

29/07

15 May 2007

PRESS NOTICE

AUCTION OF UK GOVERNMENT SECURITY (GILT)

Auction Details

Auction Date	Thursday, 24 May 2007
Issue and Settlement Date	Friday, 25 May 2007
Bidding Convention	Fully paid Bid Price (see Note 1)
Auction Close	10:30am London Time

Details of Security

Title	5% Treasury Gilt 2018
Amount (nominal) for issue	£2,500 million
Nominal outstanding after issue	£2,500 million
Maturity Date	7 March 2018 at par
Interest Dates	7 March – 7 September
ISIN Code	GB00B1VWPC84
SEDOL Code	B-1VW-PC8
Strippable	No (see Note 3)
Interest Payable	Gross (see Note 2)
Next Interest Date	7 September 2007 - £1.426630 per £100 nominal (Short First Coupon)

“When Issued” Trading

under London Stock Exchange Rule 7265

Commences	3:30pm: 15 May 2007
Closes	Close of business: 24 May 2007
“When issued” ISIN Code	GB00B1VWPC84
“When issued” SEDOL Code	B-1VW-PC8
TIDM (for trade reporting)	AUCA

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). This auction will not be conducted by means of the Bloomberg Bond Auction System; consequently, Gilt-edged Market Makers may bid by telephone to the DMO not later than 10.30 am on Thursday, 24 May 2007.



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. The Gilt may not be stripped and reconstituted until so specified in a notice issued by the DMO.

Documentation

Prospectus DMO : 15 May 2007	www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp150507b.pdf
Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock DMO : December 2004	www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmem211204.pdf
Notice of Amendment DMO : 13 May 2005	www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd130505.pdf
Notice of Amendment DMO : 13 September 2005	www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd130905.pdf
Notice of Amendment DMO : 14 May 2007	www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd140507.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 Thursday, 24 May 2007. 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, 24 May 2007.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £102.50 per £100 nominal of the Gilt.

Remit 2007-08

Gilt sales of £58.4 billion (cash) are planned in 2007-08 and progress against the remit is summarised in the table below.

Gilt sales v remit at 4 May 2007 (£ millions).					
	Conventional Gilts			Index-linked gilts	Total
	Short (1-7 yrs)	Medium (7-15yrs)	Long (15 yrs+)		
Gilt sales to date	0	0	4,084	2,026	6,109
Total planned sales	10,000	10,000	23,400	15,000	58,400
Sales remaining	10,000	10,000	19,316	12,974	52,291
Auctions remaining	4	4	9	13	30

