

Ladies and Gentlemen,

With our newsletter we would like to inform you of recent and significant legal developments in the field of Capital Markets in Argentina.

IN THIS ISSUE

Argentina's Restructuring Proposal to External Bondholders

ARGENTINA'S RESTRUCTURING PROPOSAL TO EXTERNAL BONDHOLDERS

On April 17, 2020, the Argentine Government published a press release announcing that it proposes to invite certain holders of its foreign currency external bonds specified therein (the "**Eligible Bonds**") to exchange those instruments for new bonds (the "**New Bonds**") to be issued by the Republic (the "**Invitation**").

The Eligible Bonds include series issued under the Republic's indenture dated June 2, 2005, as amended (the "**2005 Indenture**"), and series issued under the Republic's indenture dated April 22, 2016 (the "**2016 Indenture**"). The New Bonds are proposed to be issued under the 2016 Indenture.

The definitive terms of the Invitation will be set forth in invitation material that the Republic intends to distribute after the Invitation obtains all necessary regulatory approvals.

As per the Republic's announcement, the most relevant features of the Invitation are:

(i) **Eligible Bonds.** The Invitation targets an aggregate of 28 series of Eligible Bonds, represented by 12 series of 2005 Indenture Eligible Bonds and 16 series of 2016 Indenture Eligible Bonds, including U.S. dollar, Euro and Swiss Franc-denominated bonds governed by New York and English law, as applicable;

(ii) **New Bonds menu.** The Invitation provides a menu of 10

series of New Bonds for investors to select from, including U.S. dollar and Euro-denominated bonds due 2030, 2036, 2039, 2043 and 2047, as applicable;

(iii) **Principal grace period.** No New Bond sets principal payments before November 2026;

(iv) **Interest grace period and step-up feature.** No New Bond accrues interest before November 2022. Depending on the New Bond, interest rates start at 0.5% or 0.6% per annum and gradually step-up (up to a maximum rate of 4.875%, depending on the New Bond; average annual interest rate of the New Bonds is 2.33%);

(v) **Principal and interest haircut.** The proposed exchange represents a 62% reduction in interest payments and a 5% reduction in principal payments; and

(vi) **Caps.** Certain series of the New Bonds would be capped at the principal amounts specified in the Invitation.

The Republic's Economy Minister, Martin Guzman, announced on April 16 that investors would have approximately 20 days to respond once the offer is officially made.

The Invitation is available at the website of the Argentine Government: https://www.argentina.gob.ar/sites/default/files/argentina_-_proposed_offer_press_release_final.pdf

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