

58/05

29 November 2005

PRESS NOTICE

DETAILS OF GILT AUCTION ON WEDNESDAY, 7 DECEMBER 2005

AMOUNT: £2,250 million nominal

GILT: 4¼% TREASURY GILT 2055

MATURITY DATE: 7 DECEMBER 2055

INTEREST DATES: 7 JUNE / 7 DECEMBER

AUCTION DATE: 7 DECEMBER 2005

SETTLEMENT DATE: 8 DECEMBER 2005

The United Kingdom Debt Management Office ("the DMO") announces the issue by Her Majesty's Treasury of a further £2,250 million nominal of 4¼% Treasury Gilt 2055, for auction on a fully-paid bid-price basis on Wednesday, 7 December 2005 and settlement on Thursday, 8 December 2005. This further issue will be fungible with the amount of the gilt already in issue.

Following the issue of this further amount of the gilt, 4¼% Treasury Gilt 2055 may be stripped and holdings of the gilt reconstituted: the provisions relating to strips contained in the Information Memorandum, published by the DMO, relating to the Issue, Stripping and Reconstitution of British Government Stock dated December 2004, as amended by the DMO's Notices of 13 May 2005 and 13 September 2005, (the "Information Memorandum") will therefore apply. The ISIN and SEDOL codes for the new principal strip and the new coupon strips were published by the DMO on 25 November 2005.

Interest on 4¼% Treasury Gilt 2055 is payable half-yearly on 7 June and 7 December. The price payable will include an amount equal to the accrued interest from 7 December 2005, the most recent interest payment date of the gilt, to 8 December 2005, the settlement date of this auction, at the rate of £0.011676 per £100 nominal of the gilt. This further issue of the gilt will



rank for the six months' interest payment due on 7 June 2006. The gilt will be repayable at par on 7 December 2055.

Interest payments will ordinarily be paid to holders of this gilt without deduction of United Kingdom income tax. However, 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.

Under Rule 7265 of the London Stock Exchange, dealings in the unstripped 4¼% Treasury Gilt 2055 on a "when-issued" basis may be conducted from the time of this announcement until the close of business on Wednesday, 7 December 2005. The SEDOL and ISIN codes to be used for "when-issued" trading are B-0LN-X19 and GB00B0LNX195 respectively. In relation to "when-issued" trading, the TIDM code "AUC" should be used for trade reporting purposes. The SEDOL and ISIN codes to be used after this date are B-06Y-GN0 and GB00B06YGN05 respectively.

A Notice announcing the auction of this issue of the gilt will be advertised in the Press. 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. The prospectus for competitive bids and non-competitive bids, the Information Memorandum and the Notices of Amendment can be obtained from the Registrar or the DMO or from the DMO's website at:

www.dmo.gov.uk/gilts/public/prospectus/prosp291105.pdf,
www.dmo.gov.uk/gilts/public/technical/infmem211204.pdf,
www.dmo.gov.uk/gilts/public/technical/infmemadd130505.pdf and
www.dmo.gov.uk/gilts/public/technical/infmemadd130905.pdf respectively.

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, BS3 9WX to arrive not later than 10.00 am on Wednesday, 7 December 2005. 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 Wednesday, 7 December 2005.

Gilt-edged market makers may bid by telephone to the DMO not later than 10.30 am on Wednesday, 7 December 2005.



NOTE TO EDITORS

The DMO's remit for 2005-06 was published on 16 March 2005 as part of the Budget 2005 announcements and revised on 20 April 2005 following the publication of an outturn CGNCR for 2004-05 which was £4.3 billion lower than forecast at the Budget. Planned gilt sales in 2005-06 were reduced by £2.4 billion to £51.1 billion; conventional gilt sales are currently planned to raise £41.1 billion in 15 auctions whilst planned index-linked sales are for £10.0 billion in 9 auctions and 1 syndicated offering. Gilt sales in the financial year to date are £35.0 billion (cash). Any revisions to the DMO remit that might arise from the Pre-Budget Report on 5 December 2005 will be announced by the DMO after the completion of the Chancellor's speech.

The auction announced today is the seventeenth of the 2005-06 remit and the eleventh of a conventional gilt. It represents a further tranche of 4¼% Treasury Gilt 2055 first issued on 27 May 2005. Following this auction the nominal amount outstanding of 4¼% Treasury Gilt 2055 will be £7.102 billion. Long conventional gilt sales of £17.9 billion (cash) are planned in 2005-06; long conventional gilt sales to date are £12.9 billion (cash).

Copies of the full prospectus are available on request from the addresses given below and on the DMO website, www.dmo.gov.uk/gilts/public/prospectus/index.htm. Only gilt applications made on the forms sent out by the Registrar to Approved Group members will be accepted in the auction.

Copies of the Information Memorandum are available from the DMO, Eastcheap Court, 11 Philpot Lane, London, EC3M 8UD (telephone 020-7862 6500; fax 020-7862 6509) and Computershare Investor Services PLC, PO Box 2411, The Pavilions, Bristol, BS3 9WX (telephone 0870 703 0143).

This press notice together with the prospectus for the further issue of the gilt will be appearing on the DMO's website at: www.dmo.gov.uk.

