

19/05

31 March 2005

PRESS NOTICE

GILT AUCTIONS: APRIL-JUNE 2005

In the first quarter of the 2005-06 financial year, the UK Debt Management Office (“DMO”) plans to hold seven outright auctions of gilts as set out below.

Outright auctions

- Tuesday 12 April 2005: 2% Index-linked Treasury Stock 2035
- Thursday 14 April 2005: 5% Treasury Stock 2025
- Thursday 28 April 2005: 4¾% Treasury Stock 2010
- Tuesday 24 May 2005: 2½% Index-linked Treasury Stock 2016
- Thursday 26 May 2005: A new current coupon conventional gilt maturing on 7 December 2055
- Tuesday 7 June 2005: 4¾% Treasury Stock 2020
- Thursday 23 June 2005: 4⅛% Index-linked Treasury Stock 2030

Auction pre-announcements

The nominal amounts to be auctioned outright and the other terms of each auction will be announced at 3.30pm on the following dates:

- Tuesday 5 April 2005 for the auctions on 12 and 14 April.
- Tuesday 19 April 2005 for the auction on 28 April.
- Tuesday 17 May 2005 for the auctions on 24 and 26 May. The coupon on the new gilt maturing on 7 December 2055 will also be announced on this date.

- Tuesday 31 May 2005 for the auction on 7 June.
- Tuesday 14 June 2005 for the auction on 23 June

Instrument name

As of the date of this announcement, any new gilt-edged security issued by the DMO will be named “Treasury Gilt” instead of the currently used term “Treasury Stock”.

NOTES TO EDITORS

Gilt sales of £53.5 billion (cash) in 26 auctions are planned for 2005-06, split as follows:

- Short conventionals: £12.5 billion in 4 auctions
- Medium conventionals: £11.5 billion in 4 auctions
- Long conventionals*: £18.5 billion in 7 auctions
- Index-linked gilts*: £11.0 billion in 11 auctions

** including issuance of ultra-long (up to approx 50-year) maturities.*

Further details of the Government’s financing plans and the DMO’s remit for 2005-06 are available in the Debt and Reserves Management Report (DRMR) 2005-06, which is available on the DMO website at: www.dmo.gov.uk/remit/drmr0506.pdf

The change of name for new gilt-edged securities issued from 2005-06 reflects a decision to highlight the use of the word “gilt”, which benefits from widespread recognition among investors. It has been reported to the DMO that the word “stock” carries with it connotations of equity products, particularly for some international investors. In addition, the change of name will help to easily distinguish between new three-month lag index-linked securities, which will be labelled ‘gilts’, from the current eight-month lag instruments, which are labelled ‘stocks’. The DMO can issue new three-month lag index-linked gilts from the second quarter of the 2005-06 financial year. The change of name is presentational only and does not represent **any** change to the underlying characteristics of the instrument.

This press release will be appearing on the DMO website: www.dmo.gov.uk