



EMBARGOED UNTIL 11:00 A.M.  
September 2, 2004

CONTACT: Office of Financing  
202/504-3550

TREASURY OFFERS 5-YEAR NOTES AND 9-YEAR 11-MONTH 4 1/4% NOTES

The Treasury will auction \$15,000 million of 5-year notes and \$9,000 million of 9-year 11-month 4 1/4% notes 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 each 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 auctions being announced today 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 notes 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 notes are given in the attached offering highlights.

oOo

Attachment

HIGHLIGHTS OF TREASURY OFFERINGS TO THE PUBLIC OF  
5-YEAR NOTES AND 9-YEAR 11-MONTH 4 1/4% NOTES TO BE ISSUED SEPTEMBER 15, 2004

September 2, 2004

<u>Offering Amount</u> .....	\$15,000 million	\$9,000 million
<u>Maximum Award (35% of Offering Amount)</u> ....	\$ 5,250 million	\$3,150 million
<u>Maximum Recognized Bid at a Single Yield</u> ..	\$ 5,250 million	\$3,150 million
<u>NLP Reporting Threshold</u> .....	\$ 5,250 million	\$3,150 million
<u>NLP Exclusion Amount</u> .....	None	\$4,900 million
 <u>Description of Offering:</u>		
Term and type of security.....	5-year notes	9-year 11-month 4 1/4% notes (reopening)
Series.....	M-2009	E-2014
CUSIP number.....	912828 CV 0	912828 CT 5
Auction date.....	September 8, 2004	September 9, 2004
Issue date.....	September 15, 2004	September 15, 2004
Dated date.....	September 15, 2004	August 15, 2004
Maturity date.....	September 15, 2009	August 15, 2014
Interest rate.....	Determined based on the highest accepted competitive bid	4 1/4%
Amount currently outstanding.....	Not applicable	\$15,721 million
Yield.....	Determined at auction	Determined at auction
Interest payment dates.....	March 15 and September 15	February 15 and August 15
Minimum bid amount and multiples.....	\$1,000	\$1,000
Accrued interest payable by investor.....	None	\$3.58016 per \$1,000 (from August 15 to September 15, 2004)
Premium or discount.....	Determined at auction	Determined at auction

STRIPS Information:

Minimum amount required.....	\$1,000	\$1,000
Corpus CUSIP number.....	912820 KS 5	912820 KQ 9
Due date(s) and CUSIP number(s) for additional TINT(s) .....	September 15, 2009 - 912833 3K 4	Not applicable

The following rules apply to all securities mentioned above:

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 yield with three decimals, e.g., 7.123%.
- (2) Net long position (NLP) 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.