



NEWS RELEASE

CALIFORNIA STATE TREASURER BILL LOCKYER

FOR IMMEDIATE RELEASE
June 20, 2007

Contact: Tom Dresslar
916-653-2995

Lockyer Announces Close of \$2.5 Billion Bond Deal That Generated \$690.2 Million in Sales to Individual Investors *Results Signal Successful Start to First-Ever 'Buy California Bonds' Effort*

SACRAMENTO – State Treasurer Bill Lockyer announced a \$2.5 billion state bond deal closed successfully today, and said the \$690.2 million in sales to individuals signaled a winning start to his campaign to help Californians invest in the state's future by purchasing bonds.

"We're delighted with the results," said Lockyer. "Californians answered the call to directly invest in a stronger, better state. The rebuilding of California is helped when residents have a personal stake in the project. If we can maintain or improve these encouraging results in future sales, taxpayers will benefit because increased individual demand for bonds reduces the state's debt costs."

The \$2.5 billion sale culminated today with mutual funds, insurance companies and other institutional investors buying a little more than \$1.8 billion of the general obligation (GO) bonds. Individual investors purchased the balance of \$690.2 million – or 28 percent of the \$2.5 billion – during a two-day, early order period that ended Tuesday. Investors' yields on the bonds ranged from 3.65 percent to 4.78 percent, depending on the maturity date. High demand allowed the state to lower its borrowing costs on virtually all of the bonds, regardless of the maturity date.

The bonds will finance a variety of public works projects across California, including: schools and universities, libraries, children's hospitals, parks, and clean air and water projects.

To boost investment by individuals during the early order period, Lockyer launched an unprecedented marketing and web-based campaign. The effort featured a first-of-its-kind web site, managed by Lockyer's office, which provided information on how to purchase bonds in the early order period, and links to brokers who placed investors' orders. To help direct investors to www.buycaliforniabonds.com, the campaign also included radio and newspaper ads in the Bay Area and Central Coast. The web site will be operational in future GO bond sales.

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