

United Kingdom
**Debt
Management
Office**

DMO-TAS031/377

Eastcheap Court
11 Philpot Lane
London EC3M 8UD

Tel. 020 7862 6500
Fax. 020 7862 6509

26/05

24 May 2005

PRESS NOTICE

RESULT OF THE SALE BY AUCTION OF £425 MILLION OF 2 1/2% INDEX-LINKED TREASURY STOCK 2016

The United Kingdom Debt Management Office ("DMO") announces that the auction of £425 million of 2 1/2% Index-linked Treasury Stock 2016 has been allocated as follows:

(Note: all prices in this notice are quoted in pounds and decimals)

1. All bids which have been accepted at the striking price have been allotted approximately 70.0% of the amount bid for.

Competitive bids made at prices above the striking price have been allotted in full. Competitive bids made at prices below the striking price have been rejected.

- | | <u>Price</u> | <u>Real Yield*</u> |
|-------------------|---------------------|---------------------------|
| 2. Striking Price | £249.65 | 1.69% |

3. The total amounts allotted and bids received were as follows:

Amount allotted to competitive bids	£391.5 million
-------------------------------------	----------------

Amount allotted to non-competitive bids

Gilt-edged market makers	£33.0 million
Others	£0.5 million

£425.0 million

Total bids received	£917.28 million
Times covered	2.16

4. Cheques may be presented for payment. Refund cheques, where appropriate, will be sent as soon as possible by post. Stock allotted to members of CREST will be credited to their accounts by member-to-member deliveries tomorrow if they so requested.

*Assumed Inflation 3%