

USE OF THE DMO'S STANDING REPO FACILITY

4 DECEMBER 2008

An additional GBP 6 million (nominal) of the 1 1/4% Index-Linked Treasury Gilt 2032 and GBP 150 million of the 0 3/4% Index-Linked Treasury Gilt 2047 has today (4 December 2008) been created and made available to the market under the terms of the DMO's standing repo facility, which was introduced on the 1 June 2000, and most recently revised with effect from 11 November 2008. It is intended that this additional stock will be cancelled upon return, but the DMO will make an announcement at that time. The DMO has been given general collateral at the Bank of England's Official Bank Rate against the stock it has lent at 0.25%.

The additional amount(s) of stock created this morning is NOT eligible for inclusion in FTSE indices calculations and the amount(s) in issue following cancellation of this stock will remain at GBP 1,000 million nominal.