

65/08

23 September 2008

PRESS NOTICE

AUCTION OF UK GOVERNMENT SECURITY (GILT)

Auction Details

Auction Date	Wednesday, 1 October 2008
Issue and Settlement Date	Thursday, 2 October 2008
Bidding Convention	Fully paid Bid Price (see Note 1)
Accrued Interest payable with bid	£0.336749 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	4¼% Treasury Gilt 2049
Amount (nominal) for issue	£2,250 million (fungible with previous issue)
Nominal outstanding after issue	£4,500 million
Maturity Date	7 December 2049 at par
Interest Dates	7 June – 7 December
Parent ISIN Code	GB00B39R3707
Parent SEDOL Code	B-39R-370
Strippable	No (see Note 2)
Interest Payable	Gross (see Note 3)
Next Interest Date	7 December 2008 - £1.103142 per £100 nominal (Short First Coupon)

“When Issued” Trading

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 23 September 2008
Closes	Close of business: 1 October 2008
“When issued” ISIN Code	GB00B3D3TK94
“When issued” SEDOL Code	B-3D3-TK9
TIDM (for trade reporting)	AUCB

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 Wednesday, 1 October 2008.



Note 2. The Gilt may not be stripped and reconstituted until so specified in a notice issued by the DMO.

Note 3: 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 : 23 September 2008	www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp230908.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 Wednesday, 1 October 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 Wednesday, 1 October 2008.

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 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 24 September 2008 (£ millions)					
	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Gilt sales to date	14,448	5,007	11,001	8,956	39,411
Total planned sales	25,000	12,800	24,200	18,000	80,000
Total auctions planned	7	5	11	18	41
Sales remaining	10,552	7,793	13,199	9,044	40,589
Auctions remaining	3	3	6	9	21

