



United Kingdom
Debt Management
Office

Eastcheap Court
11 Philpot Lane
London
EC3M 8UD

T 020 7862 6500
F 020 7862 6509

www.dmo.gov.uk

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PRESS NOTICE

SYNDICATED LAUNCH OF A NEW CONVENTIONAL GILT MATURING ON 22 JULY 2065 IN THE WEEK COMMENCING 19 OCTOBER 2015

RESCHEDULING OF THE AUCTION OF 2% TREASURY GILT 2025 FROM 20 OCTOBER 2015 TO 27 OCTOBER 2015

The United Kingdom Debt Management Office (“the DMO”) announces that the next syndicated offer will be the launch of a new conventional gilt maturing on 22 July 2065. The new gilt will pay a short first coupon on 22 January 2016.

Subject to market conditions, the DMO expects that this offer will take place in the week commencing 19 October 2015. Further information about the conduct of the offer, including the composition of the syndicate, will be announced next week.

Given the planned timing of the next syndicated offer, and in line with DMO’s financing remit announcement¹, the auction of 2% Treasury Gilt 2025, previously scheduled for 20 October 2015, is being moved to Tuesday 27 October 2015. The size and other terms of this auction will now be announced at 3.30pm on Tuesday 20 October 2015.

NOTES TO EDITORS

The DMO’s financing remit for 2015-16, published alongside the Budget on 18 March 2015, included the provision for a programme of syndicated offerings to be held in 2015-16 aiming to raise a minimum of £24.2 billion (split £14.9 billion index-linked

¹ Available on the DMO website at:

http://www.dmo.gov.uk/documentview.aspx?docname=remit/sa180315.pdf&page=Remit/full_details

gilts and £9.3 billion long conventional gilts). Six transactions are currently assumed (four of index-linked gilts and two of long conventional gilts).

The DMO also announced on 18 March 2015 that, as previously, it envisaged using the syndication programme in 2015-16 to launch new gilts and/or for re-openings of high duration gilts.

The size of the syndication programme can be increased in-year via accessing an initially unallocated portion of supplementary issuance, which can be allocated either to syndicated offers or, subject to demand, mini-tenders.

The initial unallocated portion of supplementary gilt issuance was £4.0 billion (cash). In the financial year to-date this has been reduced by £1.8 billion, as a result of:

- £1.0 billion allocated to the gilt mini-tender of 4¼% Treasury Gilt 2055 on 4 June 2015;
- £0.3 billion allocated to the syndicated offer of 0⅛% Index-linked Treasury Gilt 2046 on 23 June 2015; and
- £0.5 billion allocated to the syndicated offer of 0⅛% Index-linked Treasury Gilt 2068 on 22 September 2015.

As a result, the size of the index-linked syndication programme has risen to £15.7 billion and the overall size of the syndication programme to £25.0 billion. The remaining size of the unallocated portion of the supplementary gilt issuance programme is £2.2 billion (cash).

On 28 August 2015 the DMO announced plans for syndicated offers in September, October and November 2015. An update on the timing of the November syndicated offer (extending the timing window into the first week of December) was announced on 11 September 2015.

Syndication date	Gilt	Further details announced
Second half of September [†]	0⅛% Index-linked Treasury Gilt 2068	Around two weeks in advance
Second half of October [†]	A long conventional gilt with a maturity of 30 years or longer	Around two weeks in advance
Second half of November or first week of December [†]	An index-linked gilt	Around two weeks in advance

[†] Subject to market conditions.

Three syndicated offerings have been held to-date in 2015-16. The results are summarised in the table below.

Date	Gilt	Size (£mn nom)	Issue Price (£)	Issue Yield (%)	Proceeds (£mn cash)
23-Jun-15	0⅛% Index-linked Treasury Gilt 2046	3,250	123.840	-0.582	4,018
21-Jul-15	3½% Treasury Gilt 2068	4,000	121.310	2.736	4,844
22-Sep-15	0⅛% Index-linked Treasury Gilt 2068	2,500	166.002	-0.866	4,294
<i>Figures may not sum due to rounding</i>					13,157

Re-scheduling of a gilt auction

Paragraph 14 of the DMO's financing remit announcement of 18 March 2015 provides for the re-scheduling of a gilt auction to accommodate a syndicated gilt offer. The relevant provision is below:

“In order to facilitate the scheduling of a syndicated offering, the DMO may, on an exceptional basis alter the timing of an existing gilt auction. An auction may be moved to another day in the week in which it was originally scheduled, to the previous week or to the following week. Any such changes may occur after the publication of the relevant quarterly issuance calendar but, if so, with a minimum of at least one week's notice. Any such changes would be announced alongside an announcement about the likely timing of a syndicated offering”.

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