

**ISSUE OF £2,500,000,000**

# **5% TREASURY STOCK 2004**

**FOR AUCTION ON A BID PRICE BASIS  
ON 22 JUNE 1999**

PROSPECTUS



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ISSUE OF £2,500,000,000

# 5% TREASURY STOCK 2004

INTEREST PAYABLE HALF-YEARLY ON 7 JUNE AND 7 DECEMBER  
FOR AUCTION ON A BID PRICE BASIS ON 22 JUNE 1999

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## PAYABLE IN FULL WITH APPLICATION

	With a competitive bid	Price bid
With a non-competitive bid by a gilt-edged market maker		Non-competitive sale price
With a non-competitive bid by any other applicant		£101 per £100 nominal of Stock

*Application has been made to the London Stock Exchange for the Stock to be admitted to the Official List on 23 June 1999.*

### 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 on 12 May 1998 (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 June 2004.

### Interest

4. Interest is payable half-yearly on 7 June and 7 December. Interest will accrue from 23 June 1999, the issue date of the Stock, and the first interest payment will be due on 7 December 1999 at the rate of £2.281421 per £100 nominal of Stock.

### 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 44 of the Information Memorandum.

### Gross payment of interest

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

### Stripping

7. The Stock may be stripped and holdings of Stock reconstituted: the provisions relating to strips contained in the Information Memorandum therefore apply. As the first interest payment rate has been calculated to six decimal places, the minimum unit for stripping and reconstituting the stock will be £1,000,000 until the ex-dividend date of the 7 December 1999 interest payment.

### Methods of application

8. Bids may be made on either a competitive or non-competitive basis in accordance with paragraphs 31 to 39 of the Information Memorandum, save that, following the changes to gilt market trading conventions which became effective from 1 November 1998, bidding should be in multiples of £0.01 per £100 nominal of Stock and not 1/32nd of £1.

### 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 £101 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 paragraph 34(ii) of the Information Memorandum. For these purposes, the latest time and date for CHAPS payments to be sent to the Sterling Banking Office of the Bank of England is 1.30 PM on WEDNESDAY, 23 JUNE 1999.

**Latest times for receipt of applications**

11. Application forms must be sent to the Bank of England, New Issues, PO Box 444, Gloucester, GL1 1NP, who are acting on behalf of the DMO, to arrive not later than 10.30 AM ON TUESDAY, 22 JUNE 1999; or lodged by hand at the DMO, Cheapside House, 138 Cheapside, London not later than 10.30 AM ON TUESDAY, 22 JUNE 1999. GEMMs may bid by telephone to the DMO not later than 10.30 AM ON TUESDAY, 22 JUNE 1999.

**Bids irrevocable**

12. Bids will not be revocable between 10.30 am on Tuesday, 22 June 1999 and 10.00 am on Friday, 25 June 1999.

*United Kingdom Debt Management Office*  
**LONDON**

15 June 1999