

16 March 2012

## **PRESS NOTICE**

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

The UK Debt Management Office (DMO) announces today the cancellation on Monday 19 March 2012 of approximately £45.5 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 19 March 2012<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**

Gilts which have been reduced in size to less than £850 million (nominal) in issue have been designated as “rump” gilts.

The DMO last cancelled its holdings of “rump” gilts on 14 March 2011 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 since the previous cancellations in March 2011 as a result of its role as “buyer of last resort” in these gilts.

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

Transactions to achieve the annual Sinking Fund cancellation in 3½% Conversion Loan are also being conducted today.

The cancellations announced today, of approximately £45.5 million (nominal), account for some 4.7% of the current amount of “rump” gilts in issue. Following the cancellations, the (nominal) amount of “rump” gilts in issue will be approximately £923 million, less than 0.1% of the total gilt portfolio<sup>2</sup>.

<b>"Rump" gilts at 19 March 2012</b>	<b>Redemption date</b>	<b>Amount being cancelled (£mn nom)</b>	<b>Amount in issue at 19 March 2012 (£mn nom)</b>
9% Treasury 2012	06-Aug-12	4.3	193.0
12% Exchequer 2013-2017	12-Dec-13*	0.5	14.9
2½% Treasury	Undated	12.8	259.0
4% Consolidated	Undated	21.4	234.1
2½% Consolidated	Undated	5.7	166.7
3% Treasury	Undated	0.6	37.2
3½% Conversion**	Undated	0.2	16.2
2½% Annuities	Undated	0.0	0.9
2¾% Annuities	Undated	0.0	0.7
		<b>45.5</b>	<b>922.7</b>
* Assumed redemption date.			
** Sinking fund cancellation.			

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

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