NEWS RELEASE

CALIFORNIA STATE TREASURER PHILIP ANGELIDES

FOR IMMEDIATE RELEASE
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CALIFORNIA SELLS $1 BILLION IN GENERAL OBLIGATION BONDS

SACRAMENTO, CA - California State Treasurer Philip Angelides sold $1 billion in general obligation bonds today, as part of the State's ongoing infrastructure finance program. The bond proceeds will fund various projects throughout California, such as new construction and modernization of K-12 schools, state colleges and universities; improvements in water systems and water quality; repair and enhancement of neighborhood parks; retrofit of public buildings for earthquake safety; and the preservation, acquisition, construction, and upgrading of railway facilities.

The bonds were offered in a competitive sale with bids received from syndicates led by Lehman Brothers, Merrill Lynch & Co., and J. P. Morgan Securities Inc. Lehman Brothers won the bid with the lowest true interest cost of 4.78 percent. Fitch, Moody's Investors Service, and Standard & Poor's rated the bonds AA, Aa3, and A+ respectively.

"Today's general obligation bond sale was a success, demonstrating that the financial community continues to view the State of California as a solid investment," said State Treasurer Philip Angelides.

The preliminary official statement for the bond offering is available electronically at www.treasurer.ca.gov. Click on "bond information" and then "current offerings."

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