

PRESS NOTICE

AUCTION OF BRITISH GOVERNMENT STOCK

Auction Details

Auction Date	Tuesday, 6 July 2010
Issue and Settlement Date	Wednesday, 7 July 2010
Bidding Convention	Fully paid Bid Price (see Note 1)
Accrued Interest payable with bid	£0.275136 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	3¾% Treasury Gilt 2020
Amount (nominal) for auction	£3,250 million (fungible with previous issue) (see Note 4)
Nominal outstanding after auction	£7,000 million
Maturity Date	7 September 2020 at par
Interest Dates	7 March – 7 September
Parent ISIN Code	GB00B582JV65
Parent SEDOL Code	B-582-JV6
Strippable	From 7 July 2010 (see Note 3)
Interest Payable	Gross (see Note 2)
Next Interest Date	7 September 2010 - £0.906929 per £100 nominal (Short First Coupon)

“When Issued” Trading

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 29 June 2010
Closes	Close of business: 6 July 2010
“When issued” ISIN Code	GB00B5KNFC03
“When issued” SEDOL Code	B-5KN-FC0
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 Tuesday, 6 July 2010.

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: Following the issue of this further amount of the Gilt, 3¼% Treasury Gilt 2020 may be stripped and holdings of the Gilt reconstituted: the provisions relating to strips contained in the Information Memorandum will therefore apply except that the minimum stripping unit will be £1,000,000 nominal until the payment of the non-standard first coupon on 7 September 2010. The SEDOL and ISIN code for the new principal strip are B-3X8-RF5 and GB00B3X8RF54 respectively.

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 : 29 June 2010	http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp290610.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, 6 July 2010. 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, 6 July 2010. 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 2010-11

Gilt sales of £165.0 billion (cash) are planned in 2010-11 and progress against the remit is summarised in the table below; the figures below do not include the proceeds of the syndicated offer of 4¼% Treasury Gilt 2040 on 29 June 2010.

Gilt sales v remit 29 June 2010 (£ millions)					
	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Total gilt sales to-date	19,517	12,017	7,957	9,953	49,444
Planned sales at auctions	52,600	38,200	24,200	17,000	132,000
1. Sales at auctions*	19,517	12,017	6,975	4,791	43,300
Balance of auction sales to plan	33,083	26,183	17,225	12,209	88,700
Auctions remaining	8	8	8	11	35
Auction evenflow	4,135	3,273	2,153	1,110	
2. Sales by syndication			0	3,762	3,762
Planned sales by syndication					26,000
3. Sales by tender			982	1,400	2,382
Planned sales by tender					7,000
Total supplementary sales			982	5,162	6,144
Balance to plan			15,218	11,638	26,856
4. PAOF proceeds**					0
Total planned sales	52,600	38,200	40,400	33,800	165,000
* including PAOF proceeds to June Budget					
** since June Budget					

