The Office Of
State Treasurer
Denise L. NapPier

News

PRESS RELEASE
FOR IMMEDIATE RELEASE
December 21, 2011

TREASURER NAPPIER SAYS SUCCESSFUL BOND SALES MADE FOR A "NOVEMBER TO REMEMBER"

--Yields $50 million in long-term Savings --

HARTFORD – State Treasurer Denise L. Nappier announced today that the sale of roughly $1.4 billion worth of state bonds in November will not only help build a hospital, upgrade schools, and fund transportation projects -- it will also save Connecticut taxpayers more than $50 million over the term of existing State debt.

The three bond sales conducted by Treasurer Nappier's office achieved the lowest interest costs of any 20-year tax-exempt bond sale in Connecticut's history, with a weighted average interest cost of 3.27%.

"These well-timed bond sales achieved outstanding savings for Connecticut taxpayers," Treasurer Nappier said. "The successful outcome is an example of how aggressively we manage the State's debt as part of an ongoing effort to reduce costs borne by taxpayers, while furthering the important goal of funding statewide capital projects that can bolster our economy and help generate jobs. It was truly a November to remember."

All three credit rating agencies -- Standard & Poor's, Moody's and Fitch -- reaffirmed the high-quality AA-category credit ratings for the following bond sales:

- $700.8 million of General Obligation bonds;
- $211.6 million of UConn 2000 Program bonds; and
- $455.1 million of Special Tax Obligation bonds.

"Given recent concerns over volatility in the world financial markets, there was significant interest in our high-quality bonds from investors large and small alike, and the success of these sales is a direct result of investor confidence in the State of Connecticut," Treasurer Nappier said.

Contact: David Rivera, Director of Communications, (860) 702-3232
David.Rivera@Ct.Gov

Description of Bond Sales for New Statewide Infrastructure Projects and Refinancing of Existing State Debt.

General Obligation Bonds

The November 1st sale of $708 million in General Obligation bonds included $550 million in new funding for local school construction, improvements to local community colleges, and money for the State's Local Capital Improvement Fund -- a grant program for towns and cities. The sale also included $150 million of refunding bonds that will save taxpayers $21.5 million over the life of the bonds. The first two days of the retail order period brought in $100 million in orders. After extending the retail order period due to massive, statewide power outages, the State received another $21 million of retail orders. The State also received $633 million in orders from institutional investors. Despite market volatility, the overall interest cost on the new money bonds was 3.16%. The underwriting team was led by JP Morgan and the sale closed on November 14, 2011.

UConn 2000

The second sale on November 22nd consisted of $211.6 million of UConn 2000 Program bonds for both new money purposes and refunding of older higher interest bonds. UConn will use $200 million for various projects across its campuses, including a new building for the social sciences program on the Storrs campus, and help finance the expansion of UConn Health Center. There was significant interest from individual investors and their investment advisors who placed orders for $111 million in bonds during a two-day retail order period. The new money bonds were sold at an overall interest cost of 3.31%. The refunding bonds will produce savings of $1.7 million over the life of the bonds. Loop Capital Markets led the underwriting syndicate and the sale closed on December 8, 2011.

Special Tax Obligation Bonds

The final sale held on November 30th for $455.1 million of Special Tax Obligation (STO) bonds, consisted of $221.2 million of new money bonds to fund ongoing transportation projects and $233.8 million of refunding bonds to refinance existing debt. The State received $135 million in retail orders and the overall interest cost on the STO new money bonds was 3.52%, the lowest on any tax-exempt 20-year new money bond issue in the history of the STO program. The refunding produced $26.9 million in future debt-service savings. Goldman Sachs was the senior manager of the transaction and the sale closed on December 15, 2011.

###

CONTACT: DAVID RIVERA, DIRECTOR OF COMMUNICATIONS, (860) 702-3232
DAVID.RIVERA@CT.GOV