

14 August 2012

PRESS NOTICE

AUCTION OF BRITISH GOVERNMENT STOCK

Auction Details

Auction Date	Thursday, 23 August 2012
Issue and Settlement Date	Friday, 24 August 2012
Bidding Convention	Fully paid Bid Price (see Note 1)
Accrued Interest payable with bid	£2.309783 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	5% Treasury Gilt 2018
Amount (nominal) for auction	£3,750 million (fungible with previous issues) (see Note 3)
Nominal outstanding after auction	£34,103 million
Maturity Date	7 March 2018 at par
Interest Dates	7 March – 7 September
Parent ISIN Code	GB00B1VWPC84
Parent SEDOL Code	B-1VW-PC8
Strippable	Yes, since 10 August 2007
Interest Payable	Gross (see Note 2)
Next Interest Date	7 September 2012 (Standard Coupon)

“When Issued” Trading

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 14 August 2012
Closes	Close of business: 23 August 2012
“When issued” ISIN Code	GB00B76HK697
“When issued” SEDOL Code	B-76H-K69
TIDM (for trade reporting)	AUCB

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. Gilt-edged Market Makers may bid by means of the Bloomberg Bond Auction System to the DMO not later than 10.30 am on Thursday, 23 August 2012.

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: Subject to the provisions of the Information Memorandum, this auction will be eligible for the Post Auction Option Facility of an additional amount of the Gilt equivalent to 10% of the nominal amount of the Gilt allocated at the auction. Details of the Post Auction Option Facility procedures are set out in the Information Memorandum.

Documentation

Prospectus DMO : 14 August 2012	http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp140812b.pdf
Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock DMO : August 2011	http://www.dmo.gov.uk/documentview.aspx?docName=/publications/operationalrules/infmemadd150811.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, 23 August 2012. 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, 23 August 2012. The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £128 per £100 nominal of the Gilt.

Remit 2012-13

Gilt sales of £164.4 billion (cash) are planned in 2012-13 and progress against the remit is summarised in the table below (which may not include the amount of gilts issued under the Post Auction Option Facility for the most recent auction, if any).

Gilt sales relative to remit plans at 14 August (£ millions)					
	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Auction sales in the financial year to-date	18,224	14,049	10,952	5,324	48,548
PAOF sales in the financial year to-date	543	1,252	647	295	2,738
Auction and PAOF sales in the financial year to date	18,767	15,301	11,599	5,619	51,286
<i>PAOF sales since the Autumn Statement</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Syndication sales in the financial year to-date			5,053	8,754	13,808
Mini-tender sales in the financial year to-date	3,310	0	0	0	3,310
Total gilt sales in the financial year to-date	22,077	15,301	16,652	14,373	68,404
Required auction sales to meet plans					
Sales required	31,633	19,199	12,101	10,681	73,614
Less assumed PAOF proceeds to end-financial year	915	1,571	675	561	3,722
Auction sales currently required to meet plans	30,717	17,628	11,426	10,121	69,892
Number of auctions remaining	7	6	6	8	27
Currently required average auction sizes	4,388	2,938	1,904	1,265	
Syndication sales required to meet plan			8,447	10,746	19,192
Mini-tender sales required to meet plan					3,190
Total planned gilt sales					164,400

