

PRESS NOTICE

AUCTION OF BRITISH GOVERNMENT STOCK

Auction Details

Auction Date	Tuesday, 2 February 2010
Issue and Settlement Date	Wednesday, 3 February 2010
Bidding Convention	Fully paid Bid Price (see Note 1)
Accrued Interest payable with bid	£0.836538 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	5¼% Treasury Gilt 2012
Amount (nominal) for auction	£3,750 million (fungible with previous issues) (see Note 3)
Nominal outstanding after auction	£25,333 million
Maturity Date	7 June 2012 at par
Interest Dates	7 June – 7 December
Parent ISIN Code	GB00B1L6WG32
Parent SEDOL Code	B-1L6-WG3
Strippable	Yes, since 22 June 2007
Interest Payable	Gross (see Note 2)
Next Interest Date	7 June 2010 (Standard Coupon)

“When Issued” Trading

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 26 January 2010
Closes	Close of business: 2 February 2010
“When issued” ISIN Code	GB00B593DX82
“When issued” SEDOL Code	B-593-DX8
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, 2 February 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: 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 : 26 January 2010	http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp260110a.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/yldedqns.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, 2 February 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, 2 February 2010. The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £110 per £100 nominal of the Gilt.

Remit 2009-10

Gilt sales of £225.1 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 26 January 2010 (£ millions)					
	Conventional Gilts			Index-linked	Total
	Short	Medium	Long	gilts	
Total gilt sales to-date	66,735	57,820	42,211	23,493	190,259
Planned sales at auctions	74,200	70,100	27,500	12,300	184,100
1. Sales at auctions	66,735	57,820	23,690	10,414	158,660
Remaining auction sales	7,465	12,280	3,810	1,886	25,440
Auctions remaining	2	4	2	2	10
2. Sales by syndication	0	0	13,558	9,531	23,089
3. Sales by tender	0	0	4,963	3,548	8,511
Total supplementary sales					31,599
Remaining supplementary sales					9,401
Total planned sales					225,100

