficient financial resources available, or that we would be able to arrange sufficient financing, to satisfy our obligation to repurchase the notes of such series. Our failure to repurchase the notes of any series when due would constitute a default with respect to the notes of such series under the indenture governing the notes and, under cross-default provisions, could also result in defaults or events of default with respect to other indebtedness of ours that is currently outstanding or that we may incur in the future and allow the holders of any such other indebtedness to demand immediate repayment of such indebtedness. Likewise, events similar to a Change of Control (as defined) or Change of Control Triggering Event constitute or may constitute defaults or events of default under other existing or future indebtedness of ours and the occurrence of these events may permit the holders of such indebtedness to demand immediate repayment of such indebtedness or require that we offer to repurchase or repay such indebtedness. In particular, our \$2.0 billion revolving credit agreement provides that a change of control (as defined therein) is an event of default permitting the lenders to demand immediate repayment of all borrowings outstanding thereunder. Likewise, the \$750 million aggregate principal amount of 6.00% Notes due 2056 that we issued on February 29, 2016 provide that, if a change of control triggering event (as defined therein, which definition is substantially identical to the definition of Change of Control Triggering Event that is applicable to the notes offered hereby and that appears below under the caption **Description of Notes Change of Control Triggering Event**) occurs with respect to the 6.00% Notes due 2056, we must, subject to certain exceptions, offer or repurchase the 6.00% Notes due 2056 at a price equal to 101% of the principal amount plus any accrued and unpaid interest, all on terms and subject to conditions that are substantially identical to the terms and conditions applicable to the notes offered hereby as described under

Description of Notes Change of Control Triggering Event. We cannot assure you that we would have sufficient financial resources available, or that we would be able to arrange sufficient financing, to repay or repurchase any such indebtedness under those circumstances. Accordingly, the occurrence of a Change of Control Triggering Event with respect to one or more series of notes, or the occurrence of a change of control (as defined) under our \$2.0 billion revolving credit agreement, a change of control triggering event (as defined) with respect to our \$750 million aggregate principal amount of 6.00% Notes due 2056 or a change of control, change of control triggering event or similar event under any other debt instruments of ours, could have a material adverse effect on our liquidity and financial condition and on the market value of the notes.

The Change of Control Triggering Event provisions of the notes of each series may not provide protection in the event of certain transactions or in certain other circumstances.

The provisions of the notes of each series which may require us to make an offer to repurchase the notes of such series upon the occurrence of a Change of Control Triggering Event with respect to that series as described under **Description of Notes Change of Control Triggering Event** may not provide holders of notes of such series protection in the event of highly leveraged transactions, reorganizations, restructurings, mergers or similar transactions involving us that might adversely affect holders of notes. In particular, any such transaction may not give rise to a Change of Control Triggering Event with respect to the notes of any series, in which case we would not be required to make an offer to repurchase the notes of that series. Except as described under **Description of Notes Change of Control Triggering Event**, neither the notes of any series nor the indenture contain provisions that permit holders of notes of any series to require us to repurchase or repay the notes of such

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series in the event of a reorganization, restructuring, merger or similar transaction involving us or any of our subsidiaries.

In addition, clause (b) of the definition of Change of Control appearing below under the caption Description of Notes Change of Control Triggering Event includes a phrase relating to the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation) of all or substantially all of the properties and assets of us and our subsidiaries, taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, our obligation to make an offer to repurchase the notes of any series as a result of a sale, transfer, conveyance or other disposition of less than all of the properties and assets of us and our subsidiaries, taken as a whole, may be uncertain.

Moreover, under clause (c) of the definition of Change of Control appearing below under Description of Notes Change of Control Triggering Event, a Change of Control will occur when a majority of the members of our board of directors are not Continuing Directors (as defined). In a decision in connection with a proxy contest, a Delaware court held that the occurrence of a change of control under a similar indenture provision may nevertheless be avoided if the existing directors were to approve the slate of new director nominees (who would constitute a majority of the new board of directors) as continuing directors solely for purposes of avoiding the triggering of such change of control provision in such indenture, provided the incumbent directors give their approval in the good faith exercise of their fiduciary duties. Therefore, in certain circumstances involving a significant change in the composition of our board of directors, including in connection with a proxy contest where our board of directors does not endorse a dissident slate of directors but approves them as Continuing Directors for purposes of avoiding the occurrence of a Change of Control Triggering Event, holders of the notes of any series may not be entitled to require us to make a Change of Control Offer with respect to the notes of such series.

More generally, courts interpreting change of control provisions under New York law (which is the governing law of the notes and the indenture) have not provided a clear and consistent meaning of such change of control provisions, and no assurance can be given as to how or if a court would enforce the Change of Control Triggering Event provisions applicable to the notes or how those provisions would be impacted were we to become a debtor in a bankruptcy case. In addition, a court case in Delaware has questioned whether a change of control provision contained in an indenture could be unenforceable on public policy grounds.

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

In general, as market interest rates rise, debt securities bearing interest at fixed rates of interest generally decline in value. Consequently, if you purchase notes in this offering and market interest rates increase, the market values of those notes may decline. We cannot predict the future level of market interest rates.

Redemption may adversely affect your return on the notes.

We have the right to redeem some or all of the notes of each series, at any time in whole or from time to time in part prior to their maturity, as described under Description of Notes Optional Redemption. We may redeem notes at times when market interest rates may be lower than market interest rates at the time the notes offered by this prospectus supplement were originally issued. Accordingly, if we redeem notes of any series, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that on the notes of such series.

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FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated and deemed to be incorporated by reference therein contain, and any related free writing prospectus may contain, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements, other than statements of historical fact, included or incorporated herein and therein, including statements that involve expectations, plans or intentions (such as those relating to future business, future results of operations, future financial condition and other future financial metrics of us or any guidance regarding any of the foregoing, future cost savings, new or planned features or services or management strategies), are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as may, will, should, could, would, expect, plan, anticipate, intend, believe, estimate, project, predict, potential and other similar expressions. We have based these forward-looking statements on our expectations and projections about future conditions, events or results at the respective times these statements were made. These forward-looking statements involve risks, uncertainties and other factors that could cause our actual results to differ materially from those expressed or implied in the forward-looking statements. You should pay particular attention to the risk factors and cautionary statements referenced. Such risks and uncertainties include, among others, those discussed in the sections entitled "Risk Factors" in this prospectus supplement, in the accompanying prospectus and in our most recent Annual Report on Form 10-K, which is incorporated by reference in the accompanying prospectus and may be obtained as described under "Where You Can Find More Information" in the accompanying prospectus. Other risks, uncertainties and factors that might cause or contribute to such differences include, but are not limited to, those discussed elsewhere in our most recent Annual Report on Form 10-K and our subsequent Current Reports on Form 8-K, if any, incorporated and deemed to be incorporated by reference in the accompanying prospectus.

Given these risks, uncertainties and other factors, many of which are beyond our control, you should not place undue reliance on these forward-looking statements, which speak only as of the respective dates these statements were made. We undertake no obligation to publicly update or revise any forward-looking statements to reflect actual results or events or developments after the respective dates on which these statements were made, whether as the result of new information, future events or other factors that affect the subject of these statements.

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USE OF PROCEEDS

We estimate that the net proceeds we will receive from this offering will be approximately \$1,490,205,000, after deducting underwriting discounts and estimated expenses of the offering payable by us. We intend to use the net proceeds from this offering for general corporate purposes, which may include capital expenditures, share repurchases, repayment of indebtedness and possible acquisitions. Pending application of the net proceeds as described above, we may temporarily invest the net proceeds in money market funds, bank accounts, debt securities or deposits.

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Table of Contents**RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth our ratio of earnings to fixed charges for each of the periods indicated below. For purposes of determining the ratio of earnings to fixed charges, earnings consist of income from continuing operations before income taxes, noncontrolling interest and equity in gains or losses of equity method investees plus fixed charges. Fixed charges consist of interest expense and our estimate of an appropriate portion of rentals representative of the interest factor. The estimate of interest within rental expense is estimated to be one-third of rental expense. The ratios set forth in the following table give effect to the classification of PayPal and Enterprise as discontinued operations as described in Note 4 Discontinued Operations in our Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated by reference in the accompanying prospectus and may be obtained as described under Where You Can Find More Information in the accompanying prospectus.

	Year Ended December 31,				
	2011	2012	2013	2014	2015
Ratio of earnings to fixed charges	66.4x	28.3x	21.8x	18.2x	15.1x

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DESCRIPTION OF NOTES

The 2018 notes and the 2022 notes are each a separate series of debt securities referred to in the accompanying prospectus. We sometimes refer to the 2018 notes and the 2022 notes as, collectively, the notes. The following discussion of some of the terms of the notes and the indenture (as defined below) governing the notes supplements, and to the extent inconsistent replaces, the description of some of the general terms and provisions of the debt securities and the indenture contained in the accompanying prospectus. Certain terms used but not defined in this prospectus supplement have the meanings specified in the accompanying prospectus under Description of Debt Securities Covenants. The following description of some of the terms of the notes and the indenture and the description of some of the general terms and provisions of our debt securities and the indenture contained in the accompanying prospectus are not complete and are subject to, and qualified in their entirety by reference to, the forms of notes and indenture, which may be obtained as described under Where You Can Find More Information in the accompanying prospectus. You should read the forms of the notes and the indenture for a complete statement of the provisions described in this prospectus supplement and the accompanying prospectus and other provisions that may be important to you. Although for convenience the 2018 notes and the 2022 notes are sometimes referred to collectively as the notes, each will be a separate series of debt securities under the indenture, which means that, for purposes of giving any consent, notice or waiver or taking any other action under the indenture, the registered holders of each series of notes will act separately from the registered holders of the other series of notes offered hereby and each other series of our debt securities currently outstanding under the indenture and that we may issue in the future under the indenture. To the extent this discussion differs from the discussion in the accompanying prospectus, you should rely on this discussion.

References in this section to eBay, eBay Inc., we, our and us and similar references mean eBay Inc. excluding, unless the context otherwise requires or otherwise expressly stated, its subsidiaries.

General

The 2018 notes will constitute a separate series of debt securities under the indenture, will be issued in the initial aggregate principal amount of \$750,000,000 and will mature on March 9, 2018. The 2022 notes will constitute a separate series of debt securities under the indenture, will be issued in the initial aggregate principal amount of \$750,000,000 and will mature on March 9, 2022.

We will issue the notes under an indenture, dated as of October 28, 2010, as amended and supplemented by a supplemental indenture dated as of October 28, 2010 (as so amended and supplemented, the indenture), each between us and Wells Fargo Bank, National Association, as trustee. We may from time to time, without giving notice to or obtaining the consent of the holders or beneficial owners of the notes of any series, reopen a series of notes and issue additional notes of such series having the same terms (except for the issue date, public offering price, sale price and, in some cases, the first interest payment date and the date from which interest shall begin to accrue) as, and ranking equally in right of payment with, the notes of such series offered hereby. Any such additional notes of any series, together with the notes of that series offered hereby, will constitute a single series of debt securities under the indenture. The notes will not be listed on any securities exchange or included on any automated quotation system.

The notes will be issued in fully registered form without coupons in denominations of \$2,000 in principal amount and integral multiples of \$1,000 in principal amount in excess thereof. The notes of each series will be issued in book-entry form and will be evidenced by one or more notes in global form (global notes) of such series, registered in the name of The Depository Trust Company (DTC), as depositary (the Depository) for the global notes, or its nominee. Purchasers of notes will not be entitled to receive physical certificates registered in their names except in the limited circumstances described under Book-Entry Form and Transfer in the accompanying prospectus and, unless physical certificates registered in their names are issued, purchasers will not be considered holders of notes under the indenture. In addition, purchasers may hold interests in the global notes through Clearstream Banking, société anonyme and Euroclear Bank, S.A./N.V., as described in the accompanying prospectus under Book-Entry Form and Transfer Euroclear and Clearstream.

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The notes will not be entitled to the benefit of any sinking fund. Except as described below under **Change of Control Triggering Event**, the indenture does not contain any provisions which are intended to protect holders of notes in the event of a change of control of eBay or a highly leveraged transaction (whether or not relating to a change of control) involving eBay. The indenture does not limit the incurrence of unsecured debt by us or any of our subsidiaries.

We may at our option, at any time or from time to time, repurchase notes of any series at any price in the open market or otherwise, and may hold or resell such notes or surrender such notes to the trustee for cancellation.

Ranking

The notes will be our senior unsecured obligations and will rank equally in right of payment with all of our other existing and future senior unsecured indebtedness. The notes will be effectively subordinated in right of payment to all of our existing and future secured indebtedness to the extent of the collateral securing that indebtedness. In addition, the notes will be effectively subordinated in right of payment to all existing and future indebtedness and other liabilities of our subsidiaries, which are separate legal entities from eBay Inc. and have no obligation to pay any amounts due pursuant to the notes or to make funds available for such purpose. See **Risk Factors**. The notes will be effectively subordinated to all indebtedness and other liabilities of eBay Inc.'s subsidiaries, which may adversely affect your ability to receive payments on the notes and **Risk Factors**. Your right to receive payments on the notes is effectively subordinated to the rights of secured creditors in this prospectus supplement.

Interest

The 2018 notes will bear interest at a rate of 2.500% per year, accruing from March 9, 2016 or from the most recent date to which we have paid or provided for interest on the 2018 notes. The interest payment dates for the 2018 notes will be March 9 and September 9 of each year, beginning September 9, 2016, and interest will be payable to the persons who were the holders of record at the close of business on February 22 and August 25, respectively, whether or not a business day, immediately preceding those interest payment dates.

The 2022 notes will bear interest at a rate of 3.800% per year, accruing from March 9, 2016 or from the most recent date to which we have paid or provided for interest on the 2022 notes. The interest payment dates for the 2022 notes will be March 9 and September 9 of each year, beginning September 9, 2016, and interest will be payable to the persons who were the holders of record at the close of business on February 22 and August 25, respectively, whether or not a business day, immediately preceding those interest payment dates.

Interest on the notes will be computed on the basis of a 360-day year comprised of twelve 30-day months. The amount of interest payable on the notes of any series on any interest payment date, redemption date, Change of Control Payment Date, maturity date or other date on which interest on the notes of such series is due will be the amount of interest accrued to, but excluding, such interest payment date, redemption date, Change of Control Payment Date, maturity date or other date, as the case may be. If an interest payment date, redemption date, Change of Control Payment Date, maturity date or other date on which any payment on the notes of any series is due falls on a day that is not a business day, then payment of principal, premium, if any, and interest, as the case may be, due on the notes of such series on such interest payment date, redemption date, Change of Control Payment Date, maturity date or other date, as the case may be, need not be made on such interest payment date, redemption date, Change of Control Payment Date, maturity date or other date, as the case may be, but may be made on the next succeeding business day, and no interest on such payment shall accrue for the period from and after such interest payment date, redemption date, Change of Control Payment Date, maturity date or other date, as the case may be. As used in this paragraph and the two immediately preceding paragraphs, the term **business day** means any day except a Saturday, Sunday or other day on which banking institutions in The City of New York are authorized or obligated by law, regulation or executive order to close (a **New York business day**); provided that such term shall mean, with respect to any place of payment of principal of or

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premium, if any, or interest on the notes of any series, any day (a) which is not a Saturday, Sunday or other day on which banking institutions in such place of payment are authorized or obligated by law, regulation or executive order to close and (b) which is also a New York business day.

Optional Redemption

The 2018 notes are redeemable at our option, at any time in whole or from time to time in part, at a redemption price equal to the greater of:

- (1) 100% of the principal amount of the 2018 notes to be redeemed, and
- (2) the sum of the present values of the remaining scheduled payments of principal of and interest on the 2018 notes to be redeemed (exclusive of accrued and unpaid interest to the applicable redemption date), discounted to such redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 25 basis points,

plus, in the case of both clauses (1) and (2) above, accrued and unpaid interest, if any, on the principal amount of the 2018 notes being redeemed to such redemption date.

The 2022 notes are redeemable at our option, at any time in whole or from time to time in part, prior to February 9, 2022 (the Par Call Date) at a redemption price equal to the greater of:

- (1) 100% of the principal amount of the 2022 notes to be redeemed, and
- (2) the sum of the present values of the remaining scheduled payments of principal of and interest on the 2022 notes to be redeemed (exclusive of accrued and unpaid interest to the applicable redemption date) that would be due if the 2022 notes matured on the Par Call Date, discounted to such redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 40 basis points,

plus, in the case of both clauses (1) and (2) above, accrued and unpaid interest, if any, on the principal amount of the 2022 notes being redeemed to such redemption date.

On and after the Par Call Date, the 2022 notes are redeemable at our option, at any time in whole or from time to time in part, at a redemption price equal to 100% of the principal amount of the 2022 notes to be redeemed, plus accrued and unpaid interest, if any, on the principal amount of the 2022 notes being redeemed to the applicable redemption date.

Notwithstanding the foregoing, payments of interest on the notes of any series that are due and payable on any interest payment dates falling on or prior to a date fixed for redemption of the notes of that series will be payable to the holders of those notes registered as such at the close of business on the relevant record dates according to their terms and the terms and provisions of the indenture.

If less than all of the notes of any series are to be redeemed, then, if the notes of that series are evidenced by one or more global notes, the notes of that series to be redeemed will be selected in accordance with the procedures of the Depositary, or, if the notes of such series are evidenced by notes in definitive, physical form issued under the limited circumstances described in the accompanying prospectus under Book-Entry Form and Transfer, the trustee shall select the notes of that series (or portions thereof) to be redeemed in any manner that the trustee deems fair and appropriate. Notes may be selected for redemption in whole or in part in a minimum of \$2,000 in principal amount and integral multiples of \$1,000 in principal amount in excess thereof, provided that the remaining principal amount of any note redeemed in part is \$2,000 or an integral multiple of \$1,000 in excess thereof.

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Notice of any redemption shall be mailed at least 30 days but not more than 60 days before the redemption date to each holder of the notes to be redeemed.

Unless we default in payment of the redemption price, on and after the redemption date interest shall cease to accrue on the notes or portions thereof called for redemption.

As used in this Optional Redemption section, the following terms have the meanings set forth below.

Comparable Treasury Issue means, (a) with respect to any redemption date for the 2018 notes, the United States Treasury security selected by the Quotation Agent as having an actual or interpolated maturity comparable to the remaining term of the 2018 notes 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 the 2018 notes and (b) with respect to any redemption date for the 2022 notes, the United States Treasury security selected by the Quotation Agent as having an actual or interpolated maturity comparable to the remaining term of the 2022 notes (assuming the 2022 notes matured on the Par Call Date) 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 the 2022 notes (assuming the 2022 notes matured on the Par Call Date).

Comparable Treasury Price means, with respect to any redemption date for the notes of any series, (1) if the Quotation Agent obtains four or more Reference Treasury Dealer Quotations, the arithmetic average of the Reference Treasury Dealer Quotations for such redemption date after excluding the highest and lowest such Reference Treasury Dealer Quotations; (2) if the Quotation Agent obtains fewer than four but more than one such Reference Treasury Dealer Quotations, the arithmetic average of all such Reference Treasury Dealer Quotations for such redemption date; or (3) if the Quotation Agent obtains only one such Reference Treasury Dealer Quotation, such Reference Treasury Dealer Quotation for such redemption date.

Quotation Agent means, for purposes of determining the redemption price of the notes of any series to be redeemed on any redemption date, any primary U.S. Government securities dealer in the United States (a Primary Treasury Dealer) selected by us.

Reference Treasury Dealers means, with respect to any redemption date for the notes of any series, (1) J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC, or their respective successors, as the case may be (provided, however, that if any such firm or any such successor, as the case may be, shall cease to be a Primary Treasury Dealer, another Primary Treasury Dealer shall be substituted therefor by us), (2) a Primary Treasury Dealer selected by Wells Fargo Securities, LLC or its successor and (3) any other Primary Treasury Dealer or Primary Treasury Dealers selected by us.

Reference Treasury Dealer Quotation means, with respect to any Reference Treasury Dealer and any redemption date for the notes of any series, the arithmetic average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date. As used in the preceding sentence, the term Business Day means any day except a Saturday, Sunday or other day on which banking institutions in The City of New York are authorized or obligated by law, regulation or executive order to close.

Treasury Rate means, with respect to any redemption date for the notes of any series, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date and series of notes.

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Change of Control Triggering Event

If a Change of Control Triggering Event (as defined below) occurs with respect to the notes of any series, then, unless we give notice of our election to redeem all of the notes of such series as described above under **Optional Redemption** and such notice is given by the date specified below, and subject to additional exceptions described below, we will be required to make an offer (a **Change of Control Offer**) to each holder of notes of such series to repurchase (at such holder's option and on the terms described below) all or any part (in a principal amount of \$2,000 or an integral multiple of \$1,000 in excess thereof, provided that any remaining principal amount of any note repurchased in part is \$2,000 or an integral multiple of \$1,000 in excess thereof) of such holder's notes of such series at a purchase price in cash equal to 101% of the principal amount of the notes of such series repurchased plus accrued and unpaid interest, if any, on the notes of such series repurchased to the Change of Control Payment Date (as defined below) (the **Change of Control Payment**); provided that, notwithstanding the foregoing, payments of interest on notes of such series that are due and payable on any interest payment dates falling on or prior to such Change of Control Payment Date will be payable to the holders of the notes of such series registered as such at the close of business on the relevant record dates according to their terms and the terms and provisions of the indenture.

No later than 30 days following the date on which a Change of Control Triggering Event shall have occurred with respect to the notes of any series or, at our option, prior to any Change of Control (as defined below) but after the public announcement of the transaction that constitutes or may constitute the Change of Control, we will, unless we give notice of our election to redeem all of the notes of such series as described above under **Optional Redemption** and such notice is given by the date specified below, and subject to additional exceptions described below, mail or cause to be mailed (or, in the case of notes evidenced by one or more global notes, give or cause to be given in accordance with the Depositary's procedures) a notice (the **Change of Control Purchase Notice**) to all holders of notes of such series (with a copy to the trustee), which notice shall govern the terms of such Change of Control Offer. In such Change of Control Purchase Notice, we will generally describe the transaction or transactions that constitute or may constitute the Change of Control and offer to repurchase the notes of such series on the date specified in such notice, which date will be no earlier than 30 days and no later than 60 days after the date such notice is mailed (or given, as the case may be), except as may be required by applicable law or regulation (the **Change of Control Payment Date**). The Change of Control Purchase Notice shall, if mailed (or given, as the case may be) prior to occurrence of the applicable Change of Control, state that the Change of Control Offer for the notes of such series and our obligation to purchase the notes of such series pursuant to such Change of Control Offer are conditioned on such Change of Control and the related Change of Control Triggering Event with respect to the notes of such series occurring on or prior to the applicable Change of Control Payment Date specified in such notice.

Holders electing to have a note of any series or portion thereof repurchased pursuant to a Change of Control Offer with respect to the notes of such series will be required to surrender the note (which, in the case of notes evidenced by one or more global notes, must be made in accordance with the procedures of the Depositary), together with a duly completed and executed notice of holder to elect repurchase in the form attached to the notes of such series (which may, in the case of notes evidenced by one or more global notes, be given in accordance with the Depositary's procedures), to the trustee under the indenture (or to such other person as may be designated by us for such purpose) as provided in the applicable Change of Control Purchase Notice prior to the close of business on the third business day immediately preceding the applicable Change of Control Payment Date and to comply with other procedures and requirements set forth in such Change of Control Purchase Notice. As used in the preceding sentence, the term **business day** means any day except a Saturday, Sunday or other day on which banking institutions in The City of New York are authorized or obligated by law, regulation or executive order to close.

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On any Change of Control Payment Date with respect to the notes of any series, we shall be required, to the extent lawful, to:

accept for payment all notes or portions of notes of such series properly tendered pursuant to the applicable Change of Control Offer;

deposit with a paying agent for the notes of such series an amount equal to the aggregate Change of Control Payment in respect of all notes or portions of notes of such series properly tendered pursuant to the applicable Change of Control Offer; and

deliver or cause to be delivered (including by book-entry transfer, if applicable) the repurchased notes or portions of notes of such series to the trustee, accompanied by an officers' certificate stating the aggregate principal amount of notes of such series accepted by us for repurchase.

Interest on notes and portions of notes of any series properly tendered for repurchase pursuant to a Change of Control Offer will cease to accrue on and after the applicable Change of Control Payment Date, unless we shall have failed to accept such notes and such portions of notes for payment or failed to deposit the Change of Control Payment in respect thereof in accordance with the immediately preceding paragraph. We will promptly pay, or cause the trustee or a paying agent for the notes of such series to promptly pay (by application of funds deposited by us as aforesaid), to each holder of notes of such series (or portions thereof) properly tendered and accepted for payment by us pursuant to such Change of Control Offer, the Change of Control Payment for such notes. In the case of any note of a series repurchased in part, the trustee will promptly authenticate and mail (or cause to be delivered by book-entry transfer) to the holder of such note a new note of the same series equal in principal amount to any unreleased portion of the note repurchased in part.

We will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent those laws and regulations are applicable in connection with the repurchase of notes of any series pursuant to a Change of Control Offer with respect to such series. To the extent that the provisions of any such securities laws or regulations conflict with the Change of Control Triggering Event provisions of the notes of any series or the indenture, we shall comply with those securities laws and regulations and shall not be deemed to have breached our obligations under the Change of Control Triggering Event provisions of the notes of any series or the indenture by virtue thereof.

Notwithstanding anything to the contrary in the indenture or the Change of Control Triggering Event provisions of the notes of any series, we will not be required to make a Change of Control Offer for the notes of any series or repurchase any notes of such series pursuant to any Change of Control Offer for such notes if (a) a third party agrees to make such Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and such third party repurchases all notes of such series properly tendered by the holders pursuant to such Change of Control Offer or (b) we give notice of redemption of all of the notes of such series no later than 30 days after the applicable Change of Control Triggering Event with respect to the notes of such series. In addition, notwithstanding anything to the contrary in the indenture or the Change of Control Triggering Event provisions of the notes of any series, we will not be required to, and we will not, repurchase notes of any series pursuant to a Change of Control Offer with respect to the notes of such series if there has occurred and is continuing on the applicable Change of Control Payment Date an event of default (as defined under "Description of Debt Securities Events of Default" in the accompanying prospectus) with respect to the notes of such series or the debt securities of any other series outstanding under the indenture.

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

(a) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person (as that term is used in Section 13(d)(3) of the Exchange Act) (other than us or any of our Subsidiaries) 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 our

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outstanding Voting Stock (measured by voting power rather than number of shares), provided, however, that a person shall not be deemed the beneficial owner of, or to own beneficially, (1) any securities tendered pursuant to a tender or exchange offer made by or on behalf of such person or any of such person's affiliates (as defined in the indenture) until such tendered securities are accepted for purchase or exchange thereunder or (2) any securities if such beneficial ownership arises solely as a result of a revocable proxy delivered in response to a proxy or consent solicitation made pursuant to the applicable rules and regulations under the Exchange Act;

(b) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one transaction or a series of related transactions, of all or substantially all of the properties and assets of us and our Subsidiaries, taken as a whole, to any person (other than us or any of our Subsidiaries);

(c) the first day on which a majority of the members of our board of directors (which term, as used in this definition, means our full board of directors and not any committees thereof) are not Continuing Directors;

(d) the adoption of a plan by our board of directors relating to our liquidation or dissolution; or

(e) we consolidate with, or merge with or into, any person, or any person consolidates with, or merges with or into, us, in any such event pursuant to a transaction in which any of our outstanding Voting Stock or the outstanding Voting Stock of such other person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of our Voting Stock outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the outstanding Voting Stock (measured by voting power rather than number of shares) of the surviving person, or any direct or indirect parent of the surviving person, immediately after giving effect to such transaction.

Except as otherwise expressly provided in clause (a) of the first sentence of this definition, the term "person," as used in this definition, has the meaning set forth in the indenture.

Change of Control Triggering Event means, with respect to the notes of any series, the occurrence of both a Change of Control and a Rating Event with respect to the notes of such series. For purposes of clarity, it is understood and agreed that no Change of Control Triggering Event shall be deemed to have occurred with respect to the notes of any series in connection with any particular Change of Control unless and until such Change of Control has actually occurred.

Continuing Directors means, as of any date of determination and with respect to the notes of any series, any member of our board of directors (which term, as used in this definition, means our full board of directors and not any committees thereof) who (a) was a member of our board of directors on the date the notes of such series were first issued or (b) was nominated for election, elected or appointed to our board of directors with the approval of or by a majority of the Continuing Directors who were members of our board of directors at the time of such nomination, election or appointment (either by vote or written consent or by approval of our proxy statement in which such member was named as a nominee for election as a director without written objection to such nomination).

Exchange Act means the Securities Exchange Act of 1934, as amended, or any successor thereto, in each case as amended or supplemented from time to time.

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 a rating equal to or higher than the equivalent investment grade credit rating from any replacement Rating Agency or Rating Agencies selected by us.

Moody's means Moody's Investors Service, Inc.

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Rating Agencies means, with respect to the notes of any series, (a) each of Moody's and S&P; and (b) if Moody's or S&P or, if applicable, any replacement Rating Agency ceases to rate the notes of such series or fails to make a rating of the notes of such series publicly available for reasons outside of our control, a nationally recognized statistical rating organization (as defined in Section 3(a)(62) of the Exchange Act) selected by us as a replacement for Moody's, S&P or any such replacement Rating Agency, as the case may be.

Rating Event means, with respect to the notes of any series, the rating on the notes of such series is lowered by both of the Rating Agencies and as a result the notes of such series are rated below an Investment Grade Rating by both of the Rating Agencies, in each case on any day during the period (the **Measurement Period**) commencing on the date of the first public announcement of an arrangement that results in a Change of Control and ending on the 60th day following the first public announcement of the occurrence of such Change of Control (which Measurement Period shall be extended (subject to the proviso below) if on such 60th day (x) the rating of the notes of such series is under publicly announced consideration for a possible downgrade by either Rating Agency and (y) the rating on the notes of such series by such Rating Agency is an Investment Grade Rating, such extension to continue until the day on which each such Rating Agency considering such possible downgrade either rates the notes of such series below an Investment Grade Rating or publicly announces that it is no longer considering the notes of such series for a possible downgrade; provided that, notwithstanding the foregoing, no such extension will occur if on such 60th day, and any such extension will terminate if at any time after such 60th day, the notes of such series have an Investment Grade Rating from at least one Rating Agency and are not under publicly announced consideration for a possible downgrade by such Rating Agency).

S&P means Standard & Poor's Rating Group, Inc.

Voting Stock means, with respect to any person, any Capital Stock of such person that is normally entitled (without regard to the occurrence of any contingency) to vote generally in the election of directors, managers, trustees or similar persons, as applicable, of such person.

Wholly-Owned Subsidiary means, with respect to any specified person, any other person all of whose outstanding Capital Stock (other than directors' qualifying shares or similar equity interests) is at the time owned, directly or indirectly, by such specified person and/or one or more other Wholly-Owned Subsidiaries of such specified person.

As used under this caption **Change of Control Triggering Event**, all references to rules and regulations under the Exchange Act shall include any successor provisions thereto; and all references to the Change of Control Triggering Event covenant, the Change of Control Triggering Event provisions and other similar references mean all of the terms and provisions set forth above under this caption **Change of Control Triggering Event**.

If we are required to make a Change of Control Offer with respect to the notes of any series, we cannot assure you that we will have sufficient financial resources available, or that we will be able to arrange sufficient financing, to satisfy our obligation to repurchase the notes of such series, which could have a material adverse effect on our liquidity and financial condition and on the market value of the notes. For additional information concerning the risks described in this paragraph, see **Risk Factors**. We may not be able to repurchase all of the notes of any series upon a Change of Control Triggering Event.

The Change of Control Triggering Event provisions of the notes of any series may not provide holders of notes of such series protection in the event of highly leveraged transactions, reorganizations, restructurings, mergers or similar transactions involving us that might adversely affect holders of notes. In particular, any such transaction may not give rise to a Change of Control Triggering Event with respect to the notes of any series, in which case we would not be required to make a Change of Control Offer with respect to the notes of such series. Except as described above with respect to a Change of Control Triggering Event, neither the notes of any series nor the indenture contain provisions that permit holders of notes of any series to require us to repurchase or repay the notes of such series in the event of a reorganization, restructuring, merger or similar transaction involving us.

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or any of our subsidiaries. For additional information concerning the risks described in this paragraph and the three succeeding paragraphs, see Risk Factors. The Change of Control Triggering Event provisions of the notes of each series may not provide protection in the event of certain transactions or in certain other circumstances.

In addition, clause (b) of the definition of Change of Control appearing above includes a phrase relating to the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation) of all or substantially all of the properties and assets of us and our Subsidiaries, taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, our obligation to make an offer to repurchase the notes of any series as a result of a sale, transfer, conveyance or other disposition of less than all of the properties and assets of us and our Subsidiaries, taken as a whole, may be uncertain.

Moreover, under clause (c) of the definition of Change of Control appearing above, a Change of Control will occur when a majority of the members of our board of directors are not Continuing Directors (as defined above). In a decision in connection with a proxy contest, a Delaware court held that the occurrence of a change of control under a similar indenture provision may nevertheless be avoided if the existing directors were to approve the slate of new director nominees (who would constitute a majority of the new board of directors) as continuing directors solely for purposes of avoiding the triggering of such change of control provision in such indenture, provided the incumbent directors give their approval in the good faith exercise of their fiduciary duties. Therefore, in certain circumstances involving a significant change in the composition of our board of directors, including in connection with a proxy contest where our board of directors does not endorse a dissident slate of directors but approves them as Continuing Directors for purposes of avoiding the occurrence of a Change of Control Triggering Event, holders of the notes of any series may not be entitled to require us to make a Change of Control Offer with respect to the notes of such series.

More generally, courts interpreting change of control provisions under New York law (which is the governing law of the notes and the indenture) have not provided a clear and consistent meaning of such change of control provisions, and no assurance can be given as to how or if a court would enforce the Change of Control Triggering Event provisions applicable to the notes or how those provisions would be impacted were we to become a debtor in a bankruptcy case. In addition, a court case in Delaware has questioned whether a change of control provision contained in an indenture could be unenforceable on public policy grounds.

Covenant Defeasance, Legal Defeasance and Satisfaction and Discharge

The provisions described in the accompanying prospectus under Description of Debt Securities Defeasance of Debt Securities and Certain Covenants and Satisfaction and Discharge shall be applicable with respect to each series of notes. In that regard, the covenants described under Description of Debt Securities Covenants in the accompanying prospectus will be subject to covenant defeasance as described in the accompanying prospectus.

Same-Day Settlement and Payment

The notes of each series will trade in the same-day funds settlement system of DTC until their maturity or until we issue the notes of such series in physical form under the limited circumstances set forth under Book-Entry Form and Transfer in the accompanying prospectus. DTC will therefore require secondary market trading activity in the notes to settle in immediately available funds. We can give no assurance as to the effect, if any, of settlement in immediately available funds on trading activity in the notes.

Concerning our Relationship with the Trustee

Wells Fargo Bank, National Association, the trustee, provides commercial and investment banking services to us and our subsidiaries from time to time. In that regard, the trustee serves as a lender under our senior unsecured revolving credit facility and an affiliate of the trustee is one of the underwriters of this offering.

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MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain material U.S. federal income tax considerations relating to the purchase, ownership and disposition of the notes, but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations promulgated under the Code, administrative rulings and judicial decisions in effect as of the date of this prospectus supplement, all of which are subject to change at any time. Any such change may be applied retroactively, and may result in U.S. federal income tax consequences different from those set forth below. We have not sought any ruling from the Internal Revenue Service ("IRS") with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with such statements and conclusions.

This summary is limited to holders who purchase the notes at the respective prices set forth on the cover of this prospectus supplement upon the initial issuance of the notes and who hold the notes as "capital assets" (within the meaning of Section 1221 of the Code). This summary also does not address alternative minimum tax consequences, the effect of the U.S. federal estate or gift tax laws or the tax considerations arising under the laws of any state, local or foreign jurisdiction. In addition, this discussion does not address tax considerations applicable to an investor's particular circumstances or to investors that may be subject to special tax rules, including, without limitation:

banks, insurance companies or other financial institutions;

tax-exempt organizations;

dealers in securities or commodities;

traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;

foreign persons or entities (except to the extent specifically set forth below);

persons that are S corporations, partnerships or other pass-through entities;

former citizens or long-term residents of the United States;

U.S. holders (as defined below) whose functional currency is not the U.S. dollar;

persons who hold the notes as a position in a hedging transaction, straddle, conversion transaction or other risk reduction or integrated transaction; or

persons deemed to sell the notes under the constructive sale provisions of the Code.

YOU ARE URGED TO CONSULT YOUR TAX ADVISOR WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO YOUR PARTICULAR SITUATION AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES ARISING UNDER THE FEDERAL ESTATE OR GIFT TAX RULES OR UNDER THE LAWS OF ANY STATE, LOCAL, FOREIGN OR OTHER TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

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Consequences to U.S. Holders

The following is a summary of certain material U.S. federal income tax consequences that will apply to you if you are a U.S. holder of the notes. Certain consequences to non-U.S. holders of the notes are described under *Consequences to Non-U.S. Holders* below. U.S. holder means a beneficial owner of a note that is:

an individual citizen or resident (within the meaning of Section 7701(b) of the Code) of the United States;

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

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

a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more U.S. persons (within the meaning of the Code) or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

If a partnership or other entity treated as a partnership for U.S. federal income tax purposes holds the notes, the tax treatment of a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. Such partners should consult their tax advisors as to the tax consequences of an investment in the notes.

Payments of Interest on the Notes

You generally will be required to recognize any stated interest as ordinary income at the time it is paid or accrued on the notes in accordance with your method of accounting for U.S. federal income tax purposes.

Sale, Exchange, Redemption or Other Taxable Disposition of the Notes

Upon the sale, exchange, redemption or other taxable disposition of a note, you generally will recognize capital gain or loss in an amount equal to the difference between (i) the sum of cash plus the fair market value of all other property received on such disposition (except to the extent such cash or property is attributable to accrued but unpaid interest not previously included in income, which will be taxable as ordinary interest income in the manner described above) and (ii) your adjusted tax basis in the note. Your adjusted tax basis in a note generally will equal the cost of the note. Such capital gain or loss will be long-term capital gain or loss if, at the time of such disposition, you have held the note for more than one year. Long-term capital gains recognized by certain non-corporate U.S. holders, including individuals, will generally be subject to a reduced tax rate. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding

We are required to furnish to the record holders of the notes, other than corporations and other exempt holders, and to the IRS, information with respect to interest paid on the notes.

You may be subject to backup withholding with respect to interest paid on the notes or with respect to proceeds received from a disposition of the notes. You will be subject to backup withholding if you are not otherwise exempt and you (i) fail to furnish your taxpayer identification number (TIN), which, for an individual, is ordinarily his or her social security number; (ii) furnish an incorrect TIN; (iii) are notified by the IRS that you have failed to properly report payments of interest; or (iv) fail to certify, under penalties of perjury, that you have furnished a correct TIN and that the IRS has not notified you that you are subject to backup

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withholding. Backup withholding is not an additional tax. You generally will be entitled to credit any amounts withheld under the backup withholding rules against your U.S. federal income tax liability provided that the required information and tax returns are furnished to the IRS in a timely manner.

Medicare Tax on Net Investment Income

A U.S. holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% tax on the lesser of (1) the U.S. holder's net investment income (in the case of individuals) or undistributed net investment income (in the case of estates and trusts) for the relevant taxable year and (2) the excess of the U.S. holder's modified adjusted gross income (in the case of individuals) or adjusted gross income (in the case of estates and trusts) for the taxable year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000, depending on the individual's circumstances). A U.S. holder's net investment income generally will include interest income on the notes and net gains from the disposition of the notes, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a U.S. holder that is an individual, estate or trust, you are urged to consult your tax advisors regarding the applicability of the Medicare tax to your income and gains in respect of your investment in the notes.

Consequences to Non-U.S. Holders

The following is a summary of certain material U.S. federal income tax consequences that will generally apply to you if you are a non-U.S. holder of a note. A non-U.S. holder is a beneficial owner of a note who is neither a U.S. holder nor a partnership (or other entity treated as a partnership for U.S. federal income tax purposes).

Payments of Interest on the Notes

Subject to the discussion below under Information Reporting and Backup Withholding and Foreign Account Tax Compliance Act, interest paid on a note to you will not be subject to U.S. federal withholding tax at a rate of 30%, provided that:

you do not actually (or constructively) own 10% or more of the total combined voting power of all classes of our voting stock within the meaning of the Code;

you are not a controlled foreign corporation that is related to us through actual or constructive stock ownership;

you are not a bank that receives such interest on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of your trade or business; and

you provide your name and address on an IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable form) and certify, under penalties of perjury, that you are not a U.S. person, or you hold your note through certain foreign intermediaries and satisfy the certification requirements of applicable Treasury Regulations (special certification and other rules apply to certain non-U.S. holders that are entities).

Even if you do not satisfy these conditions, you may qualify for a reduced withholding tax rate or an exemption from withholding tax pursuant to an applicable tax treaty between the U.S. and your country of residence. To claim such a reduction or exemption, you must provide the paying agent with a properly completed IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable form). You will also be exempt from withholding tax if the interest you receive is effectively connected with your conduct of a U.S. trade or business

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(and if a tax treaty applies, is attributable to a U.S. permanent establishment or fixed base maintained by the non-U.S. holder within the United States) and you provide the paying agent with a properly completed IRS Form W-8ECI.

If you are engaged in a trade or business in the United States and interest on the notes is effectively connected with the conduct of that trade or business (and if a tax treaty applies, is attributable to a U.S. permanent establishment or fixed base maintained by the non-U.S. holder within the United States), you will be exempt from withholding tax (provided you comply with the certification requirements discussed above) but you will be subject to U.S. federal income tax on that interest on a net income basis in the same manner as if you were a U.S. holder, unless an applicable income tax treaty provides otherwise. In addition, if you are a foreign corporation, you may also be subject to a branch profits tax of 30% on interest included in your effectively connected earnings and profits, unless an applicable tax treaty provides otherwise.

Sale, Exchange, Redemption or Other Taxable Disposition of Notes

Subject to the discussion below under Information Reporting and Backup Withholding and Foreign Account Tax Compliance Act, any gain realized on the sale, exchange, retirement or other taxable disposition of a note generally will not be subject to U.S. federal income tax unless:

the gain is effectively connected with your conduct of a trade or business in the United States, in which case you will be subject to tax generally in the same manner as if you were a U.S. holder and, if you are a foreign corporation, the branch profits tax described above may also apply (unless, in either case, an applicable tax treaty provides otherwise), or

you are an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met, in which case you will be subject to a 30% U.S. federal income tax on gain (reduced by certain capital losses) unless an applicable tax treaty provides otherwise.

Information Reporting and Backup Withholding

The amount of interest paid to you, and the amount of any tax withheld with respect to such interest, must be reported annually to the IRS and you. Copies of the information returns reporting the amount of such interest and the amount of any tax withheld may also be made available to the tax authorities in the country in which you reside under the provisions of an applicable tax treaty.

In general, you will not be subject to backup withholding with respect to payments of interest on a note provided that we do not have actual knowledge or reason to know that you are a U.S. person and the certification requirements described in the last bullet point under Payments of Interest on the Notes have been met.

In addition, you will generally be subject to information reporting and possibly backup withholding with respect to the proceeds of the sale or other disposition (including a redemption or retirement) of a note within the U.S. or conducted through certain U.S.-related financial intermediaries, unless (i) the certification requirements above have been met and the payor does not have actual knowledge or reason to know that you are a U.S. person, as defined under the Code, or (ii) you otherwise establish an exemption.

You generally will be entitled to credit any amounts withheld under the backup withholding rules against your U.S. federal income tax liability provided that the required information and tax returns are furnished to the IRS in a timely manner.

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Foreign Account Tax Compliance Act

Sections 1471-1474 of the Code and the Treasury Regulations thereunder (FATCA) impose withholding taxes on certain types of payments made to foreign financial institutions, as specially defined under FATCA, and certain other non-U.S. entities. FATCA generally imposes a 30% withholding tax on payments of interest on, and gross proceeds from the sale or other disposition of, the notes paid to a foreign financial institution unless the foreign financial institution is deemed to be compliant with FATCA or enters into an agreement with the IRS to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned foreign entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these reporting and other requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity of a certain type unless the entity certifies that it does not have any substantial U.S. owners or furnishes identifying information to the IRS or to the withholding agent regarding each substantial U.S. owner. These rules currently apply to payments of interest and are expected to apply to payments of gross proceeds from the sale or other disposition of the notes after December 31, 2018. An intergovernmental agreement between the jurisdiction of a foreign financial institution and the U.S. may modify the general FATCA rules described in this paragraph. Prospective investors should consult their tax advisors regarding the application of FATCA to the acquisition, ownership or disposition of the notes.

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We and the underwriters for the offering named below, for whom J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC and Wells Fargo Securities, LLC are acting as representatives (the representatives), have entered into an underwriting agreement dated as of the date of this prospectus supplement with respect to the notes. Subject to certain conditions, each underwriter has severally agreed to purchase, and we have agreed to sell to each underwriter, the principal amount of notes of each series shown in the following table.

Underwriters	Principal Amount of 2018 Notes	Principal Amount of 2022 Notes
J.P. Morgan Securities LLC	\$ 123,750,000	\$ 123,750,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	123,750,000	123,750,000
Morgan Stanley & Co. LLC	138,750,000	138,750,000
Wells Fargo Securities, LLC	123,750,000	123,750,000
Citigroup Global Markets Inc.	60,000,000	60,000,000
Deutsche Bank Securities Inc.	60,000,000	60,000,000
BNP Paribas Securities Corp.	15,000,000	15,000,000
Credit Suisse Securities (USA) LLC	15,000,000	15,000,000
Goldman, Sachs & Co.	15,000,000	15,000,000
HSBC Securities (USA) Inc.	15,000,000	15,000,000
Mitsubishi UFJ Securities (USA), Inc.	15,000,000	15,000,000
RBC Capital Markets, LLC	15,000,000	15,000,000
Standard Chartered Bank	15,000,000	15,000,000
The Williams Capital Group, L.P.	15,000,000	15,000,000
Total	\$ 750,000,000	\$ 750,000,000

The obligations of the several underwriters to purchase the notes offered hereby are subject to certain conditions. The underwriters are obligated to purchase all of the notes if they purchase any of them. The offering of the notes by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

Notes sold by the underwriters to the public initially will be offered at the respective public offering prices set forth on the cover page of this prospectus supplement. Any notes sold by the underwriters to securities dealers may be sold at discounts from the applicable public offering price of up to 0.120% of the principal amount of the 2018 notes and 0.250% of the principal amount of the 2022 notes. Any such securities dealers may resell any notes purchased from the underwriters to certain other brokers or dealers at discounts from the applicable public offering price of up to 0.080% of the principal amount of the 2018 notes and 0.125% of the principal amount of the 2022 notes. After the initial offering of the notes, the underwriters may from time to time vary the offering prices and other selling terms.

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

In addition to the underwriting discounts payable to the underwriters as set forth on the cover page of this prospectus supplement, we estimate that our expenses for this offering will be approximately \$3.0 million.

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No Prior Market for the Notes

The notes are new issues of securities with no established trading market. The notes will not be listed on any securities exchange or on any automated quotation system. We have been advised that the representatives intend to make a market in the notes, but they are not obligated to do so and may discontinue such market-making at any time without notice. No assurance can be given as to whether a trading market for the notes will develop or be maintained or as to the liquidity of any trading market that may develop.

Price Stabilization, Short Positions and Penalty Bids

In connection with this offering, the representatives are permitted to engage in transactions that may stabilize, maintain or otherwise affect the market price of the notes. Specifically, the representatives may sell a principal amount of notes of any series greater than the principal amount of the notes of such series that they are obligated to purchase under the underwriting agreement, creating a short position. The representatives must close out any short position by purchasing notes of the applicable series in the open market.

The representatives may also conduct stabilizing transactions. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the notes of any series while the offering is in progress.

The representatives may also impose a penalty bid. This occurs when a particular underwriter is required to repay to the representatives a portion of the underwriting discount received by it because a representative has repurchased notes of any series sold by or for the account of such underwriter in stabilizing or short covering transactions.

Stabilizing transactions and purchases to cover positions created by short sales may have the effect of preventing or retarding a decline in the market price of the notes of any series, and together with the imposition of any penalty bid, may stabilize, maintain or otherwise affect the market price of the notes of such series. As a result, the market price of the notes of any series may be higher than the price that otherwise might exist in the open market. The representatives are under no obligation to undertake any of these transactions and if these transactions are commenced, they may be discontinued by the representatives at any time without notice. These transactions may be effected in the over-the-counter market or otherwise. Neither we nor the representatives makes any representation or prediction as to whether or not the representatives will engage in any of these transactions or, if they do, as to the effect that any such transactions may have on the market price of the notes of any series.

Alternative Settlement Cycle

It is expected that delivery of the notes will be made on or about the date specified on the cover page of this prospectus supplement, which will be the fifth business day following the date of this prospectus supplement. Under Rule 15c6-1 of the SEC under the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the notes on the date of this prospectus supplement or the next succeeding business day will be required to specify an alternate settlement cycle at the time of any such trade to prevent failed settlement. Purchasers of the notes who wish to trade the notes on the date of this prospectus supplement or the next succeeding business day should consult their own advisors.

Other Relationships

Some or all of the underwriters and their respective affiliates have from time to time performed, and may in the future perform, various financial advisory, commercial banking and investment banking services for us and our subsidiaries, for which they received or may receive customary compensation and expense reimbursement. In particular, JPMorgan Chase Bank, N.A., an affiliate of J.P. Morgan Securities LLC, is the

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administrative agent, Citibank, N.A., an affiliate of Citigroup Global Markets Inc., and Deutsche Bank Securities Inc. are syndication agents, Wells Fargo Bank, N.A., an affiliate of Wells Fargo Securities, LLC, and Bank of America, N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, are documentation agents, and J.P. Morgan Securities LLC, Citigroup Global Markets Inc., Deutsche Bank Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC are joint lead arrangers and joint book managers under our \$2.0 billion senior unsecured revolving credit agreement. Affiliates of other underwriters are also lenders under our \$2.0 billion revolving credit agreement. In addition, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC and Wells Fargo Securities, LLC were the underwriters of the \$750 million aggregate principal amount of our 6.00% Notes due 2056 that we issued on February 29, 2016, Morgan Stanley & Co. LLC, Credit Suisse Securities (USA) LLC and Goldman, Sachs & Co. are dealers under our up to \$1.5 billion commercial paper program, and JPMorgan Chase Bank, N.A., an affiliate of J.P. Morgan Securities LLC, is a party to one of our cash pooling arrangements for cash management purposes. Wells Fargo Bank, National Association, an affiliate of Wells Fargo Securities, LLC, will be the trustee of the notes and provides commercial and investment banking services for us and our subsidiaries from time to time.

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 investments and securities activities may involve securities and/or instruments of ours or our affiliates. If any of the underwriters or their affiliates have a lending relationship with us, certain of those underwriters or their affiliates routinely hedge, and certain other of those underwriters or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Standard Chartered Bank will not effect any offers or sales of any notes in the United States unless they are made through one or more U.S. registered broker-dealers as permitted by the regulations of the Financial Industry Regulatory Authority, Inc.

Sales Outside of the United States

The notes are offered for sale in the United States and certain jurisdictions outside the United States in which such offer and sale is permitted.

European Economic Area

This prospectus supplement and the accompanying prospectus are not prospectuses for the purposes of the European Union's Prospectus Directive, as implemented in the Member States of the European Economic Area.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each underwriter has represented and agreed that, with effect from and including the date on which the Prospectus Directive is implemented in the Relevant Member State, it has not made and will not make an offer of notes which are the subject of the offering contemplated by this prospectus supplement to the public in that Relevant Member State other than:

- (1) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

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(2) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the representatives of the underwriters for any such offer; or

(3) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of notes shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each of the underwriters has represented and agreed and undertaken that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended (the FSMA)) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes, in, from or otherwise involving the United Kingdom.

Canada

The notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement or the accompanying prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

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LEGAL MATTERS

Sidley Austin LLP, San Francisco, California, will pass upon the validity of the notes for us. Shearman & Sterling LLP, San Francisco, California, will pass upon certain legal matters for the underwriters.

EXPERTS

The financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in the prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2015 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

INCORPORATION BY REFERENCE

As described in the accompanying prospectus under the caption "Where You Can Find More Information," we have incorporated by reference in the accompanying prospectus specified documents that we have filed and may file with the SEC under the Exchange Act. However, no document or information or any related exhibit that we have furnished or may in the future furnish to the SEC shall be incorporated by reference into this prospectus supplement or the accompanying prospectus.

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PROSPECTUS

eBay Inc.

Debt Securities

Common Stock

Preferred Stock

Warrants