

74/09

26 May 2009

PRESS NOTICE

AUCTION OF UK GOVERNMENT SECURITY (GILT)

Auction Details

Auction Date	Tuesday, 2 June 2009
Issue and Settlement Date	Wednesday, 3 June 2009
Bidding Convention	Fully paid Bid Price (see Note 1)
Rebate interest to be deducted from amount payable with bid	£0.046703 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	4¼% Treasury Gilt 2049
Amount (nominal) for auction	£2,000 million (fungible with previous issues) (see Note 3)
Nominal outstanding after auction	£13,813 million
Maturity Date	7 December 2049 at par
Interest Dates	7 June – 7 December
Parent ISIN Code	GB00B39R3707
Parent SEDOL Code	B-39R-370
Strippable	Yes, since 3 December 2008
Interest Payable	Gross (see Note 2)
Next Interest Date	7 December 2009 (Standard Coupon)

“When Issued” Trading

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 26 May 2009
Closes	Close of business: 2 June 2009
“When issued” ISIN Code	GB00B4YQVL95
“When issued” SEDOL Code	B-4YQ-VL9
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 Tuesday, 2 June 2009.



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 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 prospectus and in the Information Memorandum.

Documentation

Prospectus DMO : 26 May 2009	www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp260509a.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 Tuesday, 2 June 2009. 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, 2 June 2009.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £99 per £100 nominal of the Gilt.

Remit 2009-10

Gilt sales of £220.0 billion (cash) are planned in 2009-10 and progress against the remit is summarised in the table below.

Gilt sales v remit 26 May 2009 (£ millions)					
	Conventional Gilts			Index-linked	Total
	Short	Medium	Long	gilts	
Gilt sales to date	12,674	10,047	6,106	3,538	32,365
1. Planned sales at auctions	74,000	70,000	27,000	12,000	183,000
Sales at auctions to date	12,674	10,047	4,609	3,002	30,333
Sales remaining at auctions	61,326	59,953	22,391	8,998	152,667
Auctions remaining	12	16	10	9	47
2. Sales by syndication	0	0	0	0	0
Syndications to be allocated					25,000
3. Sales by tender	0	0	1,496	536	2,032
Tenders to be allocated					9,968
Total planned sales					220,000

