



EMBARGOED UNTIL 9:00 A.M.
August 4, 2004

CONTACT: Office of Financing
202/504-3550

TREASURY AUGUST QUARTERLY FINANCING

The Treasury will auction \$22,000 million of 3-year notes, \$15,000 million of 5-year notes, and \$14,000 million of 10-year notes to refund \$28,759 million of publicly held securities maturing August 15, 2004, and to raise new cash of approximately \$22,241 million.

In addition to the public holdings, Federal Reserve Banks, for their own accounts, hold \$6,677 million of the maturing securities, which may be refunded by issuing additional amounts of the new securities.

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.

TreasuryDirect customers requested that we reinvest their maturing holdings of approximately \$115 million into the 3-year note, \$50 million into the 5-year note, and \$26 million into the 10-year note.

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.

If the auction of 3-year notes to be held Monday, August 9, 2004, results in a yield in a range of 3.250 percent through and including 3.374 percent, the 3-year notes will be considered an additional issue of the outstanding 3-1/4% 5-year notes of Series F-2007 (CUSIP No. 912828AH3) originally issued August 15, 2002. The additional issue of the notes would have the same CUSIP number as the outstanding notes, which are currently outstanding in the amount of \$25,411 million.

If the auction results in the issuance of an additional amount of the Series F-2007 notes rather than a new 3-year note, it will be indicated in the Treasury auction results press release.

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Attachment

HIGHLIGHTS OF TREASURY OFFERINGS TO THE PUBLIC
AUGUST 2004 QUARTERLY FINANCING

AUGUST 4, 2004

<u>Offering Amount</u>	\$22,000 million	\$15,000 million	\$14,000 million
<u>Maximum Award (35% of Offering Amount)</u>	\$ 7,700 million	\$ 5,250 million	\$ 4,900 million
<u>Maximum Recognized Bid at a Single Yield</u> ...	\$ 7,700 million	\$ 5,250 million	\$ 4,900 million
<u>NLP Reporting Threshold</u>	\$ 7,700 million	\$ 5,250 million	\$ 4,900 million

Description of Offering:

Term and type of security.....	3-year notes	5-year notes	10-year notes
Series.....	K-2007	L-2009	E-2014
CUSIP number.....	912828 CR 9	912828 CS 7	912828 CT 5
Auction date.....	August 9, 2004	August 11, 2004	August 12, 2004
Issue date.....	August 16, 2004	August 16, 2004	August 16, 2004
Dated date.....	August 15, 2004	August 15, 2004	August 15, 2004
Maturity date.....	August 15, 2007	August 15, 2009	August 15, 2014
Interest rate.....	Determined based on the highest accepted competitive bid	Determined based on the highest accepted competitive bid	Determined based on the highest accepted competitive bid
Amount currently outstanding.....	Not applicable	Not applicable	Not applicable
Yield.....	Determined at auction	Determined at auction	Determined at auction
Interest payment dates.....	February 15 and August 15	February 15 and August 15	February 15 and August 15
Minimum bid amount and multiples.....	\$1,000	\$1,000	\$1,000
Accrued interest payable by investor	Determined at auction	Determined at auction	Determined at auction
Premium or discount.....	Determined at auction	Determined at auction	Determined at auction

STRIPS Information:

Minimum amount required.....	\$1,000	\$1,000	\$1,000
Corpus CUSIP number.....	912820 KN 6	912820 KP 1	912820 KQ 9
Due date(s) and CUSIP number(s) for additional TINT(s)	Not applicable	Not applicable	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.