

46/03

21 October 2003

PRESS NOTICE

DETAILS OF GILT AUCTION ON WEDNESDAY 29 OCTOBER 2003

AMOUNT: £2,500 million nominal

STOCK: 4¾% TREASURY STOCK 2015

MATURITY DATE: 7 SEPTEMBER 2015

INTEREST DATES: 7 MARCH / 7 SEPTEMBER

AUCTION DATE: 29 OCTOBER 2003

SETTLEMENT DATE: 30 OCTOBER 2003

The United Kingdom Debt Management Office ("the DMO") announces the issue by Her Majesty's Treasury of a further £2,500 million nominal of 4¾% Treasury Stock 2015, for auction on a fully-paid bid-price basis on Wednesday, 29 October 2003 for settlement on Thursday, 30 October 2003. This further issue will be fungible with the stock already in issue.

Interest on 4¾% Treasury Stock 2015 is payable half-yearly on 7 March and 7 September. The price payable for the stock being auctioned will include an amount equal to the accrued interest from 26 September 2003, the first issue date of the stock, to 30 October 2003, the settlement date of this auction, at the rate of £0.443681 per £100 nominal of stock. This further issue of stock will rank for the interest payment of £2.127060 per £100 nominal due on 7 March 2004. The stock will be repaid at par on 7 September 2015. From 30 October 2003 this stock 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 September 2003 (the "Information Memorandum"). The SEDOL and ISIN codes to be used for the new principal strip for "when issued" trading and from 30 October 2003, are 3-371-134 and GB0033711341 respectively. The minimum stripping unit will be £1 million nominal until the payment of the non-standard first coupon on 7 March 2004, after which the standard minimum stripping unit of £10,000 nominal will apply.



Interest payments will be paid to all holders of this stock 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 Bank of England.

Under Rule 7265 of the London Stock Exchange, dealings in the unstripped 4¾% Treasury Stock 2015 on a "when-issued" basis may be conducted from the time of this announcement until the close of business on Wednesday, 29 October 2003. The SEDOL and ISIN codes to be used for "when-issued" trading are 3-364-725 and GB0033647255 respectively. The TIDM code "AUC" should be used for trade reporting purposes. The SEDOL and ISIN codes to be used after this date are 3-328-033 and GB0033280339 respectively.

A Formal Notice announcing the auction of this further issue of stock 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 can be obtained from the Registrar or the DMO or from the DMO's website at www.dmo.gov.uk/gilts/public/prospectus211003.pdf.

Application forms from Approved Group members must be sent to the Bank of England Registrar's Department, New Issues, who are acting on behalf of the DMO, at the following address; Southgate House, Southgate Street, Gloucester, GL1 1UW to arrive not later than 10.00 am on Wednesday, 29 October 2003; or lodged by hand at the DMO, Eastcheap Court, 11 Philpot Lane, London, EC3M 8UD not later than 10.00 am on Wednesday, 29 October 2003.

Gilt-edged market makers may bid by telephone to the DMO not later than 10.30 am on Wednesday, 29 October 2003.

NOTE TO EDITORS

HM Treasury announced the Provisional Remit to the DMO and the provisional auction calendar for the financial year 2003-04 on 20 March 2003. Following the Budget on 9 April 2003 the DMO's remit for 2003-04 was revised, with total planned gilt sales increasing to £47.4 billion. Conventional gilt sales are planned to raise £40.9 billion in 15 auctions and index-linked sales £6.5 billion in 8 auctions.

The auction announced today is the seventeenth of the 2003-04 remit and the twelfth of a conventional stock. It represents a further tranche of 4¾% Treasury Stock 2015, first issued in



September 2003. Following this auction the nominal amount outstanding of 4¾% Treasury Stock 2015 will be £5.25 billion. Medium conventional gilt sales of £13.2 billion (cash) are planned in 2003-04.

To date, outright gilt sales under the remit are £33.6 billion (cash) relative to the target of £47.4 billion; medium conventional gilt sales to date are £10.7 billion (cash).

4¾% Treasury Stock 2015 will pay a coupon on 7 March 2004 which will be slightly smaller than the normal semi-annual coupon to account for the shortened interest period from 26 September 2003 to 7 March 2004. The amount of the shorter coupon payable on 7 March 2004 will be £2.127060 per £100 nominal of stock. The formula for calculating accrued interest during the first “short” coupon period can be found in Section Two of the DMO’s paper “Formulae for Calculating Gilt Prices from Yields”, updated on 15 January 2002 (www.dmo.gov.uk/gilts/public/technical/yldegns_v2.pdf).

Copies of the full prospectus are available on request from the addresses given below and on the DMO website, www.dmo.gov.uk. Only stock 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 the Bank of England, Registrar’s Department, New Issues, Southgate House, Southgate Street, Gloucester, GL1 1UW (telephone 01452 398100; fax 01452 398020).

This press notice together with the prospectus for the issue of the stock will be appearing on the DMO’s website at: www.dmo.gov.uk.

