



United Kingdom
Debt Management
Office

Eastcheap Court
11 Philpot Lane
London
EC3M 8UD

T 020 7862 6500
F 020 7862 6509

www.dmo.gov.uk

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PRESS NOTICE

SYNDICATED LAUNCH OF A NEW INDEX-LINKED GILT MATURING ON 22 NOVEMBER 2065 IN THE WEEK COMMENCING 22 FEBRUARY 2016: APPOINTMENT OF SYNDICATE

The United Kingdom Debt Management Office (DMO) announces the appointment of a syndicate to sell by subscription the forthcoming launch of a new index-linked gilt maturing on 22 November 2065. Subject to market conditions, the DMO expects that this sale will take place in the week commencing 22 February 2016.

Joint Bookrunners: Barclays, Citigroup Global Markets, Goldman Sachs International and RBS.

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

The DMO has appointed a panel comprising exclusively wholesale GEMM firms from which it has chosen syndicate members for the conduct of the programme of syndications in 2015-16. The programme is planned to raise a minimum of £25.7 billion (cash) and sales in the financial year to-date are £22.1 billion.

The coupon and ISIN and SEDOL codes for the new gilt will be announced at 3.30pm on Tuesday 16 February 2016.

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 4¼% Treasury Gilt 2055 on 4 June 2015;
- £0.3 billion allocated to the syndication of 0¼% Index-linked Treasury Gilt 2046 on 23 June 2015;
- £0.5 billion allocated to the syndication of 0¼% 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 0¼% 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	0¼% 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	0¼% 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	0¼% 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.

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