

105/08

9 December 2008

PRESS NOTICE

AUCTION OF UK GOVERNMENT SECURITY (GILT)

Auction Details

Auction Date	Thursday, 18 December 2008
Issue and Settlement Date	Friday, 19 December 2008
Bidding Convention	Fully paid Bid Price (see Note 1)
Accrued Interest payable with bid	£0.311378 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	3¼% Treasury Gilt 2011
Amount (nominal) for issue	£3,500 million (fungible with previous issue)
Nominal outstanding after issue	£7,500 million
Maturity Date	7 December 2011 at par
Interest Dates	7 June – 7 December
Parent ISIN Code	GB00B3F2K012
Parent SEDOL Code	B-3F2-K01
Strippable	From 19 December 2008 (see Note 3)
Interest Payable	Gross (see Note 2)
Next Interest Date	7 June 2009 - £1.829235 per £100 nominal (Long First Coupon)

“When Issued” Trading

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 9 December 2008
Closes	Close of business: 18 December 2008
“When issued” ISIN Code	GB00B3F2K459
“When issued” SEDOL Code	B-3F2-K45
TIDM (for trade reporting)	AUCB

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, 18 December 2008.



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: Following the issue of this further amount of the Gilt, 3¼% Treasury Gilt 2011 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 June 2009. The SEDOL and ISIN codes for the new principal strip are B-3KC-XT6 and GB00B3KCXT64 respectively.

Documentation

Prospectus DMO : 9 December 2008	www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp091208.pdf
Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock DMO : August 2007	www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmem200807.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 Thursday, 18 December 2008. 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, 18 December 2008.

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 2008-09

Gilt sales of £146.4 billion (cash) are planned in 2008-09 and progress against the remit is summarised in the table below.

Gilt sales v remit at 9 December 2008 (£ millions)					
	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Gilt sales to date	35,640	17,591	18,872	13,754	85,857
Total planned sales	62,800	33,100	30,500	20,000	146,400
Total auctions planned	16	11	12	19	58
Sales remaining	27,160	15,509	11,628	6,246	60,543
Auctions remaining	7	5	4	6	22
Mini-tenders remaining	1	0	3	0	4

