

3 February 2011

PRESS NOTICE

RESULT OF THE SALE BY AUCTION OF £2000 MILLION OF 4¼% TREASURY GILT 2040

The United Kingdom Debt Management Office ("DMO") announces that the auction of £2,000 million of 4¼% Treasury Gilt 2040 has been allocated as follows:

(Note: all prices in this notice are quoted in pounds and pence)

1. All bids which have been accepted at the lowest accepted price have been allotted approximately 63.5% of the amount bid for

Competitive bids made at prices above the lowest accepted price have been allotted in full. Competitive bids made at prices below the lowest accepted price have been rejected.

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|----|--|--|--------------|---------------------------|
| 2. | The range of bids accepted was as follows: | | <u>Price</u> | <u>Yield</u> |
| | Highest Accepted | | £95.62 | 4.518% |
| | Non-competitive allotment price
(i.e. the rounded average accepted price) | | £95.57 | 4.522% |
| | Lowest Accepted | | £95.53 | 4.524% |
| | Tail in basis points | | | 0.3* |
| 3. | The total amounts allotted and bids received were as follows: | | | |
| | Amount allotted to competitive bids | | | £1,798.250 million |
| | Amount allotted to non-competitive bids | | | |
| | Gilt-edged market makers | | | £199.800 million |
| | Others | | | £1.950 million |
| | Total | | | <u>£2,000.000</u> million |
| | Total bids received | | | <u>£3,731.397</u> million |
| | Times covered | | | 1.87 times |
| 4. | An additional amount of the Stock totalling up to £200 million will be made available to successful bidders for purchase at the non-competitive allotment price, in accordance with the terms of the Information Memorandum. | | | |

*Tail is calculated as the yield at the lowest accepted price less the yield at the average accepted price (using unrounded yields). This figure is then multiplied by 100 to convert it into basis points.