



BANK OF ENGLAND

News release

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HM Government Gold Auction Result: 25 January 2000

The Bank of England announces that the gold on offer (approximately 25 tonnes or 803,600 ounces) has been allotted in full at a price of \$289.50 per ounce. Details of the result are as follows:

Amount of gold on offer (approx.)	803,600 oz
Amount applied for	3,451,200 oz
Times covered	4.3 times
Amount allotted to bidders	804,400 oz
Allotment price	\$289.50
Scaling factor at allotment price	56.4770%

All accepted bids which were made at prices above the allotment price have been allotted in full at the allotment price. Valid bids made at the allotment price have been allotted an amount of gold equal to the amount bid for multiplied by the above scaling factor and rounded up to the nearest 400 ounces.

By close of business in London today, applicants whose bids have been successful in whole or in part will be notified by the Bank of England of the exact weight of the gold bars allotted to them and the amount payable in respect of their purchase. Payment must be made in US dollars to the Bank of England's account at the Federal Reserve Bank of New York, no later than 12 noon New York time on 27 January 2000.

The remaining H M Government gold auction in this financial year is scheduled for Tuesday 21 March 2000.

Notes for Editors

On 7 May 1999, H M Treasury announced a restructuring of the United Kingdom's official reserves which involves a programme of gold auctions. The announcement stated that, on behalf of H M Treasury, the Bank of England is to sell approximately 125 tonnes of gold from the Exchange Equalisation Account in a programme of five auctions of around 25 tonnes each in the financial year 1999/2000 on the terms and conditions set out in an Information Memorandum which was published on 11 June 1999. The first three auctions took place on 6 July 1999, 21 September 1999 and 29 November 1999. It is intended that the

remaining auction in this financial year will be held on 21 March 2000. As stated in the announcement on 7 May, detailed plans for auctions in 2000/2001 and subsequent years will be announced nearer the time.

At the time of that announcement, \$6.5bn of the UK's reserves were held in gold (715 tonnes). Over the medium term H M Treasury is planning to reduce its gold holdings to around 300 tonnes.