

## **PRESS NOTICE**

### **AUCTION OF BRITISH GOVERNMENT STOCK**

#### **Auction Details**

Auction Date	Tuesday, 19 October 2010
Issue and Settlement Date	Wednesday, 20 October 2010
Bidding Convention	Uniform Price (see Note 1)
Index adjusted accrued interest payable with bid	£0.529490 per £100 nominal
Auction Close	10:30am London Time

#### **Details of Security**

Title	1¼% Index-linked Treasury Gilt 2032
Amount (nominal) for auction	£1,250 million (fungible with previous issues) (see Note 5)
Nominal outstanding after auction	£12,078 million (£12,468.9 million Index adjusted)
Maturity Date	22 November 2032
Interest Dates	22 May and 22 November
Parent ISIN Code	GB00B3D4VD98
Parent SEDOL Code	B-3D4-VD9
Reference Index applicable to first issue date	217.13226 (as at 29 October 2008) (see Note 4)
Index Ratio at 20 October 2010	1.03233
Interest Payable	Gross (see Note 2)
Next Interest Date	22 November 2010 at £0.647819 per £100 nominal (Standard Coupon) (see Note 3)

#### **“When Issued” Trading**

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 12 October 2010
Closes	Close of business: 19 October 2010
“When issued” ISIN Code	GB00B3TP9S70
“When issued” SEDOL Code	B-3TP-9S7
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. Index-linked Gilt-edged Market Makers may bid by means of the Bloomberg Bond Auction System to the DMO not later than 10.30 am on Tuesday, 19 October 2010.

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: Actual amount of interest per £100 nominal is £0.625 x Index Ratio for 22 November 2010 and expressed as a percentage in pounds sterling to six places of decimals and rounded to the nearest figure. The Index Ratio for 22 November is 1.03651.

Note 4: The Reference Index for the first calendar day of any calendar month shall be the RPI figure for the calendar month falling three calendar months earlier. The Reference Index for any other day in the month shall be calculated by linear interpolation between the Reference Index applicable to the first calendar day of the month in which the day falls and the Reference Index applicable to the first calendar day of the month immediately following. Interpolated values for the Reference Index for any date should be rounded to the nearest 5th decimal place.

Note 5: 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 Gilt equivalent to 10% of the nominal amount of the Gilt allocated at the auction. Details of the Post Auction Option Facility procedures are set out in the Information Memorandum.

## Documentation

Prospectus DMO : 12 October 2010	<a href="http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp121010a.pdf">http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp121010a.pdf</a>
Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock DMO : May 2009	<a href="http://www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infm220509.pdf">www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infm220509.pdf</a>
Formulae for Calculating Gilt Prices from Yields DMO : 16 March 2005	<a href="http://www.dmo.gov.uk/documentview.aspx?docname=/giltsmarket/formulae/yldeqns.pdf">www.dmo.gov.uk/documentview.aspx?docname=/giltsmarket/formulae/yldeqns.pdf</a>

## 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 Tuesday, 19 October 2010. 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 Tuesday, 19 October 2010. The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £124 per £100 nominal of the Gilt.

## Remit 2010-11

Gilt sales of £165.0 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 v remit 12 October 2010 (£ millions)					
	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Total gilt sales to-date	32,497	22,574	23,609	21,874	100,553
Planned sales at auctions	52,600	38,200	24,200	17,000	132,000
1. Sales at auctions*	31,689	21,625	13,307	10,232	76,853
Balance of auction sales to plan	20,911	15,575	10,893	6,768	55,147
Auctions remaining	5	5	5	6	21
Auction evenflow	4,182	3,115	2,179	1,128	
2. Sales by syndication			7,995	9,319	17,314
Planned sales by syndication					26,000
3. Sales by tender			2,139	2,093	4,232
Planned sales by tender					7,000
Total supplementary sales			10,133	11,413	21,546
Balance to plan			6,067	5,387	11,454
4. PAOF proceeds**	808	948	168	229	2,154
Total planned sales	52,600	38,200	40,400	33,800	165,000
* including PAOF proceeds to June Budget					
** since June Budget					

