



United Kingdom
Debt Management
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30 December 2014

PRESS NOTICE

AUCTION OF BRITISH GOVERNMENT STOCK

Auction Details

| | |
|--|----------------------------|
| Auction Date | Wednesday, 7 January 2015 |
| Issue and Settlement Date | Thursday, 8 January 2015 |
| Bidding Convention | Uniform Price (see Note 1) |
| Index adjusted accrued interest payable with bid | £0.039622 per £100 nominal |
| Auction Close | 10:30am London Time |

Details of Security

| | |
|--|---|
| Title | 0½% Index-linked Treasury Gilt 2044 |
| Amount (nominal) for auction | £950 million (fungible with previous issues) (see Note 5) |
| Nominal outstanding after auction | £15,634.7 million (£16,611.3 million Index adjusted) |
| Maturity Date | 22 March 2044 |
| Interest Dates | 22 March and 22 September |
| Parent ISIN Code | GB00B7RN0G65 |
| Parent SEDOL Code | B-7RN-0G6 |
| Reference Index applicable to first issue date | 242.42258 (as at 25 July 2012) (see Note 4) |
| Index Ratio at 8 January 2015 | 1.06246 |
| Interest Payable | Gross (see Note 2) |
| Next Interest Date | 22 March 2015 (Standard Coupon) (see Note 3) |

“When Issued” Trading

under London Stock Exchange Rule 1530

| | |
|----------------------------|--------------------------------------|
| Commences | 3:30pm London Time: 30 December 2014 |
| Closes | Close of business: 7 January 2015 |
| “When issued” ISIN Code | GB00BTHH2H71 |
| “When issued” SEDOL Code | B-THH-2H7 |
| 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. 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 Wednesday, 7 January 2015.

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 £0.0625 x Index Ratio for 22 March 2015 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.

Note 5: 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 : 30 December 2014 | http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp301214b.pdf |
| Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock DMO : August 2013 | http://www.dmo.gov.uk/documentview.aspx?docName=/publications/operationalrules/infmemadd220813.pdf |
| Formulae for Calculating Gilt Prices from Yields DMO : 16 March 2005 | www.dmo.gov.uk/documentview.aspx?docname=/giltsmarket/formulae/yldesgns.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: British Government Stocks (Gilts), Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZW to arrive not later than 10.00 am on Wednesday, 7 January 2015. 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, 7 January 2015. The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £142.50 per £100 nominal of the Gilt.

Remit 2014-15

Gilt sales of £125.9 billion (cash) are planned in 2014-15 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 30 December 2014 (£ millions) | | | | | |
|--|--------------------|---------------|---------------|-----------------------|----------------|
| | Conventional Gilts | | | Index-linked gilts | Total |
| | Short | Medium | Long | | |
| Auction proceeds to-date | 23,749 | 19,575 | 16,143 | 16,902 | 76,371 |
| PAOF proceeds to-date | 608 | 956 | 1,503 | 847 | 3,914 |
| Auction and PAOF proceeds to-date | 24,357 | 20,532 | 17,647 | 17,749 | 80,285 |
| Syndication sales to-date | 0 | 0 | 9,588 | 5,382 | 14,970 |
| Mini-tender sales to date | 0 | 1,177 | 0 | 0 | 1,177 |
| Total gilt sales to date | 24,357 | 21,708 | 27,235 | 23,131 | 96,431 |
| Auction sales required to meet plans | 7,643 | 6,168 | 6,753 | 4,351 | 24,915 |
| Number of auctions remaining | 2 | 2 | 3 | 3 | 10 |
| Currently required average auction sizes | 3,822 | 3,084 | 2,251 | 1,450 | |
| Syndication sales required to meet plan | 0 | 0 | -88 | 3,618 | 3,530 |
| Mini-tender sales required to meet plan | | | | | 1,023 |
| Planned gilt sales at auctions | 32,000 | 26,700 | 24,400 | 22,100 | 105,200 |
| Number of auctions scheduled | 8 | 8 | 10 | 15 | 41 |
| Planned gilt sales by syndication | 0 | 0 | 9,500 | 9,000 | 18,500 |
| Planned sales by mini-tender | | | | | 2,200 |
| Total planned supplementary gilt sales | | | | | 20,700 |
| Total planned gilt sales | | | | | 125,900 |