

PRESS NOTICE

AUCTION OF BRITISH GOVERNMENT STOCK

Auction Details

Auction Date	Tuesday, 5 July 2011
Issue and Settlement Date	Wednesday, 6 July 2011
Bidding Convention	Fully paid Bid Price (see Note 1)
Accrued Interest payable with bid	£1.120924 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	3¾% Treasury Gilt 2021
Amount (nominal) for auction	£3,250 million (fungible with previous issues) (see Note 4)
Nominal outstanding after auction	£13,411 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	Yes, since 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: 28 June 2011
Closes	Close of business: 5 July 2011
“When issued” ISIN Code	GB00B569VB37
“When issued” SEDOL Code	B-569-VB3
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 July 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: The minimum stripping unit will be £1,000,000 nominal until the payment of the non-standard first coupon on 7 September 2011, after which the standard stripping unit of £10,000 nominal will apply.

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 : 28 June 2011	http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp280611a.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
Notice of Amendment DMO : 24 June 2011	www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd240611.pdf
Formulae for Calculating Gilt Prices from Yields DMO : 16 March 2005	www.dmo.gov.uk/documentview.aspx?docname=/giltsmarket/formulae/yld eqns.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 July 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 July 2011.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £108 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 does not include proceeds from the syndicated re-opening of 4% Treasury Gilt 2060).

Gilt sales relative to remit plans: 28 June 2011 (£ millions)					
	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Auction sales to-date	14,725	10,715	6,306	4,818	36,565
PAOF proceeds to-date	0	411	425	210	1,046
Syndication sales to-date			0	3,462	3,462
Mini-tender sales to date			0	494	494
Total gilt sales to date	14,725	11,126	6,731	8,984	41,566
Auction sales required to meet plan (excludes PAOF proceeds)	42,675	23,985	14,694	13,382	94,735
Number of auctions remaining	9	7	7	11	34
Currently required average auction sizes	4,742	3,426	2,099	1,217	
Syndication sales required to meet plan			13,500	14,638	28,138
Mini-tender sales required to meet plan			2,900	1,206	4,106
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
Total planned supplementary gilt sales			16,400	19,800	36,200
Total planned gilt sales	57,400	34,700	37,400	38,000	167,500

