

68/06

28 November 2006

## **PRESS NOTICE**

### **AUCTION OF UK GOVERNMENT SECURITY (GILT)**

#### **Auction Details**

Auction Date	Tuesday, 5 December 2006
Issue and Settlement Date	Wednesday, 6 December 2006
Bidding Convention	Fully paid Bid Price (see Note 1)
Rebate Interest to be deducted from amount payable with bid (see Note 4)	£0.011612 per £100 nominal
Auction Close	10:30am London Time

#### **Details of Security**

Title	4¼% Treasury Gilt 2027
Amount (nominal) for issue	£2,250 million (fungible with previous issues)
Nominal outstanding after issue	£6,750 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	From 6 December 2006 (see Note 3)
Interest Payable	Gross (see Note 2)
Next Receivable Interest Date	7 June 2007 (Standard Coupon)

#### **“When Issued” Trading**

under London Stock Exchange Rule 7265

Commences	3:30pm : 28 November 2006
Closes	Close of business : 5 December 2006
“When issued” ISIN Code	GB00B1DMBL75
“When issued” SEDOL Code	B-1DM-BL7
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 (as amended). Gilt-edged Market Makers may bid by telephone to the DMO not later than 10.30 am on Tuesday, 5 December 2006.

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, 4¼% Treasury Gilt 2027 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 December 2006. The SEDOL and ISIN codes for the new principal strip are B-1HY-R00 and GB00B1HYR000 respectively.

Note 4. As the gilt will be trading ex-dividend on 6 December 2006 buyers at the auction will not be entitled to the dividend payment due on 7 December 2006 but will rank for the interest payment due on 7 June 2007. The ex-dividend nature of the transaction will also mean that buyers of the gilt at the auction will receive rebate interest.

## Documentation

Prospectus DMO : 28 November 2006	<a href="http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp281106.pdf">www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp281106.pdf</a>
Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock DMO : December 2004	<a href="http://www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmem211204.pdf">www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmem211204.pdf</a>
Notice of Amendment DMO : 13 May 2005	<a href="http://www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd130505.pdf">www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd130505.pdf</a>
Notice of Amendment DMO : 13 September 2005	<a href="http://www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd130905.pdf">www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd130905.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, BS3 9WX to arrive not later than 10.00 am on Tuesday, 5 December 2006. 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, 5 December 2006.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £105 per £100 nominal of the Gilt.

## Remit 2006-07

Gilt sales of £63.0 billion (cash) are planned in 2006-07, the split is summarised in the table below.

<b>Gilt sales v remit at 29 November 2006 (£ millions).</b>					
	Conventional Gilts			Index-linked gilts	Total
	Shorts (1-7 yrs)	Mediums (7-15yrs)	Longs (15 yrs+)		
Gilt sales to date	4,880	7,389	16,288	12,368	40,926
Core gilt programme	10,000	10,000	17,000	16,000	53,000
<b>Programme to be allocated in-year</b>					
Allocated in-year to date	0	0	6,250	1,250	7,500
Currently allocated programme	10,000	10,000	23,250	17,250	60,500
Remaining to be allocated					2,500
<b>Total planned sales</b>					<b>63,000</b>
Remaining to meet allocated programme	5,120	2,611	6,962	4,882	19,574
Auctions remaining in current programme	2	1	3	5	11

