

P R E S S R E L E A S E

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Successful Bond Issue by Public Buildings Authority

Investors' Trust in Puerto Rico Reaffirmed

San Juan, P.R.- Juan Carlos Batlle, president of the Government Development Bank for Puerto Rico (GDB), announced today that yesterday the Public Buildings Authority (PBA) refinanced \$582.4 million bonds in the tax-exempt market. The bond issue sought to refinance certain PBA outstanding bonds (Series D, G and J) to generate savings and repay certain credit lines granted by the GDB.

The large demand for the PBA bonds comes one day after Standard and Poor's (S&P's) announced its decision to revise to negative from stable the outlook on the credit of the commonwealth of Puerto Rico.

“This successful issue proves that both individual and institutional investors have validated the Fiscal Stabilization Plan and trust the discipline we maintain in expenditure control, because we have maintained the fiscal responsibility policies already implemented by the Fortuño Administration. Again, we thank our investors for their trust,” Batlle stated.

The PBA bonds are guaranteed by the commonwealth of Puerto Rico and consequently have the same classification as the Central Government: Baa1 (Moody's), BBB (S&P's) and BBB+ (Fitch).

“We received approximately \$450 million in retail orders and approximately \$1.2 billion in institutional orders, for a total of over \$1.65 billion in orders for less than \$600 million in bonds available for sale. The strong investor interest in PBA bonds resulted in a 0.125 percent reduction in the 30-year yield (from 5.50% to 5.375%). The GDB will continue to provide PBA all the support needed in implementing its strategic plan and in any future deal that is for the benefit of Puerto Rico,” the GDB president concluded.

The final transaction was approved today by the Boards of the GDB and PBA. Goldman Sachs, BMO Capital Markets and RBC Capital Markets co-managed the issue.

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