

DMO ANNOUNCEMENT: 17 JANUARY 2007

USE OF THE DMO'S STANDING REPO FACILITY

An additional £220 million of 8% Treasury Stock 2015 has today been created and made available to the market under the terms of the DMO's standing repo facility, which was introduced on 1 June 2000. It is intended that this additional stock will be cancelled upon return, but the DMO will make an announcement at that time. The DMO has been given general collateral at the Bank of England's repo rate against the stock it has lent.

The additional stock created this morning is NOT eligible for inclusion in FTSE indices calculations and the amount in issue following the cancellation of this stock will remain at £7,744 million (nominal).