

ISSUE OF £2,500,000,000

**6% TREASURY STOCK 2028
FOR AUCTION ON A BID PRICE BASIS
ON 26 MAY 1999**

PROSPECTUS



ISSUE OF £2,500,000,000

6% TREASURY STOCK 2028

INTEREST PAYABLE HALF-YEARLY ON 7 JUNE AND 7 DECEMBER
FOR AUCTION ON A BID PRICE BASIS ON 26 MAY 1999

PAYABLE IN FULL WITH APPLICATION

	With a competitive bid	Price bid less rebate interest (in accordance with paragraph 10)
With a non-competitive bid by a gilt-edged market maker		Non-competitive sale price less rebate interest (in accordance with paragraph 10)
	With a non-competitive bid by any other applicant	£125 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 27 May 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 December 2028.

Interest

4. Interest is payable half-yearly on 7 June and 7 December. The price payable for this further issue of the Stock will be reduced by an amount equal to rebate interest from 27 May 1999 (the settlement date of this further issue) to 7 June 1999 (the next interest payment date of this Stock) at the rate of £0.181319 per £100 nominal of Stock. This further issue of the Stock will therefore not rank for the next interest payment due on 7 June 1999 although it will qualify for the interest payment due on 7 December 1999.

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.

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 £125 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 THURSDAY, 27 MAY 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 WEDNESDAY, 26 MAY 1999; or lodged by hand at the DMO, Cheapside House, 138 Cheapside, London not later than 10.30 AM ON WEDNESDAY, 26 MAY 1999. GEMMs may bid by telephone to the DMO not later than 10.30 AM ON WEDNESDAY, 26 MAY 1999.

Bids irrevocable

12. Bids will not be revocable between 10.30 am on Wednesday, 26 May 1999 and 10.00 am on Tuesday, 1 June 1999.

United Kingdom Debt Management Office
LONDON

18 May 1999