

18 January 2013

PRESS NOTICE

RE-OPENING BY SYNDICATED OFFERING OF 3¼% TREASURY GILT 2044: APPOINTMENT OF SYNDICATE

The United Kingdom Debt Management Office ("the DMO") announces the appointment of a syndicate to sell by subscription the forthcoming syndicated re-opening of 3¼% Treasury Gilt 2044.

Joint Bookrunners: HSBC, J.P. Morgan, Morgan Stanley and RBC Europe Limited.

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 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 £32.3 billion. Proceeds from the programme in the financial year to-date are approximately £24.9 billion.

Subject to market conditions, the re-opening of 3¼% Treasury Gilt 2044 will take place in the week commencing 28 January 2013. Further information about the conduct of the offer 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 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 implement the syndication programme on a broadly even-flow 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.

The size of the syndication programme was reduced to £32.5 billion at the financing remit revision which coincided with the publication of the outturn of the Central Government Net Cash Requirement in 2011-12 on 24 April 2012. However, following the larger than anticipated syndicated offer of 0½% Index-linked Treasury Gilt 2062 on 29 May 2012, the size of the programme was increased by £0.5 billion to £33.0 billion (and the size of the mini-tender programme was reduced by the same amount to £6.5 billion).

At the Autumn Statement 2012 on 5 December, £750 million of sales of long conventional gilts by syndication was switched to the long conventional auction programme, reducing the overall size of the syndication programme to £32.25 billion.

The results of the six syndicated offerings held in the financial year to-date, which together have raised £24.9 billion, are summarised in the table below.

Date	Gilt	Size (£mn)	Issue Price (£)	Issue Yield (%)	Proceeds (£mn cash)
24 Apr 2012	3¼% Treasury Gilt 2052	4,750	106.587	3.446	5,053
29 May 2012	0½% Index-linked Treasury Gilt 2062	4,000	116.520	0.040	4,750
24 Jul 2012	0½% Index-linked Treasury Gilt 2044	4,000	100.311	0.115	4,004
25 Sep 2012	0¼% Index-linked Treasury Gilt 2052	4,000	96.062	0.357	3,833
23 Oct 2012	3¼% Treasury Gilt 2044	4,250	99.594	3.271	4,225
22 Nov 2012	0½% Index-linked Treasury Gilt 2044	3,250	93.874	0.331	3,064
<i>Figures may not sum due to rounding</i>					24,930

On 14 December 2012 the DMO announced that it planned to hold two syndicated offerings in the final quarter of the financial year, as follows:

- Second half of January: 3¼% Treasury Gilt 2044.
- Second half of February: an Index-linked Gilt.

On 15 January 2013 the DMO announced that, subject to market conditions, the syndicated re-opening of 3¼% Treasury Gilt 2044 would take place in the week commencing 28 January 2013.

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