

PRESS NOTICE

AUCTION OF BRITISH GOVERNMENT STOCK

Auction Details

Auction Date	Thursday, 22 September 2011
Issue and Settlement Date	Friday, 23 September 2011
Bidding Convention	Fully paid Bid Price (see Note 1)
Accrued Interest payable with bid	£0.166440 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	1¾% Treasury Gilt 2017
Amount (nominal) for auction	£4,750 million (fungible with previous issue) (see Note 4)
Nominal outstanding after auction	£9,480.2 million
Maturity Date	22 January 2017 at par
Interest Dates	22 January – 22 July
Parent ISIN Code	GB00B3Z3K594
Parent SEDOL Code	B-3Z3-K59
Strippable	No (see Note 2)
Interest Payable	Gross (see Note 3)
Next Interest Date	22 January 2012- £0.741848 per £100 nominal (Short First Coupon)

“When Issued” Trading

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 13 September 2011
Closes	Close of business: 22 September 2011
“When issued” ISIN Code	GB00B54K2V55
“When issued” SEDOL Code	B-54K-2V5
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 Thursday, 22 September 2011.

Note 2. The Gilt may not be stripped and reconstituted until so specified in a notice issued by the DMO.

Note 3: 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 4: 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 Gilt equivalent to 10% of the nominal amount of the Gilt allocated at the auction. Details of the Post Auction Option Facility procedures are set out in the Information Memorandum.

Documentation

Prospectus DMO : 13 September 2011	http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp130911.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 Thursday, 22 September 2011. 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, 22 September 2011. The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £104.50 per £100 nominal of the Gilt.

Remit 2011-12

Gilt sales of £167.5 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: 13 September 2011					
(£ millions)	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Auction sales to-date	24,073	17,285	10,493	8,612	60,464
PAOF proceeds to-date	587	740	607	402	2,335
Auction + PAOF sales to the Autumn Forecast (AF)	24,660	18,025	11,100	9,014	62,799
PAOF sales since the AF	0	0	0	0	0
Syndication sales to-date			4,836	7,598	12,434
Mini-tender sales to-date			1,185	494	1,679
Total gilt sales to date	24,660	18,025	17,122	17,105	76,912
Required auction sales to meet plans,					
Sales required assuming auction + PAOF sales to AF	32,740	16,675	9,900	9,186	68,501
Less assumed PAOF proceeds to end-FY	822	740	607	459	2,628
Auction sales currently required to meet plans	31,918	15,935	9,293	8,727	65,873
Number of auctions remaining	7	5	5	8	25
Currently required average auction sizes	4,560	3,187	1,859	1,091	
Syndication sales required to meet plan			8,664	10,502	19,166
Mini-tender sales required to meet plan			1,715	1,206	2,921
Planned gilt sales at auctions	57,400	34,700	21,000	18,200	131,300
Number of auctions scheduled	12	10	10	15	47
Planned gilt sales by syndication			13,500	18,100	31,600
Planned sales by mini-tender			2,900	1,700	4,600
Planned supplementary gilt sales			16,400	19,800	36,200
Total planned gilt sales	57,400	34,700	37,400	38,000	167,500

