



## 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 BONDS RIKB 16 1013 & RIKS 21 0414**

On **Friday, 22 October at 11:00** the Government Debt Management will conduct an auction of two series of Treasury bonds.

A new six-year nominal bonds, **RIKB 16 1013**, will be offered. The bonds are interest-bearing and pay 6.00% interest rate annually every 13 October. The maturity date is 13 October 2016. Description of the bond is attached to this press release and further information can be obtained from the website [www.ndma.is](http://www.ndma.is). In this auction 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, October 27, 2010.*

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, October 26, 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 27 October 2010.*

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