

11 January 2011

PRESS NOTICE

AUCTION OF BRITISH GOVERNMENT STOCK

Auction Details

Auction Date	Wednesday, 19 January 2011
Issue and Settlement Date	Thursday, 20 January 2011
Bidding Convention	Fully paid Bid Price (see Note 1)
Accrued Interest payable with bid	£1.584945 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	4¼% Treasury Stock 2036
Amount (nominal) for auction	£2,250 million (fungible with previous issues) (see Note 3)
Nominal outstanding after auction	£22,477 million
Maturity Date	7 March 2036 at par
Interest Dates	7 March and 7 September
Parent ISIN Code	GB0032452392
Parent SEDOL Code	3-245-239
Strippable	Yes, since 29 May 2003
Interest Payable	Gross (see Note 2)
Next Interest Date	7 March 2011 (Standard Coupon)

“When Issued” Trading

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 11 January 2011
Closes	Close of business: 19 January 2011
“When issued” ISIN Code	GB00B53S7M64
“When issued” SEDOL Code	B-53S-7M6
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 Wednesday, 19 January 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 Stock equivalent to 10% of the nominal amount of the Stock allocated at the auction. Details of the Post Auction Option Facility procedures are set out in the Information Memorandum.

Documentation

Prospectus DMO : 11 January 2011	http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp110111.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 Wednesday, 19 January 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 Wednesday, 19 January 2011.

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 Stock.

Remit 2010-11

Gilt sales of £165.2 billion (cash) are planned in 2010-11 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 targets: 11 January 2011 (£ millions)					
	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Total gilt sales to-date	45,337	32,387	34,195	27,109	139,028
Planned sales at auctions	52,700	38,200	24,100	17,000	132,000
1. Sales at auctions*	44,996	32,112	17,580	14,890	109,579
Balance of auction sales to plan	7,130	5,596	6,160	2,020	22,421
Auctions remaining	2	2	3	2	9
Auction evenflow	3,565	2,798	2,053	1,010	
2. Sales by syndication			12,994	9,319	22,314
Planned sales by syndication					26,200
3. Sales by tender			3,428	2,841	6,268
Planned sales by tender					7,000
Total supplementary sales			16,422	12,160	28,582
Balance to plan			-22	4,640	4,618
4. PAOF proceeds**	341	275	193	59	867
Total planned sales	52,700	38,200	40,500	33,800	165,200
* Including PAOF proceeds to 29 November 2010					
** Since 29 November 2010					

