

PRESS NOTICE

AUCTION OF BRITISH GOVERNMENT STOCK

Auction Details

Auction Date	Thursday, 12 July 2012
Issue and Settlement Date	Friday, 13 July 2012
Bidding Convention	Fully paid Bid Price (see Note 1)
Accrued Interest payable with bid	0.099864 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	1¾% Treasury Gilt 2022
Amount (nominal) for auction	£3,500 million (fungible with previous issue) (see Note 4)
Nominal outstanding after auction	£7,075 million
Maturity Date	7 September 2022 at par
Interest Dates	7 March - 7 September
Parent ISIN Code	GB00B7L9SL19
Parent SEDOL Code	B-7L9-SL1
Strippable	From 12 July 2012 (see Note 2)
Interest Payable	Gross (see Note 3)
Next Interest Date	7 September 2012 - £0.366168 per £100 nominal (Short First Coupon)

“When Issued” Trading

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 3 July 2012
Closes	Close of business: 12 July 2012
“When issued” ISIN Code	GB00B7RP1704
“When issued” SEDOL Code	B-7RP-170
TIDM (for trade reporting)	AUCC

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, 12 July 2012.

Note 2: Following the issue of this further amount of the Gilt, 1¾% Treasury Gilt 2022 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 2012. The SEDOL and ISIN codes for the new principal strip are B-7Y4-169 and GB00B7Y41699 respectively.

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 : 3 July 2012	http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp030712b.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/nfmemadd150811.pdf
Formulae for Calculating Gilt Prices from Yields DMO : 16 March 2005	www.dmo.gov.uk/documentview.aspx?docname=/giltsmarket/formulae/yldegns.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, 12 July 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 Thursday, 12 July 2012. The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £102.50 per £100 nominal of the Gilt.

Remit 2012-13

Gilt sales of £164.4 billion (cash) are planned in 2012-13 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 3 July 2012 (£ millions)					
	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Auction sales to-date	13,712	10,541	8,922	4,154	37,329
PAOF proceeds to-date	448	901	425	253	2,028
Syndication sales to-date			5,053	4,750	9,803
Mini-tender sales to date	1,660	0	0	0	1,660
Total gilt sales to date	15,820	11,442	14,400	9,157	50,820
Auction sales required to meet plans (excludes PAOF proceeds)	36,688	23,959	14,778	12,146	87,571
Number of auctions remaining	8	7	7	9	31
Currently required average auction sizes	4,586	3,423	2,111	1,350	
Syndication sales required to meet plan			8,447	14,750	23,197
Mini-tender sales required to meet plan					4,840
Planned gilt sales at auctions	50,400	34,500	23,700	16,300	124,900
Number of auctions scheduled	11	10	11	12	44
Planned gilt sales by syndication			13,500	19,500	33,000
Planned sales by mini-tender					6,500
Total planned supplementary gilt sales					39,500
Total planned gilt sales					164,400

