

52/06

26 September 2006

## **PRESS NOTICE**

### **AUCTION OF UK GOVERNMENT SECURITY (GILT)**

#### **Auction Details**

Auction Date	Tuesday, 3 October 2006
Issue and Settlement Date	Wednesday, 4 October 2006
Bidding Convention	Fully paid Bid Price (see Note 1)
Accrued Interest payable with bid	£0.325137 per £100 nominal
Auction Close	10:30am London Time

#### **Details of Security**

Title	4¼% Treasury Gilt 2027
Amount (nominal) for issue	£2,250 million
Nominal outstanding after issue	£4,500 million
Maturity Date	7 December 2027 at par
Interest Dates	7 June – 7 December
Parent ISIN Code	GB00B16NNR78
Parent SEDOL Code	B-16N-NR7
Strippable	No (see Note 3)
Interest Payable	Gross (see Note 2)
Next Interest Date	7 December 2006 - £1.068306 per £100 nominal (Short Coupon)

#### **“When Issued” Trading**

under London Stock Exchange Rule 7265

Commences	3:30pm : 26 September 2006
Closes	Close of business : 3 October 2006
“When issued” ISIN Code	GB00B1DLFK16
“When issued” SEDOL Code	B-1DL-FK1
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 (as amended). Gilt-edged Market Makers may bid by telephone to the DMO not later than 10.30 am on Tuesday, 3 October 2006.



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 : 26 September 2006	<a href="http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp260906.pdf">www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp260906.pdf</a>
Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock DMO : December 2004	<a href="http://www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmem211204.pdf">www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmem211204.pdf</a>
Notice of Amendment DMO : 13 May 2005	<a href="http://www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd130505.pdf">www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd130505.pdf</a>
Notice of Amendment DMO : 13 September 2005	<a href="http://www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd130905.pdf">www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd130905.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, BS3 9WX to arrive not later than 10.00 am on Tuesday, 3 October 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 Tuesday, 3 October 2006.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £106.50 per £100 nominal of the Gilt.

## Remit 2006-07

Gilt sales of £63.0 billion (cash) are planned in 2006-07, the split is summarised in the table below.

<b>Gilt sales v remit at 22 September 2006 (£ millions).</b>					
	Conventional Gilts			Index-linked gilts	Total
	Shorts (1-7 yrs)	Mediums (7-15yrs)	Longs (15 yrs+)		
Gilt sales to date	4,880	5,002	11,636	8,364	29,882
Core gilt programme	10,000	10,000	17,000	16,000	53,000
Programme to be allocated in-year					
Allocated in-year to date	0	0	6,250	1,250	7,500
Currently allocated programme	10,000	10,000	23,250	17,250	60,500
Remaining to be allocated					2,500
Total planned sales					63,000
Remaining to meet allocated programme	5,120	4,998	11,614	8,886	30,618
Auctions remaining in current programme	2	2	5	9	18

