

AGENDA FOR THE CONSULTATION MEETINGS WITH GILT MARKET INVESTORS (3.30pm) AND GEMMS (5.00pm) TO DISCUSS GILT ISSUANCE IN APRIL-JUNE 2011, TO BE HELD ON MONDAY 28 MARCH 2011 at:

EASTCHEAP COURT, 11 PHILPOT LANE, LONDON EC3M 8UD

The DMO would like to invite up to 20 end investors to contribute to a discussion on gilt issuance in April-June 2011. Attendees may be nominated by their representative organisations (e.g. NAPF, ABI etc.) or they may contact the DMO directly. Spaces are allocated on a first come, first served basis, at the DMO's discretion. Places will be limited to one person per organisation. Please contact Sarah Ellis sarah.ellis@dmo.gsi.gov.uk (0845 357 6525) or Steve Whiting steve.whiting@dmo.gsi.gov.uk (0845 357 6532) by close Friday 25 March 2011 if you would like to attend.

1. **Review of gilt market operations in January - March 2011.**
2. **Budget 2011: DMO Financing Remit 2011-12.**
3. **Choice of conventional and index-linked gilts for auctions scheduled in April-June 2011.**

For conventional gilts, the DMO is announcing today that the auction scheduled for 5 April 2011 will be for a medium conventional gilt. Early feedback is requested on (i) the choice of medium conventional gilt for the auction to be held on 5 April, and (ii) the choice of index-linked gilt for the auction to be held on 6 April. Please email views on the choice of bonds to policy@dmo.gsi.gov.uk by 3.30pm on Thursday 24 March. The DMO will announce the gilts to be auctioned on these two dates at 3.30pm on Friday 25 March, and the auction size details at 3.30pm on Tuesday 29 March.

4. **The DMO also anticipates holding two syndicated offerings in Q1 2011-12 and is seeking views on the timing and type of gilt for these syndications.**
5. **The DMO is interested in views on the timing of a mini-tender in Q1.**

Table 1 below lists the 13 scheduled auction dates for April-June 2011. For conventional gilts, a suggested schedule for the maturity of issuance is provided in Table 2 to facilitate the discussion.

**Table 1:
April-June
Issuance Calendar**

5-Apr¹	Conventional
6-Apr¹	Index-linked
13-Apr	Conventional
14-Apr	Conventional
19-Apr	Index-linked
4-May	Conventional
10-May	Index-linked
12-May	Conventional
19-May	Conventional
2-Jun	Conventional
7-Jun	Index-linked
15-Jun	Conventional
21-Jun	Conventional

**Table 2:
Suggested Maturity Split
(Conventional Auctions)**

5-Apr¹	Medium
6-Apr¹	IL
13-Apr	Short
14-Apr	Long
19-Apr	IL
4-May	Medium
10-May	IL
12-May	Long
19-May	Short
2-Jun	Medium
7-Jun	IL
15-Jun	Long
21-Jun	Short

¹ See the timetable above relating to the timing of announcements on the choice of bonds to be auctioned on these dates.

The DMO's ongoing policy is to build up gilts to benchmark size, subject to considering the impact of issuance on the redemption profile. The suggested maturity schedule of conventional issuance in Table 2 reflects the DMO's aim to provide regularity in issuance across each maturity sector.

Conventional gilt issuance

The DMO is planning on the basis that there will be three short, three medium and three long conventional auctions in April-June 2011.

- Short (three auctions): The DMO expects to re-open 2% 2016 at least once within the quarter and welcomes views on the number and timing of re-opening(s) in the quarter. The DMO would also welcome views on the identity and timing of any other short conventional candidates for re-opening in Q1 taking into account implications for the near-term redemption profile.
- Medium (three auctions): The DMO anticipates re-opening 3¾% 2021 at least once in Q1 and welcomes views on whether further re-openings should take place. The DMO also seeks views on the identity and timing of any other medium conventional gilts for re-opening in Q1.
- Long (three auctions): The DMO welcomes views on the identity and timing of long conventional gilts to be auctioned in Q1, taking into account the potential for long conventional gilt issuance by syndication in the quarter.

Index-linked gilt issuance

There are four index-linked auctions scheduled in April-June 2011. The DMO welcomes views on candidates for, and the sequencing of, index-linked gilt issuance in Q1, taking into account the potential for index-linked gilt issuance by syndication in the quarter.

6. Any other business

The DMO will announce details of the gilt operation calendar for April-June 2011 at 3.30pm on Thursday 31 March 2011.

The next consultation meetings to discuss gilt issuance in July-September 2011 are scheduled to be held on Monday 23 May 2011 at 3.30pm (investors) and 5.00pm (GEMMs).