



EMBARGOED UNTIL 11:00 A.M.
July 22, 2004

CONTACT: Office of Financing
202/504-3550

TREASURY OFFERS 20-1/2-YEAR INFLATION-PROTECTED SECURITIES (TIPS)

The Treasury will auction \$11,000 million of 20-1/2-year inflation-protected securities to raise new cash.

Up to \$1,000 million in noncompetitive bids from Foreign and International Monetary Authority (FIMA) accounts bidding through the Federal Reserve Bank of New York will be included within the offering amount of the auction. These noncompetitive bids will have a limit of \$100 million per account and will be accepted in the order of smallest to largest, up to the aggregate award limit of \$1,000 million.

The auction will be conducted in the single-price auction format. All competitive and noncompetitive awards will be at the highest yield of accepted competitive tenders. The allocation percentage applied to bids awarded at the highest yield will be rounded up to the next hundredth of a whole percentage point, e.g., 17.13%.

The securities being offered today are eligible for the STRIPS program.

This offering of Treasury securities is governed by the terms and conditions set forth in the Uniform Offering Circular for the Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds (31 CFR Part 356, as amended).

Details about the security are given in the attached offering highlights.

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Attachment

HIGHLIGHTS OF TREASURY OFFERING TO THE PUBLIC OF
20-1/2-YEAR INFLATION-PROTECTED SECURITIES TO BE ISSUED JULY 30, 2004

JULY 22, 2004

Offering Amount \$11,000 million
Maximum Award (35% of Offering Amount) \$ 3,850 million
Maximum Recognized Bid at a Single Yield \$ 3,850 million
NLP Reporting Threshold \$ 3,850 million

Description of Offering:

Term and type of security 20-1/2-year inflation-protected securities
Series TIPS of January 2025
CUSIP number 912810 FR 4
Auction date July 27, 2004
Issue date July 30, 2004
Dated date July 15, 2004
Maturity date January 15, 2025
Interest rate Determined based on the highest accepted competitive bid
Real yield Determined at auction
Interest payment dates January 15 and July 15
Minimum bid amount and multiples \$1,000
Accrued interest Determined at auction
Premium or discount Determined at auction

STRIPS Information:

Minimum amount required \$1,000
Corpus CUSIP number 912803 CN 1
Due date(s) and CUSIP number(s)
for additional TIIN(s)..... See chart below

	January 15	July 15
2015	912833 2L 3	912833 2M 1
2016	912833 2N 9	912833 2P 4
2017	912833 2Q 2	912833 2R 0
2018	912833 2S 8	912833 2T 6
2019	912833 2U 3	912833 2V 1
2020	912833 2W 9	912833 2X 7
2021	912833 2Y 5	912833 2Z 2
2022	912833 3A 6	912833 3B 4
2023	912833 3C 2	912833 3D 0
2024	912833 3E 8	912833 3F 5
2025	912833 3G 3	---

Submission of Bids:

Noncompetitive bids: Accepted in full up to \$5 million at the highest accepted yield.

Foreign and International Monetary Authority (FIMA) bids: Noncompetitive bids submitted through the Federal Reserve Banks as agents for FIMA accounts. Accepted in order of size from smallest to largest with no more than \$100 million awarded per account. The total noncompetitive amount awarded to Federal Reserve Banks as agents for FIMA accounts will not exceed \$1,000 million. A single bid that would cause the limit to be exceeded will be partially accepted in the amount that brings the aggregate award total to the \$1,000 million limit. However, if there are two or more bids of equal amounts that would cause the limit to be exceeded, each will be prorated to avoid exceeding the limit.

Competitive bids:

- (1) Must be expressed as a real yield with three decimals, e.g., 3.123%.
- (2) Net long position for each bidder must be reported when the sum of the total bid amount, at all yields, and the net long position equals or exceeds the NLP reporting threshold stated above.
- (3) Net long position must be determined as of one-half hour prior to the closing time for receipt of competitive tenders.

Receipt of Tenders:

Noncompetitive tenders: Prior to 12:00 noon eastern daylight saving time on auction day.

Competitive tenders: Prior to 1:00 p.m. eastern daylight saving time on auction day.

Payment Terms: By charge to a funds account at a Federal Reserve Bank on issue date, or payment of full par amount with tender. *TreasuryDirect* customers can use the Pay Direct feature which authorizes a charge to their account of record at their financial institution on issue date.

Indexing Information:

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