

16/99

15 June 1999

## **PRESS NOTICE**

### **DETAILS OF THE JUNE GILT AUCTION AND A FUTURE CONVERSION OFFER**

AMOUNT: £2,500 million nominal

STOCK: 5% TREASURY STOCK 2004

MATURITY DATE: 7 JUNE 2004

INTEREST DATES: 7 JUNE/7 DECEMBER

AUCTION DATE: 22 JUNE 1999

The United Kingdom Debt Management Office ("the DMO") announces the issue by Her Majesty's Treasury of £2,500 million nominal of 5% Treasury Stock 2004, for auction on a fully paid bid price basis on Tuesday, 22 June 1999. 5% Treasury Stock 2004 will, on issue, be strippable in accordance with the terms of the Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock published by the DMO on 12 May 1998 ("the Information Memorandum").

In addition, with a view to building up the amount in issue of this stock, the DMO intends to announce, market circumstances permitting, within the next month an offer to holders of 9½% Conversion Stock 2004 to convert into 5% Treasury Stock 2004. Any announcement will include details of the terms of the offer, including the conversion rate.

Interest on 5% Treasury Stock 2004 is payable half-yearly on 7 June and 7 December. Interest on the stock will accrue from 23 June 1999, the issue date of the stock, and the first interest payment will be due on 7 December 1999 at the rate of £2.281421 per £100 nominal of stock<sup>1</sup>.

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<sup>1</sup> Please note that, because the first interest payment rate on this stock has been calculated to six decimal places, the minimum unit for stripping and reconstituting the stock will be £1,000,000 until the ex-dividend date of the 7 December 1999 interest payment (see paragraph 46 on page 12 of the Bank of England's paper on the Official Gilt Strips Facility issued in October 1997).



The stock will be repayable at par on 7 June 2004. Interest payments will be paid to all holders of this stock without deduction of United Kingdom income tax. However, holders on the Bank of England Register may elect to have United Kingdom income tax deducted from interest payments, should they so wish, on application to the Bank of England.

Under Rule 2.3 of the London Stock Exchange, dealings in the unstripped 5% Treasury Stock 2004 on a "when-issued" basis may be conducted from the time of this announcement until the close of business on Tuesday, 22 June 1999. The SEDOL and ISIN codes to be used for "when-issued" trading and following the stock's issue on Wednesday, 23 June 1999 are 0-668-657 and GB0006686579 respectively. The TIDM code "AUC" should be used for trade reporting purposes.

"When-issued" trading in the principal and coupon strips of 5% Treasury Stock 2004 may also be conducted from the time of this announcement until the close of business on Tuesday, 22 June 1999. The SEDOL and ISIN codes to be used for "when-issued" trading in the principal and coupon strips and thereafter are appended to this notice together with the TIDM codes which should be used for trade reporting purposes.

Bids may be made on either a competitive or a non-competitive basis. Details of the bidding procedures are set out in the prospectus and in the Information Memorandum.

The prospectus for competitive bids and non-competitive bids will be advertised in the Press. Application forms must be sent to the Bank of England's Registrar's Department, New Issues Team, who are acting on behalf of the DMO, at the following address; PO Box 444, Gloucester, GL1 1NP to arrive not later than 10.30 am on Tuesday, 22 June 1999; or lodged by hand at the DMO, Cheapside House, 138 Cheapside, London not later than 10.30 am on Tuesday, 22 June 1999.

Gilt-edged market makers may bid by telephone to the DMO not later than 10.30 am on Tuesday, 22 June 1999.

## **NOTE TO EDITORS**

The remit to the DMO and the auction calendar for the financial year 1999-2000 were set out in the Debt Management Report issued by HM Treasury on 17 March 1999 as amended by the DMO's screen announcement of 20 April 1999. The June auction was rescheduled a day



earlier to Tuesday, 22 June 1999 in the DMO's press release of 31 March 1999 following consultation with market participants. Total gilt sales of £17.3 billion (cash) are planned in 1999-2000. Gilt sales to date are £3.9 billion (cash).

The £2,500 million nominal issue of 5% Treasury Stock 2004 will, on issue, be the first new gilt created in the 1999-2000 financial year and will be the eleventh stock declared strippable through the official gilt strips facility. The other strippable stocks are: 8% Treasury Stock 2000; 7% Treasury Stock 2002; 6½% Treasury Stock 2003; 8½% Treasury Stock 2005; 7½% Treasury Stock 2006; 7¼% Treasury Stock 2007; 5¾% Treasury Stock 2009; 8% Treasury Stock 2015; 8% Treasury Stock 2021; and 6% Treasury Stock 2028.

The DMO is announcing the intention to hold a conversion offer into the auction stock early so that potential investors in the 5% Treasury Stock 2004 are fully aware of our wish to increase the supply of this stock by conversion shortly after the auction. The Remit for 1999-2000 envisages the DMO making offers for the conversion of unstrippable stocks into benchmarks of similar maturity during 1999-2000.

Copies of the Information Memorandum are available from the DMO, Cheapside House, 138 Cheapside, London, EC2V 6BB (telephone 0171-862 6500; fax 0171-862 6509) and the Bank of England, Registrar's Department, New Issues, Southgate House, Southgate Street, Gloucester, GL1 1UW (telephone 01452 398123; fax 01452 398449).

This press notice together with the prospectus for the issue of the stock will be appearing on the DMO's website at: [www.dmo.gov.uk](http://www.dmo.gov.uk).



ISIN, SEDOL AND TRADE REPORTING CODES RELATING TO GILT STRIPS

<u>Principal strip date</u>	<u>Short strips title</u>	<u>Long strips title</u>	<u>ISIN code</u>	<u>"When-Issued"</u>		<u>Trade reporting code</u>	<u>Post-"When-Issued"</u>		
				<u>SEDOL code</u>			<u>ISIN code</u>	<u>SEDOL code</u>	<u>Trade reporting code</u>
07-Jun-04	UK5T07JUN2004P	UK 5 Treasury Strip 07JUN2004P	GB0007359606	0-735-960		AUCT	GB0007359606	0-735-960	AUCS
<u>Coupon strips date</u>									
07-Dec-99	UKT07DEC1999C	UK Treasury Strip 07DEC1999C	GB0002575727	0-257-572		04MA	GB0000505114	0-050-511	11KY
07-Jun-00	UKT07JUN2000C	UK Treasury Strip 07JUN2000C	GB0002575834	0-257-583		05MA	GB0000505221	0-050-522	12KY
07-Dec-00	UKT07DEC2000C	UK Treasury Strip 07DEC2000C	GB0002575941	0-257-594		06MA	GB0000505445	0-050-544	13KY
07-Jun-01	UKT07JUN2001C	UK Treasury Strip 07JUN2001C	GB0002576022	0-257-602		07MA	GB0000505551	0-050-555	14KY
07-Dec-01	UKT07DEC2001C	UK Treasury Strip 07DEC2001C	GB0002576139	0-257-613		08MA	GB0000505668	0-050-566	15KY
07-Jun-02	UKT07JUN2002C	UK Treasury Strip 07JUN2002C	GB0002576352	0-257-635		09MA	GB0000505882	0-050-588	16KY
07-Dec-02	UKT07DEC2002C	UK Treasury Strip 07DEC2002C	GB0002576469	0-257-646		10MA	GB0000507375	0-050-737	17KY
07-Jun-03	UKT07JUN2003C	UK Treasury Strip 07JUN2003C	GB0002576576	0-257-657		11MA	GB0000507482	0-050-748	18KY
07-Dec-03	UKT07DEC2003C	UK Treasury Strip 07DEC2003C	GB0002576683	0-257-668		12MA	GB0000507599	0-050-759	19KY
07-Jun-04	UKT07JUN2004C	UK Treasury Strip 07JUN2004C	GB0001934503	0-193-450		13MA	GB0000507607	0-050-760	20KY