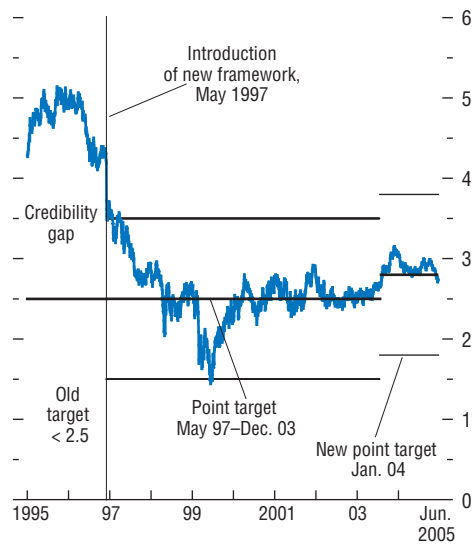


United Kingdom: Retail Price Index Inflation Expectations 10 Years Ahead¹
(Percent)



Source: Bank of England.

¹The definition and magnitude of the target changed in January 2004. It is now set at 2.0 percent and is expressed in terms of the year-on-year percent change in the HICP (Harmonized Index of Consumer Price). This is consistent with an estimate of 2.8 percent for the RPI (Retail Price Index), which is the definition used for the indexed bonds.