

Xylem Inc.
 Form 424B5
 March 08, 2016
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Filed Pursuant to Rule 424(b)(5)

Registration No. 333-207672

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee(1)
2.250% Senior Notes due 2023	\$548,500,000	98.905%	\$542,493,925	\$54,629.14

- (1) Pursuant to Rule 457(r), the total registration fee for this offering is \$54,629.14. 500,000,000 aggregate principal amount of the Notes will be issued. \$548,500,000, the aggregate Amount to be Registered, is determined using the March 4, 2016 /U.S.\$ exchange rate of 1/U.S.\$1.097, as published by the European Central Bank.

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PROSPECTUS SUPPLEMENT

(To Prospectus dated October 29, 2015)

500,000,000

Xylem Inc.

2.250% Senior Notes due 2023

We are offering 500,000,000 aggregate principal amount of our 2.250% Senior Notes due 2023, which we refer to as the notes.

We will pay interest on the notes annually on March 11 of each year beginning on March 11, 2017. The notes will bear interest at the rate of 2.250% per annum. The notes will mature on March 11, 2023.

We may redeem the notes at any time and from time to time prior to December 11, 2022 (three months prior to their maturity), as a whole or in part, at our option, at the redemption prices described in this prospectus supplement. We may redeem all or a portion of the notes at our option at any time on or after December 11, 2022 (three months prior to their maturity), at a redemption price equal to 100% of the principal amount of such notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. See Description of Notes Optional Redemption.

If we experience a change of control triggering event, each holder of notes may require us to repurchase some or all of its notes at a purchase price equal to 101% of the aggregate principal amount of the notes repurchased, plus any accrued and unpaid interest up to, but not including, the repurchase date. See Description of Notes Repurchase Upon Change of Control Triggering Event. In addition, we may redeem the notes, in whole, but not in part, at any time at our option, at par plus accrued and unpaid interest and additional amounts to, but not including, the date fixed for redemption, in the event of certain developments affecting United States taxation. See Description of Notes Redemption for Tax Reasons.

The notes will be our senior unsecured obligations and rank equally with our other unsecured and unsubordinated indebtedness. The notes will be issued only in minimum denominations of 100,000 and integral multiples of 1,000 in excess thereof.

Investing in the notes involves risks. You should carefully read and consider the risk factors included in this prospectus supplement beginning on page S-10 and included in our periodic reports and other information that we file with the Securities and Exchange Commission before you invest in the notes.

We intend to apply to list the notes on the New York Stock Exchange (NYSE). The listing application will be subject to approval by the NYSE. We currently expect trading in the notes on the NYSE to begin within 30 days after the original issue date. If such a listing is obtained, we have no obligation to maintain such listing, and we may delist the notes at any time. Currently there is no public market for the notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined that this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

	Price to Public (1)	Underwriting Discount	Proceeds, Before Expenses, to us (1)
Per note	98.905%	0.550%	98.355%
Total	494,525,000	2,750,000	491,775,000

(1) Plus accrued interest from March 11, 2016, if settlement occurs after that date.

The underwriters expect to deliver the notes in book-entry form only through the facilities of Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*, on or after March 11, 2016, which is the fifth London business day following the date of this prospectus supplement.

Joint Book-Running Managers

BNP PARIBAS

Citigroup
Co-Managers

J.P. Morgan

Wells Fargo Securities
MUFG

Deutsche Bank
Société Générale
Corporate & Investment Banking

ING
US Bancorp

The date of this prospectus supplement is March 4, 2016.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the terms of the offering of the notes. The second part is the accompanying prospectus dated October 29, 2015, which we refer to as the accompanying prospectus. The accompanying prospectus contains a general description of our debt securities and other general information, some of which may not apply to the notes.

We are responsible for the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and in any related free writing prospectus we prepare or authorize. We have not, and the underwriters have not, authorized anyone to give you any other information, and neither we nor the underwriters take responsibility for any other information that others may give you. The notes are offered globally for sale only in those jurisdictions where it is lawful to make such offers. We are not, and the underwriters are not, making an offer of these securities in any jurisdiction where the offer or sale is not permitted. Persons outside the United States who receive this prospectus supplement and the accompanying prospectus should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer to sell or the solicitation of an offer to buy (i) by any person in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not authorized or qualified to make such offer or solicitation or (ii) to any person to whom it is unlawful to make such offer or solicitation. See **Underwriting and Conflicts of Interest** in this prospectus supplement. You should not assume that the information provided by this prospectus supplement, the accompanying prospectus or the documents incorporated by reference in this prospectus supplement and in the accompanying prospectus is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

Before you invest in the notes, you should carefully read the registration statement (including the exhibits thereto) of which this prospectus supplement and the accompanying prospectus form a part, this prospectus supplement, the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The incorporated documents are described in this prospectus supplement under **Where You Can Find More Information**.

Unless otherwise indicated or the context otherwise requires, references in this prospectus to **Xylem, the Company, we, us, and our** refer to Xylem Inc. and its consolidated subsidiaries.

References in this prospectus supplement and the accompanying prospectus to **\$ and U.S. dollars** are to the currency of the United States. References to **and euro** in this prospectus supplement and the accompanying prospectus are to the currency of the member states of the European Monetary Union that have adopted or that adopt the single currency in accordance with the treaty establishing the European Community, as amended by the Treaty on European Union. No representation is made that any euro amounts converted into U.S. dollars as presented in this prospectus supplement could have been or could be converted into U.S. dollars at any such exchange rate or at all. The financial information presented in this prospectus supplement and the accompanying prospectus has been prepared in accordance with Generally Accepted Accounting Principles in the United States.

Unless otherwise specified, the euro/U.S. dollar rate of exchange used in this prospectus supplement is $1.00 = \$1.0932$, which is the noon buying rate in New York City for cable transfers as announced by the United States Federal Reserve Board for euros on February 26, 2016.

IN CONNECTION WITH THIS OFFERING, CITIGROUP GLOBAL MARKETS LIMITED (OR ITS RESPECTIVE AFFILIATES), AS STABILIZING MANAGER, MAY OVER-ALLOT OR EFFECT

TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES AT LEVELS WHICH MIGHT NOT OTHERWISE PREVAIL. THIS STABILIZING, IF COMMENCED, MAY BE

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DISCONTINUED AT ANY TIME. THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) WILL UNDERTAKE ANY STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES.

ANY STABILIZATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

Notice to Prospective Investors in the European Economic Area

This prospectus supplement and the accompanying prospectus have been prepared on the basis that any offer of the notes in any Member State of the European Economic Area (the "EEA") that has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to produce a prospectus for offers of notes. Accordingly, any person making or intending to make any offer in that Relevant Member State of the notes which are the subject of the offering contemplated by this prospectus supplement and the accompanying prospectus may only do so in circumstances in which no obligation arises for us or any of the underwriters to produce a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither we nor the underwriters have authorized, nor do we or they authorize, the making of any offer of notes in circumstances in which an obligation arises for us or the underwriters to publish a prospectus for such offer. Prospectus Directive means Directive 2003/71/EC, as amended, including by Directive 2010/73/EU, and includes any relevant implementing measure in the Relevant Member State.

Notice to Prospective Investors in the United Kingdom

This prospectus supplement and the accompanying prospectus are only being distributed to, and are only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive and that are also (1) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (2) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (each such person being referred to as a "Relevant Person"). This prospectus supplement and the accompanying prospectus and their contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a Relevant Person should not act or rely on this prospectus supplement and/or the accompanying prospectus or any of their contents.

This prospectus supplement and the accompanying prospectus have not been approved for the purposes of section 21 of the UK Financial Services and Markets Act 2000 ("FSMA") by a person authorized under FSMA. This prospectus supplement and the accompanying prospectus are being distributed and communicated to persons in the United Kingdom only in circumstances in which section 21(1) of FSMA does not apply to us.

The notes are not being offered or sold to any person in the United Kingdom except in circumstances which will not result in an offer of securities to the public in the United Kingdom within the meaning of Part VI of FSMA.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy and information statements and other information with the Securities and Exchange Commission (the SEC). You may read and copy these materials at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website at www.sec.gov that contains reports, proxy and information statements and other information regarding Xylem Inc. and other companies that file materials with the SEC electronically. Copies of our periodic and current reports and proxy statements may be obtained, free of charge, on the Investors section of our website at <http://www.xyleminc.com>. This reference to our website is for informational purposes only and shall not, under any circumstances, be deemed to incorporate the information available at or through such website into this prospectus supplement or the accompanying prospectus.

INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference documents we file with the SEC into this prospectus supplement, which means that we can disclose important information to you by referring to those documents. The information incorporated by reference is considered part of this prospectus supplement. Any statement in this prospectus supplement or incorporated by reference into this prospectus supplement shall be automatically modified or superseded for purposes of this prospectus supplement to the extent that a statement contained herein or in a subsequently filed document that is incorporated by reference in this prospectus supplement modifies or supersedes such prior statement. We incorporate by reference the following documents filed with the SEC (other than, in each case, any information deemed to have been furnished and not filed in accordance with SEC rules):

our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, filed with the SEC on February 26, 2016;

the portions of our Definitive Proxy Statement on Schedule 14A filed on March 24, 2015, to the extent specifically incorporated by reference into our Annual Report on Form 10-K for the year ended December 31, 2014;

our Current Reports on Form 8-K, filed with the SEC on February 4, 2016 and February 25, 2016; and

future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act) before the termination of the offering of the securities made under this prospectus supplement. Unless we specifically state to the contrary, none of the information we disclose under Items 2.02 or 7.01 of any Current Report on Form 8-K that we may from time to time furnish to the SEC will be incorporated by reference into, or otherwise included in, this prospectus supplement.

Each person to whom a copy of this prospectus has been delivered, including any beneficial owner, may request a copy of any or all of the documents referred to above which may have been or may be incorporated by reference into this prospectus supplement and accompanying prospectus (excluding certain exhibits to the documents) at no cost by making a written or oral request to us at the following address:

Edgar Filing: Xylem Inc. - Form 424B5

Xylem Inc. ATTN: Investor Relations 1 International Drive Rye Brook, New York 10573 (914) 323-5700

WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH ANY ADDITIONAL INFORMATION OR ANY INFORMATION THAT IS DIFFERENT FROM THAT CONTAINED IN OR

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INCORPORATED BY REFERENCE INTO THIS PROSPECTUS SUPPLEMENT OR THE ACCOMPANYING PROSPECTUS OR ANY FREE WRITING PROSPECTUS PROVIDED IN CONNECTION WITH THE OFFERING OF THE NOTES. WE TAKE NO RESPONSIBILITY FOR, AND CAN PROVIDE NO ASSURANCE AS TO THE RELIABILITY OF, ANY OTHER INFORMATION THAT OTHERS MAY GIVE YOU. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS PROSPECTUS SUPPLEMENT OR ACCOMPANYING PROSPECTUS IS ACCURATE AS OF ANY DATE OTHER THAN THAT DATE, UNLESS WE OTHERWISE NOTE IN THIS PROSPECTUS SUPPLEMENT OR THE ACCOMPANYING PROSPECTUS.

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FORWARD-LOOKING STATEMENTS

This prospectus supplement contains information that may constitute forward-looking statements within the meaning of the Private Securities Litigation Act of 1995. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. Generally, the words anticipate, estimate, expect, project, intend, plan, forecast, believe, target, will, could, would, should and similar expressions identify forward-looking statements. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. These forward-looking statements include any statements that are not historical in nature, including any such statements about the capitalization of the Company, the Company's restructuring and realignment, future strategic plans and other statements that describe the Company's business strategy, outlook, objectives, plans, intentions or goals. All statements that address operating or financial performance, events or developments that we expect or anticipate will occur in the future including statements relating to orders, revenue, operating margins and earnings per share growth, and statements expressing general views about future operating results are forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to differ materially from those expressed or implied in, or reasonably inferred from, such forward-looking statements.

Factors that could cause results to differ materially from those anticipated include: overall economic and business conditions, political and other risks associated with our international operations, including military actions, economic sanctions or trade embargoes that could affect customer markets, and non-compliance with laws, including foreign corrupt practice laws, export and import laws and competition laws; potential for unexpected cancellations or delays of customer orders in our reported backlog; our exposure to fluctuations in foreign currency exchange rates; competition and pricing pressures in the markets we serve; the strength of housing and related markets; weather conditions; ability to retain and attract key members of management; our relationship with and the performance of our channel partners; our ability to successfully identify, complete and integrate acquisitions; our ability to borrow or to refinance our existing indebtedness and availability of liquidity sufficient to meet our needs; changes in the value of goodwill or intangible assets; risks relating to product defects, product liability and recalls; governmental investigations; security breaches or other disruptions of our information technology systems; litigation and contingent liabilities; and other factors set forth below under Risk Factors and those described from time to time in reports filed with the Securities and Exchange Commission (SEC).

All forward-looking statements made herein are based on information available to the Company as of the date of this prospectus supplement. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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SUMMARY

The following is a brief summary of some of the terms of this offering. It does not contain all of the information that you need to consider in making your investment decision. To understand all of the terms of the offering of the notes, you should carefully read this prospectus supplement and the accompanying prospectus.

About Xylem

Xylem is a leading equipment and service provider for water and wastewater applications with a broad portfolio of products and services addressing the full cycle of water, from collection, distribution and use to the return of water to the environment. Our business focuses on providing technology-intensive equipment and services. Our product and service offerings are organized into two reportable segments: Water Infrastructure and Applied Water. Our segments are aligned with each of the sectors in the cycle of water, water infrastructure and usage applications.

Water Infrastructure serves the water infrastructure sector with pump systems that transport water from aquifers, lakes, rivers and seas; with filtration, ultraviolet and ozone systems that provide treatment, making the water fit to use; and pumping solutions that move the wastewater to treatment facilities where our mixers, biological treatment, monitoring and control systems provide the primary functions in the treatment process. We provide analytical instrumentation used to measure water quality, flow and level in wastewater, surface water and coastal environments. In the Water Infrastructure segment, we provide the majority of our sales directly to customers with strong application expertise, while the remaining amount is through distribution partners.

Applied Water serves the usage applications sector with water pressure boosting systems for heating, ventilation and air conditioning and for fire protection systems to the residential and commercial building services markets. In addition, our pumps, heat exchangers, valves and controls provide cooling to power plants and manufacturing facilities, as well as circulation for food and beverage processing. We also provide boosting systems for farming irrigation, pumps for dairy operations and rainwater reuse systems for small scale crop and turf irrigation. In the Applied Water segment, we provide the majority of our sales through long-standing relationships with some of the world's leading distributors, with the remainder going directly to customers.

Xylem Inc. was incorporated under the laws of the State of Indiana on May 4, 2011. Our principal executive offices are located at 1 International Drive, Rye Brook, New York 10573, and our telephone number is (914) 323-5700.

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The Offering

The Issuer	Xylem Inc., an Indiana corporation.
Securities Offered	500,000,000 2.250% Senior Notes due 2023.
Original Issue Date	March 11, 2016.
Maturity Date	The notes will mature on March 11, 2023.
Interest Payment Dates	Interest on the notes will be paid annually on March 11 of each year, beginning on March 11, 2017.
Interest Rate	2.250% per annum.
Currency of Payments	All payments of interest and principal, including payments made upon any redemption of the notes, will be made in euros. If the euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or if the euro is no longer being used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the notes will be made in U.S. dollars until the euro is again available to us or so used. The amount payable on any date in euros will be converted into U.S. dollars on the basis of the most recently available market exchange rate for the euro. Any payments in respect of the notes so made in U.S. dollars will not constitute an event of default under the terms of the notes or the indenture.
Additional Amounts	Subject to certain exceptions and limitations set forth herein, we will pay additional amounts on the notes as may be necessary to ensure that every net payment by us of the principal of and interest on a note to or on account of a beneficial owner of a note who is not a United States person for U.S. federal income tax purposes, after deduction or withholding by us or any of our paying agents for or on account of any present or future tax, assessment or other governmental charge imposed upon or as a result of such payment, by the United States or any political subdivision or taxing authority of the United States, will not be less than the amount that would have been payable if no such deduction or withholding had

been required. See Description of Notes Payment of Additional Amounts.

Redemption of Notes for Tax Reasons

We may redeem all, but not part, of the notes upon the occurrence of specified tax events described under Description of Notes Redemption for Tax Reasons.

Repurchase at the Option of the Holders of the Notes

If we experience a change of control triggering event, each holder of notes may require us to repurchase some or all of the notes at a

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purchase price equal to 101% of the aggregate principal amount of the notes repurchased, plus any accrued and unpaid interest up to, but not including, the repurchase date. See Description of Notes Repurchase Upon Change of Control Triggering Event.

Optional Redemption We may redeem the notes at any time prior to December 11, 2022 (three months prior to their maturity), as a whole or in part, at our option, at the applicable redemption prices described under the heading Description of Notes Optional Redemption in this prospectus supplement.

Notwithstanding the immediately preceding paragraph, we may redeem all or a portion of the notes at our option at any time on or after December 11, 2022 (three months prior to their maturity), at a redemption price equal to 100% of the principal amount of such notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

Use of Proceeds We intend to use the net proceeds from the sale of the notes, together with cash on hand, to repay the \$600 million principal amount of our outstanding 3.550% Senior Notes due 2016, together with accrued and unpaid interest, and to use any remaining net proceeds for general corporate purposes.

Ranking The notes will be unsecured obligations of ours and will rank equally with our other unsecured and unsubordinated indebtedness.

Denominations The notes will be issued only in minimum denominations of 100,000 and integral multiples of 1,000 in excess thereof.

Form The notes will be issued only in registered, book-entry form. One or more global notes will be deposited with a common depositary on behalf of Clearstream Banking, *société anonyme* (Clearstream) and Euroclear Bank S.A./N.V. (Euroclear) and registered in the name of the common depositary or its nominee.

Absence of Public Market The notes are new securities for which there is currently no public trading market. Accordingly, we cannot assure you as to the development or liquidity of any market for the notes. We have been advised by the underwriters that they presently intend to make a market in the notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time

without any notice.

Further Issues

We may from time to time, without notice to or the consent of the holders of notes, create and issue further notes ranking equally and ratably with such series of notes in all respects, or in all respects except for the payment of interest accruing prior to the issue date or except for the first payment of interest following the issue date of those further notes. Any further notes will have the same terms as to status, redemption or otherwise as the notes. If such further notes are

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not fungible with the notes in this offering for United States federal income tax purposes, the further notes will have different ISIN and CUSIP numbers.

Governing Law

The notes and the indenture under which they will be issued will be governed by New York law.

Listing

We intend to apply to list the notes on the NYSE. The listing application will be subject to approval by the NYSE. We currently expect trading in the notes on the NYSE to begin within 30 days after the original issue date. If such a listing is obtained, we have no obligation to maintain such listing and we may delist the notes at any time.

Trustee, Registrar and Transfer Agent

Deutsche Bank Trust Company Americas

Paying Agent

Deutsche Bank Trust Company Americas

CUSIP/ISIN/Common Code

98419M AG5 / XS1378780891 / 137878089

Risk Factors

Investing in the notes involves risks. See [Risk Factors](#) for more information.

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RISK FACTORS

Investing in the notes involves risk. Before you decide whether to purchase any notes, you should carefully consider the risks described under Risk Factors in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2015 (which Risk Factors are incorporated by reference herein), as such descriptions may be updated or amended in any future reports we file with the SEC, as well as the risks described below and the other information contained or incorporated by reference in this prospectus supplement and the accompanying. See Where You Can Find More Information above.

Risks Related to the Notes

We may not be able to repurchase the notes upon a change of control.

Upon a change of control triggering event, as defined under the indenture governing the notes, we are required to offer to repurchase all of the notes then outstanding at a price equal to 101% of the aggregate principal amount of the notes repurchased, plus accrued interest. In order to obtain sufficient funds to pay the purchase price of the outstanding notes, we expect that we would have to refinance the notes. We cannot assure you that we would be able to refinance the notes on favorable terms or at all. Our failure to offer to purchase all outstanding notes or to purchase all validly tendered notes would be an event of default under the indenture governing the notes. Such an event of default may cause the acceleration of our other indebtedness. Our future indebtedness may also contain restrictions on repayment requirements with respect to specified events or transactions that constitute a change of control triggering event under the indenture. Please see the section entitled Description of Notes Repurchase Upon Change of Control Triggering Event.

There is no current public market for the notes and a market may not develop.

The notes are new securities for which there is currently no public trading market. Although we intend to apply for listing of the notes for trading on the NYSE, no assurance can be given that the notes will become or will remain listed or that an active trading market for the notes will develop or, if developed, that it will continue. The listing application will be subject to approval by the NYSE. If such a listing is obtained, we have no obligation to maintain such listing, and we may delist the notes at any time. We have been advised by the underwriters that they presently intend to make a market in the notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. We cannot guarantee:

the liquidity of any market that may develop for the notes;

your ability to sell the notes; or

the price at which you might be able to sell the notes.

Liquidity of any market for the notes and future trading prices of the notes will depend on many factors, including:

ratings on our debt securities assigned by the credit rating agencies;

the market demand for securities similar to the notes and the interest of securities dealers in making a market for the notes;

the number of holders of the notes;

the prevailing interest rates being paid by other companies similar to us;

our financial condition, financial performance and future prospects;

the market price of our common stock;

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the prospects for companies in our industry generally; and

the overall condition of the financial markets.

Historically, the market for investment grade debt has been subject to disruptions that have caused volatility in prices of securities similar to the notes. It is possible that the market for the notes will be subject to disruptions. Any disruptions may have a negative effect on holders, regardless of our prospects and financial performance.

We may choose to redeem the notes when prevailing interest rates are relatively low.

The notes are redeemable at our option, and we may choose to redeem some or all of the notes from time to time, especially when prevailing interest rates are lower than the rate borne by the notes. If prevailing rates are lower at the time of redemption, you would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the notes being redeemed. See Description of Notes Optional Redemption.

Holders of the notes will receive payments solely in euros subject to limited exceptions.

All payments of interest on and the principal of the notes and any redemption price for the notes will be made in euros, subject to certain limited exceptions. We, the underwriters, the trustee and the paying agent with respect to the notes will not be obligated to convert, or to assist any registered owner or beneficial owner of notes in converting, payments of interest, principal, any redemption price or any additional amount in euros made with respect to the notes into U.S. dollars or any other currency.

Holders of the notes may be subject to the effects of foreign currency exchange rate fluctuations, as well as possible exchange controls, relating to the euro.

The initial investors in the notes will be required to pay for the notes in euros. Neither we nor the underwriters will be obligated to assist the initial investors in obtaining euros or in converting other currencies into euros to facilitate the payment of the purchase price for the notes.

An investment in any security denominated in, and all payments with respect to which are to be made in, a currency other than the currency of the country in which an investor in the notes resides or the currency in which an investor conducts its business or activities (the investor's home currency), entails significant risks not associated with a similar investment in a security denominated in the investor's home currency. In the case of the notes offered hereby, these risks may include the possibility of:

significant changes in rates of exchange between the euro and the investor's home currency; and

the imposition or modification of foreign exchange controls with respect to the euro or the investor's home currency.

We have no control over a number of factors affecting the notes offered hereby and foreign exchange rates, including economic, financial and political events that are important in determining the existence, magnitude and longevity of these risks and their effects. Changes in foreign currency exchange rates between two currencies result from the interaction over time of many factors directly or indirectly affecting economic and political conditions in the countries

issuing such currencies, and economic and political developments globally and in other relevant countries. Foreign currency exchange rates may be affected by, among other factors, existing and expected rates of inflation, existing and expected interest rate levels, the balance of payments between countries, and the extent of governmental surpluses or deficits in various countries. All of these factors are, in turn, sensitive to the monetary, fiscal and trade policies pursued by the governments of various countries important to international trade and finance. Moreover, the recent global economic crisis and the actions taken or to be taken by various national governments in response to the crisis could significantly affect the exchange rates between the euro and the investor's home currency.

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The exchange rates of an investor's home currency for euros and the fluctuations in those exchange rates that have occurred in the past are not necessarily indicative of the exchange rates or the fluctuations therein that may occur in the future. Depreciation of the euro against the investor's home currency would result in a decrease in the investor's home currency equivalent yield on a note, in the investor's home currency equivalent of the principal payable at the maturity of that note and generally in the investor's home currency equivalent market value of that note. Appreciation of the euro in relation to the investor's home currency would have the opposite effects.

The European Union or one or more of its member states may, in the future, impose exchange controls and modify any exchange controls imposed, which controls could affect exchange rates, as well as the availability of euros at the time of payment of principal of, interest on, or any redemption payment or additional amounts with respect to, the notes.

This description of foreign exchange risks does not describe all the risks of an investment in securities, including, in particular, the notes, that are denominated or payable in a currency other than an investor's home currency. You should consult your own financial and legal advisors as to the risks involved in an investment in the notes.

The notes permit us to make payments in U.S. dollars if we are unable to obtain euros and market perceptions concerning the instability of the euro could materially adversely affect the value of the notes.

If the euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or if the euro is no longer being used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the notes will be made in U.S. dollars until the euro is again available to us or so used. In such circumstances, the amount payable on any date in euros will be converted into U.S. dollars on the basis of the then most recently available market exchange rate for the euro, as determined by us in our sole discretion. Any payment in respect of the notes so made in U.S. dollars will not constitute an event of default under the notes or the indenture governing the notes. This exchange rate may be materially less favorable than the rate in effect at the time the notes were issued or as would be determined by applicable law. Such developments, or market perceptions concerning these and related issues, could materially adversely affect the value of the notes and you may lose a significant amount of your investment in the notes. See Exchange Rates.

In a lawsuit for payment on the notes, an investor may bear currency exchange risk.

The indenture is, and the notes will be, governed by the laws of the State of New York. Under New York law, a New York state court rendering a judgment on the notes would be required to render the judgment in euros. However, the judgment would be converted into U.S. dollars at the exchange rate prevailing on the date of entry of the judgment. Consequently, in a lawsuit for payment on the notes, investors would bear currency exchange risk until a New York state court judgment is entered, which could be a significant amount of time. A federal court sitting in New York with diversity jurisdiction over a dispute arising in connection with the notes would apply New York law.

In courts outside of New York, investors may not be able to obtain a judgment in a currency other than U.S. dollars. For example, a judgment for money in an action based on the notes in many other U.S. federal or state courts ordinarily would be enforced in the United States only in U.S. dollars. The date used to determine the rate of conversion of euro into U.S. dollars would depend upon various factors, including which court renders the judgment and when the judgment is rendered.

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Trading in the clearing systems is subject to minimum denomination requirements.

The terms of the notes provide that the notes will be issued only with a minimum denomination of 100,000 and multiples of 1,000 in excess thereof. The notes may be traded in amounts in excess of 100,000 that are not integral multiples of 100,000. In such a case, a holder of notes who, as a result of trading such amounts, holds a principal amount of less than 100,000 may not receive a definitive certificate in respect of such holding (should definitive certificates be printed) and would need to purchase a principal amount of notes such that its holding amounts to at least 100,000.

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USE OF PROCEEDS

We estimate that the net proceeds from the sale of the notes will be approximately 491,225,000 after deducting the underwriting discount and our estimated expenses of this offering. We intend to use the net proceeds from the sale of the notes, together with cash on hand, to repay the \$600 million principal amount of our outstanding 3.550% Senior Notes due 2016, together with accrued and unpaid interest, and to use any remaining net proceeds for general corporate purposes. Our 3.550% Senior Notes due 2016 mature September 20, 2016. Pending such use of the net proceeds, we may invest the proceeds in highly liquid short-term securities.

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Table of Contents**EXCHANGE RATES**

The table below sets forth, for the periods indicated, information concerning the noon buying rate in New York City for cable transfers as announced by the United States Federal Reserve Board for euros (expressed in dollars per 1.00). The rates in this table are provided for your reference only. Unless otherwise specified, the euro/U.S. dollar rate of exchange used in this prospectus supplement is 1.00=\$1.0932, as of February 26, 2016.

Period	High	Low	Average (1)	Period End
2011	1.4875	1.2926	1.3931	1.2973
2012	1.3463	1.2062	1.2859	1.3186
2013	1.3816	1.2774	1.3281	1.3779
2014	1.3927	1.2101	1.3297	1.2101
2015	1.2015	1.0524	1.1096	1.0859
January 2016	1.0964	1.0743	1.0855	1.0832
February 2016 (through February 26, 2016)	1.1362	1.0888	1.1104	1.0932

(1) The average of the noon buying rates on each market day of the relevant year or period.

Table of Contents**RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated. This information should be read in conjunction with the consolidated financial statements and the accompanying notes incorporated by reference into this prospectus supplement. See [Where You Can Find More Information](#) and [Incorporation By Reference](#).

	Year ended December 31,				
	2014	2013	2012	2011 (1)	
2015	6.4	4.7	5.9	10.9	

(1) This period includes the spin-off from ITT Corporation on October 31, 2011 and the issuance of \$1.2 billion aggregate principal amount of senior notes which were issued in September 2011. Interest on such senior notes accrues from September 20, 2011.

The ratio of earnings to fixed charges is computed by dividing (i) pre-tax income before income and losses from equity interests, plus fixed charges by (ii) fixed charges. The term [fixed charges](#) means the sum of the following: (a) interest expense, including amortization of deferred finance fees and (b) the interest portion of rental expense.

Table of Contents**CAPITALIZATION**

The table below sets forth our consolidated capitalization as of December 31, 2015, on an actual basis and as adjusted to give effect to the issuance and sale of the notes offered hereby and the application of the net proceeds from the sale of the notes. See Use of Proceeds.

You should read the table together with our consolidated financial statements and the notes thereto incorporated by reference into this prospectus supplement and the accompanying prospectus.

	As of December 31, 2015	
	Actual	As Adjusted
	(amounts in millions)	
Cash and cash equivalents ⁽¹⁾	\$ 680	\$ 609
Debt included in current liabilities:		
Short-term borrowings and current maturities of long-term debt	\$ 78	\$ 78
Debt included in long-term liabilities:		
Long-term debt, excluding current maturities	1,196	1,143
Total debt	\$ 1,274	\$ 1,221
Stockholders' equity	2,084	2,067
Total debt and stockholders' equity	\$ 3,358	\$ 3,288

- (1) As adjusted cash and cash equivalents are calculated assuming that we will redeem our outstanding 3.550% Senior Notes due 2016 on April 13, 2016 with the redemption price calculated based on a treasury rate of 101.289%. The actual redemption date and treasury rate may differ.

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DESCRIPTION OF NOTES

We are offering 500,000,000 aggregate principal amount of 2.250% Senior Notes due 2023, which we refer to as the notes. The notes will be issued under the senior indenture, to be dated March 11, 2016, which is more fully described in the accompanying prospectus, as amended by the first supplemental indenture, to be dated March 11, 2016, and the second supplemental indenture to be dated as of March 11, 2016, each between us and Deutsche Bank Trust Company Americas, as trustee.

The following description supplements, and to the extent it is inconsistent with, replaces the description of the general terms and provisions of the debt securities contained in Description of Debt Securities in the accompanying prospectus. Because this section is a summary, it does not describe every aspect of the notes and the indenture. This summary is subject to, and qualified in its entirety by reference to, all the provisions of the notes and the indenture, including definitions of certain terms used therein. You may obtain copies of the notes and the indenture by requesting them from us or the trustee.

In this Description of Notes, the Company, we, us, our and similar words refer to Xylem Inc. and not to any of its subsidiaries. Any capitalized terms that are defined in the accompanying prospectus have the same meanings in this section unless a different definition appears in this section.

General

The notes:

will be senior unsecured obligations of ours;

will rank equally with all of our other unsecured and unsubordinated indebtedness from time to time outstanding;

will be structurally subordinated to all existing and future obligations of our subsidiaries, including claims with respect to trade payables;

will initially be limited to 500,000,000 aggregate principal amount; and

will be issued in minimum denominations of 100,000 and integral multiples of 1,000 in excess thereof.

Listing

We intend to apply to list the notes on the NYSE. The listing application will be subject to approval by the NYSE. If such a listing is obtained, we have no obligation to maintain such listing, and we may delist the notes at any time. We currently expect trading in the notes on the NYSE to begin within 30 days after the original issue date. Currently there is no public market for the notes.

Principal, Maturity and Interest

The notes will bear interest at a rate of 2.250% per annum from March 11, 2016, or from the most recent date to which interest has been paid or provided for, payable annually in arrears on March 11 of each year (each, an Interest Payment Date), commencing March 11, 2017 to holders of record at the close of business on the 15th calendar day (whether or not a business day) immediately preceding the Interest Payment Date or, if the notes are represented by one or more global notes, the close of business on the business day (for this purpose a day on which Clearstream and Euroclear are open for business) immediately preceding the Interest Payment Date; provided, however, that interest payable on the maturity date of the notes or any redemption date of the notes shall be payable to the person to whom the principal of such notes shall be payable.