

Bondholders Reject the Province of Buenos Aires' Restructuring Proposal

NEW YORK, April 27, 2020 – On April 23, the Province of Buenos Aires (“the Province”) announced proposed terms for the restructuring of its external debt. The Steering Committee (“SC”) of the Ad Hoc group of bondholders holding more than 40% of the Province’s external debt (“the Group”), has reviewed the proposed terms and will not support this proposal.

Since January, the SC and the Group have sought to engage constructively and in good faith with the Province to design an orderly re-profiling of the Province’s external debt. The SC has made proposals to the Province that both address near-term challenges and provide a sustainable debt framework, resulting in more than \$3.3 billion of external debt service relief over the next four years.

Regrettably, rather than engaging in substantive discussions with the SC, the Province chose to launch a unilateral exchange offer that is not based on credible policy efforts or forecasts that bondholders can support. The SC calls on the Province to abandon this approach and commit to good faith negotiations. Only through such a process can the necessary consensus be built for a successful exchange offer that provides debt sustainability and facilitates long term capital investment that will contribute to improvements in living standards in the Province.

As a matter of emphasis, the SC notes that the Province’s restructuring should be based on an assessment of the objective conditions and finances of the Province itself and is distinct from the Republic’s process. Argentina has an extensive market for provincial debt, and its viability and future access to credit for Argentina’s provinces depends on objective criteria, sustained cooperation and good faith between issuers and investors.

The Steering Committee remains prepared to continue working in good faith with the Province to address its financing challenges.

Interested Bondholders are invited to contact the Group’s Advisors:

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