

PRESS NOTICE

AUCTION OF UK GOVERNMENT SECURITY (GILT)

Auction Details

Auction Date	Thursday, 28 May 2009
Issue and Settlement Date	Friday, 29 May 2009
Bidding Convention	Uniform Price (see Note 1)
Uplifted accrued interest payable with bid	£0.023139 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	1¼% Index-linked Treasury Gilt 2032
Amount (nominal) for issue	£1,250 million (fungible with previous issues)
Nominal outstanding after issue	£6,700 million (£6,520.3 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 29 May 2009	0.97318
Interest Payable	Gross (see Note 2)
Next Interest Date	22 November 2009 (Standard Coupon) (see Note 3)

“When Issued” Trading

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 19 May 2009
Closes	Close of business: 28 May 2009
“When issued” ISIN Code	GB00B3NLBY10
“When issued” SEDOL Code	B-3NL-BY1
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. 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 Thursday, 28 May 2009.

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 2009 and expressed as a percentage in pounds sterling to six places of decimals and rounded to the nearest figure.

Note 4: The Reference Index for the first calendar day of any calendar month shall be the Retail Price Index 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.

Documentation

Prospectus DMO : 19 May 2009	www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp190509.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
Notice of Amendment DMO: 18 March 2009	www.dmo.gov.uk/documentview.aspx?docName=/publications/operationalrules/infmemadd180309.pdf
Formulae for Calculating Gilt Prices from Yields DMO : 16 March 2005	www.dmo.gov.uk/documentview.aspx?docname=/giltsmarket/formulae/yldecons.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, 28 May 2009. 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, 28 May 2009.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £109 per £100 nominal of the Gilt.

Remit 2009-10

Gilt sales of £220.0 billion (cash) are planned in 2009-10, progress against the remit is summarised in the table below.

Gilt sales v remit 19 May 2009 (£ millions)					
	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Gilt sales to date	7,829	10,047	6,106	3,538	27,520
1. Planned sales at auctions	74,000	70,000	27,000	12,000	183,000
Sales at auctions to date	7,829	10,047	4,609	3,002	25,488
Sales remaining at auctions	66,171	59,953	22,391	8,998	157,512
Auctions remaining	13	16	10	9	48
2. Sales by syndication	0	0	0	0	0
Syndications to be allocated					25,000
3. Sales by tender	0	0	1,496	536	2,032
Tenders to be allocated					9,968
Total planned sales					220,000

