

PRESS NOTICE

FORTHCOMING SALE BY SYNDICATED OFFERING OF A NEW INDEX-LINKED GILT MATURING ON 22 MARCH 2050

The United Kingdom Debt Management Office (“the DMO”) announces that the bond to be issued at the second syndicated offering of an index-linked gilt in 2009-10 will be a new current coupon gilt paying on 22 March/22 September and with a maturity date of 22 March 2050. The gilt will pay a first dividend on 22 March 2010. Further details about the gilt, including the coupon, will be announced at 3.30pm on Tuesday 15 September.

The DMO expects the offer to be conducted in the week beginning 21 September, subject to market conditions. The Lead Managers and Co-Lead Managers for the offer will be appointed and announced in due course.

NEW COUPON SERIES FOR INDEX-LINKED GILTS

The DMO announced on 28 August its intention to introduce a third coupon series for conventional gilts, paying on 22 January/22 July and that it was seeking further specific feedback from the market on the introduction of a new coupon series for index-linked gilts. Following consideration of the feedback received, the DMO is today announcing that the new coupon series for index-linked gilts will pay on 22 March/22 September. The DMO will consider whether to use the new or existing coupon series for each new index-linked gilt, but anticipates using the new coupon series on new index-linked gilts issued in the near term.

NOTES TO EDITORS

The DMO financing remit for 2009-10 published alongside Budget 2009 on 22 April, included the provision for a programme of up to 8 syndicated offerings to be held in 2009-10 to raise £25.0 billion (through sales of long-dated and index-linked gilts) as part of an overall gilt sales target of £220.0 billion. Gilt sales in the financial year to-date are £102.07 billion, of which proceeds from the first two syndications account for £11.45 billion.

The first syndicated offering of a conventional gilt under this programme was held on 16 June 2009, when £7.0 billion (nominal) of a new issue (4½% Treasury Gilt 2034) was sold, raising £6.84 billion (cash).

The first syndicated offering of an index-linked gilt under this programme was held on 23 July 2009, when £5.0 billion (nominal) of a new issue (0½% Index-linked Treasury Gilt 2042) was sold, raising £4.61 billion (cash).

On 28 August 2009 the DMO announced plans to hold two syndicated offerings in the September to December period:

- Week commencing 21 September: a new index-linked gilt maturing in 2050-52.
- Mid-late October: a new conventional gilt with a maturity in the 50-year area.

This press notice will be appearing on the DMO's website at: www.dmo.gov.uk

