Fitch Withdraws Rtg for Province of Mendoza’s US$250MM 10% Bonds Due 2007

16 de noviembre de 2004

Fitch Ratings-Buenos Aires November 16, 2004: Fitch Ratings withdraws the 'D' rating for the Province of Mendoza’s US$250 million 10% bonds due 2007 (‘Aconcagua Bonds’). On Oct. 22 2004, expiration date of the exchange offer, 64% of bondholders accepted to exchange Aconcagua Bonds for new Amortizing Bonds due 2018 and bearing interest at 5.5% p.a. The new bonds will start amortizing principal in 2006. The new bonds represent an unsecured, unsubordinated obligation of the province. As part of the offer, the Province has paid in cash accrued and unpaid interest from March 2004 to bondholders that tendered its Aconcagua Bonds into the exchange, representing a cash payment of US$9,776,000 for the Province. Mendoza has announced it will not pay Aconcagua Bonds that were not exchanged. These bonds were downgraded to ‘D’ on Sept. 9, 2004, after Mendoza’s failure to pay interest of US$12.5 million scheduled for Sept. 6, 2004. Province of Mendoza is one of Argentina's 24 regional districts. Bordering on the Andean range along the Chilean border, Mendoza's diverse economy centers on agriculture and wine production, hydrocarbons and tourism. Contact: Sofia Migueliz or Cintia Defranceschi, +(0054) 11 4327-2444, Argentina.