



**THE OFFICE OF
STATE TREASURER
DENISE L. NAPPIER**

NEWS

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CONNECTICUT BONDS VERY WELL RECEIVED IN THE FINANCIAL MARKET

- State to Save \$21.5 Million in Debt Refinancing -

HARTFORD, CT -- State Treasurer Denise L. Nappier announced today that the State's three-day sale of \$700 million in Connecticut General Obligation Bonds produced impressive results, taking advantage of the low interest rate environment and strong investor demand.

The \$150 million refunding portion of the bond sale is estimated to generate \$21.5 million in budget savings over the next eight years.

"The success of this bond sale signals a win-win for the citizens of our state," Treasurer Nappier said. "It not only reinforces our government's solid track record in reducing the cost borne ultimately by taxpayers to pay for much-needed statewide capital projects, but also generates jobs for these projects at a time when they can help bolster our struggling economy and help to alleviate stagnant unemployment."

The bond sale included \$550 million of new money bonds of which \$335.7 million will finance local school construction projects, \$54.6 million for community technical colleges, and \$30 million to fund the State's Local Capital Improvement Fund -- a grant program for towns and cities. The balance will be used to fund other grants and statewide building projects.

According to Treasurer Nappier, the overall interest cost -- 3.16 percent -- on the new money bonds is quite favorable and is supported by Connecticut's good standing as an issuer of debt.

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The remaining portion of the bond sale that will refund \$150 million in previously issued bonds, producing the \$21.5 million in savings, was equally impressive and marked the continuation of the Nappier Administration's practice in exercising precision and steadfastly pursuing sound opportunities to lower the cost of the State's existing debt.

Since Treasurer Nappier took office in 1999, the State has refunded \$8.6 billion of bonds providing total debt service savings to the state budget -- and taxpayers -- of more than \$685.2 million

"When bonds are authorized by the State Legislature and Bond Commission, it is my administration's business as the state's public finance arm to squeeze savings out of the process to drive down the cost of borrowing money and get the best possible bond price performance," Treasurer Nappier said. "That's what we've always done and will continue to do."

The bond sale attracted \$121 million from individual investors during the retail order period. Treasurer Nappier extended this period by an additional day due to the snow storm and power outages that have devastated the state. That extension netted \$21 million in extra retail or individual bond sales. Institutional investors placed orders totaling more than \$728 million for the bonds.

The State's high quality bond ratings were reaffirmed last week by all three major credit rating agencies. The General Obligation Bonds were rated Aa2, AA and AA by Moody's Investors Service, Standard & Poor's and Fitch Ratings, respectively.

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