

PRESS NOTICE

AUCTION OF BRITISH GOVERNMENT STOCK

Auction Details

Auction Date	Thursday, 14 October 2010
Issue and Settlement Date	Friday, 15 October 2010
Bidding Convention	Fully paid Bid Price (see Note 1)
Accrued Interest payable with bid	£0.498619 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	4¾% Treasury Stock 2015
Amount (nominal) for auction	£3,750 million (fungible with previous issues) (see Note 3)
Nominal outstanding after auction	£33,298 million
Maturity Date	7 September 2015 at par
Interest Dates	7 March and 7 September
Parent ISIN Code	GB0033280339
Parent SEDOL Code	3-328-033
Strippable	Yes, since 30 October 2003
Interest Payable	Gross (see Note 2)
Next Interest Date	7 March 2011 (Standard Coupon)

“When Issued” Trading

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 5 October 2010
Closes	Close of business: 14 October 2010
“When issued” ISIN Code	GB00B3SP1K45
“When issued” SEDOL Code	B-3SP-1K4
TIDM (for trade reporting)	AUCA

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, 14 October 2010.

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 Stock equivalent to 10% of the nominal amount of the Stock allocated at the auction. Details of the Post Auction Option Facility procedures are set out in the Information Memorandum.

Documentation

Prospectus DMO : 5 October 2010	http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp051010.pdf
Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock DMO : May 2009	www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmem220509.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, 14 October 2010. 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, 14 October 2010.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £117 per £100 nominal of the Stock.

Remit 2010-11

Gilt sales of £165.0 billion (cash) are planned in 2010-11 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 v remit 5 October 2010 (£ millions)					
	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Total gilt sales to-date	32,497	22,574	23,609	21,874	100,553
Planned sales at auctions	52,600	38,200	24,200	17,000	132,000
1. Sales at auctions*	31,689	21,625	13,307	10,232	76,853
Balance of auction sales to plan	20,911	15,575	10,893	6,768	55,147
Auctions remaining	5	5	5	6	21
Auction evenflow	4,182	3,115	2,179	1,128	
2. Sales by syndication			7,995	9,319	17,314
Planned sales by syndication					26,000
3. Sales by tender			2,139	2,093	4,232
Planned sales by tender					7,000
Total supplementary sales			10,133	11,413	21,546
Balance to plan			6,067	5,387	11,454
4. PAOF proceeds**	808	948	168	229	2,154
Total planned sales	52,600	38,200	40,400	33,800	165,000
* including PAOF proceeds to June Budget					
** since June Budget					

