

ECOLAB INC.
Form 8-K
December 08, 2016

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 1, 2016**

ECOLAB INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-9328
(Commission
File Number)

41-0231510
(IRS Employer
Identification No.)

370 Wabasha Street North, Saint Paul, Minnesota
(Address of principal executive offices)

55102
(Zip Code)

Registrant's telephone number, including area code **1-800-232-6522**

(Not applicable)

(Former name or former address, if changed since last report.)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

 - o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 8.01 below with respect to the Notes and the Indenture (each as defined below) is hereby incorporated by reference into this Item 2.03, insofar as it relates to the creation of a direct financial obligation.

Item 8.01 Other Events.

On December 1, 2016, Ecolab Inc. (the Company) entered into an underwriting agreement (the Underwriting Agreement) with J.P. Morgan Securities plc, Merrill Lynch International, MUFG Securities EMEA plc, Citigroup Global Markets Limited, Mizuho International plc and UniCredit Bank AG (the Underwriters), pursuant to which the Company agreed to issue and sell to the Underwriters 575,000,000 aggregate principal amount of its 1.000% Euro Notes due 2024 (the Notes). On December 8, 2016, the Company completed the offering, and the Notes were issued pursuant to an Indenture (the Base Indenture), dated January 12, 2015, by and between the Company and Wells Fargo Bank, National Association, as trustee (the Trustee), as amended by the Fifth Supplemental Indenture, dated December 8, 2016 (the Fifth Supplemental Indenture, and together with the Base Indenture, the Indenture), by and among the Company, the Trustee, Elavon Financial Services DAC, UK Branch, as paying agent, and Elavon Financial Services DAC, as transfer agent and registrar.

The Notes bear interest at a rate of 1.000% per annum, payable annually in arrears on January 15 each year, beginning on January 15, 2018. The Notes will mature on January 15, 2024 and are redeemable at the Company's option in whole at any time or in part from time to time, at the redemption prices specified in the Indenture.

Under the Indenture, specified changes of control involving the Company, when accompanied by a downgrade of the Notes below investment grade rating by both Moody's Investors Service Inc. and S&P Global Ratings within a specified time period, constitute change of control repurchase events. Upon the occurrence of a change of control repurchase event with respect to the Notes, unless the Company has exercised its option to redeem the Notes, it will be required to offer to repurchase the Notes at a price equal to 101% of the aggregate principal amount thereof, plus any accrued and unpaid interest to the date of repurchase.

The Indenture contains covenants that limit, among other things, the ability of the Company and its subsidiaries to incur liens on certain properties to secure debt, to engage in sale and leaseback transactions and to transfer certain property, stock or debt of any restricted subsidiary to any unrestricted subsidiary (each as defined in the Indenture). The Indenture also provides for customary events of default, which include (subject in certain cases to a customary grace and cure periods), among others, nonpayment of principal or interest on the Notes; failure to comply with certain other covenants or agreements under the Indenture; and specified events of bankruptcy or insolvency. In the case of an event of default, the trustee or the holders of at least 25% in principal amount of the Notes then outstanding may declare all of the Notes to be due and payable immediately.

The Notes are senior unsecured and unsubordinated obligations of the Company and rank equally with all other senior and unsubordinated indebtedness of the Company from time to time outstanding.

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The public offering price of the Notes was 99.191% of the principal amount of the Notes. The Company received net proceeds (after deducting underwriting discounts and the Company's offering expenses) of approximately \$600.4 million and intends to use such net proceeds to repay a portion of its 3.000% senior notes due 2016 at maturity and its 4.585% Series B senior euro notes due 2016 at maturity and for general corporate purposes.

The Notes were offered and sold pursuant to the Company's automatic shelf registration statement on Form S-3 (Registration No. 333-201445) under the Securities Act of 1933, as amended, which was filed and became effective on January 12, 2015. The Company has filed with the Securities and Exchange Commission a prospectus supplement, dated December 1, 2016, together with the accompanying prospectus, dated January 12, 2015, relating to the offering and sale of the Notes.

The above description of the Underwriting Agreement, the Base Indenture, the Fifth Supplemental Indenture and the Notes is qualified in its entirety by reference to the Underwriting Agreement, the Base Indenture, the Fifth Supplemental Indenture and the form of Notes, each of which is incorporated herein by reference and are attached to this Current Report on Form 8-K as Exhibits 1.1, 4.1, 4.2 and 4.3, respectively.

Some of the Underwriters and their affiliates have engaged in, and may in the future engage in, investment banking, commercial banking and other commercial dealings in the ordinary course of business with the Company or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. In particular, certain of the Underwriters or their affiliates are agents and/or lenders on the Company's multicurrency revolving credit facility, for which they received customary compensation. Affiliates of Merrill Lynch International act as the administrative agent and a joint lead arranger and lender under the Company's multicurrency revolving credit facility. Affiliates of J.P. Morgan Securities plc and MUFG Securities EMEA plc act as co-syndication agents and joint lead arrangers under the Company's multicurrency revolving credit facility.

In addition, in the ordinary course of their business activities, the Underwriters and their affiliates may make or hold a broad array of investments, including serving as counterparties to certain derivative and hedging arrangements, and may 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 the Company or its affiliates. Certain of the Underwriters or their affiliates that have a lending relationship with the Company routinely hedge their credit exposure to the Company consistent with their customary risk management policies. Typically, such 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 the Company's securities, including potentially the Notes. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes. 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.

In connection with the issuance of the Notes pursuant to the registration statement on Form S-3 (File No. 333-201445), filed on January 12, 2015, the Company is filing a legal opinion as Exhibit 5.1 to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
Exhibit 1.1	Underwriting Agreement, dated December 1, 2016, by and among the Company, J.P. Morgan Securities plc, Merrill Lynch International, MUFG Securities EMEA plc, Citigroup Global Markets Limited, Mizuho International plc and UniCredit Bank AG.
Exhibit 4.1	Indenture, dated January 12, 2015, by and between the Company and Wells Fargo Bank, National Association incorporated herein by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed on January 15, 2015.
Exhibit 4.2	Fifth Supplemental Indenture, dated December 8, 2016, by and among the Company, Wells Fargo Bank, National Association, Elavon Financial Services DAC, UK Branch, as paying agent, and Elavon Financial Services DAC, as transfer agent and registrar.
Exhibit 4.3	Form of 1.000% Euro Notes due 2024 (included in Exhibit 4.2 above).
Exhibit 5.1	Opinion of Skadden, Arps, Slate, Meagher & Flom LLP, dated December 8, 2016.
Exhibit 12	Statement regarding computation of ratio of earnings to fixed charges.
Exhibit 23.1	Consent of Skadden, Arps, Slate, Meagher & Flom LLP (included in Exhibit 5.1 above).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 8, 2016

ECOLAB INC.

By:	/s/ David F. Duvick
Name:	David F. Duvick
Title:	Assistant Secretary

EXHIBIT INDEX

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