

161/09

9 October 2009

PRESS NOTICE

ISSUE BY SYNDICATED OFFERING OF A NEW CONVENTIONAL GILT MATURING ON 22 JANUARY 2060: APPOINTMENT OF SYNDICATE

The United Kingdom Debt Management Office ("the DMO") announces the appointment of a syndicate to sell by subscription a new conventional gilt maturing on 22 January 2060.

Joint Bookrunners: BofA Merrill Lynch, Goldman Sachs International, Royal Bank of Canada Europe Limited and Royal Bank of Scotland PLC.

Co-Lead Managers: All other 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 is appointing syndicate members for the conduct of a 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 either of the weeks beginning 19 or 26 October, subject to market and demand conditions. Further details about the conduct of the offer, including the timing, are expected to be announced at 3.30pm on Tuesday 13 October 2009.

Commenting on today's appointments, Robert Stheeman, Chief Executive of the DMO, said

"The selection of the Lead Managers for this fourth transaction in our syndication programme, and the second of a conventional gilt – the first new 50-year gilt to be issued since 2005 – once

again has required difficult choices to be made. This reflects the importance of both ensuring continued success in the delivery of the syndication programme (which is an integral part of our strategy to supply long-dated gilts to our core investor base) 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 appointments of Lead Managers on future transactions 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 the DMO's financing remit".

NOTES TO EDITORS

The DMO's 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 £131.53 billion, of which proceeds from the first three syndications account for £16.37 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 PLC.
- 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 (0½% 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 PLC
- The third syndicated offering under the programme, and the second of an index-linked gilt was held on 24 September 2009, when £5.0 billion (nominal) of a new issue (0½% Index-linked Treasury Gilt 2050) was sold, raising £4.92billion (cash). The Lead Managers were Deutsche Bank, Goldman Sachs International, HSBC Bank PLC and UBS Investment Bank.

On 28 August 2009 the DMO announced plans to hold two syndicated offerings in the September to December 2009 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.

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