

DMO SCREEN/WEB ANNOUNCEMENT – 9 JANUARY 2007

SALE AND TENDER OF BNFL-OWNED INDEX-LINKED GILT STOCKS 2009 AND 2013

2½% Index-linked Treasury Stock 2013: £65 million (nominal).

The UK Debt Management Office (DMO) announces the sale by tender of £65 million (nominal) of 2½% Index-linked Treasury Stock 2013 on Monday 15 January 2007. This holding forms part of the portfolio of index-linked gilts currently held by British Nuclear Fuels Limited (BNFL), which is being liquidated as a consequence of the transfer of the discharge of nuclear liabilities to the Nuclear Decommissioning Authority, as announced at the time of the Pre- Budget Report on 6 December 2006. As this is a sale of existing gilts, there will be no impact on any gilt market indices.

Details of the tender are as follows –

- It will be conducted on a uniform price basis, with no non-competitive bidding facility,
- GEMM firms may each submit up to six bids by telephone, either for their own account or on behalf of customers, to two decimal places and in multiples of round GBP millions (nominal),
- Bids must be received by the DMO before 2:30pm,
- There will be no maximum allocation limit and no minimum bid price set, although the DMO reserves the right not to accept bids deemed to be at an unacceptable discount to the prevailing market price.

2½% Index-linked Treasury Stock 2009: £10 million (nominal).

In addition, and to the same 2:30pm deadline, GEMM firms are also invited to submit one single bid for the whole of BNFL's holding of £10 million (nominal) of 2½% Index-linked Treasury Stock 2009. This will be allocated to the highest price bidder. In the event of two or more firms submitting the same highest price, allocations will be scaled pro rata.

The results of both operations will be announced on the DMO's wire services pages and web site as soon as practicable after 2:30pm on 15 January 2007, and settlement of both operations will be on the following day, Tuesday 16 January 2007, for which the DMO's standard settlement arrangements will apply.