Fitch Downgrades to 'D' Province of Mendoza Bonds Due 2007

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Fitch Ratings-Buenos Aires-September 9, 2004: Fitch Ratings has downgraded the rating on the Province of Mendoza US$250 million 10% bonds due 2007 to 'D' from 'C' Rating Watch Negative. The rating action signaled Mendoza's failure in an interest payment of US$12.5 million scheduled for September 6, 2004. The province is in a restructuring process of the existing bonds, for 5,5% amortizing bonds due 2018 (see press release 'Fitch views Province of Mendoza Debt Exchange Offer as Default' dated July 12, 2004). The expiration date for the Exchange Offer was extended up to October 15, 2004 (originally set for July 30, 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: Eduardo D'Orazio, Cintia Defranceschi +0054 11 4327 2444, Argentina or Alfredo Gomez Garza +5281 8335 7179, Mexico. Media Relations: Kenneth Reed +1-212-908-0540, New York