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PRESS NOTICE

SYNDICATED LAUNCH OF 2½% TREASURY GILT 2065: APPOINTMENT OF SYNDICATE AND OTHER DETAILS

The United Kingdom Debt Management Office (DMO) announces the appointment of a syndicate to sell by subscription the forthcoming launch of 2½% Treasury Gilt 2065. Subject to market conditions, the DMO expects that this syndicated offer will take place in the week commencing 19 October 2015.

Joint Bookrunners: BofA Merrill Lynch, J.P. Morgan, RBS and Santander GBM.

Co-Lead Managers: All other panel member 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 is choosing syndicate members for the conduct of the programme of syndicated offers in 2015-16, which is planned to raise a minimum of £25.0 billion (cash). Proceeds from the three transactions held in the financial year to-date are £13.2 billion.

The DMO is also announcing today that the new Gilt, which will mature on 22 July 2065, will pay a coupon of 2½% and will have the following ISIN Code: GB00BYYMZX75 and the following SEDOL code: B-YYM-ZX7. The new Gilt will pay a short first coupon on 22 January 2016.

Further information about the conduct of the offer will be announced in due course.

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 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 0½% Index-linked Treasury Gilt 2046 on 23 June 2015; and
- £0.5 billion allocated to the syndicated offer of 0½% 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 [†]	0½% 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 offers 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	0 ¹ / ₈ % Index-linked Treasury Gilt 2046	3,250	123.840	-0.582	4,018
21-Jul-15	3 ¹ / ₂ % Treasury Gilt 2068	4,000	121.310	2.736	4,844
22-Sep-15	0 ¹ / ₈ % Index-linked Treasury Gilt 2068	2,500	166.002	-0.866	4,294
<i>Figures may not sum due to rounding</i>					13,157

On 9 October 2015, the DMO announced that the syndication in October will be the launch of a new conventional gilt maturing on 22 July 2065 in the week commencing 19 October, subject to market conditions (and that as a consequence the auction of 2% Treasury Gilt 2025, previously scheduled for 20 October, will be moved to 27 October).

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