

PRESS NOTICE

AUCTION OF BRITISH GOVERNMENT STOCK

Auction Details

Auction Date	Thursday, 1 December 2011
Issue and Settlement Date	Friday, 2 December 2011
Bidding Convention	Fully paid Bid Price (see Note 1)
Accrued Interest payable with bid	£0.885989 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	3¾% Treasury Gilt 2021
Amount (nominal) for auction	£3,000 million (fungible with previous issues) (see Note 3)
Nominal outstanding after auction	£23,748.8 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
Interest Payable	Gross (see Note 2)
Next Interest Date	7 March 2012 (Standard Coupon)

“When Issued” Trading

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 22 November 2011
Closes	Close of business: 1 December 2011
“When issued” ISIN Code	GB00B6S0HM41
“When issued” SEDOL Code	B-6S0-HM4
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 Thursday, 1 December 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: 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 : 22 November 2011	http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp221111.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/infmemadd150811.pdf
Formulae for Calculating Gilt Prices from Yields DMO : 16 March 2005	www.dmo.gov.uk/documentview.aspx?docname=/giltsmarket/formulae/yldedns.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, 1 December 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 Thursday, 1 December 2011.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £117.50 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 today's syndication of 0½% Index-linked Treasury Gilt 2029).

Gilt sales v remit after 22 November 2011 (£ millions)					
	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Auction sales to-date	38,561	20,969	15,097	12,095	86,723
PAOF proceeds to-date	864	1,108	832	560	3,364
Auction + PAOF sales to date	39,425	22,078	15,929	12,655	90,087
PAOF sales since the AF	0	0	0	0	0
Syndication sales to-date			9,319	11,857	21,176
Mini-tender sales to-date			1,185	494	1,679
Total gilt sales to date	39,425	22,078	26,433	25,006	112,942
Required auction sales to meet plans,					
Sales required	17,975	12,622	5,071	5,545	41,213
Less assumed PAOF proceeds to end-FY	394	634	265	245	1,538
Auction sales currently required to meet plans	17,581	11,988	4,806	5,299	39,675
Number of auctions remaining	4	4	3	5	16
Currently required average auction sizes	4,395	2,997	1,602	1,060	
Syndication sales required to meet plan			4,181	6,743	10,924
Mini-tender sales required to meet plan			1,715	706	2,421
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	18,600	32,100
Planned sales by mini-tender			2,900	1,200	4,100
Planned supplementary gilt sales			16,400	19,800	36,200
Total planned gilt sales	57,400	34,700	37,400	38,000	167,500

