EMBARGOED UNTIL 11:00 A.M.   CONTACT: Office of Financing
July 1, 2004   202/504-3550

TREASURY OFFERS 5-YEAR NOTES

The Treasury will auction $15,000 million of 5-year 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 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 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 new security are given in the attached offering highlights.

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Attachment

July 1, 2004

Offering Amount ....$15,000 million
Maximum Award (35% of Offering Amount).......$ 5,250 million
Maximum Recognized Bid at a Single Yield.....$ 5,250 million
NLP Reporting Threshold ....$ 5,250 million

Description of Offering:
Term and type of security ....5-year notes
Series K-2009
CUSIP number ....912828 CN 8
Auction date ....July 7, 2004
Issue date ....July 15, 2004
Dated date ....July 15, 2004
Maturity date ....July 15, 2009
Interest rate ....Determined based on the highest
                                             accepted competitive bid
Yield ....Determined at auction
Interest payment dates ....January 15 and July 15
Minimum bid amount and multiples $1,000
Accrued interest payable by investor ....None
Premium or discount ....Determined at auction

STRIPS Information:
Minimum amount required $1,000
Corpus CUSIP number ....912820 KK 2
Due date(s) and CUSIP number(s)
  for additional TINT(s) ....July 15, 2009 - - 912833 2J 8

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 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.