

42/07

3 July 2007

## **PRESS NOTICE**

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

#### **Auction Details**

Auction Date	Tuesday, 10 July 2007
Issue and Settlement Date	Wednesday, 11 July 2007
Bidding Convention	Uniform Price (see Note 1)
Auction Close	10:30am London Time

#### **Details of Security**

Title	1 $\frac{7}{8}$ % Index-linked Treasury Gilt 2022
Amount (nominal) for issue	£1,200 million
Nominal outstanding after issue	£1,200 million
Maturity Date	22 November 2022
Interest Dates	22 May and 22 November
Parent ISIN Code	GB00B1Z5HQ14
Parent SEDOL Code	B-1Z5-HQ1
Reference Index applicable to first issue date	205.65806 (as at 11 July 2007) (see Note 4)
Interest Payable	Gross (see Note 2)
Next Interest Date	22 November 2007 (Short First Coupon) (see Note 3)

#### **“When Issued” Trading**

under London Stock Exchange Rule 7265

Commences	3:30pm London Time: 3 July 2007
Closes	Close of business: 10 July 2007
“When issued” ISIN Code	GB00B1Z5HQ14
“When issued” SEDOL Code	B-1Z5-HQ1
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 means of the Bloomberg Bond Auction System to the DMO not later than 10.30 am on Tuesday, 10 July 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. Actual amount of interest per £100 nominal will be  $((134/184) \times £0.9375) \times$  Index Ratio for 22 November 2007 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 5<sup>th</sup> decimal place.

## Documentation

Prospectus DMO : 3 July 2007	<a href="http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp030707.pdf">www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp030707.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>
Notice of Amendment DMO : 14 May 2007	<a href="http://www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd140507.pdf">www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd140507.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/yldegns.pdf">www.dmo.gov.uk/documentview.aspx?docname=/giltsmarket/formulae/yldegns.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, BS99 6WX to arrive not later than 10.00 am on Tuesday, 10 July 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 Tuesday, 10 July 2007.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £104 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.

<b>Gilt sales v remit at 3 July 2007 (£ millions).</b>					
	Conventional Gilts			Index-linked gilts	Total
	Short (1-7 yrs)	Medium (7-15yrs)	Long (15 yrs+)		
<b>Gilt sales to date</b>	<b>2,442</b>	<b>2,464</b>	<b>8,465</b>	<b>4,008</b>	<b>17,380</b>
<b>Total planned sales</b>	<b>10,000</b>	<b>10,000</b>	<b>23,400</b>	<b>15,000</b>	<b>58,400</b>
<b>Sales remaining</b>	<b>7,558</b>	<b>7,536</b>	<b>14,935</b>	<b>10,992</b>	<b>41,020</b>
<b>Auctions remaining</b>	<b>3</b>	<b>3</b>	<b>7</b>	<b>11</b>	<b>24</b>

