

29 June 2007

PRESS NOTICE

STERLING TREASURY BILL TENDERS: JULY TO SEPTEMBER 2007 AND ANNOUNCEMENT OF NON-CREATION OF COLLATERAL.

In the second quarter of the 2007-08 financial year the United Kingdom Debt Management Office (DMO) will hold weekly tenders at which the Treasury bills on offer will include both one-month (approximately 28 days) and three-month (approximately 91 days) bills. In addition, the DMO intends to continue to hold monthly tenders for six-month bills (approximately 182 days).

The precise quantities and maturities of Treasury bills on offer will be announced with the results of the tender in the week prior to the relevant tender. The DMO expects the nominal amounts of three and six-month bills on offer at each tender to be relatively stable. The tender and settlement dates for the tenders to be held in the July to September 2007 period are set out below. Note that because of the August bank holiday the tender on Friday 24 August will settle on Tuesday 28 August.

<u>Tender date</u>	<u>Settlement date</u>
6 July	9 July
13 July	16 July
20 July	23 July
27 July	30 July
3 August	6 August
10 August	13 August
17 August	20 August

24 August	28 August
31 August	3 September
7 September	10 September
14 September	17 September
21 September	24 September
28 September	1 October

The next quarterly notice outlining the maturities of Treasury bills to be made available at tenders in the period from October to December 2007 will be issued with the results of the tender to be held on 28 September 2007.

COLLATERAL FOR CASH MANAGEMENT OPERATIONS

Please note that the DMO is also announcing that it will **not** be creating a combination of gilts and Treasury bills for use as collateral in its cash management operations in July 2007.

Provisions relating to the creation of collateral are set out in Paragraph 6.10 of the 2007-08 DMO Exchequer Cash Management remit and provisions for the issue on the third Wednesday of April, July and October 2007 and January 2008, of a combination of gilts and Treasury bills to be used only as collateral in the DMO's cash management operations.

Paragraph 6.10 of the DMO Exchequer Cash Management remit requires that the DMO gives advance notice whether any collateral is to be created or not.

NOTES TO EDITORS

Each quarter the DMO publishes a timetable of Treasury bill tenders for the quarter ahead, and an indication of likely maturities. It was announced along with the Budget Report 2007 on 21 March that the stock of Treasury bills in market hands was scheduled to rise by £1.4 billion in 2007-08. Following the publication of the outturn Central Net Cash Requirement (CGNCR) for 2006-07, however, which resulted in a rise of £0.1 billion in the financing requirement for 2007-08, planned

Treasury bill sales were increased by £1.5 billion. This takes the planned level of Treasury bill stock at end-March 2008 to £17.1 billion.

Further information on Treasury bill issuance may be found in the Exchequer Cash Management Operational Notice, which was published by the DMO on 11 September 2003. The Operational Notice and press release is available on the DMO's website: www.dmo.gov.uk.