

11/02

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PRESS NOTICE

EARLY REDEMPTION OF 8% TREASURY STOCK 2002-2006 ON 5 OCTOBER 2002

The United Kingdom Debt Management Office ("DMO") has today announced its intention to redeem 8% Treasury Stock 2002-2006 at par on Saturday 5 October 2002 (the earliest possible opportunity).

Redemption monies will be payable on that date either to persons registered as holders of the stock on 26 September 2002 (the final ex-dividend date), or in accordance with instructions received from such holders. The next and final interest payment on the stock will also be payable on 5 October 2002.

NOTES TO EDITORS

8% Treasury Stock 2002-2006 was originally issued in October 1971. There is currently £2,064 million nominal in issue of this double-dated stock. Double-dated stocks may be redeemed at the option of HM Treasury on or after the first of the specified dates. The prospectus for 8% Treasury Stock 2002-2006 includes the requirement that the holders of the stock must be given not less than three calendar months' notice in the *London Gazette* of the Government's intention to redeem early. Such a notice is appearing in today's edition of the *London Gazette*.

Saturday 5 October 2002, the next interest payment date on 8% Treasury Stock 2002-2006, is the earliest date that the Government can exercise the option. Redemption amounts and the final interest payments will be paid to persons registered as holders of the stock on 26 September 2002. Payments will settle from Monday 7 October.

From Monday 29 April 8% Treasury Stock 2002-2006 will become eligible for purchase by the DMO's gilt dealers as a "near-maturity stock" since, following this announcement, the stock has less than six months to run to maturity. The ability to purchase amounts of the stock in this way helps smooth the gilt redemption profile and can be helpful in Exchequer cash management terms.

This press release will be appearing on the DMO web site at: www.dmo.gov.uk.