

# P R E S S   R E L E A S E

*For immediate release*

**CONTACT: ANA MARÍA GREGORIO**

Tel. (787) 728-9200 • (787) 722-2525 exts. 2013 and 2014

Cel. (787) 415-1231 • [ana.m.gregorio@bgfpr.com](mailto:ana.m.gregorio@bgfpr.com) • [www.gdbpr.com](http://www.gdbpr.com)



April 12, 2012

## **Successful Bond Issue by PREPA**

### *Investors' Trust in Puerto Rico and PREPA Reaffirmed*

**San Juan, P.R.-** The Puerto Rico Electric Power Authority (PREPA) concluded yesterday the sale of a \$650 million bond issue, Government Development Bank for Puerto Rico Juan Carlos Batlle announced. Planned for \$475 million, the issue was upsized due to the strong demand. The deal is subject to final approval by GDB's and PREPA's Boards of Directors at their meetings scheduled for tomorrow.

Total orders surpassed the \$2 billion mark, which represents more than three times the bonds available for sale. The strong demand and interest in PREPA's bonds allowed for an adjustment in the interest rate on bonds maturing in 2042 by 0.12% (from 5.20% to 5.08%), which resulted in lower costs for PREPA.

This issue will allow PREPA to restructure its debt to achieve savings and will also allow financing PREPA's Capital Improvement Plan for FY 2013.

"The success of this issue shows the importance of the GDB and PREPA team meeting face to face with investors to explain PREPA's strategic plan and emphasize the fiscal transparency of the government entities accessing the capital markets," Batlle stated.

"This support is also evidence that investors and credit rating agencies support PREPA's strategic plan, which includes: diversification of our current dependence on oil to natural gas and other renewable energy sources, reducing operational expenses, cracking down on energy theft, and implementing the new fuel purchasing program," GDB Executive Vice President for Fiscal Agency Juan Manuel Román pointed out.

"The final bond structure was composed of over 40 institutional investors, which again is a positive example of the efforts this administration has made to maintain close and transparent communication with the finance community," GDB Executive Vice President for Financing José R. Otero-Freiría added.

"GDB will continue offering all the necessary support to PREPA in order to implement its strategic plan, and in any future deal that is for the benefit of Puerto Rico," Batlle concluded.

###

---