PRESS NOTICE

ISSUE BY SYNDICATED OFFERING OF 0½% INDEX-LINKED TREASURY GILT 2050: APPOINTMENT OF SYNDICATE AND COUPON ANNOUNCEMENT

The United Kingdom Debt Management Office ("the DMO") announces the appointment of a syndicate to sell by subscription the new 0½% Index-linked Treasury Gilt 2050.


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

The DMO has appointed a panel comprising exclusively GEMMs from which it intends to appoint syndicate members for the conduct of the programme of syndicated offerings in 2009-10 which are designed to raise £25.0 billion. The DMO will select Lead Managers on a transaction by transaction basis throughout the programme.

The DMO expects the sale of the new gilt to be conducted in the week beginning 21 September, subject to market conditions. Further details about the conduct of the offer will be announced in due course.

The DMO is also announcing today that the coupon on the new index-linked gilt, which will redeem on 22 March 2050, is 0½%. The gilt will pay its first coupon on 22 March 2010. The ISIN code for the new gilt is GB00B421JZ66 and the SEDOL code is B-421-JZ6.

Commenting on today’s appointments, Robert Stheeman, Chief Executive of the DMO, said...
“The selection of the Lead Managers for this second transaction in our index-linked gilt syndication programme again required difficult choices to be made, reflecting the importance of both ensuring continued success in the delivery of the index-linked syndication programme and our wish to ensure that all of our market makers have an opportunity to be considered for a Lead Manager appointment, subject to performance. We will continue to judge future issues and appointments of Lead Managers on a case by case basis and in so doing, we will continue to take into account the contributions from all our primary dealers in helping to deliver our overall financing remit”.

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 approximately £25.0 billion (through sales of long-dated conventional 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 £107.46 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 Lead Managers were Barclays Capital, Goldman Sachs International, HSBC Bank PLC and Royal Bank of Scotland.

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 (0⅝% Index-linked Treasury Gilt 2042) was sold, raising £4.61 billion (cash). The Lead Managers were Barclays Capital, HSBC Bank PLC, JP Morgan Securities and Royal Bank of Scotland.

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.

On 4 September 2009 the DMO announced that the new index-linked gilt to be sold in week commencing 21 September would have a maturity date of 22 March 2050 and pay on a new coupon series of 22 March/22 September.

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