

# Press release

2015-11-13



## Vattenfall issues hybrid bonds

**Vattenfall on Friday priced a hybrid bond issue of USD 400 million (approximately SEK 3.5 billion). The proceeds will be used for general corporate purposes.**

- We are pleased with the investor diversification achieved with this transaction together with our hybrid bond issue in March 2015. The benefit for Vattenfall to issue hybrid bonds is that it strengthens the company's financial flexibility as hybrid capital typically is treated partly as equity, says Johan Gyllenhoff, Vattenfall Group Treasurer.

This is Vattenfall's first ever hybrid bond denominated in USD, placed under Regulation S outside the U.S.

As with Vattenfall's existing hybrid bonds, the new bonds will be accounted for as interest-bearing debt and be subordinated to Vattenfall's other debt instruments. Vattenfall expects rating agencies Moody's and Standard & Poor's to classify 50% of the hybrid bonds as equity when calculating credit ratios.

Vattenfall expects the bonds to be assigned a credit rating of Baa2 by Moody's and BB+ by Standard & Poor's, which is two and three notches respectively below Vattenfall AB's credit rating for senior debt.

The settlement date for the issue will be on 19 November 2015.

The hybrid bond was issued in a single tranche:

Currency	Amount	Coupon rate (to first call date)	Tenor	First call date
USD	400 million	6.10 %	63 years	After 8 years

Deutsche Bank acted as Sole Structuring Bank and Sole Bookrunner

*Vattenfall discloses this information pursuant to the Swedish Securities Market Act.*

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Vattenfall is a Swedish owned energy company with operations in Sweden, Germany, the Netherlands, Denmark, UK and Finland. Vattenfall's vision is to create a strong and diversified European energy portfolio and to be among the leaders in developing an environmentally sustainable energy system.