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PRESS NOTICE

SYNDICATED LAUNCH OF 0 $\frac{1}{8}$ % INDEX-LINKED TREASURY GILT 2048 IN THE WEEK COMMENCING 6 NOVEMBER 2017: APPOINTMENT OF SYNDICATE

The United Kingdom Debt Management Office (DMO) announces the appointment of a syndicate to sell by subscription the forthcoming launch of a new 0 $\frac{1}{8}$ % Index-linked Treasury Gilt maturing on 10 August 2048.

Joint Bookrunners: BNP Paribas, Goldman Sachs International, Morgan Stanley and UBS Investment Bank.

Co-Lead Managers: All other panel member Index-linked Gilt-edged Market Makers (GEMMs) have been invited to be Co-Lead Managers.

The DMO has appointed a panel comprising exclusively wholesale GEMM firms from which it will choose syndicate members for the conduct of the programme of syndications in 2017-18. The programme is currently planned to raise a minimum of £22.8 billion.

The transaction is planned to take place in the week commencing 6 November 2017, subject to market and demand conditions. Further details of the sale will be announced in due course.

Notes for editors

The DMO's financing remit for 2017-18, published alongside the Spring Budget on 8 March 2017, included the provision for a programme of syndicated offerings to be held in 2017-18 aiming to raise a minimum of £21.0 billion (split £12.0 billion of

index-linked gilts and £9.0 billion of long conventional gilts). The DMO also announced that it envisaged holding five syndicated offerings (two of long conventional gilts and three of index-linked gilts) in 2017-18.

The remit for 2017-18 also included an initially unallocated portion of gilt issuance of £6.6 billion, which was reduced to £6.5 billion at the remit revision alongside the publication of the 2016-17 CGNCR¹ outturn in April 2017. The remit provides that this portion can be used to issue any type or maturity of gilt via any issuance method. It was expected, though, that the unallocated portion would primarily be used to increase the size of syndicated offerings (where warranted by the size and quality of demand); and/or to increase average sizes of gilt auctions (for example, if they are reduced by the take-up of the Post Auction Option Facility (PAOF)). The unallocated portion can also be used to schedule gilt tenders.

The results of the three syndications held in 2017-18 to date are summarised in the table below.

Date	Gilt	Size (£mn nom)	Issue Price (£)	Issue Yield (%)	Proceeds (£mn cash)
16-May-17	1¾% Treasury Gilt 2057	5,000	101.744	1.690	5,077
11-Jul-17	0⅞% Index-linked Treasury Gilt 2056	2,500	177.716	-1.361	4,540
05-Sep-17	2½% Treasury Gilt 2065	4,000	132.145	1.547	5,278
<i>Figures may not sum due to rounding.</i>					14,895

Given the strength and quality of demand for all three of these transactions, £1.8 billion (cash) has been moved from the unallocated portion of issuance to the syndication programme (£1.3 billion to the long conventional programme and £0.5 billion to the index-linked programme), increasing the minimum size of the overall syndication programme to £22.8 billion. The remaining unallocated portion of issuance is currently £1.7 billion².

On 24 October 2017 the DMO announced that the syndication planned for the first half of November would be the launch of a new index-linked gilt maturing on 10 August 2048 and paying a short first dividend on 10 February 2018. The new gilt will have the ISIN code GB00BZ13DV40 and the SEDOL code B-Z13-DV4.

The new 10 February / 10 August coupon cycle is the third coupon cycle for three-month lag index-linked gilts; the others are 22 May / 22 November (introduced in September 2005) and 22 March / 22 September (introduced in September 2009).

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

¹ Central Government Net Cash Requirement.

² In addition to the £1.8 billion transferred to the syndication programme, £3.0 billion of the unallocated portion of issuance was transferred to the gilt auction programme on 31 August 2017.