

PRESS NOTICE

29 March 2011

AUCTION OF BRITISH GOVERNMENT STOCK

Auction Details

Auction Date	Wednesday, 6 April 2011
Issue and Settlement Date	Thursday, 7 April 2011
Bidding Convention	Uniform Price (see Note 1)
Index adjusted accrued interest payable with bid	£0.479532 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	1½% Index-linked Treasury Gilt 2037
Amount (nominal) for auction	£1,000 million (fungible with previous issues) (see Note 5)
Nominal outstanding after auction	£11,927 million (£13,532.1 million Index adjusted)
Maturity Date	22 November 2037
Interest Dates	22 May and 22 November
Parent ISIN Code	GB00B1L6W962
Parent SEDOL Code	B-1L6-W96
Reference Index applicable to first issue date	202.24286 (as at 21 February 2007) (see Note 4)
Index Ratio at 7 April 2011	1.13458
Interest Payable	Gross (see Note 2)
Next Interest Date	22 May 2011 (Standard Coupon) (see Note 3)

“When Issued” Trading

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 29 March 2011
Closes	Close of business: 6 April 2011
“When issued” ISIN Code	GB00B4JSM623
“When issued” SEDOL Code	B-4JS-M62
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, 6 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: Actual amount of interest per £100 nominal is £0.5625 x Index Ratio for 22 May 2011 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 : 29 March 2011	http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp290311b.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 Wednesday, 6 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 Wednesday, 6 April 2011.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £133 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

