

PRESS NOTICE

AUCTION OF UK GOVERNMENT SECURITY (GILT)

Auction Details

Auction Date	Thursday, 27 March 2008
Issue and Settlement Date	Friday, 28 March 2008
Bidding Convention	Uniform Price (see Note 1)
Uplifted accrued interest payable with bid	£0.471802 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	1¼% Index-linked Treasury Gilt 2027
Amount (nominal) for issue	£975 million (fungible with previous issues)
Nominal outstanding after issue	£6,980 million (£7,551.0 million uplifted)
Maturity Date	22 November 2027
Interest Dates	22 May and 22 November
Parent ISIN Code	GB00B128DH60
Parent SEDOL Code	B-128-DH6
Reference Index applicable to first issue date	194.06667 (as at 26 April 2006) (see Note 4)
Index Ratio at 28 March 2008	1.08180
Interest Payable	Gross (see Note 2)
Next Interest Date	22 May 2008 (Standard Coupon) (see Note 3)

“When Issued” Trading

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 18 March 2008
Closes	Close of business: 27 March 2008
“When issued” ISIN Code	GB00B29WTF88
“When issued” SEDOL Code	B-29W-TF8
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. 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 Thursday, 27 March 2008.

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 is £0.625 x Index Ratio for 22 May 2008 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 5th decimal place.

Documentation

Prospectus DMO : 18 March 2008	www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp180308.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 Thursday, 27 March 2008. 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, 27 March 2008.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £121 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 14 March 2008 (£ millions)					
	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Gilt sales to date	10,059	10,019	23,440	13,876	57,394
Total planned sales	10,000	10,000	23,400	15,000	58,400
Sales remaining				1,124	1,006
Auctions remaining				1	1

