

## **PRESS NOTICE**

### **AUCTION OF BRITISH GOVERNMENT STOCK**

#### **Auction Details**

Auction Date	Wednesday, 15 December 2010
Issue and Settlement Date	Thursday, 16 December 2010
Bidding Convention	Fully paid Bid Price (see Note 1)
Accrued Interest payable with bid	£0.233696 per £100 nominal
Auction Close	10:30am London Time

#### **Details of Security**

Title	2% Treasury Gilt 2016
Amount (nominal) for auction	£3,500 million (fungible with previous issue) (see Note 4)
Nominal outstanding after auction	£7,900 million
Maturity Date	22 January 2016 at par
Interest Dates	22 January – 22 July
Parent ISIN Code	GB00B3QCG246
Parent SEDOL Code	B-3QC-G24
Strippable	No (see Note 2)
Interest Payable	Gross (see Note 3)
Next Interest Date	22 January 2011 - £0.434783 per £100 nominal (Short First Coupon)

#### **“When Issued” Trading**

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 7 December 2010
Closes	Close of business: 15 December 2010
“When issued” ISIN Code	GB00B66J6T36
“When issued” SEDOL Code	B-66J-6T3
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 Wednesday, 15 December 2010.

Note 2. The Gilt may not be stripped and reconstituted until so specified in a notice issued by the DMO.

Note 3: 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 4: 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 : 7 December 2010	<a href="http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp071210a.pdf">http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp071210a.pdf</a>
Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock DMO : May 2009	<a href="http://www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infm220509.pdf">www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infm220509.pdf</a>
Formulae for Calculating Gilt Prices from Yields DMO : 16 March 2005	<a href="http://www.dmo.gov.uk/documentview.aspx?docname=/giltsmarket/formulae/yldeqns.pdf">www.dmo.gov.uk/documentview.aspx?docname=/giltsmarket/formulae/yldeqns.pdf</a>

## 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 Wednesday, 15 December 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 Wednesday, 15 December 2010.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £100.50 per £100 nominal of the Gilt.

## Remit 2010-11

Gilt sales of £165.2 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 relative to remit targets: 7 December 2010 (£ millions)					
	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Total gilt sales to-date	41,590	29,350	34,002	25,177	130,119
Planned sales at auctions	52,700	38,200	24,100	17,000	132,000
1. Sales at auctions*	41,590	29,350	17,580	13,017	101,537
Balance of auction sales to plan	10,249	8,112	6,160	3,803	30,463
Auctions remaining	3	3	3	4	13
Auction evenflow	3,416	2,704	2,053	951	
2. Sales by syndication			12,994	9,319	22,314
Planned sales by syndication					26,200
3. Sales by tender			3,428	2,841	6,268
Planned sales by tender					7,000
Total supplementary sales			16,422	12,160	28,582
Balance to plan			-22	4,640	4,618
4. PAOF proceeds**	0	0	0	0	0
Total planned sales	52,700	38,200	40,500	33,800	165,200
* including PAOF proceeds in FY to-date					
** Since 29 November 2010					

