

## **PRESS NOTICE**

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

#### **Auction Details**

Auction Date	Wednesday, 4 January 2012
Issue and Settlement Date	Thursday, 5 January 2012
Bidding Convention	Fully paid Bid Price (see Note 1)
Accrued Interest payable with bid	£0.661005 per £100 nominal
Auction Close	10:30am London Time

#### **Details of Security**

Title	1¾% Treasury Gilt 2017
Amount (nominal) for auction	£3,750 million (fungible with previous issues) (see Note 4)
Nominal outstanding after auction	£22,462.5 million
Maturity Date	22 January 2017 at par
Interest Dates	22 January – 22 July
Parent ISIN Code	GB00B3Z3K594
Parent SEDOL Code	B-3Z3-K59
Strippable	No (see Note 2)
Interest Payable	Gross (see Note 3)
Next Interest Date	22 January 2012 - £0.741848 per £100 nominal (Short First Coupon)

#### **“When Issued” Trading**

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 28 December 2011
Closes	Close of business: 4 January 2012
“When issued” ISIN Code	GB00B7F9S065
“When issued” SEDOL Code	B-7F9-S06
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, 4 January 2012.

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 : 28 December 2011	<a href="http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp281211.pdf">http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp281211.pdf</a>
Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock DMO : August 2011	<a href="http://www.dmo.gov.uk/documentview.aspx?docName=/publications/operationalrules/infmemadd150811.pdf">http://www.dmo.gov.uk/documentview.aspx?docName=/publications/operationalrules/infmemadd150811.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, 4 January 2012. 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, 4 January 2012. The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £106 per £100 nominal of the Gilt.

## Remit 2011-12

Gilt sales of £178.9 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 at 28 December (£ millions)					
	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Auction sales in the financial year to-date	42,684	27,812	17,160	13,338	100,994
PAOF sales in the financial year to-date	864	1,791	1,038	632	4,325
<b>Auction and PAOF sales in the financial year to date</b>	<b>43,548</b>	<b>29,603</b>	<b>18,198</b>	<b>13,970</b>	<b>105,319</b>
<i>PAOF sales since the Autumn Statement</i>	0	683	206	71	960
Syndication sales in the financial year to-date			9,319	15,375	24,694
Mini-tender sales in the financial year to-date			2,091	494	2,585
<b>Total gilt sales in the financial year to-date</b>	<b>43,548</b>	<b>29,603</b>	<b>29,608</b>	<b>29,838</b>	<b>132,597</b>
<b>Required auction sales to meet plans</b>					
Sales required	17,052	10,880	4,608	5,001	37,541
Less assumed PAOF proceeds to end-financial year	464	890	348	276	1,979
<b>Auction sales currently required to meet plans</b>	<b>16,588</b>	<b>9,989</b>	<b>4,260</b>	<b>4,725</b>	<b>35,562</b>
Number of auctions remaining	4	3	2	4	13
<b>Currently required average auction sizes</b>	<b>4,147</b>	<b>3,330</b>	<b>2,130</b>	<b>1,181</b>	
Syndication sales required to meet plan			4,481	3,525	8,006
Mini-tender sales required to meet plan			1,009	706	1,715
<b>Planned gilt sales at auctions</b>	<b>60,600</b>	<b>39,800</b>	<b>22,600</b>	<b>18,900</b>	<b>141,900</b>
Number of auctions scheduled	13	11	10	15	49
Planned gilt sales by syndication			13,800	18,900	32,700
Planned sales by mini-tender			3,100	1,200	4,300
Planned supplementary gilt sales			16,900	20,100	37,000
<b>Total planned gilt sales</b>	<b>60,600</b>	<b>39,800</b>	<b>39,500</b>	<b>39,000</b>	<b>178,900</b>

