PRESS NOTICE

SYNDICATED LAUNCH OF A NEW 0⅛% INDEX- LINKED TREASURY GILT 2056 IN THE WEEK COMMENCING 28 NOVEMBER 2016

The United Kingdom Debt Management Office (DMO) announces that the fifth syndication of the 2016-17 programme will be the launch of a new index-linked gilt maturing on 22 November 2056.

The new gilt will have the ISIN code GB00BYVP4K94 and the SEDOL code B-YVP-4K9 and will pay a short first coupon on 22 May 2017. The new gilt will pay a coupon of 0⅛%.

The transaction is expected to take place in the week commencing 28 November 2016, 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 2016-17, published alongside the Budget on 16 March 2016, included the provision for a programme of syndicated offerings to be held in 2016-17 aiming to raise a minimum of £25.5 billion (split £16.0 billion index-linked gilts and £9.5 billion long conventional gilts). The DMO also announced that it envisaged holding six syndicated offerings (four of index-linked gilts and two of long conventional gilts) in 2016-17.

Any type and maturity of gilt can be sold through syndication; however, the DMO’s current planning assumption is that the syndication programme in 2016-17 will largely be used to launch new long conventional and index-linked 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 issuance, which can be used to issue any type or
maturity of gilt via any issuance method. The initial size of the unallocated portion of issuance was £8.0 billion.

Given the strength and quality of demand received at the syndications of 0⅛% Index-linked Treasury Gilt 2046 on 24 May 2016, 0¼% Index-linked Treasury Gilt 2065 on 26 July 2016 and 2½% Treasury Gilt 2065 on 25 October 2016, a total of £2.25 billion of the unallocated portion of issuance has been re-allocated to the gilt syndication programme, increasing the minimum size of the overall programme to £27.75 billion.

On 31 August 2016, the DMO announced the planned sale of an index-linked gilt with a maturity in the 30-year area or longer in the second half of November, with the timing being subject to market and demand conditions.

On 11 November 2016, the DMO announced that the forthcoming syndication would be of an index-linked gilt with a maturity in the 40-year area, to be held in the week commencing 28 November 2016, subject to market and demand conditions.

On 18 November 2016, the DMO announced that the Joint Bookrunners on the forthcoming transaction will be BofA Merrill Lynch, Deutsche Bank, Morgan Stanley and Scotiabank.

Four syndications have been held to date in 2016-17; the results are summarised in the table below.

<table>
<thead>
<tr>
<th>Date</th>
<th>Gilt</th>
<th>Size (£mn nom)</th>
<th>Issue Price (£)</th>
<th>Issue Yield (%)</th>
<th>Proceeds (£mn cash)</th>
</tr>
</thead>
<tbody>
<tr>
<td>26 Apr 2016</td>
<td>2⅛% Treasury Gilt 2065</td>
<td>4,750</td>
<td>106.164</td>
<td>2.291</td>
<td>5,033</td>
</tr>
<tr>
<td>24 May 2016</td>
<td>0¼% Index-linked Treasury Gilt 2046</td>
<td>3,500</td>
<td>131.617</td>
<td>-0.810</td>
<td>4,655</td>
</tr>
<tr>
<td>26 Jul 2016</td>
<td>0¼% Index-linked Treasury Gilt 2065</td>
<td>2,500</td>
<td>201.335</td>
<td>-1.325</td>
<td>5,058</td>
</tr>
<tr>
<td>25 Oct 2016</td>
<td>2⅛% Treasury Gilt 2065</td>
<td>4,000</td>
<td>130.500</td>
<td>1.597</td>
<td>5,212</td>
</tr>
</tbody>
</table>

Figures may not sum due to rounding 19,959

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