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PRESS NOTICE

05 August 1999

ADDITIONAL ISSUE OF GOVERNMENT STOCK AND CONSULTATION ON RESCHEDULING OF NOVEMBER GILT AUCTION

The United Kingdom Debt Management Office ("DMO") is today announcing that it intends to create an additional amount of 6% Treasury Stock 2028 for sale by tap tomorrow morning.

The DMO will create an additional £400 million (nominal) of 6% Treasury Stock 2028. The tap issue will be conducted in accordance with the DMO Operational Notice of July 1998, with the amendments that each Gilt-Edged Market Maker will be limited to six bids up to a maximum amount of £100 million (nominal) in total and that the DMO will not publish a minimum price. Bidding for the additional stock will open at 10.45 am and close at 10.50 am. The DMO will publish the result as soon as possible after the close of bidding.

The 6% Treasury Stock 2028 to be issued will represent a further amount of the existing stock, carrying the same rights as that stock and subject to the terms and conditions applicable to that stock. The further issue of the stock will rank for the full six months' interest on the next interest payment date applicable to the stock.

The DMO is also today announcing that at the next regular consultation meetings with market participants, it will be seeking views on the desirability of moving forward the conventional gilt auction currently scheduled for Wednesday 24 November to either the 13th, 19th or 21st of October. Views on the stocks to be auctioned in the final quarter of the calendar year will be canvassed in the usual way. The next consultation meetings are scheduled for 20 and 21 September (at which the DMO also plans to cover the introduction of switch auctions).

The auction of 5¾% Treasury Stock 2009 on Tuesday 28th September will take place as previously announced by the DMO on the 30th June.

NOTES TO EDITORS

The further amount of 6% Treasury Stock 2028 will be available for dealing from 10.45 am tomorrow. Following this issue, the amount outstanding of this stock will be £7,900 million.

The DMO's authority to tap stock in exceptional market circumstances is set out in paragraph 14 of the Debt Management Office Remit 1999-2000. The Treasury has authorised the DMO to consult market participants about bringing forward the date on the conventional auction provisionally scheduled for November 24th 1999.

The proceeds from the tap issue of 6% Treasury Stock 2028 will count towards meeting the DMO's target for long issuance for 1999-2000 as a whole. The DMO's gilts financing remit for 1999-2000 sets out a target of £5.8 billion (cash). Sales of long gilts in 1999-2000 to date amount to £2.96 billion (cash).