

10/98

21 July 1998

## **PRESS NOTICE**

### **GILT AUCTION**

AMOUNT: £2,500 million

STOCK: 5¾% TREASURY STOCK 2009

MATURITY DATE: 7 DECEMBER 2009

INTEREST DATES: 7 JUNE/7 DECEMBER

AUCTION DATE: 29 JULY 1998

The United Kingdom Debt Management Office ("the DMO") announces the issue by Her Majesty's Treasury of £2,500 million of 5¾% Treasury Stock 2009, for auction on a fully paid bid price basis on Wednesday, 29 July 1998. 5¾% Treasury Stock 2009 will, on issue, be strippable in accordance with the terms of the Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock dated 12 May 1998 ("the Information Memorandum").

Interest on 5¾% Treasury Stock 2009 is payable half-yearly on 7 June and 7 December. Interest on the stock will accrue from 30 July 1998, the issue date of the stock, and the first interest payment will be due on 7 December 1998 at the rate of £2.042350 per £100 nominal of stock<sup>1</sup>. The stock will be repayable at par on 7 December 2009. 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.

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<sup>1</sup> Please note that, because the first interest payment on this stock will be made after the new gilt market conventions are introduced from 1 November, it has been calculated on an actual/actual basis and to six decimal places. For this reason, the minimum unit of strippability of the stock will be £100,000 until the ex-dividend date of the 7 December 1998 coupon payment (see paragraph 46 on page 12 of the Bank of England's paper on the Official Gilt Strips Facility issued in October 1997).



Under Rule 2.3 of the London Stock Exchange, dealings in the unstripped 5¾% Treasury Stock 2009 on a "when-issued" basis may be conducted from the time of this announcement until the close of business on Wednesday, 29 July 1998. The SEDOL and ISIN codes to be used for "when-issued" trading and following the stock's issue on 30 July 1998 are 0-304-263 and GB0003042636 respectively. The TIDM code "AUC" should be used for trade reporting purposes.

"When-issued" trading in the principal and coupon strips of 5¾% Treasury Stock 2009 may also be conducted from the time of this announcement until the close of business on Wednesday, 29 July 1998. The SEDOL and ISIN codes to be used for "when-issued" trading in the principal and coupon strips and thereafter are appended to this notice together with the TIDM codes which 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's 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 Wednesday, 29 July 1998; or lodged by hand at the DMO, Cheapside House, 138 Cheapside, London not later than 10.30 am on Wednesday, 29 July 1998.

Gilt-edged market makers may bid by telephone to the DMO not later than 10.30 am on Wednesday, 29 July 1998.

## **NOTE TO EDITORS**

The remit to the DMO and the auction calendar for the financial year 1998-99 were set out in the Debt Management Report issued by HM Treasury on 19 March 1998 as amended by the DMO's press release of 11 June 1998.

The £2,500 million issue of 5¾% Treasury Stock 2009 will, on issue, be the first new gilt stock created in the 1998-99 financial year and will be the tenth stock declared strippable through the official gilt strips facility. The other strippable stocks are: 8% Treasury Stock 2000; 7% Treasury Stock 2002; 6½% Treasury Stock 2003; 8½% Treasury Stock 2005; 7½% Treasury Stock



2006; 7¼% Treasury Stock 2007; 8% Treasury Stock 2015; 8% Treasury Stock 2021; and 6% Treasury Stock 2028.

Copies of the Information Memorandum are available from the DMO, Cheapside House, 138 Cheapside, London, EC2V 6BB (telephone 0171-862 6500; fax 0171-862 6509) and the Bank of England, Registrar's Department, New Issues, Southgate House, Southgate Street, Gloucester, GL1 1UW (telephone 01452 398123; fax 01452 398449).

