

PRESS NOTICE

ISSUE BY SYNDICATED OFFERING OF AN INDEX-LINKED GILT MATURING ON 22 MARCH 2040

Further to the announcement of the Joint Bookrunners earlier today, the United Kingdom Debt Management Office (“the DMO”) announces that the forthcoming sale by syndicated offering will be of a new index-linked gilt maturing on 22 March 2040. The gilt will pay its first coupon on 22 September 2010.

The DMO expects the sale of the new gilt to be conducted in the week beginning 25 January 2010, subject to market conditions. Further details about the gilt to be sold, including the coupon, will be announced at 3.30pm on Tuesday 19 January 2010.

NOTES TO EDITORS

The DMO financing remit for 2009-10 published alongside Budget 2009 on 22 April 2009, included the provision for a programme of up to 8 syndicated offerings to be held in 2009-10 to raise £25.0 billion (through sales of long-dated and index-linked gilts) as part of an overall gilt sales target of £220.0 billion.

At the Pre-Budget Report (PBR) on 9 December 2009 the DMO’s financing remit for 2009-10 was revised with total planned gilt sales rising by £5.1 billion to £225.1 billion. The remit revision included a £5.0 billion increase in the planning assumption of proceeds from syndications, to £30.0 billion; it was also announced that up to two syndications will be held in the final quarter of 2009-10.

Four syndicated offerings have been held to date, two of new conventional gilts (maturing in 2034 and 2060) and two of new index-linked gilts (maturing in 2042 and 2050). Proceeds from the syndication programme to-date are £23.1 billion.

On 18 December 2009 the DMO announced plans to hold up to two syndicated offerings in the January-March 2010 period:

- Second half of January: an index-linked gilt maturing in the 30-year area.
- A decision to proceed with any second offering would be taken after the first offering.

On 12 January 2010 the DMO announced that it expects the next syndicated offering will be conducted in the week commencing 25 January 2010.

On 15 January 2010 the DMO announced that the Joint Bookrunners for the forthcoming syndicated offering will be Barclays Capital, Deutsche Bank, Nomura International and UBS Investment Bank.

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

