

39/06

18 July 2006

## **PRESS NOTICE**

### **AUCTION OF UK GOVERNMENT SECURITY (GILT)**

#### **Auction Details**

Auction Date	Tuesday, 25 July 2006
Issue and Settlement Date	Wednesday, 26 July 2006
Bidding Convention	Uniform Price (see Note 1)
Accrued interest payable with bid	£0.123760 per £100 nominal
Auction Close	10:30am London Time

#### **Details of Security**

Title	2½% Index-linked Treasury Stock 2024
Amount (nominal) for issue	£450 million (fungible with previous issues)
Nominal outstanding after issue	£6,583 million (£13,049.0 million uplifted)
Maturity Date	17 July 2024
Interest Dates	17 January and 17 July
Parent ISIN Code	GB0008983024
Parent SEDOL Code	0-898-302
Retail Price Index applicable to first issue date	385.3 (January 1974 = 100) (see Note 3)
Retail Price Index applicable to July 2006	763.7520 (January 1974 = 100) (see Note 4)
Interest Payable	Gross (see Note 2)
Next Interest Date	17 January 2007: £2.5302 per £100 nominal

#### **“When Issued” Trading**

under London Stock Exchange Rule 7265

Commences	3:30pm London Time: 18 July 2006
Closes	Close of business: 25 July 2006
“When issued” ISIN Code	GB00B16NLR39
“When issued” SEDOL Code	B-16N-LR3
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 (as amended). Index-linked Gilt-edged Market Makers may bid by telephone to the DMO not later than 10.30 am on Tuesday, 25 July 2006.

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. The RPI figure applicable to any month will be the RPI figure issued seven months prior to the relevant month and relating to the month before that prior month.

Note 4. The Index Ratio applicable to any month will be equal to the RPI applicable to that month (see Note 3 above) divided by the RPI figure applicable to December 1986 (2½% Index-linked Treasury Stock 2024 was first issued on 30 December 1986).

## Documentation

Prospectus DMO : 18 July 2006	<a href="http://www.dmo.gov.uk/gilts/public/prospectus/prosp180706.pdf">www.dmo.gov.uk/gilts/public/prospectus/prosp180706.pdf</a>
Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock DMO : December 2004	<a href="http://www.dmo.gov.uk/gilts/public/technical/infmem211204.pdf">www.dmo.gov.uk/gilts/public/technical/infmem211204.pdf</a>
Notice of Amendment DMO : 13 May 2005	<a href="http://www.dmo.gov.uk/gilts/public/technical/infmemadd130505.pdf">www.dmo.gov.uk/gilts/public/technical/infmemadd130505.pdf</a>
Notice of Amendment DMO : 13 September 2005	<a href="http://www.dmo.gov.uk/gilts/public/technical/infmemadd130905.pdf">www.dmo.gov.uk/gilts/public/technical/infmemadd130905.pdf</a>
Formulae for Calculating Gilt Prices from Yields DMO : 16 March 2005	<a href="http://www.dmo.gov.uk/gilts/public/technical/yldeqns.pdf">www.dmo.gov.uk/gilts/public/technical/yldeqns.pdf</a>

## 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, BS3 9WX to arrive not later than 10.00 am on Tuesday, 25 July 2006. 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, 25 July 2006.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £242.50 per £100 nominal of the Stock.

## Remit 2006-07

Gilt sales of £63.0 billion (cash) are planned in 2006-07, the split and progress against the remit is summarised in the table below.

<b>Gilt sales v remit at 12 July 2006 (£ millions).</b>					
	Conventional Gilts			Index-linked gilts	Total
	Shorts (1-7 yrs)	Mediums (7-15yrs)	Longs (15 yrs+)		
Gilt sales to date	2,443	2,626	9,408	5,063	19,540
Core gilt programme	10,000	10,000	17,000	16,000	53,000
<b>Programme to be allocated in-year</b>					
Allocated in-year to date	0	0	3,750	1,250	5,000
Currently allocated programme	10,000	10,000	20,750	17,250	58,000
Remaining to be allocated					5,000
<b>Total planned sales</b>					<b>63,000</b>
Remaining to meet allocated programme	7,557	7,374	11,342	12,187	38,460
Auctions remaining in current programme	3	3	5	12	23

