NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

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CALIFORNIA SELLS RECORD $2.05 BILLION IN GENERAL OBLIGATION BONDS

SACRAMENTO, CA – State Treasurer Phil Angelides announced today the negotiated sale of $2.05 billion in fixed-rate General Obligation (G.O.) bonds.

At $2.05 billion, the State of California bond offering is the largest ever general obligation sale for the Golden State. The bond proceeds will be used to refund outstanding State general obligation commercial paper and to repay interim loans from the State's Pooled Money Investment Account. Those loans financed construction of various projects under the respective Bond Acts, including K-12 schools and higher education facilities; water quality, supply, and flood control improvements; the protection, preservation and repair of state and neighborhood parks; and seismic retrofitting of highways and bridges.

The sale was well received by retail and institutional investors. In fact, the investor demand was so strong that the State increased the par amount of the sale to $2.05 billion, or $200 million more than the $1.85 billion initially offered.

Angelides said he was "very pleased" with the sale. "It shows that investors continue to view California as a great investment, as a secure, safe and strong investment," he added.

The Treasurer pointed out that, with interest rates still at low levels, "the time is right to invest in vital infrastructure to ensure a good quality of life for all Californians."

The bonds were sold at a true interest cost of 4.83%. The three major rating agencies – Fitch Ratings, Moody's Investors Service, and Standard & Poor's – rated the bonds A, A2, and A, respectively.

The State in February sold $900 million in general obligation bonds at a true interest cost of 5.0569%.

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