

THIS NOTICE DOES NOT CONSTITUTE AN OFFER FOR SALE AND THE STOCKS LISTED BELOW ARE NOT AVAILABLE FOR PURCHASE DIRECT FROM THE BANK OF ENGLAND. OFFICIAL DEALINGS IN THE FURTHER AMOUNTS OF THE RELEVANT STOCKS ON THE LONDON STOCK EXCHANGE ARE EXPECTED TO COMMENCE FROM 10.45 AM ON 17 JANUARY 1997.

ISSUES OF GOVERNMENT STOCK

The Bank of England announces that Her Majesty's Treasury has created on 17 January 1997 additional amounts of the Stocks listed below:

£150 million	2½% INDEX-LINKED TREASURY STOCK 2003
£100 million	2½% INDEX-LINKED TREASURY STOCK 2011

The issue price was in each case the middle market price of the relevant Stock at 10.15 am on 17 January 1997 as certified by the Government Broker.

In each case, the Stock issued on 17 January 1997 represents a further amount of the relevant existing Stock, ranking in all respects *pari passu* with that Stock and subject to the terms and conditions applicable to that Stock, and subject also to the provision contained in the final paragraph of this notice; the current provisions for Capital Gains Tax are described below.

Application has been made to the London Stock Exchange for each further amount of stock to be admitted to the Official List.

Copies of the prospectuses for 2½% Index-Linked Treasury Stock 2003 dated 22 October 1982 and 2½% Index-Linked Treasury Stock 2011 dated 22 January 1982 (as amended by the supplement to the prospectus dated 9 March 1982) may be obtained from the Bank of England, New Issues, Southgate House, Southgate Street, Gloucester, GL1 1UW.

The Stocks are repayable, and interest is payable half-yearly, on the dates shown below (provision is made in the prospectuses for stockholders to be offered the right of early redemption under certain circumstances):

<i>Stock</i>	<i>Redemption date</i>	<i>Interest payment dates</i>
2½% Index-Linked Treasury Stock 2003	20 May 2003	20 May 20 November
2½% Index-Linked Treasury Stock 2011	23 August 2011	23 February 23 August

Both the principal of and the interest on the Stocks are indexed to the General Index of Retail Prices. The Index figure relevant to any month is that published seven months previously and relating to the month before the month of publication. The Index figure relevant to the month of issue of 2½% Index-Linked Treasury Stock 2003 is that relating to February 1982 (310.7); the equivalent Index figure for 2½% Index-Linked Treasury Stock 2011 is that relating to May 1981 (294.1). These Index figures will be used for the purposes of calculating payments of principal and interest due in respect of the further amounts of stock: the calculations will, as provided for in the prospectuses, take account of the revision of the Index to a new base of January 1987 = 100 (on the old base the Index for January 1987 was 394.5).

The relevant Index figures for the half-yearly interest payments on the Stocks are as follows:

<i>Interest payable</i>	<i>Published in</i>	<i>Relevant Index figure</i>	<i>Relating to</i>
May	October of the previous year		September
November	April of the same year		March
February	July of the previous year		June
August	January of the same year		December

The further amounts of the Stocks will rank for a full six months' interest on the next interest payment date applicable to the relevant Stock.

The taxation position of the Stocks, under current legislation, is broadly as follows:

(i) Each Stock is a gilt-edged security for the purposes of Schedule 9 to the Taxation of Chargeable Gains Act 1992. Accordingly, any disposal of the Stocks will not give rise to a chargeable gain or allowable loss for the

purpose of capital gains tax.

(ii) Gilt-edged securities which are not strips are not "relevant discounted securities" for the purposes of Schedule 13 to the Finance Act 1996. Thus, for a holder of the Stocks who is neither trading in the Stocks nor within the charge to corporation tax in respect of them, United Kingdom income tax arising in relation to holdings of the Stocks will generally be limited to income tax on interest received on them, or, in certain circumstances, accrued.

(iii) For a holder within the charge to corporation tax, a holding of the Stocks will be a "loan relationship" to which the provisions of Chapter II of Part IV of the Finance Act 1996 will apply.

Government Statement

Attention is drawn to the statement issued by Her Majesty's Treasury on 29 May 1985 which explained that, in the interest of the orderly conduct of fiscal policy, neither Her Majesty's Government nor the Bank of England or their respective servants or agents undertake to disclose tax changes decided on but not yet announced, even where they may specifically affect the terms on which, or the conditions under which, these further amounts of stock are issued or sold by or on behalf of the Government or the Bank; that no responsibility can therefore be accepted for any omission to make such disclosure; and that such omission shall neither render any transaction liable to be set aside nor give rise to any claim for compensation.

BANK OF ENGLAND
LONDON

17 January 1997