



GOVERNMENT DEBT MANAGEMENT

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To newspapers, media,
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Press Release
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AUCTION OF NOMINAL AND INFLATION LINKED TREASURY BONDS RIKB 12 0824 & RIKS 21 0414

On **Friday, 20 August at 11:00** the Government Debt Management will conduct an auction of two series of Treasury bonds.

A new two-year nominal bonds, **RIKB 12 0824**, will be offered. The bonds are interest-bearing and pay 4.25% interest rate annually every 24 August. The maturity date is 24 August 2012. Further description of the bond can be obtained from the website www.ndma.is. In this auction the inflation linked bonds, **RIKS 21 0414**, will be offered as well. The total amount of accepted bids will be announced after the auction.

The GDM reserves the right to accept all of the submitted bids, accept part of them, or reject all of them. Only primary dealers in Treasury securities are authorised to submit bids in this auction. They also submit bids on behalf of investors. The minimum amount of each bid is 1 m.kr. nominal value.

The auction will be structured as a single-price auction, which means that all accepted bids will be sold to primary dealers at the same price. The lowest accepted price (highest yield) will determine the selling price. In other respects, reference is made to the Terms of Invitation to Tender, which accompany this press release.

The payment and settlement date is Wednesday, August 25, 2010.

For this auction, the GDM requests bids for the following series:

Series	Maturity date	Outstanding amount*	Time to maturity
RIKB 12 0824	24 August 2012	0 m.kr.	2 years
RIKS 21 0414	14 April 2021	26.182 m.kr.	11.0 years

***Nominal value**

After the results of the auction are available, the GDM will offer primary dealers the equivalent of 10% of the nominal value sold in the auction, at the price of accepted bids, until 14:00 on Tuesday, August 24 2010. Each primary dealer that has submitted an accepted bid in the auction has the right to purchase an amount proportional to its total purchase. *The payment and settlement date for these transactions is 25 August 2010.*

For further information please contact Björgvin Sighvatsson, GDM, at +354 569 9633.
Sincerely,