

ASHLAND GLOBAL HOLDINGS INC

Form 425

May 31, 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): May 31, 2016

ASHLAND INC.
(Exact name of registrant as specified in its charter)

Kentucky
(State or other jurisdiction of incorporation)

1-32532 20-0865835
(Commission File Number) (I.R.S. Employer Identification No.)

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.

As previously announced, the Board of Directors of Ashland Inc. (“Ashland”) has approved a plan to separate into two independent, publicly-traded companies (one company composed of Ashland Specialty Ingredients and Ashland Performance Materials, and the other composed of Ashland’s Valvoline business segment). On May 31, 2016, Ashland entered into an Agreement and Plan of Merger (the “Merger Agreement”) to reorganize Ashland Inc. under a new public holding company (the “reorganization”). This reorganization will enable Ashland to reincorporate in the State of Delaware and will help facilitate a tax-efficient separation.

The Merger Agreement is among Ashland, Ashland Global Holdings Inc., a Delaware corporation and a direct, wholly owned subsidiary of Ashland (“Ashland Global”), and Ashland Merger Sub Corp., a Kentucky corporation and a direct, wholly owned subsidiary of Ashland Global. In the reorganization:

Each outstanding share of Ashland common stock (other than shares held by shareholders that properly exercise dissenters’ rights) will automatically convert into one share of Ashland Global common stock on a one-for-one basis. As a result, Ashland shareholders will own the same number and percentage of shares of Ashland Global after the reorganization as they own of Ashland common stock immediately prior to the reorganization.

Ashland will become a wholly owned subsidiary of Ashland Global.

The reserve of Ashland common stock under each equity incentive and deferred compensation plan will automatically be converted on a one-share-for-one-share basis into a reserve of shares of Ashland Global common stock, and the terms and conditions that are in effect immediately prior to the reorganization under each outstanding incentive award and deferral will continue in full force and effect after the reorganization, except that the shares of common stock issuable under each such award and deferral will be shares of Ashland Global common stock.

It is expected that the Ashland directors and executive officers will hold the same positions with Ashland Global.

Ashland Global is expected to be listed on the New York Stock Exchange under “ASH,” Ashland’s current trading symbol.

Upon completion of the reorganization, Ashland Global would replace Ashland as the publicly held corporation and, through its subsidiaries, would conduct all of the operations currently conducted by Ashland. The reorganization should be tax-free for Ashland shareholders.

Consummation of the reorganization is subject to specified conditions in the Merger Agreement, including approval by Ashland’s shareholders at a special meeting of shareholders (the “Special Meeting”). The date, time and place of the Special Meeting will be announced by Ashland at a later time.

Shareholder approval is not required for the separation and shareholders will not be asked to vote on the separation. If a sufficient number of affirmative votes are not cast in favor of the reorganization proposal, Ashland intends to continue to pursue the separation.

The Merger Agreement may be terminated and the transactions contemplated thereby may be abandoned at any time prior to the effective time of the reorganization (even after approval by Ashland’s

shareholders) by Ashland's Board of Directors if it determines that, for any reason, the completion of the transactions provided for in the Merger Agreement would be inadvisable or not in the best interests of Ashland or its shareholders.

The reorganization will be subject to dissenters' rights under the Kentucky Business Corporation Act.

The foregoing description of the Merger Agreement is not complete and is qualified in its entirety by reference to the Merger Agreement, which is attached hereto as Exhibit 2.1 and is incorporated by reference herein.

Item 8.01. Other Events.

On May 31, 2016, Ashland Inc. issued a news release to provide an update on the separation. A copy of the news release is being filed herewith as Exhibit 99.1 and is incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit Description

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| 2.1 | Agreement and Plan of Merger dated May 31, 2016, by and among Ashland Inc., Ashland Global Holdings Inc. and Ashland Merger Sub Corp. |
| 99.1 | News Release dated May 31, 2016 |

Forward-Looking Statements

This news release 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," "objectives," "may," "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 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 (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 news release whether as a result of new information, future event or otherwise.

Non-solicitation

Registration statements relating to the securities of Valvoline Inc. and Ashland Global Holdings Inc. have been filed with the SEC but have not yet become effective. These securities may not be sold nor may offers to buy these securities be accepted before the time the applicable registration statement becomes effective. This news release shall not constitute an offer to sell or a solicitation of an offer to buy 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. (which 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.

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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)

May 31, 2016 /s/ Peter J. Ganz
Peter J. Ganz
Senior Vice President, General Counsel and
Secretary

EXHIBIT INDEX

- 2.1 Agreement and Plan of Merger dated May 31, 2016, by and among Ashland Inc., Ashland Global Holdings Inc. and Ashland Merger Sub Corp.
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