

47/08

8 July 2008

PRESS NOTICE

AUCTION OF UK GOVERNMENT SECURITY (STOCK)

Auction Details

| | |
|-----------------------------------|-----------------------------------|
| Auction Date | Thursday, 17 July 2008 |
| Issue and Settlement Date | Friday, 18 July 2008 |
| Bidding Convention | Fully paid Bid Price (see Note 1) |
| Accrued Interest payable with bid | £1.807065 per £100 nominal |
| Auction Close | 10:30am London Time |

Details of Security

| | |
|---------------------------------|--|
| Title | 5% Treasury Stock 2012 |
| Amount (nominal) for issue | £3,750 million (fungible with previous issues) |
| Nominal outstanding after issue | £18,311 million |
| Maturity Date | 7 March 2012 at par |
| Interest Dates | 7 March – 7 September |
| ISIN Code | GB0030468747 |
| SEDOL Code | 3-046-874 |
| Strippable | Yes, since 2 April 2002 |
| Interest Payable | Gross (see Note 2) |
| Next Interest Date | 7 September 2008 (Standard Coupon) |

“When Issued” Trading

under London Stock Exchange Rule 1530

| | |
|----------------------------|---------------------------------|
| Commences | 3:30pm London Time: 8 July 2008 |
| Closes | Close of business: 17 July 2008 |
| “When issued” ISIN Code | GB00B39R2Z16 |
| “When issued” SEDOL Code | B-39R-2Z1 |
| 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, 17 July 2008.



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.

Documentation

| | |
|---|--|
| Prospectus DMO : 8 July 2008 | www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp080708.pdf |
| Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock DMO : August 2007 | www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmem200807.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, 17 July 2008. 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, 17 July 2008.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £103.50 per £100 nominal of Stock.

Remit 2008-09

Gilt sales of £80.0 billion (cash) are planned in 2008-09 and progress against the remit is summarised in the table below.

| Gilt sales v remit at 9 July 2008 (£ millions) | | | | | |
|---|--------------------|---------------|---------------|--------------------|---------------|
| | Conventional Gilts | | | Index-linked gilts | Total |
| | Short | Medium | Long | | |
| Gilt sales to date | 7,180 | 2,516 | 6,581 | 5,988 | 22,265 |
| Total planned sales | 25,000 | 12,800 | 24,200 | 18,000 | 80,000 |
| Sales remaining | 17,820 | 10,284 | 17,619 | 12,012 | 57,735 |
| Auctions remaining | 5 | 4 | 8 | 12 | 29 |

