

PRESS NOTICE

AUCTION OF UK GOVERNMENT SECURITY (GILT)

Auction Details

Auction Date	Thursday, 9 August 2007
Issue and Settlement Date	Friday, 10 August 2007
Bidding Convention	Fully paid Bid Price (see Note 1)
Accrued Interest payable with bid	£1.046196 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	5% Treasury Gilt 2018
Amount (nominal) for issue	£2,500 million (fungible with previous issues)
Nominal outstanding after issue	£5,000 million
Maturity Date	7 March 2018 at par
Interest Dates	7 March – 7 September
ISIN Code	GB00B1VWPC84
SEDOL Code	B-1VW-PC8
Strippable	From 10 August 2007 (see Note 3)
Interest Payable	Gross (see Note 2)
Next Interest Date	7 September 2007 - £1.426630 per £100 nominal (Short First Coupon)

“When Issued” Trading

under London Stock Exchange Rule 7265

Commences	3:30pm London Time: 31 July 2007
Closes	Close of business: 9 August 2007
“When issued” ISIN Code	GB00B1Z5J106
“When issued” SEDOL Code	B-1Z5-J10
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 means of the Bloomberg Bond Auction System to the DMO not later than 10.30 am on Thursday, 9 August 2007.

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: Following the issue of this further amount of the Gilt, 5% Treasury Gilt 2018 may be stripped and holdings of the Gilt reconstituted; the provisions relating to strips contained in the Information Memorandum will therefore apply except that the minimum stripping unit will be £1 million nominal until the payment of the non-standard first coupon on 7 September 2007, after which the standard minimum stripping unit of £10,000 nominal will apply. The SEDOL and ISIN codes for the new principal strip will be B-23K-1Q3 and GB00B23K1Q33 respectively.

Documentation

Prospectus DMO : 31 July 2007	www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp310707.pdf
Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock DMO : December 2004	www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmem211204.pdf
Notice of Amendment DMO : 13 May 2005	www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd130505.pdf
Notice of Amendment DMO : 13 September 2005	www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd130905.pdf
Notice of Amendment DMO : 14 May 2007	www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd140507.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, 9 August 2007. 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, 9 August 2007.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £103 per £100 nominal of the Gilt.

Remit 2007-08

Gilt sales of £58.4 billion (cash) are planned in 2007-08 and progress against the remit is summarised in the table below.

Gilt sales v remit at 31 July 2007 (£ millions).					
	Conventional Gilts			Index-linked gilts	Total
	Short (1-7 yrs)	Medium (7-15yrs)	Long (15 yrs+)		
Gilt sales to date	2,442	2,464	8,465	6,067	19,438
Total planned sales	10,000	10,000	23,400	15,000	58,400
Sales remaining	7,558	7,536	14,935	8,933	38,962
Auctions remaining	3	3	7	9	22

