

ASHLAND GLOBAL HOLDINGS INC
Form 425
July 20, 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): July 20, 2016

ASHLAND INC.

(Exact name of registrant as specified in its charter)

Kentucky

(State or other jurisdiction of incorporation)

1-32532
(Commission File Number)

20-0865835
(I.R.S. Employer Identification No.)

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50 E. RiverCenter Boulevard

P.O. Box 391

Covington, Kentucky 41012-0391

Registrant's telephone number, including area code (859) 815-3333

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:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On July 20, 2016, Ashland Inc. (Ashland) announced the closing of the previously announced offering (the Notes Offering) by its indirect, wholly owned subsidiary, Valvoline Finco Two LLC, a Delaware limited liability company (Valvoline Finco), of \$375 million aggregate principal amount of 5.500% senior notes due 2024 (the Notes). The Notes are unsecured obligations of Valvoline Finco.

Following the transfer by Ashland to Valvoline Inc. (Valvoline) of substantially all of the Valvoline business, as well as other assets and liabilities (the Contribution), Valvoline Finco will merge with and into Valvoline, and Valvoline will assume all of Valvoline Finco's obligations under the Notes (the Assumption). The Notes are initially guaranteed on an unsubordinated unsecured basis by Ashland (the Ashland Guarantee). The Ashland Guarantee will automatically be released upon Valvoline's assumption of the Notes.

Valvoline Finco intends to transfer the net proceeds of the Notes Offering (after deducting initial purchasers' discounts and other fees and expenses) to Ashland. Ashland intends to use such net proceeds to repay borrowings under its senior unsecured credit facilities.

The Notes have not been registered under the Securities Act of 1933, as amended (the Securities Act), and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. The Notes were offered and sold only to qualified institutional buyers pursuant to Rule 144A under the Securities Act, and outside the United States pursuant to Regulation S under the Securities Act.

The Notes were issued under the Indenture (the Indenture) dated July 20, 2016, among Valvoline Finco, Ashland and U.S. Bank National Association, as trustee (the Trustee). The Indenture contains customary events of default for similar debt securities, which if triggered may accelerate payment of principal, premium, if any, and accrued but unpaid interest on the Notes. Such events of default include non-payment of principal and interest, non-performance of covenants and obligations, default on other material debt, and bankruptcy or insolvency. If a change of control repurchase event as described in the Indenture occurs, Valvoline Finco may be required to offer to purchase the Notes from the holders thereof. In addition, if the Contribution, the Assumption and either (1) the proposed initial public offering of up to 20% of the shares of Valvoline's common stock (the Proposed IPO) or (2) the distribution by Ashland of all of its shares of Valvoline common stock to the holders of Ashland common stock (the 100% Spin-off Transaction) have not occurred on or before June 30, 2017 or Ashland notifies the Trustee that either the Contribution or the Assumption will not occur (or, if the Contribution and the Assumption have occurred, that neither the Proposed IPO nor the 100% Spin-off Transaction will occur), Valvoline Finco will be required to redeem the Notes at a redemption price equal to (a) 100% of the principal amount of the Notes if the redemption occurs on or before December 31, 2016 or (b) 101% of the principal amount of the Notes otherwise, in each case, plus accrued and unpaid interest to, but excluding, the redemption date. The Notes issued under the Indenture are not otherwise required to be repaid prior to maturity, although they may be redeemed at the option of Valvoline Finco at any time prior to their maturity in the manner specified in the Indenture.

As a condition of the Assumption, Valvoline, certain of its subsidiaries and the initial purchasers of the Notes will enter into a registration rights agreements (the Registration Rights Agreement). Pursuant to the Registration Rights Agreement, Valvoline and certain of its subsidiaries will agree, among other things, and subject to certain restrictions and conditions, to file a registration statement under the Securities Act to permit either the exchange of the Notes for registered notes having terms substantially identical to those of the Notes (except that the registered notes will not be subject to restrictions on ownership and transfer) or, in the alternative, the registered resale of the Notes by holders of the Notes.

The Indenture is filed as Exhibit 4.1 to this Form 8-K and is incorporated herein by reference. The description of the material terms of the Indenture and the Notes is qualified in its entirety by reference to that exhibit.

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 under Item 1.01 of this Form 8-K is incorporated herein by reference.

Item 8.01. Other Events.

On July 20, 2016, Ashland issued a news release (the News Release) relating to the completion of the Notes Offering.

The News Release is attached as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit	Description
4.1	Indenture dated as of July 20, 2016, among Valvoline Finco Two LLC, Ashland Inc. and U.S. Bank National Association, as trustee.
99.1	News Release announcing completion of the Notes Offering, dated July 20, 2016.

Forward-Looking Statements

This Form 8-K contains forward-looking statements. Ashland has identified some of these forward-looking statements with words such as anticipates, believes, expects, estimates, is likely, predicts, projects, forecasts, will, should, plans and intends and the negative of these words or other comparable terminology. These forward-looking statements include statements relating to status of the separation process, the plan to pursue an IPO of up to 20 percent of the common stock of Valvoline and the expected completion of the separation through the subsequent distribution of Valvoline common stock, the anticipated timing of completion of the planned IPO and subsequent distribution of the remaining Valvoline common stock, the plan to reorganize under a new public holding company to be called Ashland Global Holdings Inc. and Ashland's and Valvoline's ability to pursue their long-term strategies. In addition, Ashland may from time to time make forward-looking statements in its annual report, quarterly reports and other filings with the SEC, news releases and other written and oral communications. These forward-looking statements are based on Ashland's expectations and assumptions, as of the date such statements are made, regarding Ashland's future operating performance and financial condition, including the proposed separation of its specialty chemicals and Valvoline businesses, the proposed IPO of its Valvoline business, the expected timetable for completing the IPO and the separation, the proposal to reorganize under a new holding company, the future financial and operating performance of each company, strategic and competitive advantages of each company, the leadership of each company, and future opportunities for each company, as well as the economy and other future events or circumstances. Ashland's expectations and assumptions include, without limitation, internal forecasts and analyses of current and future market conditions and trends, management plans and strategies, operating efficiencies and economic conditions (such as prices, supply and demand, cost of raw materials, and the ability to recover raw-material cost increases through price increases), and risks and uncertainties associated with the following: the possibility that the proposed IPO, new holding company reorganization or separation will not be consummated within the anticipated time period or at all, including as the result of regulatory, market or other factors or the failure to

obtain shareholder approval of the new holding company reorganization; the potential for disruption to Ashland's business in connection with the proposed IPO, new holding company reorganization or separation; the potential that the new Ashland and Valvoline do not realize all of the expected benefits of the proposed IPO, new holding company reorganization or separation or obtain the expected credit ratings following the proposed IPO, new holding company reorganization or separation; Ashland's substantial indebtedness (including the possibility that

such indebtedness and related restrictive covenants may adversely affect Ashland's future cash flows, results of operations, financial condition and its ability to repay debt); the impact of acquisitions and/or divestitures Ashland has made or may make (including the possibility that Ashland may not realize the anticipated benefits from such transactions); severe weather, natural disasters, and legal proceedings and claims (including environmental and asbestos matters). Various risks and uncertainties may cause actual results to differ materially from those stated, projected or implied by any forward-looking statements, including, without limitation, risks and uncertainties affecting Ashland that are described in its most recent Form 10-K and its Form 10-Q for the quarterly period ended March 31, 2016 (including Item 1A Risk Factors) filed with the SEC, which is available on Ashland's website at <http://investor.ashland.com> or on the SEC's website at <http://www.sec.gov>. Ashland believes its expectations and assumptions are reasonable, but there can be no assurance that the expectations reflected herein will be achieved. Unless legally required, Ashland undertakes no obligation to update any forward-looking statements made in this Form 8-K whether as a result of new information, future event or otherwise. Information on Ashland's website is not incorporated into or a part of this Form 8-K.

Non-solicitation

A registration statement relating to the securities of Ashland Global Holdings Inc. in connection with the reorganization of Ashland under a new holding company has been filed with the SEC but has not yet become effective. The securities subject to such registration statement may not be sold, nor may offers to buy such securities be accepted, before the time the registration statement becomes effective. This Form 8-K shall not constitute an offer to sell or a solicitation of an offer to buy such securities, and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction.

Additional Information and Where to Find It

In connection with the reorganization, Ashland filed with the SEC the Ashland Global Holdings Inc. registration statement (the "Ashland Global Registration Statement") that includes a proxy statement of Ashland Inc. that also constitutes a prospectus of Ashland Global Holdings Inc. with respect to the securities of Ashland Global Holdings Inc. (the Ashland Global Registration Statement has not yet been declared effective). INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS, AND ANY OTHER RELEVANT DOCUMENTS WHEN THEY BECOME AVAILABLE, BECAUSE THEY CONTAIN, OR WILL CONTAIN, IMPORTANT INFORMATION ABOUT ASHLAND INC., ASHLAND GLOBAL HOLDINGS INC. AND THE REORGANIZATION. A definitive proxy statement will be sent to shareholders of Ashland Inc. seeking approval of the reorganization after the Ashland Global Registration Statement is declared effective. The proxy statement/prospectus and other documents relating to the reorganization can be obtained free of charge from the SEC website at www.sec.gov.

Participants in Solicitation

This communication is not a solicitation of a proxy from any investor or shareholder. However, Ashland Inc., Ashland Global Holdings Inc. and certain of their directors and executive officers may be deemed to be participants in the solicitation of proxies in connection with the reorganization under the rules of the SEC. Information regarding Ashland Inc.'s directors and executive officers may be found in its definitive proxy statement relating to its 2016 Annual Meeting of Shareholders filed with the SEC on December 4, 2015 and in the proxy statement/prospectus included in the Ashland Global Registration Statement. Information regarding Ashland Global Holdings Inc.'s directors and executive officers may be found in the proxy statement/prospectus included in the Ashland Global Registration Statement. These documents can be obtained free of charge from the SEC.

SIGNATURES

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.

ASHLAND INC.
(Registrant)

July 20, 2016

/s/ Peter J. Ganz
Peter J. Ganz

Senior Vice President, General Counsel and Secretary

Exhibit Index

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