

23/02

5 August 2002

PRESS NOTICE

GILT-EDGED CONVERSION: FROM 9% TREASURY STOCK 2008 INTO 5% TREASURY STOCK 2008

The final result of the above conversion offer is that acceptances have been received for £4,808,348,953.20 (87.5%) of the £5,495 million nominal of 9% Treasury Stock 2008 outstanding prior to the offer.

The nominal amount of 5% Treasury Stock 2008 outstanding prior to the conversion was £3,050 million; the amount created via the conversion is £5,921,481,731.55 so that the outstanding amount following the conversion is £8,971,481,731.55 nominal. The nominal amount of 9% Treasury Stock 2008 outstanding following the conversion is £686.7 million nominal.

With immediate effect 9% Treasury Stock 2008 will be treated as a "rump" stock and Gilt-Edged Market Makers ("GEMMs") are no longer required to make markets in it. The full list of stocks for which the DMO will provide bids on request (ie. "rump" stocks) is available on the DMO's web site: www.dmo.gov.uk.

An indicative daily closing price for this stock will continue to be made available on the DMO's wire services and web pages and will also be provided to the London Stock Exchange for onward transmission to the press.

NOTE TO EDITORS

This Notice gives details of the amount of 9% Treasury Stock 2008 converted into 5% Treasury Stock 2008 as a result of the gilt-edged conversion offer, the terms of which were announced on 12 July 2002.

The Operational Notice issued by the DMO in November 2001 states that the DMO, is prepared, when asked by a GEMM, to bid a price of its own choosing for stock where the amount in issue is too small for a two-way market to be expected to exist (e.g. the rumps of certain stocks which have previously been subject to conversion offers).