

26 September 2008

PRESS NOTICE

STERLING TREASURY BILL TENDERS: OCTOBER-DECEMBER 2008 AND ANNOUNCEMENT OF NON CREATION OF COLLATERAL

In the third quarter of the 2008-09 financial year the United Kingdom Debt Management Office (DMO) will hold weekly tenders at which the Treasury bills on offer will include one-month (approximately 28 days), three-month (approximately 91 days) and six-month bills (approximately 182 days).

The precise quantities and maturities of Treasury bills on offer will be announced with the results of the tender in the week prior to the relevant tender. The tender and settlement dates for the tenders to be held in the period October-December 2008 are set out below.

<u>Tender date</u>	<u>Settlement date</u>
3 October	6 October
10 October	13 October
17 October	20 October
24 October	27 October
31 October	3 November
7 November	10 November
14 November	17 November
21 November	24 November
28 November	1 December
5 December	8 December

<u>Tender date</u>	<u>Settlement date</u>
12 December	15 December
19 December	22 December

The next quarterly notice outlining the maturities of Treasury bills to be made available at tenders in the period from January - March 2009 will be issued at 3.30pm on Friday 19 December 2008.

NON CREATION OF COLLATERAL FOR CASH MANAGEMENT OPERATIONS

Please note that the DMO is also announcing that it will **not** be creating a combination of gilts and Treasury bills in October for use as collateral in its cash management operations.

CLARIFICATION OF THE TERMS OF THE DMO'S DISCRETIONARY BILATERAL TREASURY BILL ISSUANCE FACILITY

In November 2007 the DMO introduced a facility which allows DMO counterparties to request bilateral issuance of Treasury bills maturing on dates of existing bills issued by tender. The DMO is today clarifying that maturity dates of Treasury bills which have been issued in relation to the Bank of England's Special Liquidity Scheme (SLS) will also, from Monday 29 September 2008, be eligible for the purposes of bilateral issuance under this facility. This will have the effect of extending the range of potential maturity dates for which bilateral issuance can be requested. All other terms, including the discretionary nature of the facility, remain unchanged.

NOTES TO EDITORS

Each quarter the DMO publishes a timetable of Treasury bill tenders for the quarter ahead, and an indication of likely maturities. It was announced on 18 April 2008 that the stock of Treasury bills in market hands is planned to fall by £0.9 billion in 2008-09, taking the planned level of the Treasury bill stock at end-March 2009 to £16.7 billion.

Provisions relating to the creation of collateral are set out in paragraph 6.9 of the DMO Exchequer cash management remit 2008-09, which requires the DMO to give advance notice of whether any collateral is to be created or not.

Further information on Treasury bill issuance may be found in the Exchequer Cash Management Operational Notice, which was published by the DMO on 11 September 2003.

The Operational Notice and this press release are available on the DMO's website: www.dmo.gov.uk.

The terms of the discretionary bilateral Treasury bill issuance facility are set out at <http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/press/sa271107b.pdf>