

53/05

1 November 2005

## **PRESS NOTICE**

### **DETAILS OF GILT AUCTION ON TUESDAY 8 NOVEMBER 2005**

AMOUNT: £3,250 million nominal

GILT: 4¼% TREASURY GILT 2011

MATURITY DATE: 7 MARCH 2011

INTEREST DATES: 7 MARCH / 7 SEPTEMBER

AUCTION DATE: 8 NOVEMBER 2005

SETTLEMENT DATE: 9 NOVEMBER 2005

The United Kingdom Debt Management Office ("the DMO") announces the issue by Her Majesty's Treasury of £3,250 million nominal of 4¼% Treasury Gilt 2011, for auction on a fully-paid bid-price basis on Tuesday, 8 November 2005 and settlement on Wednesday, 9 November 2005.

It is intended that, once at least £5,000 million nominal of 4¼% Treasury Gilt 2011 has been issued, it will become strippable in accordance with the terms of the Information Memorandum, published by the DMO, relating to the Issue, Stripping and Reconstitution of British Government Stock dated December 2004, as amended by the DMO's Notices of 13 May 2005 and 13 September 2005, (the "Information Memorandum"). The DMO will announce when the gilt becomes strippable.

Interest on 4¼% Treasury Gilt 2011 will be payable half-yearly on 7 March and 7 September. Interest on the gilt will accrue from 9 November 2005, the issue date of the gilt, and the first interest payment will be due on 7 March 2006 at the rate of £1.385359 per £100 nominal of the gilt. The gilt will be repayable at par on 7 March 2011.

Interest payments will ordinarily be paid to holders of this gilt without deduction of United Kingdom income tax. However, holders may elect to have United Kingdom income tax deducted from interest payments, should they so wish, on application to the Registrar, Computershare Investor Services PLC.

Under Rule 7265 of the London Stock Exchange, dealings in the unstripped 4¼% Treasury Gilt 2011 on a "when-issued" basis may be conducted from the time of this announcement until the close of business on Tuesday, 8 November 2005. The SEDOL and ISIN codes to be used for "when-issued" trading and following the gilt's issue on 9 November 2005 are B-0LN-X64 and GB00B0LNX641 respectively. In relation to "when-issued" trading, the TIDM code "AUC" should be used for trade reporting purposes.

A Notice announcing the auction of this issue of the gilt will be advertised in the Press. Bids may be made on either a competitive or a non-competitive basis. Details of the bidding procedures are set out in the prospectus and in the Information Memorandum. The prospectus for competitive bids and non-competitive bids, the Information Memorandum and the Notices of Amendment can be obtained from the Registrar or the DMO or from the DMO's website at:

[www.dmo.gov.uk/gilts/public/prospectus/prosp011105.pdf](http://www.dmo.gov.uk/gilts/public/prospectus/prosp011105.pdf),  
[www.dmo.gov.uk/gilts/public/technical/infmem211204.pdf](http://www.dmo.gov.uk/gilts/public/technical/infmem211204.pdf),  
[www.dmo.gov.uk/gilts/public/technical/infmemadd130505.pdf](http://www.dmo.gov.uk/gilts/public/technical/infmemadd130505.pdf) and  
[www.dmo.gov.uk/gilts/public/technical/infmemadd130905.pdf](http://www.dmo.gov.uk/gilts/public/technical/infmemadd130905.pdf) respectively.

Application forms from Approved Group members must be sent to Computershare Investor Services PLC, who are acting on behalf of the DMO, at the following address: PO Box 2411, The Pavilions, Bristol, BS3 9WX to arrive not later than 10.00 am on Tuesday, 8 November 2005. They may also be lodged by hand at the DMO, Eastcheap Court, 11 Philpot Lane, London, EC3M 8UD not later than 10.00 am on Tuesday, 8 November 2005.

Gilt-edged market makers may bid by telephone to the DMO not later than 10.30 am on Tuesday, 8 November 2005.

## **NOTE TO EDITORS**

The DMO's remit for 2005-06 was published on 16 March 2005 as part of the Budget 2005 announcements and revised on 20 April 2005 following the publication of an outturn CGNCR for 2004-05 which was £4.3 billion lower than forecast at the Budget. Planned gilt sales in 2005-06 were reduced by £2.4 billion to £51.1 billion; conventional gilt sales are now planned to raise



£41.1 billion in 15 auctions whilst planned index-linked sales are for £10.0 billion in 9 auctions and 1 syndicated offering. Gilt sales in the financial year to date are £30.6 billion (cash) of which index-linked sales account for £6.0 billion (cash).

The auction announced today is the fifteenth of the 2005-06 remit and the tenth of a conventional gilt. It is the first auction of 4¼% Treasury Gilt 2011, which is the first new short-dated conventional gilt to be issued since 4¾% Treasury Stock 2010 in November 2004. Short conventional gilt sales of £12.1 billion (cash) are planned in 2005-06; short conventional gilt sales to date are £6.0 billion (cash).

The new gilt will pay its first coupon on 7 March 2006 which will be slightly smaller than the normal semi-annual coupon to account for the reduced period between the issue date and the first interest payment date. The value of the coupon payable on 7 March 2006 (a “short” first coupon) will be £1.385359 per £100 nominal of the gilt. The formula for calculating accrued interest during the “short” first coupon period can be found in Section Two of the DMO’s paper “Formulae for Calculating Gilt Prices from Yields”, updated on 16 March 2005 ([www.dmo.gov.uk/gilts/public/technical/yldeqns.pdf](http://www.dmo.gov.uk/gilts/public/technical/yldeqns.pdf)).

Copies of the full prospectus are available on request from the addresses given below and on the DMO website, [www.dmo.gov.uk/gilts/public/prospectus/index.htm](http://www.dmo.gov.uk/gilts/public/prospectus/index.htm). Only applications made on the forms sent out by the Registrar to Approved Group members will be accepted in the auction.

Copies of the Information Memorandum are available from the DMO, Eastcheap Court, 11 Philpot Lane, London, EC3M 8UD (telephone 020-7862 6500; fax 020-7862 6509) and Computershare Investor Services PLC, PO Box 2411, The Pavilions, Bristol, BS3 9WX (telephone 0870 703 0143).

This press notice will be appearing on the DMO’s website at:

[www.dmo.gov.uk/gilts/press/index.htm](http://www.dmo.gov.uk/gilts/press/index.htm).

