

15/07

9 March 2007

## **PRESS NOTICE**

### **CANCELLATION OF DMO HOLDINGS OF “RUMP” GILTS**

The UK Debt Management Office (DMO) announces today the cancellation on Monday 12 March 2007 of some £263.3 million (nominal) of its current holdings in those gilts that have been designated as “rump” gilts. “Rump” gilts are those with amounts in issue deemed by the DMO to be too small to expect a reasonably liquid two-way market to exist in them.

The table in Notes for Editors below lists the amount of each gilt to be cancelled and the residual amounts in issue for all “rump” gilts, as of 12 March 2007<sup>1</sup>.

The DMO will continue to bid prices, upon request from Gilt-edged Market Makers, in all “rump” gilts, and expects to execute similar cancellations in future years, on an annual basis. Any such cancellations will be announced.

#### **NOTES FOR EDITORS**

The DMO last announced the cancellation of its holdings of “rump” gilts on 10 March 2006 and stated then that it expected to execute similar cancellations on an annual basis.

The DMO’s current holdings of “rump” gilts have been accumulated over the past year (since the last cancellations in March 2006) as a result of its role as “buyer of last resort” in these gilts.

The cancellations announced today, of approximately £263.3 million (nominal), account for some 7.9% of the current amount of “rump” gilts in issue. Following the

---

<sup>1</sup> Both amounts rounded to the nearest £0.1 million.

cancellations, the (nominal) amount of “rump” gilts in issue will be approximately £3.08 billion, some 0.7% of the total gilt portfolio<sup>2</sup>.

"Rump" gilts at 12 March 2007	Redemption date*	Dividend dates	Amount being cancelled (£mn nom)	Amount in issue at 12 Mar 2007 (£mn nom)
5½% Treasury 2008-2012	10-Sep-08	10 Mar/Sep	96.8	746.5
9% Treasury 2008	13-Oct-08	13 Apr /Oct	103.8	410.5
8% Treasury 2009	25-Sep-09	25 Mar/Sep	6.9	234.6
7¾% Treasury 2012-2015	26-Jan-12	26 Jan/Jul	35.2	451.9
9% Treasury 2012	6-Aug-12	6 Feb/Aug	3.6	223.0
12% Exchequer 2013-2017	12-Dec-13	12 Jun/Dec	0.5	17.6
2½% Treasury	Undated	1 Apr/Oct	8.7	449.0
4% Consolidated	Undated	1 Feb/Aug	1.1	284.0
2½% Consolidated	Undated	5 Jan/Apr/Jul/Oct	5.1	195.1
3% Treasury	Undated	5 Apr/Oct	0.6	43.8
3½% Conversion**	Undated	1 Apr/Oct	0.2	18.4
2½% Annuities	Undated	5 Jan/Apr/Jul/Oct	0.7	1.1
2¾% Annuities	Undated	5 Jan/Apr/Jul/Oct	0.0	0.7
* Double-dated gilts are assumed to be redeemed on the first maturity date.				
** Sinking fund cancellation.			<b>263.3</b>	<b>3,076.2</b>

This Press Release will be appearing on the DMO website at: [www.dmo.gov.uk](http://www.dmo.gov.uk)

<sup>2</sup> Including index-linked uplift.