

48/07

31 August 2007

PRESS NOTICE

GILT AUCTIONS: OCTOBER-DECEMBER 2007

In the third quarter of the 2007-08 financial year, the UK Debt Management Office plans to hold nine outright auctions of gilts, as set out below.

Auction date*	Gilt	Details¹ announced (at 3.30pm)
Tuesday 2 October	A new conventional gilt maturing on 7 December 2030	Tuesday 25 September
Wednesday 10 October	1 $\frac{7}{8}$ % Index-linked Treasury Gilt 2022	Tuesday 2 October
Wednesday 24 October	1 $\frac{1}{8}$ % Index-linked Treasury Gilt 2037	Tuesday 16 October
Thursday 1 November	5% Treasury Gilt 2018	Tuesday 23 October
Tuesday 6 November	The new conventional gilt maturing on 7 December 2030	Tuesday 30 October
Tuesday 20 November	A new index-linked gilt maturing on 22 November 2047	Tuesday 13 November
Wednesday 28 November	4 $\frac{1}{2}$ % Treasury Gilt 2042	Tuesday 20 November
Tuesday 4 December	5 $\frac{1}{4}$ % Treasury Gilt 2012	Tuesday 27 November
Wednesday 12 December	1 $\frac{7}{8}$ % Index-linked Treasury Gilt 2022	Tuesday 4 December

* Auction dates in October are subject to confirmation following the Chancellor's decision on the Budget timetable.

Commenting on the Q3 issuance calendar, Robert Stheeman, Chief Executive of the DMO said:

"The Q3 programme announced today reflects the DMO's ongoing commitment to building up benchmark gilts across the whole maturity spectrum in both nominal and index-linked formats.

The centre piece of the new auction calendar is the planned launch of two new gilts next quarter – a 2047 maturity index-linked gilt and a 2030 maturity conventional. The issue of a 40-year index-linked gilt has been the subject of discussions with investors and market makers over the past year and its planned launch in November will mean that we have new design bonds in issue at 10-, 15-, 20-, 30-, 40- and 50-years.

¹ Including the nominal sizes in all cases and the coupon on the new gilts to be auctioned on 2 October and 20 November.

The decision to launch a new 2030 conventional gilt, which will be opened twice in rapid succession to help build up liquidity, complements ongoing issuance at 5-, 10- and 35-year maturities, thereby helping to meet demand from different investor types. It also offers the DMO and the market a broader choice of issuance and investment options, both now and in the medium-term, given the number of long-dated auctions scheduled and the very broad nature of this maturity band”.

First dividend periods

The new conventional gilt maturing on 7 December 2030 will pay a short first dividend on 7 December 2007. The new index-linked gilt maturing on 22 November 2047 will pay a long first dividend on 22 May 2008.

NOTES TO EDITORS

Gilt sales of £58.4 billion (cash) are planned in 2007-08 and current progress against the remit is summarised in the table below.

Gilt sales v remit at 31 August 2007 (£ millions).					
	Conventional Gilts			Index-linked gilts	Total
	Short (1-7 yrs)	Medium (7-15yrs)	Long (15 yrs+)		
Gilt sales to date	2,442	4,918	8,465	6,067	21,891
Total planned sales	10,000	10,000	23,400	15,000	58,400
Sales remaining	7,558	5,082	14,935	8,933	36,509
Auctions remaining	3	2	7	9	21