



NORTH CAROLINA

OFFICE OF THE TREASURER

JANET COWELL, TREASURER

April 17, 2009

FOR IMMEDIATE RELEASE

Contact: Heather Franco (919) 807-3132

STATE OF NORTH CAROLINA ISSUES \$400 MILLION OF LIMITED OBLIGATION BONDS

RALEIGH – The State of North Carolina sold this week \$400 million of Capital Improvement Limited Obligation Bonds (the Series 2009A Bonds) to finance various state capital projects. The Series 2009A Bonds will provide funding for higher education, public safety and various other projects. The Bonds were sold through a negotiated underwriting lead-managed by Banc of America Securities. The Bonds were issued at a true interest cost of 4.136 percent. The issuance was oversubscribed by nearly two to one, showing outstanding acceptance from the market. The other managers of the issue were BB&T Capital markets, Loop Capital markets, RBC Capital Markets and Wachovia Securities.

The Capital Improvement Limited Obligation Bonds are supported by an annual budgetary appropriation of debt service, unlike General Obligation bonds which are supported by the full faith and credit of the State. Rated Aa1/AA+/AA+ by Moody's, S&P and Fitch, the 2009A Bonds are rated one notch below the State's General Obligation bond rating of "triple-triple A."

The Council of State approved a resolution authorizing the sale of the Bonds at their meeting on January 6, 2009. After the Series 2009A issue, the State has approximately \$1.7 billion of authorized Special Indebtedness that is expected to be issued as Capital Improvement Limited Obligation Bonds. Additional issues will be sold as the authorized projects require additional funding.

###