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PRESS NOTICE

SYNDICATION OF A LONG CONVENTIONAL GILT WITH A MATURITY IN THE 40-YEAR AREA OR LONGER: APPOINTMENT OF SYNDICATE

The United Kingdom Debt Management Office (“the DMO”) announces the appointment of a syndicate to sell by subscription the forthcoming issue of a long conventional gilt with a maturity in the 40-year area or longer.

Joint Bookrunners: Citigroup Global Markets, Lloyds Bank, RBC Europe Limited 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 has chosen syndicate members for the conduct of the programme of syndicated offerings in 2015-16, which is planned to raise a minimum of £24.5 billion (cash).

Subject to market conditions, the DMO expects that this syndicated offer will take place in the second half of July 2015. Further information about the conduct of the offer including the specific maturity of the gilt to be sold and timing 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 currently assumed (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 issuance was £4.0 billion (cash). £0.3 billion of this was allocated to the syndicated offer of 0¼% Index-linked Treasury Gilt 2046 on 23 June, thereby increasing the size of the index-linked syndication programme to £15.2 billion and the overall size of the syndication programme to £24.5 billion¹. These plans remain unchanged after the Summer Budget on 8 July 2015.

On 29 May 2015 the DMO announced plans for syndicated offerings in June, July and September 2015 as below.

Syndication date	Gilt	Further details announced
Second half of June [†]	An index-linked gilt maturing in the 30-year area	Around two weeks in advance
Second half of July [†]	A conventional gilt with a maturity in the 40-year area or longer	Around two weeks in advance
Second half of September [†]	An index-linked gilt	Around two weeks in advance

[†] Subject to market conditions.

One syndicated offer has been held to-date in 2015-16. The results are summarised in the table below.

Date	Gilt	Size (£mn nom)	Issue Price (£)	Issue Yield (%)	Proceeds (£mn cash)
23 Jun 2015	0¼% Index-linked Treasury Gilt 2046	3,250	123.840	-0.582	4,018

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

¹ A further £1 billion of the £4 billion unallocated portion of the supplementary programme was allocated to a gilt mini-tender of 4¼% 2055 held on 4 June 2015, leaving £2.7 billion to be allocated in the remainder of 2015-16.