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PRESS NOTICE

SYNDICATED RE-OPENING OF 2½% TREASURY GILT 2065 IN THE WEEK COMMENCING 24 OCTOBER 2016: APPOINTMENT OF SYNDICATE

The United Kingdom Debt Management Office (DMO) announces the appointment of a syndicate to sell by subscription the forthcoming re-opening of 2½% Treasury Gilt 2065. Subject to market conditions, the DMO expects that this sale will take place in the week commencing 24 October 2016.

Joint Bookrunners: Barclays, Lloyds Bank, Nomura and RBS.

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 will choose syndicate members for the conduct of the programme of syndications in 2016-17. The programme is currently planned to raise a minimum of £27.0 billion¹ and proceeds to-date are £14.7 billion.

Further information about the conduct of the offer will be announced in due course.

NOTES TO 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 envisages holding six syndicated offerings (four of index-linked gilts and two of long conventional gilts) in 2016-17.

¹ Figures in this press notice are in cash terms unless stated otherwise.

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 largely 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.

Given the strength and quality of demand received at the syndications of 0½% Index-linked Treasury Gilt 2046 on 24 May 2016, and of 0½% Index-linked Treasury Gilt 2065 on 26 July 2016, a total of £1.5 billion of the unallocated portion was allocated to the index-linked gilt syndication programme, increasing the size of that programme to £17.5 billion, and the minimum size of the overall programme to £27.0 billion.

On 31 August 2016, the DMO announced that it envisaged holding a syndicated re-opening of 2½% Treasury Gilt 2065 in the second half of October 2016, and the sale of an index-linked gilt with a maturity in the 30-year area or longer in the second half of November, with the timing of both transactions being subject to market and demand conditions.

On 7 October 2016, the DMO announced that the sale of 2½% Treasury Gilt 2065 was expected to take place in the week commencing 24 October 2016, subject to market and demand conditions.

Three syndications have been held to date in 2016-17; 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
<i>Figures may not sum due to rounding</i>					14,747

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