

110/08

30 December 2008

PRESS NOTICE

AUCTION OF UK GOVERNMENT SECURITY (GILT)

Auction Details

Auction Date	Wednesday, 7 January 2009
Issue and Settlement Date	Thursday, 8 January 2009
Bidding Convention	Fully paid Bid Price (see Note 1)
Accrued Interest payable with bid	£0.417582 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	4¾% Treasury Stock 2038
Amount (nominal) for issue	£2,000 million (fungible with previous issues)
Nominal outstanding after issue	£19,561 million
Maturity Date	7 December 2038 at par
Interest Dates	7 June – 7 December
Parent ISIN Code	GB00B00NY175
Parent SEDOL Code	B-00N-Y17
Strippable	Yes, since 28 May 2004
Interest Payable	Gross (see Note 2)
Next Interest Date	7 June 2009 (Standard Coupon)

“When Issued” Trading

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 30 December 2008
Closes	Close of business: 7 January 2009
“When issued” ISIN Code	GB00B3KJ9995
“When issued” SEDOL Code	B-3KJ-999
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 Wednesday, 7 January 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.

Documentation

Prospectus DMO : 30 December 2008	www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp301208.pdf
Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock DMO : August 2007	www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmem200807.pdf
Formulae for Calculating Gilt Prices from Yields DMO : 16 March 2005	www.dmo.gov.uk/documentview.aspx?docname=/giltsmarket/formulae/yldegns.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 Wednesday, 7 January 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 Wednesday, 7 January 2009.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £125.50 per £100 nominal of the Stock.

Remit 2008-09

Gilt sales of £146.4 billion (cash) are planned in 2008-09 and progress against the remit is summarised in the table below.

Gilt sales v remit at 30 December 2008 (£ millions)					
	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Gilt sales to date	42,887	17,591	18,872	13,754	93,104
Total planned sales	62,800	33,100	30,500	20,000	146,400
Total auctions planned	16	11	12	19	58
Sales remaining	19,913	15,509	11,628	6,246	53,296
Auctions remaining	5	5	4	6	20

