

28 September 2007

PRESS NOTICE

STERLING TREASURY BILL TENDERS: OCTOBER TO DECEMBER 2007 AND ANNOUNCEMENT OF NON-CREATION OF COLLATERAL.

In the third 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 October to December 2007 period are set out below.

<u>Tender date</u>	<u>Settlement date</u>
5 October	8 October
12 October	15 October
19 October	22 October
26 October	29 October
2 November	5 November
9 November	12 November
16 November	19 November
23 November	26 November
30 November	3 December

7 December	10 December
14 December	17 December
21 December	24 December
28 December	31 December

The next quarterly notice outlining the maturities of Treasury bills to be made available at tenders in the period from January to March 2008 will be issued with the results of the tender to be held on 28 December 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 October 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 with the publication of the outturn Central Net Cash Requirement (CGNCR) for 2006-07, on 23 April 2007 that the stock of Treasury bills in market hands was scheduled to rise by £1.5 billion in 2007-08. 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.