

ISSUE OF £2,750,000,000

5% TREASURY STOCK 2014

**FOR AUCTION ON A BID PRICE BASIS
ON 22 OCTOBER 2002**

PROSPECTUS



AUCTION OF £2,750,000,000

5% TREASURY STOCK 2014

FOR AUCTION ON A BID PRICE BASIS ON 22 OCTOBER 2002
INTEREST PAYABLE HALF-YEARLY ON 7 MARCH AND 7 SEPTEMBER

PAYABLE IN FULL WITH APPLICATION

With a competitive bid: Price bid (in accordance with paragraph 10)
With a non-competitive bid by a gilt-edged market maker: Non-competitive sale price (in accordance with paragraph 10)
With a non-competitive bid by any other applicant: £107.00 per £100 nominal of stock

Application has been made to the UK Listing Authority for the stock to be admitted to the Official List on 23 October 2002. Application has also been made to the London Stock Exchange for the stock to be traded on the Main Market.

Auction of Stock

1. THE UNITED KINGDOM DEBT MANAGEMENT OFFICE ("DMO") invites bids for the above stock.

General

2. This prospectus is issued under the arrangements described in the Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock published by the DMO dated July 2000 as amended by the DMO's notice of 2 July 2002 (the "Information Memorandum"). The terms of the Information Memorandum apply to the above stock and to the auction described in this prospectus except where expressly varied.

Maturity

3. The stock will be repaid at par on 7 September 2014.

Interest

4. Interest is payable half-yearly on 7 March and 7 September. The price payable for this further issue of the stock will include an amount equal to the accrued interest from 7 September 2002 (the last interest payment date of the stock) to 23 October 2002 (the settlement date of this further issue) at the rate of £0.635359 per £100 nominal of stock. The stock being auctioned will, therefore, rank for the next interest payment due on 7 March 2003.

FOTRA exemptions

5. The stock and the interest payable on it will benefit from the exemptions from United Kingdom taxation in favour of non-resident holders described in paragraph 47 of the Information Memorandum.

Gross payment of interest

6. Interest will be paid without deduction of income tax. However, stockholders may elect to have UK income tax deducted from interest payments on application to the Bank of England.

Stripping

7. Following the issue of this further amount of Stock, 5% Treasury Stock 2014 may be stripped and holdings of stock reconstituted: the provisions relating to strips contained in the Information Memorandum will therefore apply.

Methods of application

8. Bids may be made on either a competitive or non-competitive basis in accordance with paragraphs 33 to 41 of the Information Memorandum.

Non-competitive bids: amount payable on application

9. The amount payable on application in the case of a non-competitive bid (except in the case of a non-competitive bid made by a gilt-edged market maker ("GEMM")) is £107.00 per £100 nominal of stock.

Settlement of competitive bids and GEMMs' non-competitive bids

10. For those competitive bids which are accepted and those non-competitive bids from GEMMs which are accepted, settlement must be effected in accordance with paragraphs 36(iv) and 37(v) of the Information Memorandum. For these purposes, the latest time and date for CHAPS payments to be sent to the Bank of England is 1.30 PM on WEDNESDAY, 23 OCTOBER 2002.

Latest times for receipt of applications

11. Application forms must be sent to the Bank of England, New Issues, Southgate House, Southgate Street, Gloucester, GL1 1UW, who are acting on behalf of the DMO, to arrive not later than 10.00 AM ON TUESDAY, 22 OCTOBER 2002; or lodged by hand at the DMO, Eastcheap Court, 11 Philpot Lane, London not later than 10.00 AM ON TUESDAY, 22 OCTOBER 2002. GEMMs may bid by telephone to the DMO not later than 10.30 AM ON TUESDAY, 22 OCTOBER 2002.

Bids irrevocable

12. Bids will not be revocable between 10.30 am on Tuesday, 22 October 2002 and 10.00 am on Friday, 25 October 2002.

United Kingdom Debt Management Office
LONDON

15 October 2002