

PRESS NOTICE

AUCTION OF BRITISH GOVERNMENT STOCK

Auction Details

Auction Date	Wednesday, 1 February 2012
Issue and Settlement Date	Thursday, 2 February 2012
Bidding Convention	Fully paid Bid Price (see Note 1)
Accrued Interest payable with bid	£2.032967 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	5% Treasury Stock 2025
Amount (nominal) for auction	£2,500 million (fungible with previous issues) (see Note 3)
Nominal outstanding after auction	£28,398.0 million
Maturity Date	7 March 2025 at par
Interest Dates	7 March - 7 September
Parent ISIN Code	GB0030880693
Parent SEDOL Code	3-088-069
Strippable	Yes, since 2 April 2002
Interest Payable	Gross (see Note 2)
Next Interest Date	7 March 2012 (Standard Coupon)

“When Issued” Trading

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 24 January 2012
Closes	Close of business: 1 February 2012
“When issued” ISIN Code	GB00B7F9S396
“When issued” SEDOL Code	B-7F9-S39
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. 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, 1 February 2012.

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: Subject to the provisions of the Information Memorandum, this auction will be eligible for the Post Auction Option Facility of an additional amount of the Stock equivalent to 10% of the nominal amount of the Stock allocated at the auction. Details of the Post Auction Option Facility procedures are set out in the Information Memorandum.

Documentation

Prospectus DMO : 24 January 2012	http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp240112a.pdf
Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock DMO : August 2011	http://www.dmo.gov.uk/documentview.aspx?docName=/publications/operationalrules/infmemadd150811.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, 1 February 2012. 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, 1 February 2012.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £134.50 per £100 nominal of the Stock.

Remit 2011-12

Gilt sales of £178.9 billion (cash) are planned in 2011-12 and progress against the remit is summarised in the table below (which may not include the amount of gilts issued under the Post Auction Option Facility for the most recent auction, if any).

Gilt sales relative to remit plans at 24 January 2012 (£ millions)					
	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Auction sales in the financial year to-date	51,108	31,246	17,160	14,395	113,910
PAOF sales in the financial year to-date	1,397	2,115	1,038	693	5,243
Auction and PAOF sales in the financial year to date	52,505	33,361	18,198	15,088	119,152
<i>PAOF sales since the Autumn Statement</i>	<i>533</i>	<i>1,006</i>	<i>206</i>	<i>133</i>	<i>1,878</i>
Syndication sales in the financial year to-date			14,670	15,375	30,045
Mini-tender sales in the financial year to-date			2,091	494	2,585
Total gilt sales in the financial year to-date	52,505	33,361	34,959	30,957	151,782
Required auction sales to meet plans					
Sales required	8,627	7,445	4,608	3,945	24,626
Less assumed PAOF proceeds to end-financial year	464	890	348	276	1,979
Auction sales currently required to meet plans	8,164	6,555	4,260	3,668	22,647
Number of auctions remaining	2	2	2	3	9
Currently required average auction sizes	4,082	3,277	2,130	1,223	
Syndication sales required to meet plan			30	3,525	3,555
Mini-tender sales required to meet plan			109	706	815
Planned gilt sales at auctions	60,600	39,800	22,600	18,900	141,900
Number of auctions scheduled	13	11	10	15	49
Planned gilt sales by syndication			14,700	18,900	33,600
Planned sales by mini-tender			2,200	1,200	3,400
Planned supplementary gilt sales			16,900	20,100	37,000
Total planned gilt sales	60,600	39,800	39,500	39,000	178,900

