

08/06

7 February 2006

PRESS NOTICE

DETAILS OF GILT AUCTION ON THURSDAY, 16 FEBRUARY 2006

AMOUNT: £2,500 million nominal

GILT: 4¼% TREASURY GILT 2055

MATURITY DATE: 7 DECEMBER 2055

INTEREST DATES: 7 JUNE / 7 DECEMBER

AUCTION DATE: 16 FEBRUARY 2006

SETTLEMENT DATE: 17 FEBRUARY 2006

The United Kingdom Debt Management Office ("the DMO") announces the issue by Her Majesty's Treasury of a further £2,500 million nominal of 4¼% Treasury Gilt 2055, for auction on a fully-paid bid-price basis on Thursday, 16 February 2006 and settlement on Friday, 17 February 2006. This further issue will be fungible with the amount of the gilt already in issue.

This stock is strippable in accordance with the terms of the Information Memorandum, published by the DMO, relating to the Issue, Stripping and Reconstitution of British Government Stock dated December 2004, as amended by the DMO's Notices of 13 May 2005 and 13 September 2005 (the "Information Memorandum").

Interest on 4¼% Treasury Gilt 2055 is payable half-yearly on 7 June and 7 December. The price payable will include an amount equal to the accrued interest from 7 December 2005, the most recent interest payment date of the gilt, to 17 February 2006, the settlement date of this auction, at the rate of £0.840659 per £100 nominal of the gilt. This further issue of the gilt will rank for the six months' interest payment due on 7 June 2006. The gilt will be repayable at par on 7 December 2055.

Interest payments will ordinarily be paid to holders of this gilt without deduction of United Kingdom income tax. However, 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.

Under Rule 7265 of the London Stock Exchange, dealings in the unstripped 4¼% Treasury Gilt 2055 on a "when-issued" basis may be conducted from the time of this announcement until the close of business on Thursday, 16 February 2006. The SEDOL and ISIN codes to be used for "when-issued" trading are B-0V3-WT0 and GB00B0V3WT07 respectively. In relation to "when-issued" trading, the TIDM code "AUC" should be used for trade reporting purposes. The SEDOL and ISIN codes to be used after this date are B-06Y-GN0 and GB00B06YGN05 respectively.

A Notice announcing the auction of this issue of the gilt will be advertised in the Press. 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. The prospectus for competitive bids and non-competitive bids, the Information Memorandum and the Notices of Amendment can be obtained from the Registrar or the DMO or from the DMO's website at:

www.dmo.gov.uk/gilts/public/prospectus/prosp070206.pdf,
www.dmo.gov.uk/gilts/public/technical/infmem211204.pdf,
www.dmo.gov.uk/gilts/public/technical/infmemadd130505.pdf and
www.dmo.gov.uk/gilts/public/technical/infmemadd130905.pdf respectively.

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, BS3 9WX to arrive not later than 10.00 am on Thursday, 16 February 2006. 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, 16 February 2006.

Gilt-edged market makers may bid by telephone to the DMO not later than 10.30 am on Thursday, 16 February 2006.

NOTE TO EDITORS

Planned gilt sales for 2005-06 were increased from £51.1 billion to £52.3 billion (cash) in the Pre-Budget Report on 5 December 2005. Conventional gilt sales are now planned to raise £41.5 billion in 15 auctions whilst planned index-linked sales are for £10.8 billion in 10 auctions and 1 syndicated offering. Gilt sales in the financial year to date are £45.8 billion (cash) of which index-linked sales account for £9.9 billion (cash).



The auction announced today is the twenty-third of the 2005-06 remit and the fourteenth auction of a conventional gilt. It represents a further tranche of 4¼% Treasury Gilt 2055 first issued on 27 May 2005. Following this auction the nominal amount outstanding of 4¼% Treasury Gilt 2055 will be £9.602 billion. Long conventional gilt sales of £17.9 billion (cash) are planned in 2005-06; long conventional gilt sales to date are £15.2 billion (cash).

Copies of the full prospectus are available on request from the addresses given below and on the DMO website, www.dmo.gov.uk/gilts/public/prospectus/index.htm. Only gilt applications made on the forms sent out by the Registrar to Approved Group members will be accepted in the auction.

Copies of the Information Memorandum are available from the DMO, Eastcheap Court, 11 Philpot Lane, London, EC3M 8UD (telephone 020-7862 6500; fax 020-7862 6509) and Computershare Investor Services PLC, PO Box 2411, The Pavilions, Bristol, BS3 9WX (telephone 0870 703 0143).

This press notice together with the prospectus for the further issue of the gilt will be appearing on the DMO's website at: www.dmo.gov.uk.

