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PRESS NOTICE

SYNDICATED LAUNCH OF 0¹/₈% INDEX-LINKED TREASURY GILT 2065 IN THE WEEK COMMENCING 22 FEBRUARY 2016: INSTRUMENT DETAILS

The United Kingdom Debt Management Office (DMO) announces that the new index-linked gilt maturing on 22 November 2065 will pay a real coupon of 0¹/₈%. It will pay a short first dividend on 22 May 2016.

The ISIN code for 0¹/₈% Index-linked Treasury Gilt 2065 will be GB00BD9MZZ71 and the SEDOL code will be BD-9MZ-Z7.

Subject to market conditions, the DMO expects that this sale will take place in the week commencing 22 February 2016. Further information about the conduct of the syndication will be announced in due course.

NOTES TO EDITORS

The DMO's financing remit for 2015-16, published alongside the Budget on 18 March 2015, included the provision for a programme of syndicated offerings to be held in 2015-16 aiming to raise a minimum of £24.2 billion (split £14.9 billion index-linked gilts and £9.3 billion long conventional gilts). Six transactions are planned (four of index-linked gilts and two of long conventional gilts).

The DMO also announced on 18 March 2015 that, as previously, it envisaged using the syndication programme in 2015-16 to launch new 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 supplementary issuance, which can be allocated either to syndications or mini-tenders - subject to demand.

The initial unallocated portion of supplementary gilt issuance was £4.0 billion (cash). In the financial year to-date this has been reduced by £2.5 billion, as a result of:

- £1.0 billion allocated to the gilt mini-tender of 4¹/₄% Treasury Gilt 2055 on 4 June 2015;

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- £0.3 billion allocated to the syndication of 0½% Index-linked Treasury Gilt 2046 on 23 June 2015;
- £0.5 billion allocated to the syndication of 0½% Index-linked Treasury Gilt 2068 on 22 September 2015;
- £0.2 billion allocated to the syndication of 2½% Treasury Gilt 2065 on 20 October 2015; and
- £0.5 billion allocated to the syndication of 0½% Index-linked Treasury Gilt 2046 on 1 December 2015.

As a result of the above allocations, the minimum overall size of the syndication programme in 2015-16 has risen to £25.7 billion (cash). The minimum size of the index-linked gilt syndication programme is currently £16.2 billion and sales to date are £12.6 billion. Five syndications have been held to-date in 2015-16; the results are summarised in the table below.

Date	Gilt	Size (£mn nom)	Issue Price (£)	Issue Yield (%)	Proceeds (£mn cash)
23-Jun-2015	0½% Index-linked Treasury Gilt 2046	3,250	123.840	-0.582	4,018
21-Jul-2015	3½% Treasury Gilt 2068	4,000	121.310	2.736	4,844
22-Sep-2015	0½% Index-linked Treasury Gilt 2068	2,500	166.002	-0.866	4,294
20-Oct-2015	2½% Treasury Gilt 2065	4,750	98.403	2.557	4,663
01-Dec-2015	0½% Index-linked Treasury Gilt 2046	3,250	129.738	-0.748	4,240
<i>Figures may not sum due to rounding</i>					22,061

On 5 February 2016 the DMO announced that the forthcoming syndication would be of a new index-linked gilt maturing on 22 November 2065, and that the new gilt will pay a short first dividend on 22 May 2016.

On 12 February 2016 the DMO announced that the Joint Bookrunners on the forthcoming syndication will be Barclays, Citigroup Global Markets, Goldman Sachs International and RBS.

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