

Microsoft to Raise \$3.75B in First Debt Offering

SEATTLE (AP) -- Microsoft Corp. priced a \$3.75 billion debt offering on Monday, a first for the world's largest software maker.

Microsoft said in a Securities and Exchange Commission filing that it is offering five, 10 and 30-year senior unsecured notes. In a press release, the company said it will sell \$2 billion of 2.95 percent notes due June 1, 2014; \$1 billion of 4.20 percent notes due June 1, 2019 and \$750 million of 5.20 percent notes due June 1, 2039.

The software maker said it will use proceeds from the sale for general corporate purposes, including possible acquisitions and stock buybacks. Last September, Microsoft's board authorized it to take on up to \$6 billion in debt. Standard & Poor's Rating Services gave Microsoft an "AAA" corporate credit rating.

The authorization came just before interest rates soared. Microsoft, which is sitting on more than \$25 billion in cash, could afford to wait until rates came down to make a move.

Corporate debt offerings dropped off last fall but picked up again in January. Microsoft's issue comes on the heels of offerings by Whirlpool Corp., Nokia Inc. and Starwood Hotels & Resorts Worldwide Inc. J.P. Morgan Securities Inc. is the lead underwriter on the sale. The offering is expected to close May 18.

Shares of Microsoft slipped 10 cents to close earlier at \$19.32.

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