

Year 1	2.45%
Year 2	2.55%
Year 3	2.75%
Year 4	3.05%
Year 5	3.46%

If a Certificate is held for five years, these rates will give a tax-free and guaranteed return equal to 2.85% pa compound.

5-YEAR INDEX-LINKED NATIONAL SAVINGS CERTIFICATES—NEW ISSUE

38th Issue 5-year Index-linked Savings Certificates went on sale on 21 July 2005. The value of a Certificate will move in line with the rate of inflation as measured by the Retail Prices Index (subject to the detailed rules set out in the terms and conditions), plus extra interest as follows:

Purchase price	+ Index-linking for year 1	+ 0.60% of Purchase price	= 1st Anniversary Value
1st Anniversary Value	+ Index-linking for year 2	+ 0.80% of 1st Anniversary Value	= 2nd Anniversary Value
2nd Anniversary Value	+ Index-linking for year 3	+ 1.00% of 2nd Anniversary Value	= 3rd Anniversary Value
3rd Anniversary Value	+ Index-linking for year 4	+ 1.20% of 3rd Anniversary Value	= 4th Anniversary Value
4th Anniversary Value	+ Index-linking for year 5	+ 1.41% of 4th Anniversary Value	= Maturity Value

If a Certificate is held for five years, these rates will give a tax-free and guaranteed return equal to 1.00% pa compound in addition to index-linking.

CAPITAL BONDS—NEW SERIES

Series 23 Capital Bonds went on sale on 21 July 2005. A Bond will grow in value at a guaranteed gross rate each year as follows:

Year 1	3.25%
Year 2	3.55%
Year 3	3.85%
Year 4	4.15%
Year 5	4.46%

If a Bond is held for five years, these rates will give a guaranteed return equal to 3.85% pa compound. The interest is credited gross and is taxable.

CHILDREN'S BONUS BONDS—NEW ISSUE

Issue 19 Children's Bonus Bonds went on sale on 21 July 2005. For the first five years each £25 unit will earn interest at 2.75% pa compound. On the fifth anniversary of purchase it also earns a bonus of £1.26 (5.04% of purchase price). At these rates a Bond will earn a tax-free return equal to 3.65% pa compound over the first five years.

FIXED RATE SAVINGS BONDS—NEW ISSUES

New Issues of Fixed Rate Savings Bonds went on sale on 21 July 2005 as shown in the table below. The rate of interest earned by a Bond will be determined by its capital value at any time—the original investment plus any interest added to the Bond less any repayments. The rate is determined by whether the interest is paid monthly or at maturity. Interest is paid net of tax.

Term	Capital value of Bond	Gross Annual Rates	
		Monthly interest option	Annual interest option
1-year Issue 31	£500 to £19,999.99	3.40%	3.50%
	£20,000 to £49,999.99	3.55%	3.65%
	£50,000 and above	3.75%	3.85%
3-year Issue 25	£500 to £19,999.99	3.45%	3.55%
	£20,000 to £49,999.99	3.60%	3.70%
	£50,000 and above	3.80%	3.90%
5-year Issue 23	£500 to £19,999.99	3.50%	3.60%
	£20,000 to £49,999.99	3.65%	3.75%
	£50,000 and above	3.85%	3.95%

PENSIONERS GUARANTEED INCOME BONDS 1-YEAR TERM—NEW SERIES

Series 29 1-year Pensioners Guaranteed Income Bonds went on sale on 21 July 2005. The interest rate, fixed and guaranteed for the first year a Bond is held, is 3.70% pa gross. The interest is paid gross and is taxable.

PENSIONERS GUARANTEED INCOME BONDS 2-YEAR TERM—NEW SERIES

Series 35 2-year Pensioners Guaranteed Income Bonds went on sale on 21 July 2005. The interest rate, fixed and guaranteed for the first 2 years a Bond is held, is 3.70% pa gross. The interest is paid gross and is taxable.

PENSIONERS GUARANTEED INCOME BONDS 5-YEAR TERM—NEW SERIES

Series 44 5-year Pensioners Guaranteed Income Bonds went on sale on 21 July 2005. The interest rate, fixed and guaranteed for the first 2 years a Bond is held, is 3.75% pa gross. The interest is paid gross and is taxable.

Issued by National Savings and Investments on behalf of the Treasury (1005)

National Savings and Investments

INDEX-LINKED NATIONAL SAVINGS

MOVEMENT OF THE UNITED KINGDOM GENERAL INDEX OF RETAIL PRICES

For the purposes of revaluing on repayment Index-linked National Savings Certificates (Retirement Issue, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th and 9th Index-linked Issues) and contributions under Save as You Earn savings contracts (Third Issue), the Index figure issued by the Office for National Statistics in the month of June 2005 and applicable to the month of June 2005 is 192.2. This figure is based on the revised reference base of 100 adopted in January 1987.

In accordance with the relevant prospectuses a notional Index figure of 758.2 has been calculated and will apply to Index-linked Savings Certificates purchased in March 1987 or earlier and SAYE contributions which were due for payment and made in February 1987 or earlier. (1003)