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PRESS NOTICE

SYNDICATED RE-OPENING OF 0½% INDEX-LINKED TREASURY GILT 2046 IN THE WEEK COMMENCING 30 NOVEMBER 2015: 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 0½% Index-linked Treasury Gilt 2046. Subject to market conditions, the DMO expects that this syndication will take place in the week commencing 30 November 2015.

Joint Bookrunners: HSBC, Morgan Stanley, Scotiabank and UBS Investment Bank.

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 £25.2 billion (cash) and sales in the financial year to-date are £17.8 billion.

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 £2.0 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; and
- £0.2 billion allocated to the syndication of 2½% Treasury Gilt 2065 on 20 October 2015.

As a result of the above allocations the overall size of the syndication programme in 2015-16 has risen to £25.2 billion (cash). The minimum size of the index-linked gilt syndication programme is currently £15.7 billion and sales to date are £8.3 billion.

Four syndications have been held to-date in 2015-16, including the launch of 0¼% Index-linked Treasury Gilt 2046 in June 2015. The results are summarised in the table below.

Date	Gilt	Size (£mn nom)	Issue Price (£)	Issue Yield (%)	Proceeds (£mn cash)
23-Jun-15	0¼% Index-linked Treasury Gilt 2046	3,250	123.840	-0.582	4,018
21-Jul-15	3½% Treasury Gilt 2068	4,000	121.310	2.736	4,844
22-Sep-15	0¼% Index-linked Treasury Gilt 2068	2,500	166.002	-0.866	4,294
20-Oct-15	2½% Treasury Gilt 2065	4,750	98.403	2.557	4,663
<i>Figures may not sum due to rounding</i>					17,820

It is planned that the sixth (and final) syndication of the 2015-16 programme (of an index-linked gilt) will be held in the period January-March 2016.

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