

Dr Pepper Snapple Group, Inc.
Form 8-K
September 16, 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):

September 16, 2016

(Exact name of registrant as specified in its charter)

Delaware	001-33829	98-0517725
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
5301 Legacy Drive, Plano, Texas 75024		

(Address of principal executive offices, including zip code)
(972) 673-7000

(Registrant's telephone number including area code)
Not Applicable

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

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-14(c) under the Exchange Act (17 CFR 240.13e-14(c))
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Item 1.01 Entry into a Material Definitive Agreement.

On September 16, 2016, Dr Pepper Snapple Group, Inc. ("DPS") issued \$400 million aggregate principal amount of 2.550% Senior Notes due 2026 (the "Notes") under an Indenture, dated as of December 15, 2009, between DPS and Wells Fargo Bank, N.A., as trustee (the "Base Indenture"), as supplemented by the Sixth Supplemental Indenture thereto, dated as of September 16, 2016, among DPS, the guarantors party thereto and Wells Fargo Bank, N.A. (the "Sixth Supplemental Indenture" and, together with the Base Indenture, the "Indenture"). Interest on the Notes is payable on March 15 and September 15 of each year, beginning March 15, 2017. The Notes mature on September 15, 2026. The Notes will not be entitled to any sinking fund. The Notes were issued in an underwritten offering registered under the Securities Act of 1933, as amended. Net offering proceeds, after deducting estimated underwriting discounts and offering expenses, were approximately \$396 million. DPS intends to use such net proceeds to redeem \$360 million of its 6.82% Senior Notes due 2018 (the "2018 Notes") and to pay the related redemption premium, accrued interest and associated fees and expenses. Any net proceeds not used to redeem the 2018 Notes will be used for general corporate purposes, which may include share repurchases, capital expenditures, working capital, future acquisitions and investments. Pending application of the proceeds of the sale of the Notes, DPS intends to invest such proceeds in short-term investments.

The Notes are unsecured and unsubordinated obligations of DPS, rank equally with DPS' existing and future unsecured and unsubordinated indebtedness, including any borrowings under our senior credit facility, and are senior to all of our future subordinated debt. The Notes are jointly and severally guaranteed on an unsecured and unsubordinated basis by all of our domestic subsidiaries (except one immaterial subsidiary associated with charitable purposes).

DPS may redeem the Notes, in whole or in part, at any time prior to June 15, 2026 (three months prior to the maturity date of the Notes), at DPS' option, at a redemption price equal to the greater of:

- 100% of the principal amount of the Notes to be redeemed; and
- the sum of the present value of the Remaining Scheduled Payments (as defined in the Indenture) of the Notes being redeemed, discounted to the redemption date on a semi-annual basis (assuming a 360-day year of twelve 30-day months), at the Treasury Rate (as defined in the Indenture) plus 15 basis points, plus accrued and unpaid interest to the date of redemption.

In addition, at any time on or after June 15, 2026 (three months prior to the maturity date of the Notes), DPS may redeem the Notes in whole or in part, at DPS' option, at a redemption price equal to 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest to the date of redemption.

If a change of control triggering event (as defined in the Indenture) occurs, subject to certain exceptions, DPS must give holders of the Notes the opportunity to sell to DPS their Notes, in whole or in part, at a purchase price equal to 101% of the principal amount, plus any accrued and unpaid interest to the date of purchase.

The Indenture contains customary events of default, including:

- default in any payment of interest on any Note when due, continued for 30 days;
- default in the payment of principal of or premium, if any, on any Note when due;
- failure by DPS to comply with its obligations under the Indenture, in certain cases subject to notice and grace periods; and
- specified events involving bankruptcy, insolvency or reorganization of DPS or certain of its subsidiaries.

If an event of default under the Indenture occurs and is continuing, the trustee may, and at the direction of the holders of at least 25% in principal amount of the outstanding Notes shall, declare the principal of, premium, if any, and accrued and unpaid interest, if any, on the Notes to be due and payable, or, in the case of certain events of default relating to bankruptcy, insolvency or reorganization, those amounts will automatically become immediately due and payable.

DPS and our majority-owned subsidiaries are subject to certain negative covenants under the Indenture governing the Notes. The Indenture limits the ability of DPS and each of our majority-owned subsidiaries to, among other things:

- incur indebtedness secured by principal properties;
- enter into certain sale and leaseback transactions with respect to principal properties; and
- enter into certain mergers, consolidations and transfers of substantially all of our assets.

Other material terms of the Notes, the Indenture and the Sixth Supplemental Indenture are described in the prospectus supplement dated September 7, 2016, as filed with the Securities and Exchange Commission on September 8, 2016. The terms and provisions of the Notes and Indenture set forth in this Current Report on Form 8-K are qualified in their entirety by reference to the Base Indenture (filed as Exhibit 4.1 to DPS' Current Report on Form 8-K filed on December 23, 2009) and the Sixth Supplemental Indenture, the Notes (in global form), which are attached hereto as Exhibit 4.1 and Exhibit 4.2, respectively, and each of which is incorporated herein by this reference.

As previously reported, on September 7, 2016, DPS entered into an underwriting agreement with Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC, as joint book-running managers and on behalf of the other underwriters parties thereto, in connection with an underwritten public offering of the Notes.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The disclosure under Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
4.1	Sixth Supplemental Indenture, dated as of September 16, 2016, among Dr Pepper Snapple Group, Inc., the guarantors party thereto and Wells Fargo Bank, N.A., as trustee.
4.2	2.550% Senior Note due 2026 (in global form), dated September 16, 2016, in the principal amount of \$400,000,000.
5.1	Opinion of Baker Botts L.L.P.
23.1	Consent of Baker Botts L.L.P. (included in Exhibit 5.1 to this Form 8-K).

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.

DR PEPPER SNAPPLE GROUP, INC.

Date: September 16, 2016

By: /s/ James L. Baldwin

Name: James L. Baldwin

Title: Executive Vice President,
General Counsel & Secretary

EXHIBIT INDEX

Exhibit

Number Description

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