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 OTHER THAN BY GILT-EDGED MARKET MAKERS.

ISSUES OF GOVERNMENT STOCK

The Bank of England announces that Her Majesty's Treasury has created on 3 June 1997 additional amounts of the Stocks listed below:

£100 million

2 1/2% Index-Linked Treasury Stock 2009

£300 million

2 1/2% Index-Linked Treasury Stock 2016

The issue price was in each case the middle market price of the relevant Stock at 10.15 am on 3 June 1997 as certified by the Government Broker.

In addition, Her Majesty's Treasury has created on 3 June 1997, and has issued to the National Debt Commissioners for public funds under their management, additional amounts of the following Stocks:

£25 million

2 1/2% Index-Linked Treasury Stock 2009

£25 million

2 1/2% Index-Linked Treasury Stock 2016

In each case, the Stock now issued represents a further amount of the relevant existing Stock, carrying the same rights as that Stock (subject to the provisions set out below relating to entitlement to current interest payments) and subject to the terms and conditions applicable to that Stock.

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

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 2 1/2% Index-Linked Treasury Stock 2009 dated 19 October 1982 and 2 1/2% Index-Linked Treasury Stock 2016 dated 14 January 1983 may be obtained from the Bank of England, New Issues, Southgate House, Southgate Street, Gloucester, GL1 1UW. Other information and terms relating to the Stocks are contained in an Information Memorandum for Issues of British Government Stock which is available from the same address.

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):

Stock

Redemption date

Interest payment dates

2 1/2% Index-Linked Treasury Stock 2009

20 May 2009

20 May

2 1/2% Index-Linked Treasury Stock 2016

26 July 2016

20 November

26 January

26 July

Both the principal of and the interest on the Stocks are indexed to the General Index of Retail Prices. Details of the manner of indexation are set out in the prospectuses.

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

Relevant Index figure

Interest payable

Published in

Relating to

May November October of the previous year

September

April of the same year

March

January July

June of the previous year December of the previous year

May November

BANK OF ENGLAND LONDON

3 June 1997