



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

NEWS

PRESS RELEASE

FOR IMMEDIATE RELEASE

April 17, 2012

**TREASURER NAPIER COMPLETES FIRST BOND SALE
WITH NEW UNDERWRITING TEAM AND RATING AGENCY**

-- Variety of Bond Structures Attracts Investors --

HARTFORD – State Treasurer Denise L. Nappier announced that her office sold \$555 million of State General Obligation Bonds last week, attracting \$1.7 billion in orders from institutional investors. Because demand exceeded the bonds available, the State was able to reduce interest rates in the final pricing, saving \$1.35 million over the life of the bonds.

“I am always thrilled when the market responds favorably to our high-quality bonds and this sale was no exception,” Treasurer Nappier said. “We believe continued high demand for our bonds can be attributed to our aggressive management of State debt, combined with solid credit ratings and an accomplished and diverse pool of underwriters.”

The bond sale included three different structures to maximize demand:

- \$259.6 million fixed-rate, tax-exempt bonds with an interest cost of 3.31%,
- \$212.4 million floating rate index bonds with an interest cost of 1.21%, and
- \$83 million of fixed-rate, taxable bonds with an interest cost of 2.18%.

During the April 11, 2012 bond sale, more than \$78 million in orders were received from individual investors and their investment advisors. By the end of the sale on Wednesday, institutional investors had submitted orders totaling more than \$1.7 billion for all three structures.

Connecticut is the first public sector debt issuer to receive a credit rating from Kroll, the newest among a handful of Wall Street credit-rating agencies. On March 29, Kroll issued an “AA” credit rating on the State’s \$14 billion of outstanding General Obligation bonds as well as the new bonds. With Kroll’s AA bond rating, Connecticut’s General Obligation bonds now have four solid high quality “AA” ratings -- three at AA (S&P, Fitch and Kroll) and Moody’s at Aa3.

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Also in March, Treasurer Nappier selected the new bond underwriting teams for Connecticut bonds issued by her office following an extensive Request for Proposals (RFP) process initiated last year. The RFP was issued to reevaluate the underwriting teams in consideration of significant consolidations and changes in the bond underwriting industry.

Of the 43 firms hired, 17 were awarded senior manager roles in one or more of the State's bonding programs, 4 were awarded co-senior manager roles, 15 were awarded co-manager roles and 7 were awarded selling group roles. As a result of the RFP, the 43 firms included 12 new firms and several that have already worked with the State and were given a higher level of responsibility based on their proposals and past performance.

The bonds will provide funding for school construction, housing, clean water fund grants, loans to businesses, and other projects including Bioscience Connecticut.

Bioscience Connecticut is Gov. Dannel P. Malloy's plan to jumpstart the State's economy by creating thousands of construction-related jobs and generate sustainable economic growth based on attracting the bioscience research industry to the State.

"Our ultimate goal is to reduce costs borne by taxpayers by getting the best possible bond price, while funding statewide capital projects that can help create jobs and bolster our economy. The strategic long-term investments that will be funded by these bonds will do just that." Treasurer Nappier said.

For this bond sale, Barclays was chosen to serve as the senior underwriting manager to lead the underwriting syndicate. Acacia Financial Group, Inc. and A.C. Advisory, Inc. are the co-financial advisors and Day Pitney and Finn Dixon & Herling are the co-disclosure counsel.

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