

PRESS NOTICE

AUCTION OF BRITISH GOVERNMENT STOCK

Auction Details

Auction Date	Thursday, 15 April 2010
Issue and Settlement Date	Friday, 16 April 2010
Bidding Convention	Uniform Price (see Note 1)
Index adjusted accrued interest payable with bid	£0.257515 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	0 ⁵ % Index-linked Treasury Gilt 2042
Amount (nominal) for auction	£900 million (fungible with previous issues) (see Note 5)
Nominal outstanding after auction	£6,718.3 million (£6,910.7 million Index adjusted)
Maturity Date	22 November 2042
Interest Dates	22 May and 22 November
Parent ISIN Code	GB00B3MYD345
Parent SEDOL Code	B-3MY-D34
Reference Index applicable to first issue date	212.46452 (as at 24 July 2009) (see Note 4)
Index Ratio at 16 April 2010	1.02864
Interest Payable	Gross (see Note 2)
Next Interest Date	22 May 2010 (Standard Coupon) (see Note 3)

“When Issued” Trading

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 6 April 2010
Closes	Close of business: 15 April 2010
“When issued” ISIN Code	GB00B59ZYC01
“When issued” SEDOL Code	B-59Z-YC0
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. Index-linked 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, 15 April 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: Actual amount of interest per £100 nominal is £0.3125 x Index Ratio for 22 May 2010 and expressed as a percentage in pounds sterling to six places of decimals and rounded to the nearest figure.

Note 4: The Reference Index for the first calendar day of any calendar month shall be the RPI figure for the calendar month falling three calendar months earlier. The Reference Index for any other day in the month shall be calculated by linear interpolation between the Reference Index applicable to the first calendar day of the month in which the day falls and the Reference Index applicable to the first calendar day of the month immediately following. Interpolated values for the Reference Index for any date should be rounded to the nearest 5th decimal place.

Note 5: 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 : 6 April 2010	http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp060410b.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, 15 April 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, 15 April 2010. The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £110.50 per £100 nominal of the Gilt.

Remit 2010-11

The DMO's remit for 2010-11 was published alongside Budget 2010 on 24 March. Gilt sales of £187.3 billion (cash) are planned in 2010-11 and the structure of the new remit is summarised in the table below.

DMO remit 2010-11					
	Conventional Gilts			Index-linked	Total
	Short	Medium	Long	gilts	
Total gilt sales to-date	0	0	0	0	0
Planned sales at auctions	59,000	45,000	26,700	17,400	148,100
1. Sales at auctions	0	0	0	0	0
Balance of auction sales to plan	59,000	45,000	26,700	17,400	148,100
Auctions remaining	13	12	12	15	52
Auction evenflow	4,538	3,750	2,225	1,160	
2. Sales by syndication	0	0	0	0	0
Planned sales by syndication					29,200
3. Sales by tender	0	0	0	0	0
Planned sales by tender					10,000
Total supplementary sales			0	0	0
Balance to plan			18,600	20,600	39,200
4. PAOF proceeds	0	0	0	0	0
Total planned sales	59,000	45,000	45,300	38,000	187,300

