

27 April 2012

PRESS NOTICE

FURTHER DETAILS OF THE INDEX-LINKED SYNDICATION IN THE SECOND HALF OF MAY 2012, AND REQUEST FOR FEEDBACK ON SYNDICATION AND MINI-TENDER

The United Kingdom Debt Management Office ("the DMO") is announcing today that the next syndicated gilt offering, which is planned to take place in the second half of May 2012 (subject to market conditions), will be for an index-linked gilt in the 30- to 50-year maturity area.

Over the coming days, the DMO is seeking market feedback on the preferred identity and timing of the index-linked gilt to be syndicated in May. Further information on the choice of bond and the conduct of the offer will be announced in due course.

The DMO is also seeking market feedback on the identity and timing of a gilt (which may be conventional or index-linked of any maturity) to be sold via mini-tender in the week commencing 14 May 2012. The deadline for feedback is close of business on Tuesday 1 May. The DMO will announce the precise date of the mini-tender with at least seven working days notice and will announce the choice of the gilt, and the maximum (nominal) size of the sale, five working days before the planned operation.

NOTES TO EDITORS

The DMO financing remit for 2012-13, published alongside the Budget on 21 March 2012 and updated on 24 April 2012¹, includes the provision for a programme of up to eight syndicated offerings to be held in 2012-13 aiming to raise £32.5 billion. The current planning assumption is

¹ Following the publication of the outturn for the Central Government Net Cash Requirement (CGNCR) for 2011-12.

that £19.0 billion will be raised by sales of index-linked gilts (via five syndicated offerings) and £13.5 billion by sales of long-dated conventional gilts (via three syndicated offerings). The planning assumption is that two syndicated offerings will be held in each quarter of the financial year. One syndicated offering has been held in the financial year to date: a re-opening of 3¾% Treasury Gilt 2052 on 24 April, which raised approximately £5.1 billion.

The DMO also announced on 21 March 2012 that it intended to finance the syndication programme on a broadly evenflow basis throughout the year, in a similar way to 2011-12. The DMO may, however, continue to vary the size of each syndicated offering to take account of market and demand conditions at the time of each transaction - such discretion will be limited to around £1.0 billion (cash) above or below the prevailing required average operation size.

On 30 March 2012 the DMO announced plans to hold two syndicated offerings in the period April-June 2012 (of a re-opening of 3¾% Treasury Gilt 2052 in the second half of April and of an index-linked gilt in the second half of May - subject to confirmation depending on market conditions nearer the time).

On 24 April 2012 following the syndicated offering of 3¾% Treasury Gilt 2052, the DMO announced that the supplementary gilt sales targets remained at £32.5 billion (syndications) and £7.0 billion (mini-tenders). It also announced that it is seeking market feedback on the identity of a gilt to be sold via mini-tender in the week commencing 14 May 2012.

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