

LUBRIZOL CORP
Form 8-K
August 30, 2004

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) August 24, 2004

THE LUBRIZOL CORPORATION

(Exact name of registrant as specified in its charter)

Ohio
(State or other jurisdiction
of incorporation)

1-5263
(Commission File Number)

34-0367600
(IRS Employer
Identification No.)

29400 Lakeland Boulevard, Wickliffe, Ohio
(Address of principal executive offices)

44092-2298
(Zip Code)

Registrant's telephone number, including area code: (440) 943-4200

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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-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.

The Lubrizol Corporation (the "Company"), entered into a Credit Agreement dated as of August 24, 2004 among the Company, the Initial Lenders named therein, Citigroup Global Markets Inc. and KeyBanc Capital Markets, as co-lead arrangers and co-bookrunners, KeyBank National Association and ABN Amro Bank N.V., as co-syndication agents, Wachovia Bank, National Association, as documentation agent, and Citicorp North America, Inc., as agent (the "Credit Agreement"). Pursuant to the Credit Agreement, the Company and designated subsidiaries (the "Borrowers") may borrow up to \$500,000,000 under a five-year unsecured revolving credit facility and \$575,000,000 under an unsecured amortizing term note. Each of the Company's direct and indirect domestic subsidiaries will unconditionally guarantee all obligations of the Borrowers under the Credit Agreement. The Borrowers will not draw on the revolving credit facility or the term note until the effective date, which is expected to occur in September 2004.

The Borrowers must pay interest no less frequently than quarterly on the revolving credit facility and term note. The interest rate for base rate advances will be based on a fluctuating rate equal to Citibank N.A.'s base rate plus the Applicable Margin (as defined in the Credit Agreement). The interest rate for Eurodollar rate advances will be based on a periodic fixed rate equal to LIBOR plus the Applicable Margin. The Borrowers must repay the term note in quarterly installments of \$14,375,000 each, commencing on March 31, 2005 and with the final payment due on August 24, 2009. The Borrowers must repay advances under the revolving credit facility by August 24, 2009. Advances under the revolving credit facility and the term note may be prepaid without penalty. In certain asset sales or other dispositions, the Borrowers will be required to prepay an aggregate principal amount of the term note advances equal to the net cash proceeds from such sale or other dispositions.

So long as any borrowings remain unpaid, any letters of credit remain outstanding or any lender has any commitment pursuant to the Credit Agreement, the Company must maintain (1) a ratio of consolidated debt to consolidated EBITDA (as defined in the Credit Agreement) for the period of twelve months most recently ended on or prior to the last day of each fiscal quarter set forth below of not greater than the ratio set forth opposite such period:

Fiscal Quarter Ending	Ratio
September 30, 2004	4.75 to 1
December 31, 2004	4.50 to 1
March 31, 2005	4.25 to 1
June 30, 2005	4.25 to 1
September 31, 2005	4.00 to 1
December 31, 2005	3.75 to 1
Each fiscal quarter ending after December 31, 2005	3.50 to 1

and (2) a ratio of consolidated EBITDA for the period of four quarters most recently ended to interest payable on, and amortization of debt discount in respect of, all debt of the Company and its subsidiaries of not less than 3.50 to 1.00.

If any events of default (as defined in the Credit Agreement) have occurred or are continuing, then the Agent may terminate the commitments and declare that all advances and other monies borrowed are due and payable by the Borrowers.

Item 9.01. Financial Statements and Exhibits.

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(c) Exhibits. The following exhibit is filed herewith:

- 10.1 Credit Agreement dated as of August 24, 2004 among the Company, the Initial Lenders named therein, Citigroup Global Markets Inc. and KeyBanc Capital Markets, as co-lead arrangers and co-bookrunners, KeyBank National Association and ABN Amro Bank N.V., as co-syndication agents, Wachovia Bank, National Association, as documentation agent, and Citicorp North America, Inc., as agent.

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.

Date August 30, 2004

THE LUBRIZOL CORPORATION

By: /s/ Leslie M. Reynolds

Name: Leslie M. Reynolds

Title: Corporate Secretary and Counsel