

12 July 2011

## **PRESS NOTICE**

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

#### **Auction Details**

Auction Date	Tuesday, 19 July 2011
Issue and Settlement Date	Wednesday, 20 July 2011
Bidding Convention	Fully paid Bid Price (see Note 1)
Rebate interest to be deducted from amount payable with bid	£0.011050 per £100 nominal
Auction Close	10:30am London Time

#### **Details of Security**

Title	2% Treasury Gilt 2016
Amount (nominal) for auction	£4,750 million (fungible with previous issues) (see Note 4)
Nominal outstanding after auction	£30,844 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 2012 (Standard Coupon)

#### **“When Issued” Trading**

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 12 July 2011
Closes	Close of business: 19 July 2011
“When issued” ISIN Code	GB00B3X22K73
“When issued” SEDOL Code	B-3X2-2K7
TIDM (for trade reporting)	AUC

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 Tuesday, 19 July 2011.

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 : 12 July 2011	<a href="http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp120711.pdf">http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp120711.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/infmem220509.pdf">www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmem220509.pdf</a>
Notice of Amendment DMO : 24 June 2011	<a href="http://www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd240611.pdf">www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd240611.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 Tuesday, 19 July 2011. 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 Tuesday, 19 July 2011.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £103.50 per £100 nominal of the Gilt.

## Remit 2011-12

Gilt sales of £167.5 billion (cash) are planned in 2011-12 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: 12 July 2011 (£ millions)					
	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Auction sales to-date	14,725	14,029	6,306	6,279	41,340
PAOF proceeds to-date	0	740	425	210	1,375
Syndication sales to-date			4,836	3,462	8,298
Mini-tender sales to date			0	494	494
<b>Total gilt sales to date</b>	<b>14,725</b>	<b>14,769</b>	<b>11,568</b>	<b>10,445</b>	<b>51,507</b>
Auction sales required to meet plan (excludes PAOF proceeds)	42,675	20,671	14,694	11,921	89,960
Number of auctions remaining	9	6	7	10	32
Currently required average auction sizes	4,742	3,445	2,099	1,192	
Syndication sales required to meet plan			8,664	14,638	23,302
Mini-tender sales required to meet plan			2,900	1,206	4,106
<b>Planned gilt sales at auctions</b>	<b>57,400</b>	<b>34,700</b>	<b>21,000</b>	<b>18,200</b>	<b>131,300</b>
Number of auctions scheduled	12	10	10	15	47
Planned gilt sales by syndication			13,500	18,100	31,600
Planned sales by mini-tender			2,900	1,700	4,600
<b>Total planned supplementary gilt sales</b>			<b>16,400</b>	<b>19,800</b>	<b>36,200</b>
<b>Total planned gilt sales</b>	<b>57,400</b>	<b>34,700</b>	<b>37,400</b>	<b>38,000</b>	<b>167,500</b>

