

PRESS NOTICE

28/99

21 September 1999

END OF 8% TREASURY STOCK 2009 SWITCH FACILITY AND THE ANNOUNCEMENT OF NEW RUMP STOCKS

Following the end of the facility under which holders of 8% Treasury Stock 2009 could switch that stock for 5¾% Treasury Stock 2009, 8% Treasury Stock 2009 has from 3.30pm today been declared a "rump" by the DMO, as has 4% Consolidated Stock.

After the deduction of stock bought in via the switch facility there is currently £393 million nominal of 8% Treasury Stock 2009 available in the market. The total outstanding will however remain at £560 million nominal until such time as the stock bought in under the facility is cancelled. The declaration of rump status for 8% Treasury Stock 2009 reflects the particular circumstances of that stock following the conversion offer last year. For all other stocks, from 3.30pm today the DMO will no longer require GEMMs to make markets in gilts with less than £400 million nominal of stock available in the market. As a consequence, the undated 4% Consolidated Stock has also been declared a "rump" stock from 3.30pm today.

NOTE TO EDITORS

The switch facility from 8% Treasury Stock 2009 into 5¾% Treasury Stock 2009 was introduced on 11 January 1999 in response to requests from market makers to address illiquidity in 8% Treasury Stock 2009, which was left with £560 million nominal in issue after the conversion offer into 5¾% Treasury Stock 2009 in November 1998.

Since January, holders of 8% Treasury Stock 2009 have been able to switch (via GEMMs) their holdings through the DMO in return for 5¾% Treasury Stock 2009. £400 million nominal of 5¾% Treasury Stock 2009 was created for this purpose. £167 million nominal of 8% Treasury Stock 2009 was switched against £197 million nominal of 5¾% Treasury Stock 2009, reducing the amount of 8% Treasury Stock 2009 available in the market to £393 million nominal. £203 million nominal of the

£400 million nominal of 5¾% Treasury Stock 2009 created at the start of the facility remained unused.

The switch facility closed at 5pm on Monday 20 September 1999 ahead of today's separate announcement about the size of the 28 September auction of 5¾% Treasury Stock 2009. £200 million nominal of 5¾% Treasury Stock 2009 left over from the switch facility is being added to new 5¾% Treasury Stock 2009 to take the auction amount to £2,750 million nominal.

With the addition of 8% Treasury Stock 2009 and 4% Consolidated Stock to the list of stocks for which GEMMs are not required to make markets and for which the DMO will provide bids on request (ie "rump" stocks), the 24 rump stocks are:

Rump stocks	Redemption date
2½% I-L Treasury Conversion 1999	22-Nov-99
8½% Treasury 2000	28-Jan-00
13¾% Treasury 2000-2003	25-Jul-00
9½% Conversion 2001	12-Jul-01
9¾% Conversion 2001	10-Aug-01
10% Conversion 2002	11-Apr-02
9½% Conversion 2002	14-Jun-02
9% Exchequer 2002	19-Nov-02
11¾% Treasury 2003-2007	22-Jan-03
9¾% Conversion 2003	07-May-03
12½% Treasury 2003-2005	21-Nov-03
13½% Treasury 2004-2008	26-Mar-04
10% Treasury 2004	18-May-04
9½% Conversion 2004	25-Oct-04
10½% Exchequer 2005	20-Sep-05
9% Conversion 2006	15-Nov-06
8% Treasury 2009	25-Sep-09
12% Exchequer 2013-2017	12-Dec-13
4% Consolidated	Undated
3½% Conversion	Undated
3% Treasury	Undated
2½% Consolidated	Undated
2½% Annuities	Undated
2¾% Annuities	Undated

Double-dated issues currently above par are assumed to be called at the first maturity opportunity.

This press release is also appearing on the DMO website at www.dmo.gov.uk