OFFICE OF
STATE TREASURER
DENISE L. NAPPIER

NEWS

FOR IMMEDIATE RELEASE
Friday, June 22, 2001

NAPPIER ANNOUNCES GENERAL OBLIGATION BOND ISSUE WILL SAVE CONNECTICUT TAXPAYERS NEARLY $23 MILLION

Bond sale is largest in state history; will help fund local school construction, Connecticut Convention Center, Adriaen's Landing and UConn football stadium

Connecticut Treasurer Denise L. Nappier has announces the successful completion of the State's $904.575 million issue of General Obligation bonds. This transaction, the largest General Obligation bond sale in the State's history, highlighted both individual and institutional investor confidence in the Treasurer's Office and the State of Connecticut.

The sale of 2001 Series B and Series C General Obligation bonds began on June 15, with a two-day retail order period, in which in-state investors were given the first opportunity to purchase the bonds. The retail order period resulted in over $84 million of orders. Overall, the State received retail orders from over 1,500 different investors.

> ***"We will work to lessen the burden on taxpayers, wherever possible."***

Of the $904.575 million, $400 million was issued to provide new financing for a variety of State grant programs, including local school construction and infrastructure and, in part, for the Connecticut Convention Center and Adriaen's Landing in downtown Hartford and for the University of Connecticut football stadium being built in East Hartford.

Contact: **Bernard L. Kavaler**
Director of Communication
(860) 702-3277 FAX (860) 702-3043
BERNARD.KAVALER@PO.STATE.CT.US

The other $504.575 million was issued to refund $514.58 million of previously issued bonds. This refinancing will reduce the State's debt service costs by nearly $23 million over the life of the bonds.

"We worked diligently to assure a fair price for bond purchasers and the greatest possible savings for taxpayers, and we were very successful in both pursuits," said State Treasurer Denise L. Nappier. "While I firmly believe that Connecticut must begin to rein in the amount of debt that it issues, we will continue to meet our statutory obligations prudently and effectively, and work to lessen the burden on taxpayers wherever possible."

More…

Despite the size of the transaction, the true interest cost was 4.501%, one of the lowest rates on any of the State's bond issues in the past 20 years. The bonds were priced with yields from 2.55% for the June 15, 2002 maturity to 5.02% for the June 15, 2021 maturity. The ratings on the bonds are Aa2 from Moody's Investors Service, AA from Standard & Poor's Rating Services and AA from Fitch, Inc.

The State also used an innovative structure to achieve a lower financing cost for one maturity than was available in the market. This structure allowed the State to achieve a significantly lower debt service cost for a portion of the 2001 Series B Bonds.

Investor interest was both substantial and diverse – including retail investors, bank trust departments and investment advisors during the retail order period and insurance companies and bond funds during the institutional order period.

Morgan Stanley Dean Witter served as senior manager, with Bear, Stearns & Co., Inc., Belle Haven Investments, L.P., Dain Rauscher Incorporated and Siebert Brandford Shank & Co., LLC serving as co-senior managers and eighteen firms serving as co-managers. P.G. Corbin & Company, Inc. served as financial advisor on the financing.

Contact: **Bernard L. Kavaler**
Director of Communication
(860) 702-3277 FAX (860) 702-3043
BERNARD.KAVALER@PO.STATE.CT.US