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PRESS NOTICE

CANCELLATION OF DMO HOLDINGS OF “RUMP” GILTS

The UK Debt Management Office (DMO) announces today the cancellation on Monday 17 March 2014 of approximately £13.3 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 nominal amount of each gilt being cancelled and the residual amounts in issue for all “rump” gilts, as of 17 March 2014¹. These include cancellations of 3½% Conversion Stock under the terms of its Sinking Fund.

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 maintains a list of those gilts designated as “rumps” in the gilts in issue list on its website at http://www.dmo.gov.uk/index.aspx?page=Gilts/Gilts_In_Issue

The DMO last cancelled its holdings of “rump” gilts on 18 March 2013 and stated in its Press Notice of 15 March 2013 that it expected to execute similar cancellations on an annual basis. The DMO’s current holdings of “rump” gilts have been accumulated since the last cancellations in March 2013 as a result of its role as “buyer of last resort” in these gilts.

The cancellations announced today, of approximately £13.3 million (nominal), account for some 2.0% of the amount of “rump” gilts in issue before these cancellations. Following the

¹ Both amounts have been rounded to the nearest £0.1 million.

cancellations, the (nominal) amount of “rump” gilts in issue will comprise approximately £653.9 million, some 0.05% of the total gilt portfolio². See the table below.

"Rump" Gilts at 17 March 2014	Redemption date	Amount being cancelled (£mn nom)	Amount in issue at 17 March 2014 (£mn nom)
2½% Treasury	Undated	8.3	220.9
4% Consolidated	Undated	3.1	218.4
2½% Consolidated	Undated	1.1	162.1
3% Treasury	Undated	0.6	35.1
3½% Conversion	Undated	0.2	15.8
2½% Annuities	Undated	0.0	0.9
2¾% Annuities	Undated	0.0	0.7
		13.3	653.9

This press notice will be appearing on the DMO's website at: www.dmo.gov.uk

² Including inflation-linked uplift.