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Press Release  
3 June, 2009

## AUCTION OF TREASURY NOTES – NEW SERIES RIKB 25 0612

On Tuesday, **June 9, 2009, at 14:00**, the Central Bank of Iceland will conduct an auction of non-indexed Treasury Notes.

This is a new series of Treasury Notes, **RIKB 25 0612**, which will pay interest each year on June 12. The maturity date of the Notes is June 12, 2025. The nominal coupon rate will be determined following the auction.

Only primary dealers in Government 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. It is appropriate to emphasise that this is not a price auction, as has been the case previously. Bids for this auction shall be expressed as yields, with two decimal places.

The auction will be structured as a single-price auction, which means that all accepted bids will be offered to primary dealers at the same yield. The highest accepted 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 Friday, June 12, 2009.*

For this auction, the Central Bank requests bids for the following series:

Series	ISIN	Maturity date	Outstanding amount*	Time to maturity
RIKB 25 0612	IS0000019321	June 12, 2025	0 kr.	16 years

\*Nominal value

After the results of the auction are available, the Central Bank 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 Thursday, June 11. 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 June 12, 2009.*

The results of the auction will be published at the end of the business day.

Further information can be obtained from Björgvin Sighvatsson, International and Market Department, Central Bank of Iceland, at +354 569 9633.

Sincerely,