

PRESS NOTICE

STERLING TREASURY BILL TENDERS: JANUARY-MARCH 2009 AND ANNOUNCEMENT OF THE CREATION OF COLLATERAL

In the fourth quarter of the 2008-09 financial year the United Kingdom Debt Management Office (DMO) will hold weekly tenders at which the Treasury bills on offer will include one-month (approximately 28 days), three-month (approximately 91 days) and six-month bills (approximately 182 days).

The precise quantities and maturities of Treasury bills on offer will be announced with the results of the tender prior to the relevant tender. The tender and settlement dates for the tenders to be held in the period January-March 2009 are set out below.

<u>Tender date</u>	<u>Settlement date</u>
2 January	5 January
9 January	12 January
16 January	19 January
23 January	26 January
30 January	2 February
6 February	9 February
13 February	16 February
20 February	23 February
27 February	2 March
6 March	9 March

<u>Tender date</u>	<u>Settlement date</u>
13 March	16 March
20 March	23 March
27 March	30 March

The next quarterly notice outlining the maturities of Treasury bills to be made available at tenders in the period from April - June 2009 will be issued at 3.30pm on Friday 27 March 2009.

CREATION OF COLLATERAL FOR CASH MANAGEMENT OPERATIONS

The DMO also announces that on Wednesday, 21 January 2009, in accordance with paragraph 6.10 of the 2008-09 DMO Exchequer Cash Management remit, an additional £50 billion (cash amount) of gilts will be created and issued to the DMO for use as collateral in the DMO's cash management operations.

Full details, including the nominal amount of each individual gilt to be created, will be published at 3.30pm on Wednesday 14 January 2009. At that time, a table will be published on the DMO's website showing the nominal amounts to be issued and the revised nominal amounts outstanding (rounded to the nearest £1 million nominal). The size of each gilt to be created will be designed to minimize as much as possible any impact on the weighting of relevant gilt indices.

The additional collateral will be held on the Debt management Account by the DMO. Specific gilts will not be made available to the repo market for a period of 3 months, but may be used in Delivery by Value ("DBV") transactions.

NOTES TO EDITORS

Each quarter the DMO publishes a timetable of Treasury bill tenders for the quarter ahead, and an indication of likely maturities. It was announced alongside the Pre-Budget Report 2008 on 24 November that the stock of Treasury bills in market hands is planned to rise by £14.5 billion in 2008-09, taking the assumed level of the Treasury bill stock at end-March 2009 to £32.1 billion.

Provisions relating to the creation of collateral are set out in paragraph 6.10 of the DMO Exchequer cash management remit 2008-09, which requires the DMO to give advance notice of whether any collateral is to be created or not.

Further information on Treasury bill issuance may be found in the Exchequer Cash Management Operational Notice, which was published by the DMO on 11 September 2003.

The Operational Notice and this press release are available on the DMO's website: www.dmo.gov.uk.