

40/05

30 August 2005

PRESS NOTICE

DETAILS OF GILT AUCTION ON TUESDAY 6 SEPTEMBER 2005

AMOUNT: £2,750 million nominal

STOCK: 4¼% TREASURY STOCK 2036

MATURITY DATE: 7 MARCH 2036

INTEREST DATES: 7 MARCH / 7 SEPTEMBER

AUCTION DATE: 6 SEPTEMBER 2005

SETTLEMENT DATE: 7 SEPTEMBER 2005

The United Kingdom Debt Management Office ("the DMO") announces the issue by Her Majesty's Treasury of a further £2,750 million nominal of 4¼% Treasury Stock 2036, for auction on a fully-paid bid-price basis on Tuesday, 6 September 2005 and settlement on Wednesday, 7 September 2005. This further issue will be fungible with the stock already in issue.

Interest on 4¼% Treasury Stock 2036 is payable half-yearly on 7 March and 7 September. The price payable will not include any amount in respect of accrued or rebate interest in relation to the interest payment due on 7 September 2005. This further issue of stock is not eligible for the interest payment due on 7 September 2005 but will rank for the six months' interest payment due on 7 March 2006. The stock will be repayable at par on 7 March 2036. This stock is strippable in accordance with the terms of the Information Memorandum, published by the DMO, relating to the Issue, Stripping and Reconstitution of British Government Stock dated December 2004, as amended by the DMO's Notice of 13 May 2005, (the "Information Memorandum").

Interest payments will ordinarily be paid to holders of this stock without deduction of United Kingdom income tax. However, 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.

Under Rule 7265 of the London Stock Exchange, dealings in the unstripped 4¼% Treasury Stock 2036 on a "when-issued" basis may be conducted from the time of this announcement until the close of business on Tuesday, 6 September 2005. The SEDOL and ISIN codes to be used for "when-issued" trading are B-0CN-HT4 and GB00B0CNHT49 respectively. In relation to "when-issued" trading, the TIDM code "AUC" should be used for trade reporting purposes. The SEDOL and ISIN codes to be used after this date are 3-245-239 and GB0032452392 respectively.

A Notice announcing the auction of this issue of stock will be advertised in the Press. 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. The prospectus for competitive bids and non-competitive bids, the Information Memorandum and the Notice of Amendment can be obtained from the Registrar or the DMO or from the DMO's website at:

www.dmo.gov.uk/gilts/public/prospectus/prosp300805.pdf,
www.dmo.gov.uk/gilts/public/technical/infmem211204.pdf and
www.dmo.gov.uk/gilts/public/technical/infmemadd130505.pdf respectively.

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 Tuesday, 6 September 2005. 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, 6 September 2005.

Gilt-edged market makers may bid by telephone to the DMO not later than 10.30 am on Tuesday, 6 September 2005.

NOTE TO EDITORS

The DMO's remit for 2005-06 was published on 16 March 2005 as part of the Budget 2005 announcements and revised on 20 April 2005 following the publication of an outturn CGNCR for 2004-05 which was £4.3 billion lower than forecast at the Budget. Planned gilt sales in 2005-06 were reduced by £2.4 billion to £51.1 billion; conventional gilt sales are now planned to raise £41.1 billion in 15 auctions whilst planned index-linked sales are for £10.0 billion in 10 auctions. Gilt sales in the financial year to date are £20.2 billion (cash).



The auction announced today is the eleventh of the 2005-06 remit and the seventh of a conventional stock. It represents a further tranche of 4¼% Treasury Stock 2036 first issued in February 2003. Following this auction the nominal amount outstanding of 4¼% Treasury Stock 2036 will be £15.338 billion. Long conventional gilt sales of £17.9 billion (cash) are planned in 2005-06; long conventional gilt sales to date are £7.4 billion (cash).

Computershare Investor Services PLC assumed responsibility for the gilt registration service as HM Treasury's designated Registrar in succession to the Bank of England on 20 December 2004.

Copies of the full prospectus are available on request from the addresses given below and on the DMO website, www.dmo.gov.uk/public/prospectus/index.htm. Only stock applications made on the forms sent out by the Registrar to Approved Group members will be accepted in the auction.

Copies of the Information Memorandum are available from the DMO, Eastcheap Court, 11 Philpot Lane, London, EC3M 8UD (telephone 020-7862 6500; fax 020-7862 6509) and Computershare Investor Services PLC, PO Box 2411, The Pavilions, Bristol, BS3 9WX (telephone 0870 703 0143).

This press notice will be appearing on the DMO's website at:

www.dmo.gov.uk/gilts/press/index.htm.

