

11 May 2012

PRESS NOTICE

APPOINTMENT OF A SYNDICATE FOR THE SALE IN THE SECOND HALF OF MAY OF AN INDEX-LINKED GILT IN THE 30-50 YEAR AREA

The United Kingdom Debt Management Office ("the DMO") announces the appointment of a syndicate to sell by subscription the forthcoming syndicated offering of a long-dated index-linked gilt.

Joint Bookrunners: Barclays Capital, Credit Suisse, HSBC Bank plc and UBS.

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 syndicated offerings in 2012-13. The current planning assumption is that eight syndicated offerings will raise approximately £32.5 billion in 2012-13. Proceeds from the programme in the financial year to-date are approximately £5.1 billion.

Further information about the conduct of the offer, including the maturity of the gilt to be sold and expected timing, will be announced in due course.

NOTES TO EDITORS

The DMO financing remit for 2012-13, published alongside the Budget on 21 March 2012, included the provision for a programme of up to eight syndicated offerings to be held in 2012-13 aiming to raise £33.5 billion.

The size of the syndication programme was reduced to £32.5 billion at the financing remit revision which coincided with the publication on 24 April 2012 of the outturn of the 2011-12 Central Government Net Cash Requirement. It is planned 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.

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).

The first syndicated offering of 2012-13 was held on 24 April 2012. £4.75 billion (nominal) of 3¾% Treasury Gilt 2052 was sold, raising £5.05 billion (cash).

On 27 April 2012 the DMO announced that the index-linked gilt to be sold in the second half of May would have a maturity in the 30-50 year area.

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