

PRESS NOTICE

AUCTION OF BRITISH GOVERNMENT STOCK

Auction Details

Auction Date	Thursday, 20 May 2010
Issue and Settlement Date	Friday, 21 May 2010
Bidding Convention	Fully paid Bid Price (see Note 1)
Accrued Interest payable with bid	£0.968071 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	4¾% Treasury Stock 2020
Amount (nominal) for auction	£3,250 million (fungible with previous issues) (see Note 3)
Nominal outstanding after auction	£31,068 million
Maturity Date	7 March 2020 at par
Interest Dates	7 March – 7 September
Parent ISIN Code	GB00B058DQ55
Parent SEDOL Code	B-058-DQ5
Strippable	Yes, since 8 June 2005
Interest Payable	Gross (see Note 2)
Next Interest Date	7 September 2010 (Standard Coupon)

“When Issued” Trading

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 11 May 2010
Closes	Close of business: 20 May 2010
“When issued” ISIN Code	GB00B5BCH209
“When issued” SEDOL Code	B-5BC-H20
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 Thursday, 20 May 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: 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 Stock equivalent to 10% of the nominal amount of the Stock allocated at the auction. Details of the Post Auction Option Facility procedures are set out in the Information Memorandum.

Documentation

Prospectus DMO : 11 May 2010	http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp110510.pdf
Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock DMO : May 2009	www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmem220509.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, 20 May 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 Thursday, 20 May 2010.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £110.50 per £100 nominal of the Stock.

Remit 2010-11

Gilt sales of £185.2 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 11May 2010 (£ millions)					
	Conventional Gilts			Index-linked	Total
	Short	Medium	Long	gilts	
Total gilt sales to-date	9,830	4,346	4,525	2,815	21,516
Planned sales at auctions	59,000	42,900	26,700	17,400	146,000
1. Sales at auctions	9,743	3,951	4,312	1,980	19,987
Balance of auction sales to plan	49,257	38,949	22,388	15,420	126,013
Auctions remaining	11	11	10	13	45
Auction evenflow	4,478	3,541	2,239	1,186	
2. Sales by syndication	0	0	0	0	0
Planned sales by syndication					29,200
3. Sales by tender	0	0	0	728	728
Planned sales by tender					10,000
Total supplementary sales			0	728	728
Balance to plan			18,600	19,872	38,472
4. PAOF proceeds	87	395	212	107	802
Total planned sales	59,000	42,900	45,300	38,000	185,200

