

PRESS NOTICE

AUCTION OF BRITISH GOVERNMENT STOCK

Auction Details

Auction Date	Wednesday, 14 December 2011
Issue and Settlement Date	Thursday, 15 December 2011
Bidding Convention	Fully paid Bid Price (see Note 1)
Accrued Interest payable with bid	£1.087912 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	4% Treasury Gilt 2022
Amount (nominal) for auction	£3,000 million (fungible with previous issues) (see Note 3)
Nominal outstanding after auction	£28,015.1 million
Maturity Date	7 March 2022 at par
Interest Dates	7 March – 7 September
Parent ISIN Code	GB00B3KJDQ49
Parent SEDOL Code	B-3KJ-DQ4
Strippable	Yes, since 29 April 2009
Interest Payable	Gross (see Note 2)
Next Interest Date	7 March 2012 (Standard Coupon)

“When Issued” Trading

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 6 December 2011
Closes	Close of business: 14 December 2011
“When issued” ISIN Code	GB00B702XZ01
“When issued” SEDOL Code	B-702-XZ0
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, 14 December 2011.

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 Information Memorandum.

Documentation

Prospectus DMO : 6 December 2011	http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp061211a.pdf
Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock DMO : August 2011	http://www.dmo.gov.uk/documentview.aspx?docName=/publications/operationalrules/infmemadd150811.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 Wednesday, 14 December 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 Wednesday, 14 December 2011.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £119.50 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 6 December (£ millions)					
	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Auction sales to-date	38,561	24,324	17,160	12,095	92,140
PAOF proceeds to-date	864	1,442	832	560	3,698
Auction + PAOF sales to date	39,425	25,766	17,992	12,655	95,838
PAOF sales since the AF	0	334	0	0	334
Syndication sales to-date			9,319	15,375	24,694
Mini-tender sales to-date			1,185	494	1,679
Total gilt sales to date	39,425	25,766	28,496	28,524	122,211
Required auction sales to meet plans					
Sales required	21,175	14,368	4,608	6,245	46,396
Less assumed PAOF proceeds to end-financial year	464	890	348	276	1,979
Auction sales currently required to meet plans	20,711	13,477	4,260	5,968	44,416
Number of auctions remaining	5	4	2	5	16
Currently required average auction sizes	4,142	3,369	2,130	1,194	
Syndication sales required to meet plan			4,481	3,525	8,006
Mini-tender sales required to meet plan			1,915	706	2,621
Planned gilt sales at auctions	60,600	39,800	22,600	18,900	141,900
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
Total planned gilt sales	60,600	39,800	39,500	39,000	178,900

