
Siemens issues bond of U.S.\$7.5 billion

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Siemens has successfully placed another large U.S.\$ bond issue following last year's U.S.\$6 billion transaction and a U.S.\$7.75 billion transaction in 2015. It was the company's fourth bond placement in the U.S. capital market and its second-largest ever. The transaction was closed yesterday.

Siemens issued bonds with a total value of U.S.\$7.5 billion and maturities of three, five, seven, ten and thirty years. Due to the high demand, the company obtained very good interest-rate conditions over all maturities. At the time of price fixing, the interest-rate premium over comparable U.S. treasury bonds averaged 15 basis points below the initial price indications at the beginning of the issuance. The proceeds of the issuance will be used to finance announced acquisitions such as Mentor Graphics and to finance outstanding and matured debt.

"This successful bond issue enables us to finance our latest acquisition projects at very favorable conditions and to optimize our maturity profile," said Siemens CFO Ralf P. Thomas. Total investor demand reached U.S.\$15.1 billion. About 83 percent of the bond volume was allocated to investors in the U.S., while the remaining bonds were placed with investors from Europe and Asia. Siemens' credit rating was unaffected by the bond issuance. The rating agency Standard & Poor's gives the new bonds an A+ rating, while Moody's rates them at A1.