

68/07

20 November 2007

PRESS NOTICE

AUCTION OF UK GOVERNMENT SECURITY (GILT)

Auction Details

Auction Date	Wednesday, 28 November 2007
Issue and Settlement Date	Thursday, 29 November 2007
Bidding Convention	Fully paid Bid Price (see Note 1)
Rebate Interest to be deducted from amount payable with bid	£0.098361 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	4½% Treasury Gilt 2042
Amount (nominal) for issue	£2,000 million (fungible with previous issues)
Nominal outstanding after issue	£8,500 million
Maturity Date	7 December 2042 at par
Interest Dates	7 June – 7 December
ISIN Code	GB00B1VWPJ53
SEDOL Code	B-1VW-PJ5
Strippable	Yes, since 12 September 2007 (see Note 3)
Interest Payable	Gross (see Note 2)
Next Interest Date	7 December 2007 - £2.262363 per £100 nominal (Long First Coupon) (see Note 4)

“When Issued” Trading

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 20 November 2007
Closes	Close of business: 28 November 2007
“When issued” ISIN Code	GB00B24FG061
“When issued” SEDOL Code	B-24F-G06
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. Gilt-edged Market Makers may bid by means of the Bloomberg Bond Auction System to the DMO not later than 10.30 am on Wednesday, 28 November 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: 4½% Treasury Gilt 2042 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 December 2007, after which the standard minimum stripping unit of £10,000 nominal will apply.

Note 4: As the price payable for this further issue of the Gilt will be reduced by an amount equal to the rebate interest from 29 November 2007 to 7 December 2007 this further issue of the Gilt will not rank for the interest payment due on 7 December 2007 but will rank for the interest payment due on 7 June 2008.

Documentation

Prospectus DMO : 20 November 2007	www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp201107.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
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 Wednesday, 28 November 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 Wednesday, 28 November 2007.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £108.50 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 21 November 2007 (£ millions)					
	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Gilt sales to date	4,969	7,419	15,008	9,936	37,332
Total planned sales	10,000	10,000	23,400	15,000	58,400
Sales remaining	5,031	2,581	8,392	5,064	21,068
Auctions remaining	2	1	4	5	12

