

35/07

12 June 2007

PRESS NOTICE

AUCTION OF UK GOVERNMENT SECURITY (GILT)

Auction Details

Auction Date	Thursday, 21 June 2007
Issue and Settlement Date	Friday, 22 June 2007
Bidding Convention	Fully paid Bid Price (see Note 1)
Accrued Interest payable with bid	£0.215164 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	5¼% Treasury Gilt 2012
Amount (nominal) for issue	£2,500 million (fungible with previous issues)
Nominal outstanding after issue	£5,250 million
Maturity Date	7 June 2012 at par
Interest Dates	7 June – 7 December
Parent ISIN Code	GB00B1L6WG32
Parent SEDOL Code	B-1L6-WG3
Strippable	From 22 June 2007 (see Note 3)
Interest Payable	Gross (see Note 2)
Next Interest Date	7 December 2007 (Standard Coupon)

“When Issued” Trading

under London Stock Exchange Rule 7265

Commences	3:30pm London Time: 12 June 2007
Closes	Close of business: 21 June 2007
“When issued” ISIN Code	GB00B1VWPN99
“When issued” SEDOL Code	B-1VW-PN9
TIDM (for trade reporting)	AUC

Note 1: Bids may be made on either a competitive or a non-competitive basis. Details of the bidding procedures are set out in the prospectus and in the Information Memorandum (as amended). Gilt-edged Market Makers may bid by means of the Bloomberg Bond Auction System not later than 10.30 am on Thursday, 21 June 2007.



Note 2: Holders may elect to have United Kingdom income tax deducted from interest payments, should they so wish, on application to the Registrar, Computershare Investor Services PLC.

Note 3. Following the issue of this further amount of the Gilt, 5¼% Treasury Gilt 2012 may be stripped and holdings of the Gilt reconstituted: the provisions relating to strips contained in the Information Memorandum will therefore apply. The SEDOL and ISIN codes for the new principal strip are B-1YL-LR9 and GB00B1YLLR99 respectively.

Documentation

Prospectus DMO : 12 June 2007	www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp120607.pdf
Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock DMO : December 2004	www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmem211204.pdf
Notice of Amendment DMO : 13 May 2005	www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd130505.pdf
Notice of Amendment DMO : 13 September 2005	www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd130905.pdf
Notice of Amendment DMO : 14 May 2007	www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd140507.pdf
Formulae for Calculating Gilt Prices from Yields DMO : 16 March 2005	www.dmo.gov.uk/documentview.aspx?docname=/giltsmarket/formulae/yldeqns.pdf

Applications from Members of the Approved Group of Investors

Application forms from Approved Group members must be sent to Computershare Investor Services PLC, who are acting on behalf of the DMO, at the following address: PO Box 2411, The Pavilions, Bristol, BS99 6WX to arrive not later than 10.00 am on Thursday, 21 June 2007. They may also be lodged by hand at the DMO, Eastcheap Court, 11 Philpot Lane, London, EC3M 8UD not later than 10.00 am on Thursday, 21 June 2007.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £100 per £100 nominal of the Gilt.

Remit 2007-08

Gilt sales of £58.4 billion (cash) are planned in 2007-08, the split and progress against the remit is summarised in the table below.

Gilt sales v remit at 6 June 2007 (£ millions).					
	Conventional Gilts			Index-linked gilts	Total
	Short (1-7 yrs)	Medium (7-15yrs)	Long (15 yrs+)		
Gilt sales to date	0	2,464	6,292	3,029	11,785
Total planned sales	10,000	10,000	23,400	15,000	58,400
Sales remaining	10,000	7,536	17,108	11,971	46,615
Auctions remaining	4	3	8	12	27

