

15/01

15 May 2001

PRESS NOTICE

DETAILS OF GILT AUCTION ON THURSDAY 24 MAY 2001

AMOUNT: £2,500 million nominal

STOCK: 5% TREASURY STOCK 2012

MATURITY DATE: 7 MARCH 2012

INTEREST DATES: 7 MARCH/7 SEPTEMBER

AUCTION DATE: 24 MAY 2001

The United Kingdom Debt Management Office ("the DMO") announces the issue by Her Majesty's Treasury of £2,500 million nominal of 5% Treasury Stock 2012, for auction on a fully-paid bid-price basis on Thursday, 24 May 2001. In addition, on Friday, 25 May 2001, Her Majesty's Treasury will create and issue to the Commissioners for the Reduction of the National Debt, for public funds under their management, a further £25 million nominal of this stock.

Interest on 5% Treasury Stock 2012 will be payable half-yearly on 7 March and 7 September. The first interest payment will be on 7 September 2001 at the rate of £1.426630 per £100 nominal of stock. The stock will be repayable at par on 7 March 2012. The DMO intends to make this stock strippable in due course.

Interest payments will be paid to all holders of this stock without deduction of United Kingdom income tax. However, holders on the Bank of England Register may elect to have United Kingdom income tax deducted from interest payments, should they so wish, on application to the Bank of England.

Under Rule 2.3 of the London Stock Exchange, dealings in 5% Treasury Stock 2012 on a "when-issued" basis may be conducted from the time of this announcement until the close of business on Thursday, 24 May 2001. The SEDOL and ISIN codes to be used for both "when-



issued" and post "when-issued" trading are 3-046-874 and GB0030468747 respectively. The TIDM code "AUC" should be used for trade reporting purposes.

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 will be advertised in the Press. Application forms must be sent to the Bank of England Registrar's Department, New Issues Team, who are acting on behalf of the DMO, at the following address; PO Box 444, Gloucester, GL1 1NP to arrive not later than 10.30 am on Thursday, 24 May 2001; or lodged by hand at the DMO, Cheapside House, 138 Cheapside, London not later than 10.30 am on Thursday, 24 May 2001.

Gilt-edged market makers may bid by telephone to the DMO not later than 10.30 am on Thursday, 24 May 2001.

NOTE TO EDITORS

The remit to the DMO and the auction calendar for the financial year 2001-02 were set out in the Debt & Reserves Management Report issued by HM Treasury on 7 March 2001. The DMO announced further details of the gilts to be auctioned in the first quarter of the 2001-02 financial year on 30 March 2001.

The auction announced today is the second of the 2001-02 financial year. Gilt sales of £13.5 billion (cash) are planned under the 2001-02 remit – of which conventional gilt sales are planned to be £9.75 billion (cash) split between £4.75 billion medium and £5.0 billion long maturities.

The DMO will give at least three month's notice of the stock becoming strippable – and any such announcement will include details of SEDOL and ISIN codes for the new principal strip and coupon strip dates for 7 March and 7 September. This stock will be the first strippable stock issued to have strip dates other than 7 June and 7 December.

Copies of the Information Memorandum are available from the DMO, Cheapside House, 138 Cheapside, London, EC2V 6BB (telephone 020-7862 6500; fax 020-7862 6509) and the Bank



of England, Registrar's Department, New Issues, Southgate House, Southgate Street, Gloucester, GL1 1UW (telephone 01452 398080; fax 01452 398020).

This press notice together with the prospectus and application forms for the issue of the stock will be appearing on the DMO's web site at: www.dmo.gov.uk.

