

PRESS NOTICE

AUCTION OF UK GOVERNMENT SECURITY (GILT)

Auction Details

Auction Date	Tuesday, 4 August 2009
Issue and Settlement Date	Wednesday, 5 August 2009
Bidding Convention	Fully paid Bid Price (see Note 1)
Accrued Interest payable with bid	£0.685109 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	4¼% Treasury Gilt 2027
Amount (nominal) for auction	£2,500 million (fungible with previous issues) (see Note 3)
Nominal outstanding after auction	£21,179 million
Maturity Date	7 December 2027 at par
Interest Dates	7 June – 7 December
Parent ISIN Code	GB00B16NNR78
Parent SEDOL Code	B-16N-NR7
Strippable	Yes, since 6 December 2006
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: 28 July 2009
Closes	Close of business: 4 August 2009
“When issued” ISIN Code	GB00B4YR9B81
“When issued” SEDOL Code	B-4YR-9B8
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 Tuesday, 4 August 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 : 28 July 2009	www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp280709.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, 4 August 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, 4 August 2009. The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £101 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 Gilt issued under the Post Auction Option Facility for the most recent auction, if any).

Gilt sales v remit 28 July 2009 (£ millions)					
	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Gilt sales to date	24,196	26,220	18,598	11,844	80,859
1. Planned sales at auctions	74,000	70,000	27,000	12,000	183,000
Sales at auctions to date	24,196	26,220	9,054	6,132	65,602
Sales remaining at auctions	49,804	43,780	17,946	5,868	117,398
Auctions remaining	10	12	8	6	36
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	1,099	3,809
Tenders to be allocated					8,191
Total planned sales					220,000

