

**AUCTION OF £4,750,000,000**

**2<sup>3</sup>/<sub>4</sub>% TREASURY GILT 2015**

**ON A FULLY-PAID BID PRICE BASIS**

**ON 3 NOVEMBER 2009**

**PROSPECTUS**



AUCTION OF £4,750,000,000

## 2¾% TREASURY GILT 2015

ON A FULLY PAID BID PRICE BASIS ON 3 NOVEMBER 2009  
INTEREST PAYABLE HALF-YEARLY ON 22 JANUARY AND 22 JULY

### PAYABLE IN FULL WITH APPLICATION

	<b>With a competitive bid:</b>	<b>Price bid (in accordance with paragraph 10)</b>
<b>With a non-competitive bid by a Gilt-edged Market Maker:</b>		<b>Non-competitive sale price (in accordance with paragraph 10)</b>
<b>With a non-competitive bid by any other applicant:</b>		<b>£101.50 per £100 nominal of the Gilt</b>

Application has been made to the UK Listing Authority for the Gilt to be admitted to the Official List on 4 November 2009.

Application has also been made to the London Stock Exchange for the Gilt to be admitted to trading on the London Stock Exchange's regulated market.

#### Auction of the Gilt

1. THE UNITED KINGDOM DEBT MANAGEMENT OFFICE ("DMO") invites bids for the above Gilt.

#### General

2. This prospectus is issued under the arrangements described in the Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock published by the DMO dated May 2009 (the "Information Memorandum"). The terms of the Information Memorandum apply to the above Gilt and to the auction described in this prospectus except where expressly varied.

#### Maturity

3. The Gilt will be repaid at par on 22 January 2015.

#### Interest

4. Interest on 2¾% Treasury Gilt 2015 will be payable half-yearly on 22 January and 22 July. Interest on the Gilt will accrue from 4 November 2009, the issue date of the Gilt, and the first interest payment will be due on 22 January 2010 at the rate of £0.590353 per £100 nominal of the Gilt.

#### FOTRA exemptions

5. 2¾% Treasury Gilt 2015 will be first issued on 4 November 2009 and, consequently, the Gilt and the interest payable on it will benefit from the exemptions from United Kingdom taxation in favour of non-resident holders described in paragraph 107 of the Information Memorandum.

#### Gross payment of interest

6. Interest will be paid without deduction of income tax. However, holders of the Gilt may elect to have UK income tax deducted from interest payments on application to the Registrar, Computershare Investor Services PLC.

## **Stripping**

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

## **Methods of application**

8. Bids may be made on either a competitive or non-competitive basis in accordance with paragraphs 72 to 88 of the Information Memorandum.

## **Non-competitive bids: amount payable on application**

9. The amount payable on application in the case of a non-competitive bid (except in the case of a non-competitive bid made by a Gilt-edged Market Maker (“GEMM”)) is £101.50 per £100 nominal of the Gilt.

## **Settlement of competitive bids and GEMMs' non-competitive bids**

10. For those competitive bids which are accepted and those non-competitive bids from GEMMs which are accepted, settlement must be effected in accordance with paragraphs 76(iii) and 78(v) of the Information Memorandum. For these purposes, the latest time and date for CHAPS payments to be sent to the Bank of England is **1.30 PM ON WEDNESDAY, 4 NOVEMBER 2009**.

## **Latest times for receipt of applications**

11. Application forms from Approved Group members must be sent to Computershare Investor Services PLC, PO Box 2411, The Pavilions, Bristol, BS99 6WX, who are acting on behalf of the DMO, to arrive not later than **10.00 AM ON TUESDAY, 3 NOVEMBER 2009**; or lodged by hand at the DMO, Eastcheap Court, 11 Philpot Lane, London, EC3M 8UD not later than **10.00 AM ON TUESDAY, 3 NOVEMBER 2009**. GEMMs may bid by means of the Bloomberg Bond Auction System to the DMO not later than **10.30 AM ON TUESDAY, 3 NOVEMBER 2009**.

## **Bids irrevocable**

12. Bids will not be revocable between 10.30 am on Tuesday, 3 November 2009 and 10.00 am on Friday, 6 November 2009.

## **Post Auction Option Facility**

13. The provisions relating to the Post Auction Option Facility contained in the Information Memorandum will apply.

*United Kingdom* **Debt Management Office**

**LONDON**

27 October 2009