

## **PRESS NOTICE**

### **RE-OPENING BY SYNDICATED OFFERING OF 4¼% TREASURY GILT 2040 IN THE WEEK COMMENCING 25 OCTOBER 2010 AND APPOINTMENT OF THE SYNDICATE**

The United Kingdom Debt Management Office ("the DMO") announces that the forthcoming syndicated offering will be a re-opening of 4¼% Treasury Gilt 2040. The DMO is also announcing the appointment of a syndicate to manage the transaction.

Joint Bookrunners: Citigroup Global Markets Limited, HSBC Bank PLC, Merrill Lynch International and UBS Limited.

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

Sales of long conventional gilts via syndication to-date have raised £8 billion, relative to a remit planning assumption for such sales of close to £13 billion in 2010-11. The DMO expects the forthcoming transaction to be the final syndication of conventional gilts this financial year and its size not to exceed significantly the residual sales amount to fulfil the remit planning assumption.

The DMO expects that this sale will take place in the week commencing 25 October 2010, subject to market conditions. Further information about the conduct of the offer will be announced in due course.

## NOTES TO EDITORS

The DMO financing remit for 2010-11, published alongside the Budget on 24 March 2010, included the provision for a programme of up to 10 syndicated offerings to be held in 2010-11 to raise £29.2 billion (through sales of long-dated conventional and index-linked gilts).

At the Budget on 22 June 2010, planned gilt sales in 2010-11 were reduced by £20.2 billion to £165.0 billion. Planned sales from the syndication programme were reduced by £3.2 billion to £26.0 billion. Three syndicated offerings have been held to date in 2010-11, raising £17.31 billion. Progress against the syndication sales plans is summarised in the table below.

Gilt sales by syndication in 2010-11 (£mn cash)			
	Long conventional	Index-linked	Total
Planned	12,800	13,200	26,000
Raised to date	7,995	9,319	17,314
Balance	4,805	3,881	8,686

It was noted in the DMO's remit revision announcement to coincide with the June Budget that total financing to be achieved by supplementary methods *"will be dependant on market and demand conditions at the time the transactions are conducted"*.

The first syndicated offer of the 2010-11 programme was held on 26 May 2010 with the sale of £4.0 billion (nominal) of 0½% Index-linked Treasury Gilt 2050; the proceeds of that sale were £3.76 billion. The second syndicated offer of the 2010-11 programme was held on 29 June 2010 with the sale of £8.0 billion (nominal) of 4¼% Treasury Gilt 2040; the proceeds of that sale were £7.99 billion. The third syndicated offer of the 2010-11 programme was held on 27 July 2010 with the sale of £6.0 billion (nominal) of 0½% Index-linked Treasury Gilt 2040; the proceeds of that sale were £5.56 billion.

On 24 August 2010, following consultation with the market at the regular quarterly meetings, the DMO announced that a previously planned syndicated offering for the second half of September was being cancelled.

On 31 August 2010 the DMO announced plans to hold one syndicated offering in the October-December 2010 period (in the second half of October) and that this would be of a conventional gilt maturing in the 30-50 year area (subject to confirmation depending on market conditions nearer the time).

On 8 October 2010 the DMO announced that it expected that the next syndicated offering would take place in the week commencing 25 October 2010.

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 syndicated offerings in 2010-11.

This press notice will be appearing on the DMO's website at: [www.dmo.gov.uk](http://www.dmo.gov.uk)

