



OFFICE OF
STATE TREASURER
DENISE L. NAPIER

NEWS

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NAPIER ANNOUNCES GENERAL OBLIGATION BOND ISSUE WILL SAVE CONNECTICUT TAXPAYERS OVER \$30 MILLION

\$11.5 Million in Savings to Have Immediate Budget Impact; Lowest Combined Interest Rate on any General Obligation Bond Sale in 30 years

Connecticut State Treasurer Denise L. Nappier today announced the successful completion of the State's \$833 million issue of General Obligation bonds. The transaction included \$433 million in refunding bonds to refinance existing bonds to today's lower interest rates, saving Connecticut taxpayers \$30.8 million over the next twenty years.

The combined true interest cost on the issue was 4.21%, the lowest on any General Obligation bond sale in the last thirty years. The proceeds of the issue will be used to fund local school construction projects, economic development projects, municipal capital grants, state building projects and to refinance existing bonds.

"I am pleased to report another very successful bond sale, taking full advantage of today's very low interest rates to refinance existing debt and lock in long-term savings for Connecticut taxpayers." Nappier said, "Taking these proactive steps also helps to relieve pressure on the state budget, both now and in the future."

"This bond issue resulted in the Treasurer's Office achieving \$11.5 million in debt service savings that can contribute to efforts to solve the State's current budget dilemma. Those funds are in addition to the \$10.5 million that was achieved in our June bond issue, which has already assisted the Office of Policy and Management in making budgetary adjustments earlier in this fiscal year," Nappier said.

All available bonds in the issue were sold, with individual investors purchasing \$118 million of the bonds and institutional investors purchasing the balance. Final pricing took place on November 8. The tax-exempt fixed rate bonds were structured over 20 years and carry ratings of Aa2/AA/AA. Most of the bonds will close on November 20; the balance are scheduled for closing on December 17, 2001.

Bear Stearns & Co. Inc. is the bookrunning senior manager and M. R. Beal & Company, Merrill Lynch & Co., UBS Paine Webber Inc. and Siebert Brandford Shank & Co., LLC served as co-senior managers. P. G. Corbin & Company, Inc. is the State's financial advisor. Day, Berry & Howard is disclosure counsel for the State and Hunton & Williams is tax counsel.

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

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Director of Communication
(860) 702-3277 FAX (860) 702-3043
BERNARD.KAVALER@PO.STATE.CT.US

