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EMBARGOED UNTIL 2:30 P.M.  
October 3, 2001

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202/691-3550

TREASURY TO AUCTION \$5,000 MILLION OF  
30-1/2-YEAR INFLATION-INDEXED BONDS

The Treasury will auction \$5,000 million of 30-1/2-year inflation-indexed bonds to raise cash.

Amounts bid by Federal Reserve Banks for their own accounts will be added to the offering.

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 \$200 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%.

NOTE: The net long position reporting threshold amount for the 30-1/2-year inflation-indexed bond is \$1 billion.

The bonds 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 new security are given in the attached offering highlights.

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Attachment

HIGHLIGHTS OF TREASURY OFFERING TO THE PUBLIC OF  
30-1/2-YEAR INFLATION-INDEXED BONDS TO BE ISSUED OCTOBER 15, 2001

October 3, 2001

Offering Amount .....\$5,000 million  
Public Offering .....\$5,000 million

Description of Offering:

Term and type of security .....30-1/2-year inflation-indexed bonds  
Series .....Bonds of April 2032  
CUSIP number .....912810 FQ 6  
Auction date .....October 10, 2001  
Issue date .....October 15, 2001  
Dated date .....October 15, 2001  
Maturity date .....April 15, 2032  
Interest rate .....Determined based on the highest  
accepted competitive bid  
Real yield ..... Determined at auction  
Interest payment dates ..... April 15 and October 15  
Minimum bid amount and multiples .....\$1,000  
Accrued interest .....None  
Premium or discount .....Determined at auction

STRIPS Information:

Minimum amount required .....\$1,000  
Corpus CUSIP number .....912803 CL 5  
Due date(s) and CUSIP number(s)  
for additional TIIN(s) .....October 15, 2029 - - 912833 YD 6  
April 15, 2030 - - - 912833 YE 4  
October 15, 2030 - - 912833 YF 1  
April 15, 2031 - - - 912833 YG 9  
October 15, 2031 - - 912833 YH 7  
April 15, 2032 - - - 912833 YJ 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 \$200 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., 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 is \$1 billion or greater.
- (3) Net long position must be determined as of one half-hour prior to the closing time for receipt of competitive tenders.

Maximum Recognized Bid at a Single Yield .....35% of public offering  
Maximum Award .....35% of public offering

Receipt of Tenders:

Noncompetitive tenders:

Prior to 11:00 a.m. eastern daylight saving time on auction day.

Competitive tenders:

Prior to 11:30 a.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:

CPI Base Reference Period .....1982-1984  
Ref CPI 10/15/2001 .....177.50000  
Index Ratio 10/15/2001 .....1.00000