

PRESS NOTICE

AUCTION OF BRITISH GOVERNMENT STOCK

Auction Details

Auction Date	Tuesday, 5 April 2011
Issue and Settlement Date	Wednesday, 6 April 2011
Bidding Convention	Fully paid Bid Price (see Note 1)
Accrued Interest payable with bid	£0.193614 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	3¾% Treasury Gilt 2021
Amount (nominal) for auction	£3,500 million (fungible with previous issue) (see Note 4)
Nominal outstanding after auction	£6,250 million
Maturity Date	7 September 2021 at par
Interest Dates	7 March – 7 September
Parent ISIN Code	GB00B4RMG977
Parent SEDOL Code	B-4RM-G97
Strippable	From 6 April 2011 (see Note 3)
Interest Payable	Gross (see Note 2)
Next Interest Date	7 September 2011 - £1.762908 per £100 nominal (Short First Coupon)

“When Issued” Trading

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 29 March 2011
Closes	Close of business: 5 April 2011
“When issued” ISIN Code	GB00B460VF33
“When issued” SEDOL Code	B-460-VF3
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 Tuesday, 5 April 2011.

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: Following the issue of this further amount of the Gilt, 3¾% Treasury Gilt 2021 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 £1,000,000 nominal until the payment of the non-standard first coupon on 7 September 2011. The SEDOL and ISIN codes for the new principal strip are B-458-RZ0 and GB00B458RZ05 respectively.

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 : 29 March 2011	http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp290311a.pdf
Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock DMO : May 2009	www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmem220509.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 Tuesday, 5 April 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 Tuesday, 5 April 2011.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £103.50 per £100 nominal of the Gilt.

Remit 2011-12

The DMO's remit for 2011-12 was published alongside Budget 2011 on 23 March. Gilt sales of £169.0 billion (cash) are planned in 2011-12 and the structure of the new remit is summarised in the table below.

Gilt sales v remit at 1 April 2011 (£ millions)					
	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Auction sales to-date	0	0	0	0	0
PAOF proceeds to-date	0	0	0	0	0
Syndication sales to-date	na	na	0	0	0
Mini-tender sales to date	na	na	0	0	0
Total gilt sales to date	0	0	0	0	0
Auction sales required to meet plans (excludes PAOF proceeds)	58,000	34,900	21,300	18,600	132,800
Number of auctions remaining	12	10	10	15	47
Currently required average auction sizes	4,833	3,490	2,130	1,240	
Syndication sales required to meet plan			13,500	18,100	31,600
Mini-tender sales required to meet plan			2,900	1,700	4,600
Total planned gilt sales	58,000	34,900	37,700	38,400	169,000
Planned gilt sales at auctions	58,000	34,900	21,300	18,600	132,800
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
Total planned supplementary gilt sales			16,400	19,800	36,200

