

## **PRESS NOTICE**

### **AUCTION OF BRITISH GOVERNMENT STOCK**

#### **Auction Details**

Auction Date	Thursday, 1 September 2011
Issue and Settlement Date	Friday, 2 September 2011
Bidding Convention	Fully paid Bid Price (see Note 1)
Rebate interest to be deducted from amount payable with bid	£0.050951 per £100 nominal
Auction Close	10:30am London Time

#### **Details of Security**

Title	3¾% Treasury Gilt 2021
Amount (nominal) for auction	£3,000 million (fungible with previous issues) (see Note 3)
Nominal outstanding after auction	£16,734 million
Maturity Date	7 September 2021 at par
Interest Dates	7 March – 7 September
Parent ISIN Code	GB00B4RMG977
Parent SEDOL Code	B-4RM-G97
Strippable	Yes, since 6 April 2011
Interest Payable	Gross (see Note 2)
Next Interest Date	7 March 2012 (Standard Coupon)

#### **“When Issued” Trading**

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 23 August 2011
Closes	Close of business: 1 September 2011
“When issued” ISIN Code	GB00B44DZF27
“When issued” SEDOL Code	B-44D-ZF2
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 Thursday, 1 September 2011.

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 : 23 August 2011	<a href="http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp230811.pdf">http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp230811.pdf</a>
Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock DMO : August 2011	<a href="http://www.dmo.gov.uk/documentview.aspx?docName=/publications/operationalrules/infmemadd150811.pdf">http://www.dmo.gov.uk/documentview.aspx?docName=/publications/operationalrules/infmemadd150811.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, BS99 6WX to arrive not later than 10.00 am on Thursday, 1 September 2011. 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, 1 September 2011.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £113 per £100 nominal of the Gilt.

## Remit 2011-12

Gilt sales of £167.5 billion (cash) are planned in 2011-12 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 relative to remit plans: 23 August 2011 (£ millions)					
(£ million)	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Auction sales to-date	24,073	14,029	10,493	8,612	57,207
PAOF proceeds to-date	587	740	607	302	2,236
Syndication sales to-date			4,836	7,598	12,434
Mini-tender sales to date			0	494	494
<b>Total gilt sales to date</b>	<b>24,660</b>	<b>14,769</b>	<b>15,937</b>	<b>17,006</b>	<b>72,371</b>
Auction sales required to meet plan (excludes PAOF proceeds)	33,327	20,671	10,507	9,588	74,093
Number of auctions remaining	7	6	5	8	26
Currently required average auction sizes	4,761	3,445	2,101	1,199	
Syndication sales required to meet plan			8,664	10,502	19,166
Mini-tender sales required to meet plan			2,900	1,206	4,106
<b>Planned gilt sales at auctions</b>	<b>57,400</b>	<b>34,700</b>	<b>21,000</b>	<b>18,200</b>	<b>131,300</b>
Number of auctions scheduled	12	10	10	15	47
Planned gilt sales by syndication			13,500	18,100	31,600
Planned sales by mini-tender			2,900	1,700	4,600
<b>Total planned supplementary gilt sales</b>			<b>16,400</b>	<b>19,800</b>	<b>36,200</b>
<b>Total planned gilt sales</b>	<b>57,400</b>	<b>34,700</b>	<b>37,400</b>	<b>38,000</b>	<b>167,500</b>

