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PRESS NOTICE

SYNDICATION OF A NEW CONVENTIONAL GILT MATURING ON 22 JULY 2057 IN THE WEEK COMMENCING 23 JANUARY 2017: APPOINTMENT OF SYNDICATE

The United Kingdom Debt Management Office (DMO) announces the appointment of a syndicate to sell by subscription the forthcoming syndication of a new conventional gilt maturing on 22 July 2057.

Joint Bookrunners: Citigroup Global Markets, HSBC, J.P. Morgan and Santander GBM.

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

The DMO has appointed a panel comprising exclusively wholesale GEMM firms from which it is choosing syndicate members for the conduct of the programme of syndications in 2016-17. The programme is currently planned to raise a minimum of £32.1 billion. Sales from the syndication programme in the financial year to date are £24.2 billion.

The transaction is expected to take place in the week commencing 23 January 2017, subject to market and demand conditions.

Further details of the sale, including the coupon and the ISIN code on the new gilt, will be announced at 3.30pm on Tuesday 17 January 2017.

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 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.

A total of £2.25 billion of the unallocated portion of issuance has been used to increase the size of three of the syndications held in the current financial year to date; these and other re-allocations are summarised in the table below. The balance of the unallocated portion of issuance is currently £1.6 billion.

Date	Size of draw-down (£mn)	Purpose
24-May-16	500	Increase the size of the IL 2046 syndication
12-Jul-16	912	Gilt tender of 4% 2060
26-Jul-16	1,000	Increase the size of the IL 2065 syndication
31-Aug-16	1,500	Increase the size of short, medium and long auctions
27-Sep-16	872	Gilt tender of IL 2052
25-Oct-16	750	Increase the size of the 2½% 2065 syndication
02-Nov-16	824	Gilt tender of IL 2040
	6,358	
Balance	1,642	

At Autumn Statement 2016 on 23 November 2016, the overall size of the syndication programme was increased by £4.3 billion to a minimum of £32.1 billion, split as follows:

- Long conventional gilts: an increase of £4.0 billion to £14.3 billion, with an additional syndication scheduled.
- Index-linked gilts: an increase of £0.3 billion to £17.8 billion.

On 2 December 2016 the DMO announced that it planned to hold two syndications in the final quarter of the financial year, as follows:

- Second half of January: a long conventional gilt with a maturity in the 40-year area or longer; and
- Second half of February: a long index-linked gilt.

On 6 January 2017 the DMO announced that the bond to be sold by syndication in January 2017 would be a new conventional gilt maturing on 22 July 2057.

Five syndications have been held in 2016-17 to-date, raising £24.2 billion; the results are summarised in the table below.

Date	Gilt	Size (£mn nom)	Issue Price (£)	Issue Yield (%)	Proceeds (£mn cash)
26 Apr 2016	2½% Treasury Gilt 2065	4,750	106.164	2.291	5,033
24 May 2016	0½% Index-linked Treasury Gilt 2046	3,500	131.617	-0.810	4,655
26 Jul 2016	0½% Index-linked Treasury Gilt 2065	2,500	201.335	-1.325	5,058
25 Oct 2016	2½% Treasury Gilt 2065	4,000	130.500	1.597	5,212
29 Nov 2016	0½% Index-linked Treasury Gilt 2056	2,250	186.909	-1.466	4,200
<i>Figures may not sum due to rounding</i>					24,159

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