

71/06

5 December 2006

## **PRESS NOTICE**

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

#### **Auction Details**

Auction Date	Thursday, 14 December 2006
Issue and Settlement Date	Friday, 15 December 2006
Bidding Convention	Uniform Price (see Note 1)
Accrued interest payable with bid	£0.878876 per £100 nominal
Auction Close	10:30am London Time

#### **Details of Security**

Title	2% Index-linked Treasury Stock 2035
Amount (nominal) for issue	£650 million (fungible with previous issues)
Nominal outstanding after issue	£9,389 million (£10,627.5 million uplifted)
Maturity Date	26 January 2035
Interest Dates	26 January and 26 July
Parent ISIN Code	GB0031790826
Parent SEDOL Code	3-179-082
Retail Price Index applicable to first issue date	173.6 (January 1987 = 100) (see Note 3)
Retail Price Index applicable to December 2006	196.5 (January 1987 = 100) (see Note 4)
Interest Payable	Gross (see Note 2)
Next Interest Date	26 January 2007: £1.138825 per £100 nominal

#### **“When Issued” Trading**

under London Stock Exchange Rule 7265

Commences	3:30pm London Time: 5 December 2006
Closes	Close of business : 14 December 2006
“When issued” ISIN Code	GB00B1DMDY45
“When issued” SEDOL Code	B-1DM-DY4
TIDM (for trade reporting)	AUCA

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 telephone to the DMO not later than 10.30 am on Thursday, 14 December 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 RPI figure applicable to any month will be the RPI figure issued seven months prior to the relevant month and relating to the month before that prior month.

Note 4. The Index Ratio applicable to any month will be equal to the RPI applicable to that month (see Note 3 above) divided by the RPI figure applicable to July 2002 (2% Index-linked Treasury Stock 2035 was first issued on 11 July 2002).

## Documentation

Prospectus DMO : 5 December 2006	<a href="http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp051206.pdf">www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp051206.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 Thursday, 14 December 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 Thursday, 14 December 2006.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £154 per £100 nominal of the Stock.

## Remit 2006-07

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

<b>Gilt sales v remit at 6 December 2006 (£ millions).</b>					
	Conventional Gilts			Index-linked gilts	Total
	Shorts (1-7 yrs)	Mediums (7-15yrs)	Longs (15 yrs+)		
Gilt sales to date	7,322	7,389	18,548	12,368	45,628
Core gilt programme	10,000	10,000	17,000	16,000	53,000
<b>Programme to be allocated in-year</b>					
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	2,678	2,611	4,702	4,882	14,872
Auctions remaining in current programme	1	1	2	5	9

