

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. 15310 and 15311
Cel. (787) 415-1231 • ana.m.gregorio@bgfpr.com • www.gdbpr.com



June 13, 2012

Successful Issue by Public Finance Corporation Exceeds Government Expectations

Investor Confidence in the Fortuño Administration's Work is Categorically Reaffirmed

San Juan, P.R.- Government Development Bank (GDB) President Juan Carlos Batlle announced today that the Puerto Rico Public Finance Corporation (PFC) issued \$410 million bonds in the local market. The issue sought to refinance PFC outstanding bonds representing \$6.6 million in savings for PFC.

During the sales period, which lasted approximately three hours, the GDB received \$422 million in retail orders and \$122 million in institutional orders, for a total of \$543.7 million, or 33% more than the bonds available for sale.

“The strong interest in PFC bonds is another irrefutable example of investor support to the Fortuño Administration’s work. In addition, it is further clear evidence against recent allegations by some politicians who have tried to mislead the people of Puerto Rico by indicating that we have lost market access or that we’re paying higher yields than in 2009,” Batlle pointed out.

The GDB President added that the “subject of Puerto Rico’s credit and capital market access is very serious and should not be used by some to mislead the people through unfounded statements. You have to be transparent and honest when issuing statements that could have an impact on Puerto Rico’s reputation or good name in the capital markets.”

Yield to maturity ranged from 3.10% for bonds of the shortest maturity (2015) and 5.35% for bonds maturing in 2031. The approximate cost of the transaction was 4.75%. A similar transaction at the end of 2008 would have cost us over 6.50%, which again proves that today Puerto Rico pays LESS for its debt than what it paid in 2008. The numbers speak for themselves,” Batlle explained.

The transaction has already been approved by the Boards of Directors of GDB and PFC.

###
