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PRESS NOTICE

SYNDICATED RE-OPENING OF 0 $\frac{1}{8}$ % INDEX-LINKED TREASURY GILT 2065 IN THE WEEK COMMENCING 25 JULY 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 0 $\frac{1}{8}$ % Index-linked Treasury Gilt 2065. Subject to market conditions, the DMO expects that this sale will take place in the week commencing 25 July 2016.

Joint Bookrunners: Goldman Sachs International, HSBC, RBS and Santander GBM.

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 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 £26.0 billion¹.

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 envisages holding six syndicated offerings (four of index-linked gilts and two of long conventional gilts).

The DMO also announced on 16 March 2016 that any type and maturity of gilt can be sold via 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.

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

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 syndication of 0½% Index-linked Treasury Gilt 2046 on 24 May, £0.5 billion of the unallocated portion was allocated to the index-linked gilt syndication programme, increasing the size of that programme to £16.5 billion, and the minimum size of the overall syndication programme to £26.0 billion.

On 31 May 2016 the DMO announced that it envisaged holding a syndicated re-opening of 0½% Index-linked Treasury Gilt 2065 in the second half of July 2016, subject to market and demand conditions.

On 12 July 2016 the DMO announced that the syndicated re-opening of 0½% Index-linked Treasury Gilt 2065 was expected to take place in the week commencing 25 July 2016, subject to market conditions.

Two 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
<i>Figures may not sum due to rounding</i>					9,688

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