

PRESS NOTICE

AUCTION OF UK GOVERNMENT SECURITY (GILT)

Auction Details

Auction Date	Tuesday, 24 February 2009
Issue and Settlement Date	Wednesday, 25 February 2009
Bidding Convention	Uniform Price (see Note 1)
Uplifted accrued interest payable with bid	£0.311437 per £100 nominal
Auction Close	10:30am London Time

Details of Security

Title	1½% Index-linked Treasury Gilt 2037
Amount (nominal) for issue	£950 million (fungible with previous issues)
Nominal outstanding after issue	£9,477 million (£9,997.1 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 25 February 2009	1.05488
Interest Payable	Gross (see Note 2)
Next Interest Date	22 May 2009 (Standard Coupon) (see Note 3)

“When Issued” Trading

under London Stock Exchange Rule 1530

Commences	3:30pm London Time: 17 February 2009
Closes	Close of business: 24 February 2009
“When issued” ISIN Code	GB00B3KJDP32
“When issued” SEDOL Code	B-3KJ-DP3
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 Tuesday, 24 February 2009.

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 2009 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.

Documentation

Prospectus DMO : 17 February 2009	www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp170209a.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 Tuesday, 24 February 2009. 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, 24 February 2009.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £114.50 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 17 February 2009 (£ millions)					
	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Gilt sales to date	52,096	27,193	25,281	16,787	121,358
Total planned sales	62,800	33,100	30,500	20,000	146,400
Total auctions planned	16	11	12	19	58
Sales remaining	10,704	5,907	5,219	3,213	25,042
Auctions remaining	3	2	2	3	10
Mini-tenders remaining	0	0	1	0	1

