

PRESS NOTICE

AUCTION OF BRITISH GOVERNMENT STOCK

Auction Details

Auction Date	Thursday, 3 September 2009
Issue and Settlement Date	Friday, 4 September 2009
Bidding Convention	Fully paid Bid Price (see Note 1)
Rebate interest to be deducted from amount payable with bid	£0.034647 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	4¼% Treasury Gilt 2039
Amount (nominal) for auction	£2,250 million (fungible with previous issues) (see Note 3)
Nominal outstanding after auction	£9,250 million
Maturity Date	7 September 2039 at par
Interest Dates	7 March – 7 September
Parent ISIN Code	GB00B3KJDS62
Parent SEDOL Code	B-3KJ-DS6
Strippable	Yes, since 3 July 2009
Interest Payable	Gross (see Note 2)
Next Interest Date	7 March 2010 (Standard Coupon)

“When Issued” Trading

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 25 August 2009
Closes	Close of business: 3 September 2009
“When issued” ISIN Code	GB00B4ZYBK16
“When issued” SEDOL Code	B-4ZY-BK1
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 Thursday, 3 September 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 Information Memorandum.

Documentation

Prospectus DMO : 25 August 2009	www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp250809b.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 Thursday, 3 September 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 Thursday, 3 September 2009. The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £108 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 (which may not include the amount of gilts issued under the Post Auction Option Facility for the most recent auction, if any).

Gilt sales v remit 25 Aug 2009 (£ millions)					
	Conventional Gilts			Index-linked	Total
	Short	Medium	Long	gilts	
Gilt sales to date	29,411	30,006	21,242	13,535	94,194
1. Planned sales at auctions	74,000	70,000	27,000	12,000	183,000
Sales at auctions to date	29,411	30,006	11,697	7,344	78,457
Sales remaining at auctions	44,589	39,994	15,303	4,656	104,543
Auctions remaining	9	11	7	5	32
2. Sales by syndication	0	0	6,836	4,613	11,448
Syndications to be allocated					13,552
3. Sales by tender	0	0	2,709	1,578	4,288
Tenders to be allocated					7,712
Total planned sales					220,000

