



**The Office Of
State Treasurer
Denise L. Nappier**

Press Release

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**CONNECTICUT'S BOND SALE RESUMES
FOLLOWING HURRICANE SANDY**

Robust Demand from Investors Outpaces Supply by 4.5 Times

Hartford, CT - Connecticut State Treasurer Denise L. Nappier announced today that a \$400 million sale of general obligation bonds of the State -- initially planned for Monday, October 29th and postponed due to Hurricane Sandy -- is going forward in two phases: the \$225 million taxable portion of the sale was sold today, and the \$175 million tax-exempt portion is planned to follow, possibly tomorrow or early next week.

"We have been in constant communication with our bond underwriting team since the weekend, and as the impact of the storm has unfolded decided that market conditions are very favorable for the State to complete the taxable portion of the sale today. There is strong demand from taxable investors across the nation, and the absence of other similar bond issues in the market has manifested in orders for 4.5 times the number of bonds being offered. Consequently, we were able to reduce the interest rates and, ultimately, reduce the overall cost of borrowing borne by Connecticut taxpayers," said Treasurer Nappier.

Connecticut will proceed with the tax-exempt portion of the bond sale either tomorrow or early next week as market participants, particularly those located in New York City, make even more progress in resuming normal business operations.

All four credit rating agencies completed the credit ratings for the bond issue, some successfully working from remote locations due to flooding in Manhattan. The State's General Obligation credit ratings were affirmed by each of the agencies at current levels with Stable Outlooks - Aa3 by Moody's and AA by Standard & Poor's, Fitch Ratings and Kroll Bond Ratings.

"The ability of our New York partners to proceed with carrying out this transaction in the wake of Hurricane Sandy's devastation is a testament to their disaster contingency planning, and demonstrates that intellectual capital is far more valuable than bricks and mortar," said Treasurer Nappier. "And, it is encouraging to know that investors across the country have shown such a strong appetite for investing in our bonds."

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The Connecticut Treasury implemented its own Continuity of Operations Plan in the face of Hurricane Sandy, with the Treasury's Debt Management staff working remotely on Sunday and Monday to adapt to late-breaking developments and to maximize the timing and cost-effectiveness of the bond sale. In addition, the Treasury's Cash Management division ensured that bank balances were sufficient, related duties were conducted, and that maturing securities were reinvested on Monday, October 29th, which minimized the impact of the financial markets being shut down for two days. Treasurer Nappier noted: "While state offices were closed, a number of dedicated Treasury employees kept their eyes on the state's financial resources, even as they were contending with the hurricane's wrath. They have my gratitude, and my thoughts and prayers go out to them, their families and others across Connecticut as they continue to deal with the effects of the storm."

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