

Announcement: Treasury Corporation of Victoria

MOODY'S AFFIRMS VICTORIA'S Aaa RATING WITH A STABLE OUTLOOK

Sydney, May 17, 2005 -- Moody's Investors Service today affirmed the State of Victoria's Aaa rating with a stable outlook, citing the state's still strong financial performance, low debt levels and the support provided by an ample and diverse economy.

The government's plan to increase infrastructure spending as outlined in its recent budget, coinciding with slower growth in tax revenues--due to tax cuts and a less robust housing market--is projected to result in financing deficits (net borrowing results) over the medium term. However deficits are moderate and the state retains ample flexibility to respond to potentially less supportive economic conditions or unexpected expenditure pressures should they emerge in the future.

New York
Yves Lemay
Senior Vice President
International Subsovereign Group
Moody's Investors Service
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

New York
Debra Roane
VP - Senior Credit Officer
International Subsovereign Group
Moody's Investors Service
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

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