

NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES OR TO ANY U.S. PERSON



The Republic of Argentina

EUR % Bonds Due

The Republic of Argentina (the "Republic" or "Argentina") is offering EUR _____ % Bonds due 20____ (the "Bonds"). The Bonds are being offered as debt securities under an indenture dated as of April 22, 2016 (the "Indenture"). Interest on the Bonds will accrue from _____ 2016 and will be payable annually on _____ of each year. The first interest payment on the Bonds will be made on _____, 2017. The Bonds will mature on _____, 20____. All or a portion of the net proceeds from each series of Bonds in this offering will be used for general purposes of the Government. See "Use of Proceeds."

The Bonds will be direct, general, unconditional and unsubordinated obligations of the Republic for which the full faith and credit of the Republic is pledged. The Bonds rank and will rank without any preference among themselves and equally with all other unsubordinated public external indebtedness (as defined below) of the Republic. It is understood that this provision shall not be construed so as to require the Republic to make payments under the Bonds ratably with payments being made under any other public external indebtedness of the Republic.

Application will be made to list the Bonds on the Official List of the Luxembourg Stock Exchange and the *Mercado de Valores de Buenos Aires S.A* ("MERVAL") and to have the Bonds admitted for trading on the Euro MTF Market and *Mercado Abierto Electrónico S.A* ("MAE").

Investing in the Bonds involves risks that are described in the "Risk Factors" section beginning on page 19 of this offering memorandum. You should consider these risks before investing in the Bonds.

The information set forth in this offering memorandum must be read together with the information contained in the annual report filed by the Republic with the U.S. Securities and Exchange Commission ("SEC") on September 23, 2016 under Form 18-K, as amended by Amendment No. 1 filed on September 23, 2016, included herein under Annex I and Annex II, respectively.

The Bonds will contain provisions, commonly known as "collective action clauses." Under these provisions, which differ from the terms of the Republic's public external indebtedness issued prior to April 22, 2016, the Republic may amend the payment provisions of any series of debt securities issued under the Indenture (including any series of the Bonds) and other reserved matters listed in the Indenture with the consent of the holders of: (1) with respect to a single series of debt securities, more than 75% of the aggregate principal amount of the outstanding debt securities of such series; (2) with respect to two or more series of debt securities, if certain "uniformly applicable" requirements are met; more than 75% of the aggregate principal amount of the outstanding debt securities of all series affected by the proposed modification, taken in the aggregate; or (3) with respect to two or more series of debt securities, more than 66 2/3% of the aggregate principal amount of the outstanding debt securities of all series affected by the proposed modification, taken in the aggregate, and more than 50% of the aggregate principal amount of the outstanding debt securities of each series affected by the proposed modification, taken individually. See "Description of the Bonds—Meetings, Amendments and Waivers—Collective Action."

Price to investors for the _____ Bonds: _____ %, plus accrued interest, if any, from _____, 2016

The Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any other jurisdiction. Unless they are registered, the Bonds may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("Regulation S")). Accordingly, the Bonds are being offered only to persons outside the United States in reliance on Regulation S of the Securities Act. For further details about eligible offerees and resale restrictions, see "Notice to Investors."

The Bonds are expected to be delivered to investors in book-entry form through the facilities of Euroclear Bank S.A./N.V. ("Euroclear"), as operator of the Euroclear System and Clearstream Banking, *société anonyme* on or about October _____, 2016.

ANY OFFER OR SALE OF BONDS IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC AND AMENDMENTS THERE TO INCLUDING DIRECTIVE 2010/73/EU (THE "PROSPECTUS DIRECTIVE") MUST BE ADDRESSED TO QUALIFIED INVESTORS (AS DEFINED IN THE PROSPECTUS DIRECTIVE).

Joint Bookrunners

BBVA

BNP PARIBAS

Credit Suisse

The date of this offering memorandum is September _____, 2016

The information in this preliminary offering memorandum is not complete and may be changed. This preliminary offering memorandum is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

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This offering memorandum contains important information that should be read carefully before any investment decision is made with respect to the Bonds.

The Republic is relying on an exemption from registration under the Securities Act for offers and sales of securities that do not involve a public offering. By purchasing Bonds, you will be deemed to have made the acknowledgments, representations, warranties and agreements described under the section “Notice to Investors” in this offering memorandum. You should understand that you will be required to bear the financial risks of your investment for an indefinite period of time.

This offering memorandum has been prepared on the basis that any offer of Bonds in any Member State of the European Economic Area will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Bonds. The expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Relevant Member State.

This offering memorandum may only be used for the purposes for which it has been published. This offering memorandum may not be copied or reproduced in whole or in part. It may be distributed and its contents disclosed only to the prospective investors to whom it is provided. By accepting delivery of this offering memorandum, you agree to these restrictions. See “Notice to Investors.”

The Republic is responsible for the information contained in this offering memorandum. The Republic has not authorized anyone to provide you with any other information and takes no responsibility for any other information that others may give you. This offering memorandum does not constitute an offer of, or an invitation to purchase any of the Bonds in any jurisdiction in which such offer or sale would be unlawful.

Neither the delivery of this offering memorandum nor any sale made hereunder will under any circumstances imply that the information included herein is correct as of any date subsequent to the date of the cover of this offering memorandum. You should not assume that since the date of this offering memorandum there has been no material change in the information set forth herein or in the affairs of the Republic or any of its agencies or public subdivisions. Any decision to invest in the Bonds must be based solely on the information contained herein.

The initial purchasers make no representation or warranty, express or implied, as to the accuracy or the completeness of the information contained in this offering memorandum. Nothing in this offering memorandum is, or shall be relied upon as, a promise or representation by the initial purchasers as to the past or future. The Republic has furnished the information contained in this offering memorandum.

Neither the Republic or any initial purchaser has expressed any opinion as to whether the terms of this offering are fair. None of the Republic or any initial purchaser makes any recommendation that you purchase the Bonds and no one has been authorized by the Republic or any initial purchaser to make such recommendation. In making an investment decision, prospective investors must rely on their own examination of the Republic and the terms of the offering, including the merits and risks involved. The Republic and the initial purchasers are not making any representation to any investor of Bonds regarding the legality of an investment in the notes under any legal investment or similar laws or regulations. Prospective investors should not construe anything in this offering memorandum as legal, business or tax advice. Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the Bonds under applicable legal investment or similar laws or regulations.

This offering memorandum summarizes certain documents and other information, and the Republic refers you to them for a more complete understanding of what the Republic discusses in this offering memorandum. In making an investment decision, you must rely on your own examination of the Republic and the terms of the offering and the Bonds, including, without limitation, the merits and risks involved.

None of the SEC, any state securities commission or any other regulatory authority has approved or disapproved of the Bonds or passed upon or endorsed the merits of this offering or the adequacy or accuracy of this offering memorandum. Any representation to the contrary is a criminal offense.

In connection with the issue of the Bonds, the initial purchasers (or persons acting on behalf of the initial purchasers) may over-allot Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the initial purchasers (or persons acting on their behalf) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may be ended at any time, but it must end no later than 30 days after the date on which the Republic received the proceeds of the issue, or no later than 60 days after the date of allotment of the Bonds, whichever is the earlier. Any stabilization action will be undertaken in accordance with applicable laws and regulations.

INCORPORATION OF DOCUMENTS BY REFERENCE

The Republic incorporates by reference into this offering memorandum certain information the Republic files with the SEC, which means that the Republic can disclose important information to you by referring to another document filed separately with the SEC. We incorporate by reference into this offering memorandum the Republic's annual report on Form 18-K for the year ended December 31, 2015, filed with the SEC on September 23, 2016 (the "Annual Report"). In addition, we incorporate by reference into this offering memorandum the Republic's Amendment No.1 to Form 18-K, filed with the SEC on September 23, 2016 ("Amendment No.1"), which includes recent developments for the six-month period ended June 30, 2016.

Any statement contained in the Annual Report or the Amendment No.1, and any other document incorporated by reference into this offering memorandum, shall be considered to be modified or superseded for purposes of this offering memorandum to the extent that a statement contained in this offering memorandum or the other report incorporated by reference herein modifies or supersedes such statement. Any statement that is modified or superseded shall not, except as so modified or superseded, constitute a part of this offering memorandum.

None of our other past or future reports on Form 18-K filed with the SEC before or after, respectively, the date of this offering memorandum is being incorporated by reference into this offering memorandum.

We have included in this offering memorandum for the convenience of the reader, (i) as Annex I, a copy of the Annual Report and (ii) as Annex II, a copy of the Amendment No.1.

ENFORCEMENT OF CIVIL LIABILITIES

The Republic is a sovereign state. Consequently, it may be difficult for investors or a trustee to obtain, or realize in the United States or elsewhere upon, judgments against the Republic. In addition, as described below, pursuant to Argentine law, many assets of the Republic are entitled to immunity from attachment or foreclosure, including all funds dedicated to the payment of expenditures approved as part of the national budget.

To the fullest extent permitted by applicable law, the Republic will irrevocably submit to the exclusive jurisdiction of any New York state or U.S. federal court sitting in the Borough of Manhattan, City of New York, and the courts of the Republic and, in each case, any appellate court thereof (each, a "Specified Court") in any suit, action or proceeding arising out of or relating to the Bonds or the Republic's failure or alleged failure to perform any obligations under the Bonds against it or its properties, assets or revenues (a "Related Proceeding"), subject to its Reserved Right (as defined below). The Republic will irrevocably and unconditionally waive, to the fullest extent permitted by law, any objection that it may have to Related Proceedings brought in a Specified Court whether on the grounds of venue, residence or domicile or on the ground that the Related Proceedings have been brought in an inconvenient forum (except for any Related Proceedings relating to the securities laws of the United States or any state thereof).

Subject to its Reserved Right, to the extent that the Republic or any of its revenues, assets or properties are entitled, in any jurisdiction in which any Specified Court is located, in which any Related Proceeding may at any time be brought against it or any of its revenues, assets or properties, or in any jurisdiction in which any Specified Court is located in which any suit, action or proceeding may at any time be brought for the purpose of enforcing or executing any judgment issued in any Related Proceeding (the "Related Judgment"), to any immunity from suit, from the jurisdiction of any such court, from set-off, from attachment prior to judgment, from attachment in aid of execution of judgment, from execution of a judgment or from any other legal or judicial process or remedy, and to the extent that in any such jurisdiction there shall be attributed such an immunity, the Republic irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction, including the United States Foreign Sovereign Immunities Act of 1976 (the "FSIA") (and consents to the giving of any relief or the issue of any process in connection with any Related Proceeding or Related Judgment as permitted by applicable law, including the FSIA), provided, however, that such waiver shall not extend to and the Republic shall be immune in respect of and in relation to any suit, action or proceeding or enforcement of any Related Judgment against:

- (i) any reserves of the *Banco Central de la República Argentina* (the Central Bank of Argentina, or the "Central Bank");
- (ii) any property in the public domain located in the territory of the Republic, including property that falls within the purview of Sections 234 and 235 of the Civil and Commercial Code of the Republic;
- (iii) any property located in or outside the territory of the Republic that provides an essential public service;
- (iv) any property (whether in the form of cash, bank deposits, securities, third party obligations or any other methods of payment) of the Republic, its governmental agencies and other governmental entities relating to the performance of the budget, within the purview of Sections 165 through 170 of Law No. 11,672, *Ley Complementaria Permanente de Presupuesto* (t.o. 2014);
- (v) any property entitled to the privileges and immunities of the Vienna Convention on Diplomatic Relations of 1961 and the Vienna Convention on Consular Relations of 1963, including, but not limited to, property, premises and bank accounts used by the missions of the Republic;
- (vi) any property used by a diplomatic, governmental or consular mission of the Republic;

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- (vii) taxes, duties, levies, assessments, royalties or any other governmental charges imposed by the Republic, including the right of the Republic to collect any such charges;
 - (viii) any property of a military character or under the control of a military authority or defense agency of the Republic;
 - (ix) property forming part of the cultural heritage of the Republic; or
 - (x) property entitled to immunity under any applicable sovereign immunity laws.

This waiver of sovereign immunity constitutes only a limited and specific waiver for the purpose of the Bonds and under no circumstances shall it be interpreted as a general waiver by the Republic or a waiver with respect to proceedings unrelated to the Bonds. The Republic reserves the right to plead sovereign immunity under the FSIA with respect to actions brought against it under the U.S. federal securities laws and the appointment of an authorized agent does not extend to such actions or any state securities laws (the “Reserved Right”). See “Description of the Bonds—Governing Law” and “—Submission to Jurisdiction.”

A judgment obtained against the Republic in a foreign court may be enforced in the courts of Argentina. Based on existing law, the courts of Argentina will enforce such a judgment in accordance with the terms and conditions of the treaties entered into between Argentina and the country in which the judgment was issued. In the event there are no such treaties, the courts of Argentina will enforce the judgment if it:

- complies with all formalities required for the enforceability thereof under the laws of the country in which it was issued;
- has been translated into Spanish, together with all related documents, and it satisfies the authentication requirements of the laws of Argentina;
- was issued by a competent court, according to Argentine principles of international law, as a consequence of a personal action (action *in personam*) or a real action (action *in rem*) over a movable property if it has been moved to Argentina during or after the time the trial was held before a foreign court;
- was issued after serving due notice and giving an opportunity to the defendant to present its case;
- is not subject to further appeal;
- is not against Argentine public policy; and
- is not incompatible with another judgment previously or simultaneously issued by an Argentine Court.

In a March 2014 decision, the Supreme Court of Argentina held that the enforcement of a foreign judgment granted to a holder of Untendered Debt (as defined below) for payment of all amount due thereunder did not satisfy one of the requirements set forth in the Code of Civil and Commercial Procedure of the Republic (i.e., that a foreign judgment cannot contravene Argentine law principles of public policy). This ruling was based on the fact that enforcement as requested by the plaintiff would imply that such plaintiff, through an individual action filed before a foreign court, could circumvent the public debt restructuring process set forth by the Government through emergency legislation enacted in accordance with the Argentine Constitution after the debt securities subject to the foreign judgment were issued. In addition, the Supreme Court of Argentina held that such norms were part of Argentine public policy and, therefore, that the enforcement of a foreign judgment, as the one sought by the plaintiff, could not be granted as it would be clearly contrary to such legislation. See “Risk Factors—Risks Relating to the Bonds—It may be difficult for you to obtain or enforce judgments against the Republic.”

DEFINED TERMS AND CERTAIN CONVENTIONS

Certain Defined Terms

All references in this offering memorandum to the “Government” are to the non-financial sector of the federal government of Argentina, excluding the Central Bank, Banco de la Nación Argentina and *Banco de Inversión y Comercio Exterior* (Foreign Investment and Trade Bank, or “BICE”). References to “Ministry of Treasury” are to the Ministry of Treasury and Public Finances.

Terms used but not defined in this offering memorandum have the meanings ascribed to them in the Annual Report.

Preservation of Defenses

Nothing in this offering memorandum, or in any communication from the Republic relating to the offering or otherwise, constitutes an acknowledgment or admission of the existence of any claim or any liability of the Republic to pay that claim or an acknowledgment that any ability to bring proceedings in any jurisdiction in respect of such claim or any limitation period relating thereto has been revived or reinstated, or an express or implied promise to pay any such claim (or part thereof). Whether or not a claim exists, the Republic may in its sole discretion and only if written notice to that effect is received from a duly authorized officer of the Republic, attribute a value to such claim for purposes of the Republic’s Settlement Proposal. All defenses available to the Republic relating to any applicable statute of limitations or otherwise are expressly preserved for all purposes. This offering memorandum may not be relied upon as evidence of the Republic’s agreement that a claim exists, or of the Republic’s willingness, ability or obligation to pay any claim. Any attribution of any value to any claim for purposes of the Republic’s Settlement Proposal will not be considered an acknowledgment of the existence or validity of that claim and any consideration given by or on behalf of the Republic to the proponent of that claim will be consideration only for the agreement by the proponent of that claim to cease all actions or proceedings in respect of that claim and to irrevocably assign and transfer to the Republic all rights, if any, with respect to such claim and to undertake to complete any and all formalities or requirements necessary to ensure that if such claim existed neither the proponent nor any successor or assignee of the proponent (other than the Republic) is able to evidence or allege such claim to remain in existence or to be a liability of the Republic.

Currency of Presentation

Unless otherwise specified, references in this offering memorandum to “pesos” and “Ps.” are to Argentine pesos, references to “U.S. dollars” and “U.S.\$” are to the currency of the United States of America and references to “euros,” “€” and “EUR” are to the currency of the European Union.

FORWARD-LOOKING STATEMENTS

This offering memorandum may contain forward-looking statements within the meaning of Section 27A of the Securities Act and section 21E of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements are statements that are not historical facts, including statements about the Republic’s beliefs and expectations. These statements are based on the Republic’s current plans, estimates and projections. Therefore, you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made. The Republic undertakes no obligation to update any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties, including, but not limited to, those set forth in “Risk Factors” in this offering memorandum. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. The information contained in this offering memorandum identifies important factors that could cause such differences. Such factors include, but are not limited to:

- adverse domestic factors, such as:
 - increases in inflation;
 - increases in domestic interest rates; and
 - exchange rate volatility, any of which could lead to lower economic growth or a decrease in Argentina’s international reserves;
- adverse external factors, such as:
 - declines in foreign investment, which could deprive the Argentine economy of capital needed for economic growth;
 - changes in international prices (including commodity prices) and high international interest rates, either of which could increase Argentina’s current account deficit and budgetary expenditures; and
 - recession or low economic growth in Argentina’s trading partners, which could decrease exports from Argentina and the country’s international competitiveness, induce a contraction of the Argentine economy and, indirectly, reduce tax revenues and other public sector revenues and adversely affect the country’s fiscal accounts;
- other adverse factors, such as:
 - climatic events; and
 - international or domestic hostilities and political uncertainty;
- adverse outcomes in ongoing litigation and arbitration proceedings in several jurisdictions that may lead to new judgments and awards against Argentina, which could have a material adverse effect on Argentina’s economy and financial resources. See “Public Sector Debt—Legal Proceedings:” and
- other factors discussed in the “Risk Factors” section of this offering memorandum.

DATA DISSEMINATION

Argentina subscribes to the Special Data Dissemination Standard (“SDDS”) of the IMF, which is designed to improve the timeliness and quality of information of subscribing member countries. The SDDS requires subscribing member countries to provide schedules indicating, in advance, the date on which data will be released (the so-called “Advance Release Calendar”). For Argentina, precise dates or “no-later-than-dates” for the release of data under the SDDS are disseminated in advance through the Advance Release Calendar, which is published on the Internet under the International Monetary Fund’s Dissemination Standards Bulletin Board. Summary methodologies of all metadata to enhance transparency of statistical compilation are also provided on the Internet under the International Monetary Fund’s Dissemination Standards Bulletin Board. The Internet website is located at <http://dsbb.imf.org>. Neither the Government nor any agents or initial purchasers acting on behalf of the Government in connection with this offering memorandum accepts any responsibility for information included on that website, and its contents are not intended to be incorporated by reference into this offering memorandum.

SUMMARY

This summary highlights selected economic and financial information about the Republic. It is not complete and may not contain all of the information you should consider before purchasing the Bonds. You should carefully read the entire offering memorandum, including "Risk Factors," "Presentation of Statistical and Other Information" included in the Annual Report, the Annual Report and the Amendment before purchasing the Bonds.

Selected Economic Information (in billions of pesos unless otherwise indicated)

	For the year ended and as of December 31,				
	2011	2012	2013	2014	2015
THE ECONOMY:					
Real GDP (in billions of 2004 pesos)	Ps. 713.7	Ps. 706.2	Ps. 722.4	Ps. 703.9	Ps. 720.6
Rate of change from prior year	6.1%	(1.1)%	2.3%	(2.6)%	2.4%
Nominal GDP	2,191.5	2,652.2	3,361.2	4,608.7	5,838.5
Nominal GDP per capita (in thousands of U.S. dollars)	U.S.\$ 12.9	U.S.\$ 14.0	U.S.\$ 14.5	U.S.\$ 13.3	U.S.\$ 14.6
Inflation (as measured by INDEC CPI)	9.5%	10.8%	10.9%	24.0%	n.a.
Inflation (as measured by the City of Buenos Aires CPI)	n.a.	n.a.	26.6%	38.0%	26.9%
Inflation (as measured by the Province of San Luis CPI)	23.3%	23.0%	31.9%	39.0%	31.6%
Unemployment rate	6.7%	6.9%	6.4%	6.9%	5.9% ⁽¹⁾
Population ⁽²⁾	40.1	40.1	40.1	40.1	40.1
BALANCE OF PAYMENTS (in billions of U.S. dollars):					
Current account	U.S.\$ (4.5)	U.S.\$ (1.4)	U.S.\$ (12.1)	U.S.\$ (8.0)	U.S.\$ (15.9)
<i>Of which:</i>					
Imports of goods	70.8	65.0	71.3	62.4	57.2
Exports of goods	83.0	80.0	76.0	68.4	56.8
Capital and financial account	(2.0)	(1.3)	3.5	9.5	12.4
Errors and omissions	0.3	(0.5)	(3.2)	(0.2)	(1.3)
Change in gross international reserves deposited in the Central Bank	(6.1)	(3.3)	(11.8)	1.2	(4.9)
Gross international reserves deposited in the Central Bank	46.4	43.3	30.6	31.4	25.6
PUBLIC FINANCE:					
Revenues	Ps. 432.0	Ps. 543.8	Ps. 707.9	Ps. 997.2	Ps. 1,298.6
As a % of GDP	19.7%	20.5%	21.1%	21.6%	22.2%
Expenditures	427.1	548.2	730.4	1,035.8	1,403.4
As a % of GDP	19.5%	20.7%	21.7%	22.5%	24.0%
Primary fiscal balance	4.9	(4.4)	(22.5)	(38.6)	(104.8)
As a % of GDP	0.2%	(0.2)%	(0.7)%	(0.8)%	(1.8)%
Overall fiscal balance	(30.7)	(55.6)	(64.5)	(109.7)	(225.6)
As a % of GDP	(1.4)%	(2.1)%	(1.9)%	(2.4)%	(3.9)%
PUBLIC DEBT (including arrears) (in billions of U.S. dollars):					
Peso-denominated debt	U.S.\$ 71.6	U.S.\$ 81.2	U.S.\$ 77.3	U.S.\$ 78.0	U.S.\$ 73.9
Foreign-currency denominated debt	125.6	135.7	146.2	161.3	166.8
Total gross public debt	U.S.\$ 197.2	U.S.\$ 216.9	U.S.\$ 223.4	U.S.\$ 239.3	U.S.\$ 240.7

	For the year ended and as of December 31,				
	2011	2012	2013	2014	2015
Total gross debt (including arrears) as a % of GDP	38.7%	40.2%	43.3%	44.4%	53.6%
Total gross debt (including arrears) as a % of Government revenues	196.4%	196.2%	205.8%	205.2%	241.0%

(1) As of September 30, 2015.

(2) In millions. Based on the census conducted in 2010. As of 2014, the World Bank estimates a total population of 43.0 million.

n.a. = not available.

Source: INDEC and Ministry of the Treasury.

The Republic of Argentina

General

Argentina is a representative democracy located in southeastern South America with an estimated population of 40.1 million as of 2010, the year of the most recent census. As of 2014, the World Bank estimates a total population of 43.0 million. Argentina is the third largest economy in Latin America in terms of GDP according to International Economics Center (*Centro de Economía Internacional*). According to the INDEC Report, real GDP grew by 2.4% in 2015 compared to a contraction of 2.6% in 2014.

Presidential and congressional elections in Argentina took place on October 25, 2015, and a runoff election between the two leading presidential candidates was held on November 22, 2015, resulting in Mr. Mauricio Macri (from the *Cambiamos* coalition) being elected President of Argentina. The Macri administration assumed office on December 10, 2015. The next presidential election will take place in 2019.

Since assuming office, the Macri administration has implemented several economic and policy reforms. See “—Recent Developments.”

You should carefully review the Annual Report and the Amendment for a description of Argentina.

Recent Developments

The information contained in this section is the same as the information contained in the Amendment No.1 and it supplements the information about Argentina corresponding to the headings below that are contained in the Annual Report. References in this section to headings and defined terms not contained herein shall be to the corresponding headings in the Annual Report.

The Argentine Economy

Macri Administration: 2015-Present

Presidential and congressional elections in Argentina took place on October 25, 2015, and a runoff election between the two leading presidential candidates was held on November 22, 2015, resulting in Mr. Mauricio Macri (from the *Cambiamos* coalition) being elected President of Argentina. The Macri administration assumed office on December 10, 2015.

Since assuming office, the Macri administration has announced and executed several significant economic and policy reforms, including:

- *Foreign exchange reforms.* The Macri administration eliminated a significant portion of foreign exchange restrictions, including certain currency controls, that were imposed by the Fernández de Kirchner administration. These reforms are expected to provide greater flexibility and easier access to the foreign exchange market (MULC). See “Exchange Rates and Exchange Controls—Exchange Controls” for a description of the principal measures adopted as of the date of this offering memorandum.
- *INDEC reforms.* On January 8, 2016, based on its determination that the INDEC had failed to produce reliable statistical information, particularly with respect to CPI, GDP, poverty and foreign trade data, the Macri administration declared a state of administrative emergency for the national statistical system and the INDEC until December 31, 2016. As of the date of this offering memorandum, the INDEC has published certain revised data, including the CPI for May, June, July and August 2016 and foreign trade and balance of payment statistics. However, the administrative emergency continues. On June 29, 2016, the INDEC published the INDEC Report including revised GDP data for the years 2004 through 2015. On August 31, 2016, the IMF Executive Board met to consider the progress made by Argentina in improving the quality of official GDP and CPI data. The IMF Executive Board noted the important progress made in strengthening the accuracy of Argentina’s statistics and alluded to the possibility of lifting its

censure on Argentina by November 2016. For more information, see “Presentation of Statistical and Other Information—Certain Methodologies.”

- *Financial policy.* Soon after taking office, the Macri administration sought to settle the outstanding claims with the holders of Untendered Debt, and the Minister of the Treasury designed a debt restructuring and cancellation program with the aim of reducing the amount of outstanding Untendered Debt. In February 2016, the Republic entered into agreements in principle to settle outstanding claims with certain holders of Untendered Debt and put forward a proposal to other holders of Untendered Debt, including those with pending claims in U.S. courts, subject to two conditions: obtaining approval by the Argentine Congress and lifting the *pari passu* injunctions. On March 2, 2016, the District Court agreed to vacate the *pari passu* injunctions, subject to two conditions: first, the repealing of all legislative obstacles to settlement with holders of Untendered Debt, and second, full payment to holders of *pari passu* injunctions with whom the Government had entered into agreements in principle on or before February 29, 2016, in accordance with the specific terms of such agreements. On April 13, 2016, the District Court’s order was affirmed by the Second Circuit Court of Appeals. On March 31, 2016, the Argentine Congress repealed the legislative obstacles to the settlement and approved the Settlement Proposal. Argentina closed the April 2016 Transaction on April 22, 2016 and applied U.S.\$9.3 billion of the net proceeds to satisfy settlement payments on agreements of holders of approximately U.S.\$4.2 billion principal amount of Untendered Debt. Upon confirmation that the conditions set forth in its March 2, 2016 order had been satisfied, the District Court ordered the vacatur of all *pari passu* injunctions. Argentina subsequently issued bonds in aggregate amount of U.S.\$2.75 billion on July 6, 2016.
- *Foreign trade reforms.* The Kirchner and Fernández de Kirchner administrations imposed export duties and other restrictions on several sectors, particularly the agricultural sector. The Macri administration eliminated export duties on wheat, corn, beef, mining and regional products, and reduced the duty on soybean exports by 5%, from 35% to 30%. Further, a 5% export duty on most industrial exports was eliminated. With respect to payments for imports of goods and services to be performed abroad, the Macri administration eliminated the restrictions on access to the MULC. In addition, importers were offered short-term debt securities issued by the Republic to be used to repay outstanding commercial debt for the import of goods.
- *Fiscal policy.* The Macri administration took steps to anchor the fiscal accounts, reducing the primary fiscal deficit by approximately 1.8% of GDP in December 2015 through a series of tax and other measures, and pursues a primary fiscal deficit target of 4.8% of GDP in 2016 through the elimination of subsidies and the reorganization of certain expenditures. The Macri administration’s ultimate aim is to achieve a balanced primary budget by 2019.
- *Correction of monetary imbalances.* The Macri administration announced the adoption of an inflation targeting regime in parallel with the floating exchange rate regime and set inflation targets for the next four years, including a band of 20-25% for 2016. The Central Bank has increased sterilization efforts to reduce excess monetary imbalances and raised peso interest rates to offset inflationary pressure. However, inflation during 2016 to date remains high.
- *National electricity state of emergency and reforms.* Following years of very limited investment in the energy sector, as well as the continued freeze on electricity and natural gas tariffs since the 2001-2002 economic crisis, Argentina began to experience energy shortages in 2011. In response to the growing energy crisis, the Macri administration declared a state of emergency with respect to the national electricity system, which will remain in effect until December 31, 2017. The state of emergency allows the Government to take actions designed to ensure the supply of electricity to

the country, such as instructing the Ministry of Energy and Mining to design and implement, with the cooperation of all federal public entities, a coordinated program to guarantee the quality and security of the electricity system. In addition, through Resolution No. 6/2016 of the Ministry of Energy and Mining and Resolution No. 1/2016 of the *Ente Nacional Regulador de la Electricidad* (National Electricity Regulatory Agency), the Macri administration announced the elimination of a portion of energy subsidies currently in effect and a substantial increase in electricity rates. As a result, average electricity prices have already increased and could increase further. By correcting tariffs, modifying the regulatory framework and reducing the Government's role as an active market participant, the Macri administration aims to correct distortions in the energy sector and stimulate investment. However, certain of the Government's initiatives have been challenged in the Argentine courts and resulted in judicial injunctions or rulings limiting the Government's initiatives.

- *Tariff increases.* With the aim of encouraging companies to invest and improve the services they offer and enabling the Government to assist those in need, the Macri administration has begun updating the tariffs for electricity, transportation, gas and water services. Each of the announced tariff increases contemplates a *tarifa social* (social tariff), which is designed to provide support to vulnerable groups, including beneficiaries of social programs, retirees and pensioners that receive up to two minimum pensions, workers that receive up to two minimum salaries, individuals with disabilities, individuals registered in the *Monotributo Social* program, domestic workers and individuals receiving unemployment insurance. Subsequent modifications to these announced tariff increases were made, including the following:
 - small and medium-sized enterprises ("SMEs") in the commercial, industrial and tourism sectors will pay only 50% of the energy tariff increases during the winter months, and the balance in two installments during the summer months of 2016 and 2017, when monthly gas consumption is lower; and
 - 400 designated energy-intensive companies that purchase electricity directly from distributors will receive a 20% discount on the regular distribution price.

On August 18, 2016, the Supreme Court of Argentina in "*Centro de Estudios para la Promoción de la Igualdad y la Solidaridad v/ Ministry of Energy and Mining*", confirmed lower court injunctions suspending end-user gas tariff increases sanctioned as of February 1, 2016 and instructed the Ministry of Energy and Mining to conduct a non-binding public hearing prior to sanctioning any such increases. On September 16, 2016 the Ministry of Energy and Mining conducted a public hearing and informed that a new end-user gas tariff scheme will be announced during October 2016. The non-binding public hearing for increases in electricity tariffs has been scheduled for October 28, 2016.

- *Retiree Programs:* On June 29, 2016, Congress passed a bill approving the Historical Reparations Program for Retirees and Pensioners, which took effect upon its publication in the official gazette. The main aspects of this program, which is designed to conform government social security policies to Supreme Court rulings include (i) payments to more than two million retirees and the retroactive compensation of more than 300,000 retirees and (ii) the creation of a *pensión universal* (universal pension) for the elderly, which guarantees an income for all individuals over 65 years of age who are otherwise ineligible for retirement. The Historical Reparations Program for Retirees and Pensioners will give retroactive compensation to retirees in an aggregate amount of more than Ps. 47.0 billion and involve expenses of up to Ps. 75.0 billion to cover all potential beneficiaries. The bill provides that assets held by the FGS, including equity interests, may be sold to finance this program.
- *Tax Amnesty Law.* In July 2016, the *Régimen de Sinceramiento Fiscal* (the Tax Amnesty Law) was introduced to promote the voluntary declaration of assets by Argentine residents. The law allows Argentine tax residents holding undeclared funds or assets located in Argentina or abroad to (i) declare such property until March 31, 2017 without facing prosecution for tax evasion or

being required to pay outstanding tax liabilities on the assets, provided they can provide evidence that the assets were held by certain specified cut-off dates, and (ii) keep the declared property outside Argentina and not repatriate such property to Argentina. In the case of cash that was not deposited in bank accounts by the specified cut-off dates, such amounts have to be disclosed and deposited by October 31, 2016 in special accounts opened at Argentine financial entities.

Depending on the amount declared, how soon it is declared, the election to subscribe for certain investment securities and the payment method used, those who take advantage of the law will pay a special tax of between 0 and 15% on the total amount declared. Alternatively, they can invest an equivalent amount in government bonds or a fund that will finance, among other things, public infrastructure projects and small to medium-sized businesses in general. The special tax rate is set as follows: (i) undeclared assets below Ps. 305,000: 0%, (ii) undeclared assets between Ps. 305,000 and Ps. 800,000: 5% on the value of the assets, (iii) undeclared assets (except property) in excess of Ps. 800,00, if declared before December 31, 2016: 10% and if declared after December 31, 2016 and until March 31, 2017: 15% on the value of assets. Taxpayers may elect to subscribe for certain investment securities and reduce the tax rates payable upon disclosure of previously undisclosed assets.

Social Measures. On April 16, 2016, President Macri announced a series of measures intended to alleviate the impact of adverse conditions of certain social sectors, including:

- the eligibility of over half a million children of self-employed individuals to receive the same allowances as those provided to employed workers. In addition, temporary workers will receive allowances throughout the year, including for the months they are not employed;
- the harmonization of *Asignación Universal por Hijo* (Universal Child Allowance) with local programs to permit eligibility for more than one program;
- a bill, which was approved by Congress on June 8, 2016, to refund up to Ps. 300 per month in VAT paid on the purchase of certain staples (such as food, clothing and cleaning supplies) by retirees that receive minimum pensions and individuals receiving the Universal Child or pregnancy allowance; this limit will be adjusted based on the variation of the prices;
- a one-time allowance of Ps. 500 for retirees receiving minimum pensions and individuals receiving the Universal Child Allowance; and
- a 20% increase in amounts paid under the *Plan Argentina Trabaja* program (Argentine Jobs Program) and *Ellas Hacen* (Women Make) program and an increase in the limit on annual income, from Ps. 48,000 to Ps. 72,000, for those eligible for the *Monotributo Social* program.

Precios Cuidados and Precios Claros. The Government also announced modifications to the *Precios Cuidados* program, which was originally launched in January 2014 to establish price controls on a broad range of basic household and other products. The new program will run from September 6, 2016 to January 6, 2017, and will include fresh products such as fruits, vegetables and certain meats. The *Precios Claros* program was also introduced, which allows consumers to compare the prices of hundreds of supermarket products. For more information, see “The Economy—Poverty and Income Distribution.”

The fiscal, monetary and currency adjustments undertaken by the Macri administration may subdue growth in the short term, but seek to guide the economy toward a sustained path for growth in the medium-term. Immediately after the foreign exchange controls were lifted on December 16, 2015, the dismantling of the multiple exchange regime resulted in the official peso exchange rate (available only for certain types of transactions) adjusting in value by 40.1%, as the peso-U.S. dollar exchange rate reached Ps. 13.76 to U.S.\$1.00 on December 17, 2015. The Central Bank has since allowed the peso to float with limited intervention intended to ensure the orderly operation of the foreign exchange market. On September 21, 2016, the exchange rate was Ps. 15.14 to U.S.\$1.00.

Public Bid Process for New Renewable Energy Generation Units. On March 22, 2016, the Secretariat of Energy called for bids to install 1,000 MW of new renewable energy units (the “RenovAR Program”). This bid process is governed by Law No. 27,191 and Decree No. 531/16, which encouraged the increase of energy generation from renewable sources by providing, among other things, significant tax benefits. On September 5, 2016, bids for a total of 6,366 MW were presented under the first round of this renewable energy bidding process. Bids submitted under this first round included 49 distinct wind energy projects totaling 3,468 MW and 58 distinct solar energy projects totaling 2,834 MW. Bids were also submitted for 11 biomass-biogas projects totaling 53 MW and 5 small hydroelectric projects totaling 11 MW.

Gross Domestic Product and Structure of the Economy

The following table sets forth the evolution of GDP and per capita GDP for the periods specified, at current prices.

**Evolution of GDP and Per Capita GDP
(at current prices)**

	Three months ended March 31, 2015		Three months ended March 31, 2016	
GDP (in millions of pesos) ⁽¹⁾	Ps.	4,6	Ps.	6,785,880
GDP (in millions of U.S. dollars) ⁽¹⁾	U.S.\$	573,2	U.S.\$	468,657
Per capita GDP ⁽¹⁾	U.S.\$	13,4	U.S.\$	10,837
Peso / U.S. dollar exchange rate ⁽²⁾		8.69		14.48

(1) GDP figures in this table are expressed in nominal terms.

(2) Average rate for the period specified.

Source: INDEC and Ministry of the Treasury

The following tables set forth information on Argentina’s real GDP, by expenditure, for the periods specified, at constant 2004 prices.

**Composition of Real GDP by Expenditure
(in millions of pesos, at constant 2004 prices)**

	Three months ended March 31, 2015		Three months ended March 31, 2016	
Consumption:				
Public sector consumption.....	Ps.	89,220	Ps.	91,614
Private consumption.....		496,155		501,498
Total consumption.....		585,376		593,112
Gross investment.....		125,116		120,357
Exports of goods and services.....		118,792		134,331
Imports of goods and services.....		161,487		181,225
Net exports/(imports).....		(42,695)		(46,894)
Inventory provision.....		2,998		7,506
Real GDP.....	Ps.	670,795	Ps.	674,081

Source: INDEC and Ministry of the Treasury.

Composition of Real GDP by Expenditure
(as % of total real GDP, at constant 2004 prices)

	Three months ended March 31, 2015	Three months ended March 31, 2016
Consumption:		
Public sector consumption	13.3%	13.6%
Private consumption	74.0	74.4
Total consumption	87.3	88.0
Gross investment	18.7	17.9
Exports of goods and services	17.7	19.9
Imports of goods and services	24.1	26.9
Net exports/(imports)	(6.4)	(7.0)
Inventory provision	0.4	1.1
Real GDP	100.0%	100.0%

Source: INDEC and Ministry of the Treasury.

In the three months ended March 31, 2016, Argentina's real GDP increased by 0.5% compared to the same period in 2015. Real GDP growth was primarily driven by a 1.3% increase in total consumption, resulting from a 2.7% increase in public sector consumption and 1.1% increase in private sector consumption. This increase was offset by a 3.8% decrease in gross investment.

During the three months ended March 31, 2016, the services sector increased by 1.5% and accounted for 52.4% of real GDP during this period. Within the services sector, transportation, storage and communication experienced the highest rate of growth. As compared to the same period in 2015, the primary production sector decreased by 4.1% and the secondary production sector decreased by 1.9%.

The following table sets forth the composition of Argentina's real GDP by economic sector for the periods specified.

Real GDP by Sector
(in millions of pesos, at constant 2004 prices)

	Three months ended March 31, 2015	Three months ended March 31, 2016
Primary production:		
Agriculture, livestock, fisheries and forestry	Ps. 36,5	Ps. 35,2
Mining and extractives (including petroleum and gas)	22,986	22,231
Total primary production	59,909	57,451
Secondary production:		
Manufacturing	110,913	109,114
Construction	22,139	20,991
Electricity, gas and water	12,567	12,696
Total secondary production	145,619	142,800
Services:		
Transportation, storage and communications	52,670	54,869
Trade, hotels and restaurants	98,374	97,610
Financial, real estate, business and rental services	95,961	97,337
Public administration, education, health, social and personal services	96,804	99,200
Domestic services ⁽¹⁾	4,375	4,418

	Three months ended March 31, 2015	Three months ended March 31, 2016
Total services.....	348,184	353,434
Plus import duties less adjustment for banking service ⁽²⁾	117,083	120,396
Total real GDP.....	Ps. 670,7	Ps. 674,0

- (1) Includes services completed by domestic workers including caretakers, domestic servants and private chauffeurs.
- (2) The production figures in this table do not include duties assessed on imports used in production, which must be taken into account for purposes of determining real GDP. This line item adds import duties for purposes of determining real GDP.

Source: INDEC and Ministry of the Treasury.

Real GDP by Sector
(as a % of real GDP, at constant 2004 prices)

	Three months ended March 31, 2015	Three months ended March 31, 2016
Primary production:		
Agriculture, livestock, fisheries and forestry.....	5.5%	5.2%
Mining and extractives (including petroleum and gas).....	3.4	3.3
Total primary production.....	8.9	8.5
Secondary production:		
Manufacturing.....	16.5	16.2
Construction.....	3.3	3.1
Electricity, gas and water.....	1.9	1.9
Total secondary production.....	21.7	21.2
Services:		
Transportation, storage and communication.....	7.9	8.1
Trade, hotels and restaurants.....	14.7	14.5
Financial, real estate, business and rental services.....	14.3	14.4
Public administration, education, health, social and personal services.....	14.4	14.7
Domestic services ⁽¹⁾	0.7	0.7
Total services.....	51.9	52.4
Plus import duties less adjustment for banking service ⁽²⁾	17.5	17.9
Total real GDP.....	100.0%	100.0%

- (1) Includes services completed by domestic workers including caretakers, domestic servants and private chauffeurs.
- (2) The production figures in this table do not include duties assessed on imports used in production, which must be taken into account for purposes of determining real GDP. This line item adds import duties for purposes of determining real GDP.

Source: INDEC and Ministry of the Treasury.

Real GDP Growth by Sector
(% change from previous year, at constant 2004 prices)

	Three months ended March 31, 2016
Primary production:	
Agriculture, livestock, fisheries and forestry	(4.6)%
Mining and extractives (including petroleum and gas)	(3.3)
Total primary production	(4.1)
Secondary production:	
Manufacturing	(1.6)
Construction	(5.2)
Electricity, gas and water	1.0
Total secondary production	(1.9)
Services:	
Transportation, storage and communication	4.2
Trade, hotels and restaurants	(0.8)
Financial, real estate, business and rental services	1.4
Public administration, education, health, social and personal services	2.5
Domestic services ⁽¹⁾	1.0
Total services	1.5
Plus import duties less adjustment for banking service ⁽²⁾	2.8
Total real GDP	0.5%

(1) Includes services completed by domestic workers including caretakers, domestic servants and private chauffeurs.

(2) The production figures in this table do not include duties assessed on imports used in production, which must be taken into account for purposes of determining real GDP. Import duties for purposes of determining real GDP.

Source: INDEC and Ministry of the Treasury.

Primary Production

In the three months ended March 31, 2016, the total primary sector production decreased to Ps. 57.5 billion, or 4.1%, from Ps. 59.9 billion in the same period in 2015. The fishing sector, however, grew by 7.5%, from Ps. 1.3 billion in the three months ended March 31, 2015 to Ps. 1.4 billion in the same period in 2016.

Secondary Production

In the three months ended March 31, 2016, the total secondary sector production decreased to Ps. 142.8 billion, or 1.9%, from Ps. 145.6 billion in the same period in 2015. The level of activity in the construction sector, which accounted for 3.1% of real GDP, decreased by 5.2% compared to the same period in 2015.

Services

Composition of Services Sector (in millions of pesos, at constant 2004 prices)

	Three months ended March 31, 2015		Three months ended March 31, 2016	
Wholesale and retail trade and repairs	Ps.	87,039	Ps.	86,661
Transportation, storage and communication services		52,670		54,869
Real estate, business and rental services		69,348		70,392
Education, Social and health services		46,988		48,564
Financial services.....		26,613		26,945
Other community, social and personal services		18,202		18,293
Public administration		31,614		32,344
Hotels and restaurants		11,336		10,949
Other services.....		4,375		4,418
Total	Ps.	348,184	Ps.	353,434

Source: INDEC and Ministry of the Treasury.

Growth of Services Sector (% change from prior quarter, at constant 2004 prices)

	Three months ended March 31, 2016
Wholesale and retail trade and repairs	(0.4)%
Transportation, storage and communication services	4.2
Real estate, business and rental services	1.5
Education, Social and health services	3.4
Financial services.....	1.2
Other community, social and personal services	0.5
Public administration	2.3
Hotels and restaurants	(3.4)
Other services	1.0
Total	1.5%

(1) Data for the three months ended March 31, 2016 as compared to the same period in 2015.

In the three months ended March 31, 2016, the services sector grew by 1.5% compared to the same period in 2015. This increase was primarily driven by increases in transportation, storage and communication services, as well as in education, social and health services. This increase was offset by a decrease in hotels and restaurants. In the first three months ended March 31, 2016, the services sector represented 52.4% of real GDP.

On September 22, 2016, the INDEC published preliminary estimates for the level of economic activity during the second quarter of 2016, noting that real GDP contracted by 1.7% in the first six months of 2016, compared to a growth of 0.4% during the same period in 2015. Most sections of the economy showed signs of decreased activity during the second quarter of 2016.

Poverty and Income Distribution

On September 22, 2016, the INDEC resumed publication of its essential goods and services basket assessment for the Greater Buenos Aires area, indicating that a standard family required Ps. 12,489 to gain access to the essential goods and services basket in August 2016, compared to Ps. 11,320 in April 2016

Tax Amnesty Law

In August 2016, the Government announced the issuance of two new bonds, BONAR 0% 2019 and BONAR 1% 2023 for up to U.S.\$8.0 billion, which can be subscribed for by taxpayers participating in the new Tax Amnesty Law that allows taxpayers to declare financial assets that have not been reported under applicable tax rules.

Wages and Labor Productivity

In January 2016, the Ministry of Employment and Social Security, through the Wage Council, increased the minimum monthly wage to Ps. 6,060. In May 2016, the minimum monthly wage was further increased to Ps. 8,060, representing an increase of 33%, which will take full effect in January 2017. This increase in wages is being implemented in three phases: 12.3% in June 2016 (to Ps. 6,810), 12.4% in September 2016 (to Ps. 7,560) and 8.3% in January 2017 (to Ps. 8,060). In addition, unemployment insurance was increased by 750%, with the minimum amount set as Ps. 1,875 and the maximum amount as Ps. 3,000 for the first three months, which gradually decreases to Ps. 1,200 after one year.

Environment

In March 2016, the Government signed an agreement with the World Bank to finance the Cuenca La Matanza – Riachuelo Sustainable Development Program at a total cost of approximately U.S.\$1 billion.

Balance of Payments

Current Account

In the first six months of 2016, the Republic's balance of payments registered a U.S.\$1.1 billion surplus. This surplus was the result of:

- a U.S.\$2.7 billion deficit in the current account, which represented a U.S.\$354 million deficit increase from the U.S.\$2.3 billion deficit recorded in the first six months of 2015;
- a U.S.\$3.9 billion surplus in the capital and financial account, which represented a U.S.\$424 million surplus decrease from the U.S.\$4.3 billion surplus recorded in the first six months of 2015; and
- a U.S.\$118 million deficit in errors and omissions, representing a U.S.\$448 million deficit increase from the U.S.\$330 million surplus recorded in the first six months of 2015.

In the first six months of 2016, the deficit in the current account was mainly due to a change in non-financial services, which recorded a deficit of U.S.\$1.4 billion in the first six months of 2016 compared to a deficit of U.S.\$719 million in the same period of 2015, while the trade balance surplus increased by 6.5%. The impact of a 6.5% decrease in exports was offset by a 7.7% decrease in imports. The deficit recorded by the financial services account decreased by U.S.\$218 million as compared to the first six months of 2015, mainly due to a 11.4% decrease in dividend payments abroad, which was partially offset by a 0.9% increase in interest payment outflows.

Trade Regulation

On January 18, 2016, the Government informed the dispute settlement body that it had modified its import requirements to comply with World Trade Organization rulings.

International Reserves

As of August 31, 2016, the gross international reserve assets of the Central Bank totaled U.S.\$31.1 billion, compared to U.S.\$25.6 as of December 31, 2015.

Monetary System

Monetary Policy

Inflation

The Central Bank and the Government introduced two new financial instruments intended to safeguard savings and long-term loans from the effects of inflation. In April 2016, the Central Bank by means of Communication "A" 5945 (as amended and restated by Communication "A" 6069) introduced the first instrument, known as *Unidades de Valor Adquisitivo* (UVAs), with an initial value based on the average construction cost of a square meter in the cities of Buenos Aires, Córdoba, Rosario, Salta and the coastal region (Santa Fe de la Vera Cruz to Paraná) as of March 31, 2016. The value of UVAs is adjusted on a daily basis, based on the CER. In September 2016, the Government by means of Law No. 27.271, introduced the second instrument, known as *Unidades de Vivienda* (UVIs) with an initial value based on the average construction cost of a square meter in Argentina. The value of UVIs is adjusted on a monthly basis, based on the "*Índice de la Construcción para el Gran Buenos Aires*" published by the INDEC.

On June 15, July 13, August 12 and September 13, 2016, the INDEC published inflation rates of 4.2%, 3.1%, 2.0% and 0.2% for May 2016, June 2016, July 2016 and August 2016 respectively, using its new methodology for calculating the CPI.

Public Sector Finances

National Public Accounts

New Presentation

In March 2016, the Macri administration adopted a new methodology intended to increase transparency in the reporting of fiscal results. The main modifications introduced in the new presentation of fiscal results consist of excluding transfers from the Central Bank and FGS to the Government from total current fiscal revenues and excluding interest payments on public debt made by the Government from total current fiscal expenditures. In addition, it includes an estimate of the increase in the amount of deferred current obligations. Since the expenditures of the non-financial public sector are recorded at the time of payment in accordance with the cash method of accounting, expenditures relating to the consumption of goods and services incurred in a given period are recorded in a subsequent period if payment is deferred as a result of the Government's discretionary power to do so. Recording the non-financial public sector's accrued expenditures is a way to monitor the discrepancy between expenditures associated with actual consumption during a period which will be actually paid for during subsequent periods.

The 2017 Budget

The table below presents a comparison of the proposed 2017 budget against the projected 2016 budget.

	Budget Comparison (in millions of pesos)			
	Projected 2016 ⁽¹⁾	Proposed 2017	Difference	
			Ps.	%
Current Revenues	1,686,612.90	2,068,482.80	381,869.90	22.6%
Tax Revenues	875,429.50	1,104,127.50	228,698.00	26.1%
Social Security Contributions	563,499.60	698,814.30	135,314.70	24.0%
Non-Tax Revenues	39,044.50	50,176.90	11,132.40	28.5%
Sales of Goods and Services of the Public Administration	7,473.20	11,100.80	3,627.60	48.5%
Property Taxes	189,251	201,501.10	12,250	6.5%
Current Transfers	10,838.50	1,443.30	(9,395.20)	(86.7)%
Other Revenues	1,076.00	1,318.90.00	243.00	22.6%
Operating Surplus of Public Entities				
Current Expenditures	1,903,730.20	2,314,013.50	410,283.30	21.6%
Consumption Expenditures	342,601.50	426,913.70	84,312.20	24.6%
Personnel	256,276.10	319,341.30	63,065.20	24.6%
Goods and services	86,325.40	107,572.40	2,1247.00	24.6%
Property Taxes	193,262.60	255,945.80	62,683.20	32.4%
Social Security Expenditures	712,389.30	963,181.10	250,791.80	35.2%
Direct Taxes	2,505.10	3,542.20	1,037.10	41.4%
Other Losses	2,174.60	3,574.80	1,400.20	64.4%
Current Transfers	609,272.60	632,568.70	23,296.10	3.8%
Operating Deficit of Public Entities	41,524.50	28,287.20	(13,237.30)	(31.9)%
Primary Result	(217,117.30)	(245,530.70)	(28,413.40)	13.1%
Capital Resources	753.70	388.040	(365.30)	(48.5)%
Capital Expenditures	181,108.40	236,917.80	55,809.40	30.8%
Real Direct Investment	82,627.60	108,460.90	25,833.30	31.3%
Capital Transfers	80,467.30	112,692.30	32,225.00	40.0%
Financial Investment	18,013.50	15,764.60	(2,248.90)	(12.5)%
Total Resources	1,687,366.60	2,068,871.20	381,504.60	22.6%
Total Expenditures	2,084,838.60	2,550,931.30	466,092.70	22.4%
Total Primary Expenditures	1,891,597.80	2,295,001.00	403,403.20	21.3%
Primary Result	(204,231.20)	(226,129.80)	(21,898.60)	10.7%
Primary Result without BCRA and FGS Utilities	(373,248.00)	(405,033.20)	(31,785.20)	8.5%
Financial Result	(397,472.00)	(482,060.10)	(84,588.10)	21.3%

(1) Reflects the projected 2016 budget information, as modified by the Macri administration in 2016.

On September 15, 2016, the 2017 budget bill was submitted to Congress. The 2017 budget projects a fiscal deficit representing 4.2% of GDP in 2017. This projected fiscal deficit represents an increase from the previously projected 3.3% of GDP, primarily as a result of two factors: the August 2016 decision of the Supreme Court of Argentina (which held that gas tariffs that had been announced for residential users must retroactively return to the levels in effect before tariff increases were implemented) and the *Ley de Reparación*

Histórica a los Jubilados (the Historical Reparations Law for Retirees and Pensioners), which will increase pension expenditures. The budget bill does not include any estimate of revenues arising from the Tax Amnesty Law. For more information, see “—Macri Administration: 2015-Present—Tariff Increases” and “—Retiree Programs.”

One of the cornerstones of the 2017 budget will be the expansion of social programs designed to meet the needs of the most vulnerable groups, including the following:

- *Childhood Programs.* The proposed 2017 budget allocates funds for (i) the *Plan Nacional de Primera Infancia* (National Plan for Early Childhood), (ii) the construction of 3,000 preschools to advance compulsory schooling for children aged three and older and (iii) the expansion of the Child Allowance Program to reach 4.1 million beneficiaries, including 514,000 children of *monotributistas* (self-employed workers), and 200,000 children of temporary workers.
- *Healthcare and Retiree Programs.* The budget provides for the *Cobertura Universal de Salud* (Universal Health Insurance Coverage Plan) for 15 million residents who lack health insurance coverage and the Historical Reparation Plan for Retirees and Pensioners, which is expected to reach 2.4 million retirees.
- *National Housing Plan.* With the aim of addressing the housing needs of low and middle-income families, the budget also provides for the implementation of the *Plan Nacional de Vivienda* (National Housing Plan), which includes the construction of 120,000 homes and granting 175,000 subsidized housing loans over a three-year period.

Overall, social security expenditures are expected to grow by 35% in 2017.

The 2017 budget further provides for an increase in the minimum monthly wage to Ps. 8,060, which will take full effect in January 2017. This increase in wages is being implemented in three phases: 12.3% in June 2016 (to Ps. 6,810), 12.4% in September 2016 (to Ps. 7,560) and 8.3% in January 2017 (to Ps. 8,060).

Infrastructure. The 2017 budget additionally allocates funds for investments in infrastructure projects. Such projects include:

- *Plan Belgrano*, which involves a Ps. 95 billion investment to promote infrastructure development in the northern provinces of Argentina;
- rebuilding the national transportation system to increase the competitiveness of regional economies, including through a U.S.\$2.0 billion investment for the construction of 2,800 kilometers of highways over a four-year period; and
- the ongoing *Plan Nacional de Agua 2016-2019* (National Water Plan 2016-2019), which is expected to generate 500,000 jobs.

Fiscal Result of Six Months Ended June 30, 2016 as Compared to Six Months Ended June 30, 2016

Primary fiscal balance. The primary deficit recorded for the first six months of 2016 was Ps.121.2 billion, compared to a deficit of Ps.95.1 billion for the six months ended June 30, 2015. Total revenues increased by 26.8% in the six months ended June 30, 2016, and primary expenditures (excluding interest payments) increased by 26.9%.

Fiscal revenues. In the first half of 2016, fiscal revenues increased by 26.8% to Ps. 707.8 billion from Ps. 558.4 billion in the first half of 2015. This increase was mainly driven by an increase in revenues generated by social security taxes, VAT, income tax, taxes on fuel and financial transactions. During the six months of 2015, the Government auctioned the 4G spectrum, which resulted in an increase in “Other non-tax revenues.” Without this source of revenues during the same period in 2016, “Other non-tax revenues” decreased by 20.6%

Primary expenditures. In the six months ended June 30, 2016, primary expenditures (excluding interest payments) of the national public sector increased by 26.9% from Ps. 653.6 billion in the six months ended June 30, 2015 to Ps. 829.1 billion in the six months ended June 30, 2016. This increase was mainly due to the following factors:

- social security outlays, which accounted for approximately 54% of the overall increase in expenditure, increased by 38.9%, from Ps. 244 billion in the first half of 2015 to Ps. 338.9 billion in the same period of 2016, mainly as a result of an increase in the number of retirees and successive increases in pension payments;
- other transfers (including external sector transfers, private sector subsidies and transfers to autonomous public entities such as universities), which accounted for approximately 31.8% of the overall increase, increased by 31.0%, from Ps. 180.1 billion in the first half of 2015 to Ps. 235.9 billion in the first half of 2016. This increase was mainly due to the increase in subsidies to the electricity sector. The increase in other transfers was also driven by the increase in outlays to social security payments, particularly through the Universal Child Allowance and Universal Pregnancy Allowance. Since March 2016, family allowances to self-employed and temporary workers have been extended. This measure is available to 514,000 children and their families.
- national administration wages, which accounted for approximately 15.1% of the total increase, increased by 31.3% from Ps. 84.8 billion in the first half of 2015 to Ps. 111.4 billion in the first half of 2016.

The increase in primary expenditures was partially offset by a 4.1% decrease in capital expenditures, which decreased from Ps. 83.7 billion in the first half of 2015 to Ps. 80.2 billion in the first half of 2016.

Transfers to the Government from the Central Bank and FGS increased by 72.9% in the first half of 2016, while interest payments increased by 58.3% in the same period.

Overall fiscal balance. The overall fiscal balance recorded a deficit of Ps.133.2 billion in the first half of 2016, compared to a deficit of Ps. 107.1 billion in the first half of 2015.

Tax Regime

Taxes on Income

On March 22, 2016, the AFIP increased the amount of gross income (from Ps. 96,000 to Ps. 200,000) above which employees must submit an affidavit of personal assets, and increased the amount of gross income (from Ps. 144,000 to Ps. 300,000) above which employees must submit an affidavit of personal assets and income tax reports.

Tax Amnesty Law

In July 2016, a voluntary and extraordinary tax disclosure and regularization regime for the holding of foreign and local currency and assets located in Argentina and abroad was enacted by the Federal Congress (Law 27,260). Tax disclosure as well as regularization may be conducted until March 31, 2017, while the disclosure of cash shall be made effective by October 31, 2016. A special tax is applicable on the value of the disclosed currency and assets, unless adherent taxpayers subscribe certain investment securities. Among other aspects, the regime also provides benefits for compliant taxpayers, certain changes in the personal assets tax, the abrogation of the 10% income tax withholding on dividends distributed by Argentine companies and the abrogation of the notional minimum income tax commencing on January 1, 2019. To date, certain Argentine provinces have adhered to the referred regime, others have submitted bills that are still undergoing legislative debate, while others have not yet submitted any bills.

Fiscal Relations with the Provinces

Revenue Transfers

In February 2016, the Macri administration issued an emergency decree creating the *Programa Acuerdo para el Nuevo Federalismo* (“Agreement for a New Federalism”) and forming a designated council with the objective of reaching an agreement among the Government, and provinces, other than Córdoba, San Luis and Santa Fe, for the gradual repayment of funds withheld under Article 76 of the 2006 National Budget Law. For more information, see “Public Sector Finances—Fiscal Relations with the Provinces—Revenue Transfers.” In May 2016, each province (other than Córdoba San Luis and Santa Fe) and the City of Buenos Aires agreed to be bound by the terms of the Agreement for a New Federalism, through which they will gradually recover their share of the 15% withheld by the Government, subject to certain conditions. A special financing facility through ANSES will provide the equivalent of 6% of such 15% owed to those provinces and the City of Buenos Aires during 2016, and 3% each year during a five-year period thereafter. The Government reached separate agreements with Córdoba, San Luis and Santa Fe, reflecting the restitution in favor of those provinces ordered by the Supreme Court.

Public Sector Debt

Foreign-Currency Denominated Debt in 2016

Between January 1 and September 16, 2016, the Republic issued additional foreign currency denominated debt in an aggregate amount of U.S.\$20.4 billion, of which U.S.\$16.5 billion corresponded to U.S. Dollar-denominated bonds issued in connection with the April 2016 Transaction, U.S.\$2.75 billion corresponded to the U.S. Dollar-denominated bonds issued on July 6, 2016, U.S.\$1.0 billion corresponded to the issuance of BONAR 20 bonds and U.S.\$0.2 billion corresponded to the issuance of BONAR 24 bonds.

Foreign Currency-Denominated Debt Service

Projected Performing Foreign Currency-Denominated Public Debt Service by Instrument for Primary Issues between January 1 and August 31, 2016⁽¹⁾ (in millions of U.S. dollars)

	2016		2017		2018		2019	
	Capital	Interest	Capital	Interest	Capital	Interest	Capital	Interest
BIRAD U.S. Dollar 6.25% due 2019	—	U.S.\$85.9	—	U.S.\$171.9	—	U.S.\$171.9	U.S.\$2,750.0	U.S.\$85.9
BIRAD U.S. Dollar 6.875% due 2021	—	154.7	—	309.4	—	309.4	—	309.4
BIRAD U.S. Dollar 7.5% due 2026	—	243.8	—	487.5	—	487.5	—	487.5
BIRAD U.S. Dollar 7.625% due 2046	—	104.8	—	209.7	—	209.7	—	209.7
BIRAD U.S. Dollar 6.625% due 2028	—	—	—	66.3	—	66.3	—	66.3
BIRAD U.S. Dollar 7.125% due 2036	—	—	—	124.7	—	124.7	—	124.7
BONAR 24	—	9.5	—	19.1	—	19.1	—	19.1
BONAR 20	—	38.8	—	77.51	—	77.51	—	77.51

	2020		2021		2022		2023	
	Capital	Interest	Capital	Interest	Capital	Interest	Capital	Interest
BIRAD U.S. Dollar 6.875% due 2021.....	—	U.S.\$309.4	U.S.\$4,500.0	U.S.\$154.7	—	—	—	—
BIRAD U.S. Dollar 7.5% due 2026.....	—	487.5	—	487.5	—	487.5	—	487.5
BIRAD U.S. Dollar 7.625% due 2046.....	—	209.7	—	209.7	—	209.7	—	209.7
BIRAD U.S. Dollar 6.625% due 2028.....	—	66.3	—	66.3	—	66.3	—	66.3
BIRAD U.S. Dollar 7.125% due 2036.....	—	124.7	—	124.7	—	124.7	—	124.7
BONAR 24.....	—	19.1	—	19.1	—	19.1	—	19.1
BONAR 20.....	968.9	77.51	—	—	—	—	—	—

(1) Preliminary figures.

Source: INDEC and Ministry of the Treasury.

U.S. Dollar-Denominated Treasury Bills Program

On April 27, 2016, the Ministry of the Treasury presented the *Programa de Letras del Tesoro denominadas en Dólares Estadounidenses* (U.S. Dollar-Denominated Treasury Bills Program) in connection with its 2016 financial program. The Republic expects to issue up to US\$3.0 billion under this program in 2016. On September 16, 2016, the Republic issued an aggregate amount of US\$5.6 billion.

Collective Actions	The Bonds will contain provisions, commonly known as “collective action clauses.” Under these provisions, which differ from the terms of the Republic’s public external indebtedness issued prior to April 22, 2016, the Republic may amend the payment provisions of any series of debt securities issued under the Indenture (including any series of the Bonds) and other reserved matters listed in the Indenture with the consent of the holders of: (1) with respect to a single series of debt securities, more than 75% of the aggregate principal amount of the outstanding debt securities of such series; (2) with respect to two or more series of debt securities, if certain “uniformly applicable” requirements are met, more than 75% of the aggregate principal amount of the outstanding debt securities of all series affected by the proposed modification, taken in the aggregate; or (3) with respect to two or more series of debt securities, more than 66 2/3% of the aggregate principal amount of the outstanding debt securities of all series affected by the proposed modification, taken in the aggregate, and more than 50% of the aggregate principal amount of the outstanding debt securities of each series affected by the proposed modification, taken individually. See “Description of the Bonds—Meetings, Amendments and Waivers—Collective Action.”
Further Issues	The Republic may, from time to time, without the consent of holders, create and issue additional debt securities having the same terms and conditions as any series of the Bonds in all respects, except for issue date, issue price, original interest accrual date and the first interest payment on the debt securities; <i>provided, however</i> , that any additional debt securities subsequently issued shall be issued, for U.S. federal income tax purposes, either (a) as part of the “same issue” as such Bonds or (b) in a “qualified reopening” of such Bonds, unless such additional debt securities have a separate ISIN or other identifying number from such Bonds. Such additional debt securities will be consolidated with and will form a single series with such Bonds.
Use of Proceeds	The gross proceeds from the sale of the Bonds will be EUR before deducting commissions and offering expenses payable by the Republic. The Republic intends to use the net proceeds of the sale of the Bonds for general purposes of the Government.
Settlement; Form	The Bonds to be delivered to investors will be issued in global form and registered in the name of a nominee of a common depository for Euroclear and Clearstream. See “Description of the Bonds.”
Transfer Restrictions	The Bonds have not been registered under the Securities Act. As a result, the Bonds will be subject to limitations on transferability and resale. See “Notice to Investors.”
Prescription	Claims against the Republic for the payment of principal and interest, premium, if any, or other amounts due on the Bonds will be prescribed unless made within five years, with respect to principal, and two years, with respect to interest, premium, if any, or other amounts due on the Bonds, in each case from the date on which such payment first became due, or a shorter period if provided by law.
Governing Law	The Bonds will be, and the Indenture is, governed by and construed in accordance with the laws of the State of New York, except with respect to the authorization and execution of the Bonds and the

Indenture by and on behalf of Argentina, which shall be governed by the laws of Argentina.

Listing Application is expected to be made to list the Bonds on the Luxembourg Stock Exchange and the Merval and to have them admitted for trading on the Euro MTF Market, and the MAE.

Trustee, Registrar, Paying Agent and Transfer Agent The Bank of New York Mellon.

Luxembourg Listing Agent, Paying Agent and Transfer Agent..... The Bank of New York Mellon (Luxembourg) S.A.

Common Depository The Bank of New York Mellon, London Branch.

Risk Factors..... See "Risk Factors" and the other information in this Offering Memorandum for a discussion of factors you should carefully consider before deciding to invest in the Bonds.

ISIN/Common Codes The Bonds offered hereby and sold pursuant to Regulation S under the Securities Act will have the relevant trading information set forth in the following table:

<u>Bonds</u>	<u>ISIN Number</u>	<u>Common Codes</u>
Regulation S		

RISK FACTORS

An investment in the Bonds involves an important degree of risk. Before deciding to purchase the Bonds, you should read carefully all of the information contained in this offering memorandum, including, in particular, the following risk factors.

Risks Relating to the Republic

Investing in a developing country entails certain inherent risks.

Argentina is a developing economy and investing in developing economies generally involves risks. These risks include political, social and economic events that may affect Argentina's economic results. In the past, instability in Argentina and other Latin American and emerging market countries has been caused by many different factors, including the following:

- adverse external economic factors;
- inconsistent fiscal and monetary policies;
- dependence on external financing;
- changes in governmental economic or tax policies;
- high levels of inflation;
- abrupt changes in currency values;
- high interest rates;
- wage increases and price controls;
- volatility of exchange rates and capital controls;
- political and social tensions;
- fluctuations in central bank reserves; and
- trade barriers.

Any of these factors may adversely affect the liquidity, trading markets and value of Argentina's debt securities and Argentina's ability to service its debt obligations, including the Bonds.

Argentina has experienced political and social economic instability in the past and may experience further instability in the future. In 2001 and 2002, Argentina suffered a major political, economic and social crisis, which resulted in institutional instability and a severe contraction of the economy (GDP contracted 10.9% in 2002 compared to 2001) with significant increases in unemployment and poverty rates. Among other consequences, the crisis caused a large currency devaluation and led to the Government defaulting on its external debt. In response, the Government implemented a series of emergency measures, including strict foreign exchange restrictions and monthly limits on bank withdrawals, which affected public companies and other sectors of the Argentine economy.

The Argentine economy experienced a recovery following the 2001-2002 crisis. Since 2008, however, it has struggled to curb strong inflationary pressures and growth has stagnated, primarily as a result of the monetary and fiscal policies introduced by the Fernández de Kirchner administration, strict foreign exchange controls and overvalued real exchange rates that constrained foreign trade and investments and the decline in commodities prices. See "The Argentine Economy—Economic History and Background—Principal Government Policies and their Impact on Argentina's Economy (2011-2015)" in the Annual Report. The

Fernández de Kirchner administration's policies increasingly eroded confidence in the Argentine economy, which resulted, among other things, in capital outflows, decreasing investment and a significant decline in the Central Bank's international reserves.

Since taking office in December 2015, the Macri administration has introduced economic and policy reforms. In addition, the Macri administration restarted negotiations with holders of defaulted bonds in December 2015 with a view to bringing closure to fifteen years of litigation. On April 22, 2016, Argentina closed the April 2016 Transaction, and upon confirmation that the conditions set forth in its March 2, 2016 order had been satisfied, the U.S. District Court for the Southern District of New York (the "District Court") ordered the vacatur of all *pari passu* injunctions that had been ordered in 2012.

The Macri administration has implemented significant changes in policy and announced additional measures, but the ability to successfully implement such additional measures, and the eventual outcomes of such changes is unknown.

Presidential and congressional elections in Argentina took place on October 25, 2015, and a runoff election between the two leading Presidential candidates was held on November 22, 2015, which resulted in Mr. Mauricio Macri being elected President of Argentina. The Macri administration assumed office on December 10, 2015.

Since assuming office, the Macri administration has implemented several economic and policy reforms and announced other intended reforms, including reforms to:

- foreign exchange restrictions;
- INDEC methodologies;
- financial policy;
- foreign trade policy;
- fiscal policy;
- monetary imbalances;
- Argentina's energy generation and consumption regime;
- reparation program for retirees and pensioners; and
- tax amnesty regime.

For a description of these economic and policy reforms, see "The Argentine Economy—Macri Administration: 2015-Present" in the Amendment.

Although the Macri administration believes that the national economy has responded largely as expected to the measures implemented to date (e.g., lifting of significant foreign exchange controls, reduction in fiscal expenditures through subsidies and other measures, correction of monetary imbalances, implementing a reparation program for retirees and pensioners), the ultimate long-term impact of each of these measures on the national economy as well as the ability to implement all announced measures as currently contemplated, cannot be assured. The ability of the Macri administration to implement legislative measures will require obtaining support from opposition parties. The opposition parties did support the passage of the Debt Authorization Law submitted by the Macri Administration, suggesting that political compromises can be achieved. If the Macri administration's agenda cannot be successfully implemented, including as a result of a lack of political support from opposition parties in Congress, the result may weaken confidence in and adversely affect the Argentine economy and financial condition.

If the current levels of inflation do not decrease, the Argentine economy could be adversely affected.

Historically, inflation has materially undermined the Argentine economy and the Government's ability to create conditions that permit growth. In recent years, Argentina has experienced high inflation rates. See "—The credibility of several Argentine economic indices has been called into question, which has led to a lack of confidence in the Argentine economy and could affect your evaluation of this offering and/or the market value of the Bonds."

In January, February, March and April 2016, the monthly inflation rate as measured by the City of Buenos Aires CPI was 4.1%, 4.0%, 3.3% and 6.5%, respectively, while according to the Province of San Luis CPI, the inflation rate was 4.2%, 2.7%, 3.0% and 3.4%, respectively. On June 15, 2016, the INDEC resumed publishing inflation rates, reporting an increase of 4.2% for May 2016, 3.1% for June 2016, 2.0% for July 2016 and 0.2% for August 2016 using its new methodology for calculating the CPI. In the past and through the Fernández de Kirchner administration, the Government implemented programs to control inflation and monitor prices for essential goods and services, including attempts to freeze the prices of certain supermarket products, and price support arrangements agreed between the Government and private sector companies in several industries and markets that did not address the structural causes of inflation and failed to reduce inflation. Recently, the Government's adjustments to electricity and gas tariffs, as well as the increase in the price of gasoline have impacted prices, creating additional inflationary pressure. For more information, see "The Argentine Economy—Economic History and Background—Macri Administration: 2015-Present—Tariff increases" in the Amendment.

High inflation rates affect Argentina's foreign competitiveness, social and economic inequality, negatively impact employment and the level of economic activity and undermine confidence in Argentina's banking system, which could further limit the availability of domestic and international credit and political stability. A portion of Argentina's debt is adjusted by the CER (a currency index) is strongly related to inflation and was linked to the INDEC CPI until December 2015. Between January 12 and June 2, 2016, the Government issued a series of resolutions designating either the CPI calculated by the government of the City of Buenos Aires or the CPI calculated by the Province of San Luis as the index to be used by the Central Bank to calculate the CER. On June 15, 2016, the INDEC published the inflation rate for May 2016 using its new methodology for calculating the CPI. Beginning as of June 26, 2016, the Government resumed using the INDEC CPI to calculate the CER. As of February 29, 2016, approximately U.S.\$14.1 billion of Argentina's debt (which in almost all cases matures in the medium and long-term) was indexed to inflation. Adjustments and payments on Argentina's inflation-indexed debt are not subject to restatement or revision.

Inflation remains a challenge for Argentina given its persistent nature in recent years. The Macri administration has announced its intention to reduce the primary fiscal deficit as a percentage of GDP over time and also reduce the Government's reliance on Central Bank financing. If, despite the measures adopted by the Macri administration, these measures fail to address Argentina's structural inflationary imbalances, the current levels of inflation may continue and have an adverse effect on Argentina's economy and financial condition. Inflation can also lead to an increase in the Republic's debt and have an adverse effect on the Republic's ability to service its debt, including the Bonds, principally in the medium and long term when most inflation indexed debt matures.

The credibility of several Argentine economic indices has been called into question, which has led to a lack of confidence in the Argentine economy and could affect your evaluation of this offering and/or the market value of the Bonds.

During the presidency of Fernández de Kirchner, the INDEC, the Government's principal statistical agency, underwent institutional and methodological reforms that gave rise to controversy regarding the reliability of the information that it produced, including inflation, GDP, unemployment and poverty data. Reports published by the IMF have stated that their staff uses alternative measures of inflation for macroeconomic surveillance, including data produced by private sources, which have shown inflation rates considerably higher than those published by the INDEC between 2007 and 2015. The IMF also censured Argentina for failing to make sufficient progress, as required under the Articles of Agreement of the IMF, in adopting remedial measures to address the quality of official data, including inflation and GDP data.

On January 8, 2016, based on its determination that the INDEC had failed to produce reliable statistical information, particularly with respect to CPI, GDP and foreign trade data, poverty and unemployment rates, the Macri administration declared a state of administrative emergency for the national statistical system and the INDEC until December 31, 2016. The INDEC suspended publication of certain statistical data pending reorganization of its technical and administrative structure to recover its ability to produce sufficient and reliable statistical information. During the first six months of this reorganization period, the INDEC published official CPI figures published by the City of Buenos Aires and the Province of San Luis for reference. Certain revised foreign trade, balance of payment and GDP data for the years 2011 through 2015 and the CPI for May, June and July 2016 were released by the INDEC after the state of administrative emergency was declared on January 8, 2016, and are included in this offering memorandum. See “Presentation of Statistical and Other Information” in the Annual Report.

The Government’s announced reforms seek to produce official data that meets international standards. In order to be effective, such reforms require, however, that data be collected on a timely basis and other implementation steps that the Government does not control. If these reforms cannot be successfully implemented, such failure may adversely affect the Argentine economy, in particular by undermining expectations that its performance will improve. The INDEC’s past or future data may be materially revised to reveal a different economic or financial situation in Argentina, which could affect your investment decision with respect to the Bonds and your evaluation of the Bonds’ market value. In addition, uncertainty with respect to the success of the measures taken to implement the expected changes may impair measures taken by the Central Bank to tackle inflation, which, in turn, could have a negative impact on the Republic’s economy and financial condition and adversely affect its ability to service its debt, including the Bonds. See “—If current levels of inflation continue, the Argentine economy could be adversely affected” above and “Presentation of Statistical and Other Information—Certain Methodologies” in the Annual Report.

Increases in the Government’s public expenditures could have a material adverse effect and longstanding negative consequences on Argentina’s economic prospects.

The Fernández de Kirchner administration significantly increased public expenditures. In 2015, the Government recorded a primary fiscal deficit of Ps. 291.7 billion (calculated using the methodologies adopted by the Macri administration, see “Public Sector Finances—National Public Accounts—Evolution of Fiscal Results 2011-2015” in the Annual Report). Public expenditures, mainly composed of subsidies to the electricity sector increased by 35.5% as compared to 2014, from Ps. 1.04 trillion in 2014 to Ps. 1.40 trillion in 2015. In 2015, the inflation rate as measured by the City of Buenos Aires CPI and the San Luis Province was 26.9% and 31.6%, respectively. The Fernández de Kirchner administration received financial assistance from the Central Bank and the *Administración Nacional de la Seguridad Social* (the National Social Security Agency, or “ANSES”) to meet its financing needs.

The Macri administration has undertaken important steps to curb the fiscal deficit through a series of tax and other measures aimed at increasing revenues, reducing energy, gas and transport subsidies and controlling public expenditures. However, the Republic cannot assure that such measures will be successful. Certain programs recently announced by the Macri administration may also increase public expenditures, including the bill for the *Programa de Reparación Histórica para Jubilados y Pensionados* (Historical Reparations Program for Retirees and Pensioners) passed on June 29, 2016, which would require retroactive compensation in an aggregate amount of more than Ps. 47.0 billion and an investment of up to Ps. 75.0 billion to cover all potential beneficiaries. The funding is expected to be generated in part through revenues raised under a tax amnesty proposed in the same bill. See “The Argentine Economy—Macri Administration: 2015-Present—Retiree Programs” in the Amendment. Weaker fiscal results could have a material adverse effect on the Government’s ability to access long term financing, which, in turn, could adversely affect the market value of the Bonds.

Growth rates in developing economies tend to be very volatile. A sudden and significant decline in the growth rate of the Argentine economy could have a material adverse effect on the Republic’s public finances and its ability to service its debt obligations, including the Bonds.

The economy of Argentina has experienced significant volatility in recent decades, including numerous periods of low or negative growth and high and variable levels of inflation and devaluation of its

currency. Argentina's economy recovered significantly from the economic crisis of 2001-2002, maintaining growth rates ranging from 8.0% and 9.2% between 2004 and 2007. However, by the third quarter of 2008, the economy began to experience a downturn that was aggravated by the escalation of the global financial crisis. A moderate recovery beginning in 2009 was followed by a marked slowdown in Argentina's economic activity in 2012, when real GDP growth decelerated to 0.8%, compared to 8.4% in 2011. Economic growth in 2013 and 2014 showed limited signs of recovery, and GDP per capita decreased. In 2015, real GDP increased by 2.4% compared to 2014. On September 22, 2016, the INDEC reported that real GDP for the first six-months of 2016 decreased by 1.7% compared to a 0.4% growth during the same period in 2015.

Economic growth is dependent on a variety of factors, including (but not limited to) international demand for Argentine exports, the price of particular commodities, the stability and competitiveness of the peso against foreign currencies, levels of consumer consumption and foreign and domestic investment and the rate of inflation.

If the Argentine economy does not recover and growth does not accelerate, the Macri administration's deficit targets may not be met, adversely affecting the Republic's economy and financial conditions, including its long-term ability to service its public debt.

The Argentine economy remains vulnerable to external shocks that could be caused by significant economic difficulties of Argentina's major regional trading partners, particularly Brazil, or by more general "contagion" effects, including those precipitated by the United Kingdom's impending departure from the European Union. Such external shocks and "contagion" effects could have a material adverse effect on Argentina's economic growth and its ability to service its public debt.

Weak, flat or negative economic growth of any of Argentina's major trading partners, such as Brazil, could adversely affect the Republic's balance of payments and, consequently, economic growth.

The economy of Brazil, Argentina's largest export market and the principal source of imports, is currently experiencing heightened negative pressure due to the uncertainties stemming from its ongoing political crisis, including the impeachment of Brazil's president, that resulted in the Senate of Brazil removing Ms. Dilma Rousseff from office for the rest of her term. The Brazilian economy contracted by 3.8% during 2015, mainly due to a 8.3% decrease in industrial production. The Brazilian real devalued against the U.S. dollar by approximately 49.1% from January 2015 to February 2016, the steepest depreciation in over a decade, in its attempt to increase exports. Although the Brazilian real appreciated by 17.2% between March 1, 2016 and September 1, 2016, a further deterioration of economic conditions in Brazil may reduce demand for Argentine exports and increase demand for Brazilian imports. While the impact of Brazil's downturn on Argentina cannot be predicted, the Government cannot exclude that the Brazilian political and economic crisis could have further negative impact on the Argentine economy.

The Argentine economy may be affected by "contagion" effects. International investors' reactions to events occurring in one developing country sometimes appear to follow a "contagion" pattern, in which an entire region or investment class is disfavored by international investors. In the past, the Argentine economy has been adversely affected by such contagion effects on a number of occasions, including the 1994 Mexican financial crisis, the 1997 Asian financial crisis, the 1998 Russian financial crisis, the 1999 devaluation of the Brazilian real, the 2001 collapse of Turkey's fixed exchange rate regime and the global financial crisis that began in 2008.

The Argentine economy may also be affected by conditions in developed economies, such as the United States, that are significant trading partners of Argentina or have influence over world economic cycles. For example, if interest rates increase significantly in developed economies, including the United States and Europe (particularly as a result of the United Kingdom's vote in favor of leaving the European Union on June 23, 2016 (the "Brexit")), Argentina and its developing economy trading partners, such as Brazil, could find it more difficult and expensive to borrow capital and refinance existing debt, which could adversely affect economic growth in those countries. In order to effect the Brexit, a process of negotiation will determine the future terms of the United Kingdom's relationship with the European Union. Depending on the terms of Brexit, if any, the United Kingdom could lose access to the single EU market and to the global trade deals negotiated

by the European Union on behalf of its members. The effects of the Brexit vote and the perceptions as to the impact of the withdrawal of the United Kingdom from the European Union may adversely affect business activity and economic and market conditions in the United Kingdom, the Eurozone and globally, and could contribute to instability in global financial and foreign exchange markets. In addition, Brexit could lead to additional political, legal and economic instability in the European Union.

Decreased growth on the part of Argentina's trading partners could have a material adverse effect on the markets for Argentina's exports and, in turn, adversely affect economic growth.

A decline in international prices for Argentina's principal commodity exports could have a material adverse effect on Argentina's economy and public finances.

Historically, the commodities market has been characterized by high volatility. Despite the volatility of prices of most of Argentina's commodities exports, commodities have significantly contributed to the Government's revenues during recent years. Consequently, the Argentine economy has remained relatively dependent on the price of its main agricultural exports, primarily soy. This dependence has, in turn, rendered the Argentine economy more vulnerable to commodity prices fluctuations. International commodities prices decreased during 2015 but have partially recovered during the first five months of 2016. Declines in commodity prices may adversely affect the Argentine economy, and the Government's fiscal revenues. In addition, as of the date of this offering memorandum, the Macri administration has eliminated export taxes on many agricultural products and reduced the export taxes on soy from 35% to 30%. While the measure was intended to encourage exports, reductions in export taxes in the future, unless replaced with other sources of revenues, may impact negatively on the Republic's public finances.

A significant depreciation of the currencies of Argentina's trading partners or trade competitors may adversely affect the competitiveness of exports and cause an increase in imports, thus adversely affecting the Argentine economy.

The depreciation of the currencies of one or more of Argentina's trading partners, particularly Brazil, or trade competitors relative to the peso may result in exports becoming more expensive and less competitive. It may also cause an increase in relatively cheaper imports. The Brazilian real devalued against the U.S. dollar by approximately 49.1% from January 2015 to February 2016, the steepest depreciation in over a decade, in its attempt to increase exports. Although the Brazilian real appreciated by 17.2% between March 1, 2016 and September 1, 2016, future devaluations of the Brazilian currency may generate a decrease in Argentine exports and increase in imports, which may have a material adverse effect on the Republic's economic growth, its financial condition and the ability of the Republic to service its debt obligations, including the Bonds.

Exchange controls and restrictions on capital inflows and outflows could have a material adverse effect on Argentine public sector activity.

In 2001 and 2002, following a run on the financial system triggered by the public's lack of confidence in the continuity of the convertibility regime that resulted in massive capital outflows, the Government introduced exchange controls and restrictions on the transfer of foreign currency in an attempt to prevent capital flight and a further depreciation of the peso. These exchange controls substantially limited the ability of issuers of debt securities, among others, to accumulate or maintain foreign currency in Argentina or make payments abroad. Although several of such exchange controls and transfer restrictions were subsequently suspended or terminated, in June 2005 the Government issued a decree that established new controls on capital flows, which resulted in a decrease in the availability of international credit for Argentine companies.

In addition, from 2011 until the Macri administration took office in December 2015, the Government increased controls on the sale of foreign currency and the acquisition of foreign assets by local residents, limiting the possibility of transferring funds abroad. Together with regulations established in 2012 that subjected certain foreign exchange transactions to prior approval by Argentine tax authorities or the Central Bank, the measures taken by the Fernández de Kirchner administration significantly curtailed access to the MULC. In response, an unofficial U.S. dollar trading market developed in which the peso-U.S. dollar exchange rate differed substantially from the official peso-U.S. dollar exchange rate.

As of the date of this offering memorandum, the Macri administration has eliminated a significant portion of the foreign exchange restrictions that developed under the Fernández de Kirchner regime. See “—The Macri administration has begun to implement significant changes in policy, but the eventual outcome of such changes or the adoption of further changes is unknown” below. Notwithstanding the measures recently adopted by the Macri administration, if in the future the Central Bank and the Government re-introduces exchange controls and imposes restrictions on transfers abroad, such measures may negatively affect Argentina’s international competitiveness, discouraging foreign investments and lending by foreign investors or increasing foreign capital outflows, which could have an adverse effect on economic activity in Argentina.

The Macri administration has begun to implement significant measures to solve the current energy sector crisis, but the eventual outcome of such measures is unknown.

Economic policies since the 2001-2002 crisis have had an adverse effect on Argentina’s energy sector. The failure to reverse the freeze on electricity and natural gas tariffs imposed during the 2001-2002 economic crisis created a disincentive for investments in the energy sector. Instead, the Government sought to encourage investment by subsidizing energy consumption. The policy proved ineffective and operated to further discourage investment in the energy sector and caused production of oil and gas and electricity generation, transmission and distribution to stagnate while consumption continued to rise. To address energy shortages starting in 2011, the Government engaged in increasing imports of energy, with adverse implications for the trade balance and the international reserves. See “—Increases in the Government’s public expenditures could have a material adverse effect and longstanding negative consequences on Argentina’s economic prospects.”

In response to the growing energy crisis, the Macri administration declared a state of emergency with respect to the national electricity system, which will be in effect until December 31, 2017. The state of emergency allows the Government to take actions designed to stabilize the supply of electricity to the country, such as instructing the *Ministerio de Energía y Minería de la Nación* (Ministry of Energy and Mining) to design and implement, with the cooperation of all federal public entities, a coordinated program to guarantee the quality and security of the electricity system. In addition, the Macri administration announced the elimination of certain energy subsidies and significant adjustments to electricity rates to reflect generation costs. Additionally, the Macri administration announced the elimination of a portion of subsidies to natural gas and adjustment to natural gas rates. As a result, average electricity and gas prices have already increased and could increase further. However, certain of the Government’s initiatives relating to the energy and gas sectors have been challenged in the Argentine courts and resulted in judicial injunctions or rulings against the Government’s policies. For more information, see “The Argentine Economy—Macri Administration: 2015-Present—National electricity state of emergency and reforms” in the Amendment and “The Argentine Economy—Macri Administration: 2015-Present—Tariff increases” in the Amendment.

The Macri administration has taken steps and announced measures to address the energy sector crisis while taking into consideration the implications of these price increases for the poorest segments of society, approving subsidized tariffs for qualifying users. Failing to address the negative effects on energy generation, transportation and distribution in Argentina with respect to both the residential and industrial supply, resulting in part from the pricing policies of the prior administrations, could weaken confidence in and adversely affect the Argentine economy and financial condition, lead to social unrest and political instability, and adversely affect the Republic’s ability to service its debt, including the Bonds. There can be no assurance that the measures adopted by the Macri administration to address the energy crisis will not be challenged in the local courts and/or be sufficient to restore production of energy in Argentina within the short or medium term.

Failure to adequately address actual and perceived risks of institutional deterioration and corruption may adversely affect Argentina’s economy and financial condition.

A lack of a solid institutional framework and corruption have been identified as, and continue to be a significant problem for Argentina. In Transparency International’s 2015 Corruption Perceptions Index survey of 167 countries, Argentina was ranked 107, the same position that it held in 2014. In the World Bank’s Doing Business 2016 report, Argentina ranked 121 out of 189 countries, up from 124 in 2015.

Recognizing that the failure to address these issues could increase the risk of political instability, distort decision-making processes and adversely affect Argentina's international reputation and ability to attract foreign investment, the Macri administration has announced several measures aimed at strengthening Argentina's institutions and reducing corruption. These measures include the reduction of criminal sentences in exchange for cooperation with the Government in corruption investigations, increased access to public information, the seizing of assets from corrupt officials, increasing the powers of the Anticorruption Office (*Oficina Anticorrupción*) and the passing of a new public ethics law, among others. The Government's ability to implement these initiatives is uncertain as it would require the involvement of the judicial branch, which is independent, as well as legislative support from opposition parties.

The Government cannot give assurances that the implementation of these measures will be successful.

Fluctuations in the value of the peso could adversely affect the Argentine economy and the Republic's ability to service its debt obligations.

Fluctuations in the value of the peso may also adversely affect the Argentine economy. The devaluation of the peso may have a negative impact on the Government's revenues (measured in U.S. dollars), fuel inflation and significantly reduce real wages. After several years of moderate variations in the nominal exchange rate, the peso lost more than 30% of its value with respect to the U.S. dollar in each of 2013, 2014 and 2015. Persistent high inflation during this period, with formal and "*de facto*" exchange controls, resulted in an increasingly overvalued real official exchange rate. Compounded by the effects of foreign exchange controls and restrictions on foreign trade, these highly distorted relative prices resulted in a loss of competitiveness of Argentine production, impeded investment and resulted in economic stagnation during this period. For a description of the measures taken by the Macri administration to address these issues, see "—The Macri administration has begun to implement significant changes in policy, but the eventual outcome of such changes is unknown" above.

A significant appreciation of the peso against the U.S. Dollar also presents risks for the Argentine economy, including the possibility of a reduction in exports (as a consequence of the loss of external competitiveness). Any such appreciation could also have a negative effect on economic growth and employment and reduce tax revenues in real terms.

From time to time, the Central Bank may intervene in the foreign exchange market in order to maintain the currency exchange rate. Additional volatility, appreciations or depreciations of the peso or reduction of the Central Bank's reserves as a result of currency intervention could adversely affect the Argentine economy and the Republic's ability to service its debt obligations, including the Bonds.

There can be no assurances that the Republic will be able to obtain financing on satisfactory terms in the future, which could have a material adverse effect on the Republic's ability to make payments on its outstanding public debt, including the Bonds.

The Republic's future tax revenue and fiscal results may be insufficient to meet its debt service obligations and the Republic may have to rely in part on additional financing from domestic and international capital markets in order to meet future debt service obligations. In the future, the Republic may not be able or willing to access international or domestic capital markets, and the Republic's ability to service its outstanding public debt, including the Bonds, could be adversely affected.

There can be no assurances that the Republic's credit rating will improve or that the credit ratings to be granted to the Bonds will not be downgraded, suspended or cancelled by the rating agencies.

The Republic's current long-term debt credit ratings are sub-investment grade. They indicate that such debt securities are judged to be subject to very high credit risk. The lack of improvement in the Republic's credit rating could continue to adversely affect the trading price of the Republic's debt securities (including the Bonds) and have the potential to affect the Republic's cost of funds in the international capital markets and the liquidity of and demand for the Republic's debt securities.

The Republic has stated its intention to use its best efforts to have the Bonds rated. Any credit rating granted to the Bonds may change following its issuance. Such credit rating is limited in its scope and does not consider all of the risks related to the investment in the Bonds. The credit rating only reflects the considerations that were taken into account at the moment of issuing such credit rating. There can be no assurances that such credit rating will be granted or maintained for a certain period of time or that such credit rating will not be downgraded, suspended or cancelled upon the credit rating's consideration or if circumstances will so require. Any credit rating downgrade, suspension, or cancellation may have an adverse effect on the market price and the negotiation of the Bonds.

Risks Relating to Litigation

The Republic's ability to obtain financing from international markets is limited, which may impair its ability to implement reforms and foster economic growth.

In 2005 and 2010, the Republic conducted exchange offers to restructure part of its sovereign debt that had been in default since the end of 2001. As a result of these exchange offers, the Republic restructured over 92% of its eligible defaulted debt. In April 2016, the Government settled U.S.\$4.2 billion outstanding principal amount of Untendered Debt.

As of the date of this offering memorandum, litigation initiated by bondholders that have not accepted Argentina's settlement offer continues in several jurisdictions, although the size of the claims involved has decreased significantly. See "Public Sector Debt—Legal Proceedings" in the Annual Report.

Although the vacatur of the *pari passu* injunctions removed a material obstacle to access to capital markets by the federal government, future transactions may be affected as litigation with holdout bondholders continues, which in turn could affect the federal government's ability to access international credit markets, and thus could have a material adverse effect on the Argentine economy.

Foreign shareholders of companies operating in Argentina have initiated investment arbitration proceedings against Argentina that have resulted and could result in arbitral awards and/or injunctions against Argentina and its assets and, in turn, limit its financial resources.

In response to the emergency measures implemented by the Government during the 2001-2002 economic crisis, a number of claims were filed before the International Centre for Settlement of Investment Disputes ("ICSID") against Argentina. Claimants allege that the emergency measures were inconsistent with the fair and equitable treatment standards set forth in various bilateral investment treaties by which Argentina was bound at the time.

As of the date of this offering memorandum, there are three final awards issued by ICSID tribunals against Argentina for an aggregate total of U.S.\$427.36 million, and Argentina is seeking the annulment of four additional awards for an aggregate total of U.S.\$845.51 million. There are six ongoing cases against Argentina before ICSID with claims totaling U.S.\$1.79 billion (including two cases with claims for amounts that are currently undetermined), and in three of these cases (with aggregate claims for U.S.\$1.72 billion) the ICSID tribunal has already ruled that it has jurisdiction. There are eight additional cases with claims totaling \$4.55 billion in which the parties agreed to suspend the proceedings pending settlement discussions. A successful completion of these negotiations could lead additional ICSID claimants to withdraw their claims, although the Republic can offer no assurance to this effect.

The Republic cannot give any assurance that it will prevail in having any or all of those cases dismissed, or that if awards in favor of the plaintiffs are granted, that it will succeed in having those awards annulled.

Claimants have also filed claims before arbitral tribunals under the rules of the United Nations Commission on International Trade Law ("UNCITRAL") and under the rules of the International Chamber of Commerce ("ICC").

As of the date of this offering memorandum, there was one final outstanding UNCITRAL award against Argentina for a total of U.S.\$7.39 million and Argentina is seeking the annulment of two additional awards for an aggregate amount of U.S.\$21.05 million. As of such date, there were three ongoing cases against Argentina before UNCITRAL and ICC tribunals with claims totaling U.S.\$625.43 million, including one case with a U.S.\$508.70 million claim in which the tribunal had already ruled that it has jurisdiction. There was one additional case with a claim of U.S.\$168.69 million in which the parties agreed to suspend the proceedings pending settlement discussions.

In October 2013 and May 2016, Argentina settled two final awards issued by an UNCITRAL tribunal that awarded a claim against Argentina for U.S.\$104.00 million and U.S.\$189.46 million, respectively.

The Republic cannot give any assurance that it will prevail in having any or all of those cases dismissed, or that if awards in favor of the plaintiffs are granted, that it will succeed in having those awards annulled.

See “Public Sector Debt—Legal Proceedings—ICSID Arbitration” in the Annual Report and “Public Sector Debt—Legal Proceedings—Other Arbitration” in the Annual Report. Ongoing claims before the ICSID tribunal and other arbitral tribunals could lead to new awards against Argentina, which could have a material adverse effect on the Republic’s economy and financial resources.

Risks Relating to the Bonds

The Bonds are subject to restrictions on resales and transfers.

The Bonds have not been registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Bonds may be offered and sold only (a) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act; (b) pursuant to an exemption from registration under the Securities Act; or (c) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. For certain restrictions on resale and transfer, see “Plan of Distribution” and “Notice to Investors.”

There is no prior market for the Bonds; if one develops, it may not be liquid. In addition, a listing of the Bonds on a securities exchange cannot be guaranteed.

There currently is no market for the Bonds. The Republic cannot guarantee that such a market will develop or if one does develop, that it will continue to exist. If a market for the Bonds were to develop, prevailing interest rates and general market conditions could affect the price of the Bonds. This could cause the Bonds to trade at prices that may be lower than their principal amount or their initial offering price. In addition, no assurance can be given as to the liquidity of the trading market for the Bonds and the price at which the Bonds will trade on the secondary market is uncertain.

Although application will be made to list the Bonds on the Luxembourg Stock Exchange and the MERVAL and to have them admitted for trading on the Euro MTF Market and the MAE, the Bonds issued hereby may not be so listed and traded. Moreover, even if a series of Bonds is so listed and traded at the time of issuance, the Republic may decide to delist the Bonds and/or seek an alternative listing for such Bonds on another stock exchange, although there can be no assurance that such alternative listing will be obtained.

It may be difficult for you to obtain or enforce judgments against the Republic.

The Republic is a sovereign entity. Consequently, while the Republic has irrevocably submitted, subject to certain exceptions, to the jurisdiction of any New York state or U.S. federal court sitting in the City of New York, Borough of Manhattan (in addition to the courts of the Republic), over any suit, action or proceeding against it or its properties, assets or revenues arising out of or relating to the Bonds or the Republic’s failure or alleged failure to perform any obligations under the Bonds, which are governed by New York law, it

may be difficult for holders of Bonds or the trustee in respect of the Bonds to obtain or enforce judgments of courts in the United States or elsewhere against the Republic. See “Description of the Bonds—Governing Law” and “—Submission to Jurisdiction.”

Following the Republic’s default on its debt at the end of 2001, numerous lawsuits were filed against the Republic in several jurisdictions. For a description of certain plaintiffs’ attempts to execute on their judgments against the Republic, see “—Public Sector Debt—Legal Proceedings” in the Annual Report.

The Republic has not consented to service or waived sovereign immunity with respect to actions brought against it under the U.S. federal securities laws or any state securities laws. In the absence of a waiver of immunity by the Republic with respect to such actions, it would not be possible to obtain a judgment in such an action brought in a U.S. court against the Republic unless such court were to determine that the Republic is not entitled under the FSIA to sovereign immunity with respect to such action. Further, even if a U.S. judgment could be obtained in any such action under the FSIA, it may not be possible to enforce in the Republic such a U.S. judgment. Execution upon property of the Republic located in the United States to enforce a U.S. judgment may not be possible except under the limited circumstances specified in the FSIA. See “Enforceability of Civil Liabilities.”

In addition, if holders of Bonds obtained a foreign judgment against the Republic, it may be difficult for holders to have that judgment recognized and enforced in Argentine courts during states of emergency, as was declared by Congress during the 2001-2002 crisis, in light of the March 6, 2014 decision of the Supreme Court of Argentina in *Claren Corporation v. Estado Nacional*. In that case, the Supreme Court of Argentina held that the enforcement of a foreign judgment sought by *Claren Corporation* did not satisfy one of the requirements set forth in the Code of Civil and Commercial Procedure of the Republic (i.e., that a foreign judgment cannot contravene Argentine law principles of public policy), given the fact that enforcement as requested by the plaintiff would imply that such plaintiff, through an individual action filed before a foreign court, could circumvent the public debt restructuring process set forth by the Government through emergency legislation enacted in accordance with the Argentine Constitution after the debt securities subject to the foreign judgment were issued. The Supreme Court of Argentina further held that such norms were part of Argentine public policy and, therefore, that the enforcement of a foreign judgment like the one sought by the plaintiff could not be granted as it would be clearly contrary to such legislation.

Even in the absence of a state of emergency, it may be difficult for holders of Bonds to have a foreign judgment recognized and enforced against the Republic in Argentina. Law No. 11,672, *Ley Complementaria Permanente de Presupuesto*, requires that Congress approve, as part of the national budget, the payment of a portion or full amount of any foreign judgment. A holder of Bonds may only seek attachment of the Republic’s assets in Argentina to enforce a foreign judgment if such congressional approval is not obtained.

The Bonds will contain provisions commonly referred to as “collective action clauses” that permit the Republic to amend the payment terms of the Bonds without the consent of all holders.

The Bonds will contain provisions regarding voting on amendments, modifications and waivers which are commonly referred to as “collective action clauses.” Under these provisions, certain key terms of the Bonds may be amended, including the maturity date, interest rate and other payment terms, without your consent. See “Description of the Bonds.”

U.S. federal court decisions addressing the meaning of ranking provisions in the context of Argentina’s litigation with the holdout creditors could potentially reduce or hinder Argentina’s ability to restructure its debt.

In *NML Capital, Ltd. v. Republic of Argentina*, the Court of Appeals affirmed injunctions enforcing the *pari passu* clause contained in the 1994 Fiscal Agency Agreement, which governs certain of Argentina’s Untendered Debt, by preventing Argentina from making payments on the 2005 and 2010 Exchange Bonds unless ratable payments were made on the Untendered Debt. Upon confirmation that the conditions set forth in its March 2, 2016 order had been satisfied, the District Court ordered the vacatur of the *pari passu* injunctions. See “—Risks Relating to Litigation—The Republic’s ability to obtain financing from international markets is limited, which may impair its ability to implement reforms and foster economic growth.” Although the District

Court ordered the vacatur of the *pari passu* injunctions, the Republic cannot guarantee that future court orders will not prevent the Republic from making payments under the Bonds.

USE OF PROCEEDS

The gross proceeds from the sale of the Bonds will be EUR _____, before deducting commissions and offering expenses payable by the Republic. The Republic intends to use the net proceeds of the sale of the Bonds for general purposes of the Government.

DESCRIPTION OF THE BONDS

This section of this offering memorandum is only a summary of the material provisions of the Bonds and the Indenture and it does not contain all of the information that may be important to you as a potential investor in the Bonds. The Republic urges you to read the Indenture for a complete description of its obligations and your rights as a holder of the Bonds. Copies of the Indenture are available free of charge at the offices of the trustee and the Luxembourg listing agent.

The Bonds will be issued in two series pursuant to the Indenture between the Republic and The Bank of New York Mellon, as trustee.

General Terms of the Bonds

Basic Terms of the Bonds

The Bonds will:

- be direct, general, unconditional and unsubordinated obligations of the Republic, for which the full faith and credit of the Republic is pledged;
- not be redeemable before maturity at the option of the Republic or repayable at the option of the holder and not be entitled to the benefit of any sinking fund. The Republic may at any time, however, purchase any series of the Bonds and hold or resell them or surrender them to the trustee for cancellation;
- be represented by one registered note in global form (see “Global Bonds”);
- be eligible for settlement in Euroclear and Clearstream;
- be issued in one series and each in minimum denominations of EUR100,000 and integral multiples of EUR1,000 in excess thereof;
- contain “collective action clauses” under which the Republic may amend certain key terms of each series of Bonds, including the maturity date, interest rate and other terms, with the consent of less than all of the holders of such series of Bonds; and
- pay all amounts due in respect of principal or interest in Euros.
- be initially issued in an aggregate principal amount of EUR _____ ;
- pay principal on _____, 20____ ;
- mature on _____, 20____ .

Interest on the Bonds will:

- accrue at the rate of _____ % per annum;
- accrue from _____, 2016;
- be payable annually in arrears on _____ of each year, beginning on _____, 2017, to persons in whose names the Bonds are registered at the close of business on the business day preceding the corresponding payment date; and
- be computed based on the actual number of days elapsed divided by 365 (or 366).

Status

The Bonds will constitute direct, general, unconditional and unsubordinated obligations of the Republic, for which the full faith and credit of the Republic is pledged. The Bonds rank and will rank without any preference among themselves and equally with all other unsubordinated public external indebtedness (as defined below) of the Republic. It is understood that this provision will not be construed so as to require the Republic to make payments under any series of the Bonds ratably with payments being made under any other public external indebtedness.

For this purpose:

- “public external indebtedness” means any external indebtedness of, or guaranteed by, the Republic which (i) is publicly offered or privately placed in securities markets, (ii) is in the form of, or represented by, bonds, notes or other securities or any guarantees thereof and (iii) is, or was intended at the time of issue to be, quoted, listed or traded on any stock exchange, automated trading system or over-the-counter securities market (including securities eligible for sale pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), or any successor law or regulation of similar effect).
- “external indebtedness” means obligations for borrowed money or evidenced by securities, debentures, notes or other similar instruments payable by their terms, or which at the option of the holder thereof may be payable, in a currency other than the lawful currency of the Republic, *provided* that (i) no domestic foreign currency indebtedness, as defined below, and (ii) no other indebtedness governed by the laws of the Republic and originally settled in Argentina shall constitute external indebtedness.
- “domestic foreign currency indebtedness” means (i) the following indebtedness to the extent not redenominated into pesos pursuant to Argentine law and thereby converted into domestic indebtedness, in each case as amended from time to time: (a) Bonos del Tesoro issued under Decree No. 1527/91 and Decree No. 1730/91, (b) Bonos de Consolidación issued under Law No. 23,982 and Decree No. 2140/91, (c) Bonos de Consolidación de Deudas Previsionales issued under Law No. 23,982 and Decree No. 2140/91, (d) Bonos de la Tesorería a 10 Años de Plazo issued under Decree No. 211/92 and Decree No. 526/92, (e) Bonos de la Tesorería a 5 Años de Plazo issued under Decree No. 211/92 and Decree No. 526/92, (f) Ferrobonos issued under Decree No. 52/92 and Decree No. 526/92, (g) Bonos de Consolidación de Regalías Hidrocarburíferas a 16 Años de Plazo issued under Decree No. 2284/92 and Decree No. 54/93, (h) Letras de Tesorería en Dólares Estadounidenses issued under the Republic’s annual budget laws, including those Letras de Tesorería issued under Law No. 24,156 and Decree No. 340/96, (i) Bonos de Consolidación issued under Law No. 24,411 and Decree No. 726/97, (j) Bonos Externos de la República Argentina issued under Law No. 19,686 enacted on June 15, 1972, (k) Bonos del Tesoro a Mediano Plazo en Dólares Estadounidenses issued under Law No. 24,156 and Decree No. 340/96, (l) Bonos del Gobierno Nacional en Dólares Estadounidenses issued under Decree No. 905/2002, Decree No. 1836/2002 and Decree No. 739/2003, (m) Bonos del Gobierno Nacional en Dólares Estadounidenses issued under Resolution of the Secretary of Treasury and Finance No. 240/2005 and 85/2005, (n) Bonos de la Nación Argentina en Dólares Estadounidenses issued under Resolution of the Secretary of Treasury and Finance No. 88/2006 and 18/2006, (o) Bonos de la Nación Argentina en Dólares Estadounidenses issued under Resolution of the Secretary of Treasury and Finance No. 230/2006 and 64/2006, (p) Bonos de la Nación Argentina en Dólares Estadounidenses issued under Resolution of the Secretary of Treasury and Finance No. 100/2007 and 24/2007, (q) Bonos de la Nación Argentina en Dólares Estadounidenses issued under Resolution of the Secretary of Treasury and Finance No. 424/2011 and 132/2011 and (r) any other indebtedness issued on or prior to the closing date governed by the laws of the Republic; (ii) any indebtedness issued on or prior to the closing date in exchange, or as replacement, for the indebtedness referred to in (i) above, in each case as amended from time to time; and (iii) any other indebtedness having the same terms and conditions as any of the indebtedness referred to in

(i) and (ii) above in all respects except for issue date, issue price and the first interest payment thereon.

Payment of Principal and Interest

The trustee will make payments to the registered holders of the Bonds.

While the Bonds are held in global form, holders of beneficial interests in the Bonds will be paid in accordance with the procedures of the relevant clearing system and its direct participants, if applicable. Neither the Republic nor the trustee shall have any responsibility or liability for any aspect of the records of, or payments made by, the relevant clearing system or its nominee or direct participants, or any failure on the part of the relevant clearing system or its direct participants in making payments to holders of the Bonds from the funds they receive.

For purposes of this section, "Business Day" means any day except Saturday, Sunday or any other day on which commercial banks in New York City, London or in the City of Buenos Aires (or in the city where the relevant paying or transfer agent is located) are authorized or obligated by law, regulation, or executive order to be closed. In any case where the date of payment of the principal, interest or premium, if any, on the Bonds is not a Business Day, then such payment will be made on the next succeeding Business Day, and no interest on the Bonds will accrue as a result of the delay in payment.

If any money that the Republic pays to the trustee or to any paying agent appointed by the trustee at the expense of the Republic (a "trustee paying agent") to make payments on any Bonds is not claimed at the end of one year after the applicable payment was due and payable, then the money will be repaid to the Republic on the Republic's written request. The Republic will hold such unclaimed money in trust for the relevant holders of those Bonds. After any such repayment, neither the trustee nor any trustee paying agent will be liable for the payment. However, the Republic's obligations to make payments on the Bonds as they become due will not be affected until the expiration of the prescription period, if any, specified in the Bonds. See "—Prescription" below.

The Republic agrees that Section 765 of the Argentine Civil and Commercial Code is not applicable to the payment of amounts due on the Bonds.

If the Republic at any time defaults in the payment of any principal of, or interest on, the Bonds, the Republic will pay interest on the amount in default (to the extent permitted by law) calculated, for each day until paid, at the rate or rates specified in such Bonds.

Additional Amounts

The Republic will make all principal, premium (if any) and interest payments on the Bonds free and clear of and without deducting or withholding on account of any present or future taxes, duties, assessments or other governmental charges of whatever nature, imposed, levied, collected, withheld or assessed by the Republic or any political subdivision or authority thereof or therein having power to tax, unless the deduction or withholding is required by law. If the Republic is required to make any deduction or withholding, it will pay the holders the additional amounts required to ensure that the net amount they receive after such withholding or deduction shall equal the amount of principal, premium (if any) and interest they would have received without this withholding or deduction.

The Republic will not, however, pay any additional amounts with respect to any Bonds in connection with any tax, duty, assessment or other governmental charge that is imposed due to any of the following:

- the holder or beneficial owner of a Bond is liable for taxes in respect of the Bonds because such holder or beneficial owner has some connection with the Republic other than merely holding the Bonds or the receipt of principal, premium or interest in respect of the Bonds or the enforcement of rights with respect to the Bonds;

- the failure of a holder or beneficial owner of a Bond to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with the Republic of such holder or beneficial owner, if compliance with the requirement is a precondition to exemption from all or any portion of such withholding or deduction, provided that (i) the Republic or the Republic's agent has notified the holders of such certification, identification or other reporting requirement at least 15 days before the applicable payment date and (ii) in no event shall such holder's or beneficial owner's obligation to satisfy such a requirement require such holder or beneficial owner to provide any materially more onerous information, documents or other evidence than would be required to be provided had such holder or beneficial owner been required to file Internal Revenue Service Forms W-8BEN, W-8BEN-E, W-8ECI, W-8EXP and/or W-8IMY; or
- the Bonds are presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder of the Bonds would have been entitled to additional amounts on presenting the Bonds for payment on the last day of that 30-day period.

"Relevant Date" in respect of any Bonds means the date on which payment in respect of the Bonds first becomes due or (if the trustee has not received the full amount of the money payable by such due date) the date on which notice is given to the holders by the Republic in the manner described in "Notices" below that such moneys have been received and are available for payment.

The Republic will pay any present or future stamp, court or documentary taxes or any excise or property taxes, charges or similar levies which arise in Argentina or any political subdivision thereof or taxing authority thereof or therein in respect of the creation, issue, execution, initial delivery or registration of the Bonds or any other document or instrument referred to therein. The Republic will also indemnify the holders from and against any stamp, court or documentary taxes or any excise or property taxes, charges or similar levies resulting from, or required to be paid by any of them that arise in Argentina or any political subdivision thereof or taxing authority thereof or therein in connection with the enforcement of the obligations of the Republic under the Bonds or any other document or instrument referred to therein following the occurrence of any event of default described in "—Events of Default."

Unless the context requires otherwise, any references in this offering memorandum to principal or interest on the Bonds will include additional amounts payable by the Republic in respect of such principal or interest.

Negative Pledge

The Republic has agreed that, except as set forth below, as long as any of the Bonds remain outstanding, it will not create or permit to subsist any security interest (e.g., a lien, pledge, mortgage, deed of trust, charge or other encumbrance or preferential arrangement that has the practical effect of constituting a security interest) in its revenues or assets to secure its public external indebtedness, unless the Bonds are secured equally and ratably or have the benefit of a security, guarantee, indemnity or other arrangement approved by the holders in accordance with "—Meetings, Amendments and Waivers—Collective Action" below.

Nevertheless, the Republic may permit to subsist:

1. any security interest upon property to secure public external indebtedness if that public external indebtedness was incurred to finance the acquisition of that property by the Republic; any renewal or extension of that security interest so long as it is limited to the original property covered by the security interest and it secures any renewal or extension of the original secured financing;
2. any security interest on property arising by operation of law (or pursuant to any agreement establishing a Lien equivalent to one which would otherwise exist under relevant local law) in connection with public external indebtedness, including without limitation any right of set-off with respect to demand or time deposits with financial institutions and bankers' liens with respect to

property held by financial institutions (in each case deposited with or delivered to such financial institutions in the ordinary course of the depositor's activities);

3. any security existing on that property at the time of its acquisition to secure public external indebtedness and any renewal or extension of that security interest that is limited to the original property covered by the security interest and that secures any renewal or extension of the original secured financing;
4. any security interest created in connection with the transactions contemplated by the Republic's 1992 financing plan dated June 23, 1992, sent to the international banking community with the communication dated June 23, 1992, from the Minister of Economy of Argentina (the "1992 financing plan") and its implementing documentation, including any security interest to secure obligations under the collateralized bonds issued under the 1992 financing plan (the "1992 par and discount bonds") and any security interest securing indebtedness outstanding on the Closing Date to the extent required to be equally and ratably secured with the 1992 par and discount bonds;
5. any security interest in existence on the Closing Date;
6. any security interest securing public external indebtedness issued upon surrender or cancellation of any of the 1992 par and discount bonds or the principal amount of any indebtedness outstanding as of June 23, 1992, in each case, to the extent that security interest is created to secure the public external indebtedness on a basis comparable to the 1992 par and discount bonds;
7. any security interest on any of the 1992 par and discount bonds; and
8. any security interest securing public external indebtedness incurred for the purpose of financing all or part of the costs of the acquisition, construction or development of a project, provided that (a) the holders of that public external indebtedness expressly agree to limit their recourse to the assets and revenues of that project as the principal source of repayment of the public external indebtedness and (b) the property over which that security interest is granted consists solely of those assets and revenues.

Events of Default

Each of the following is an event of default under each series of the Bonds:

1. *Non Payment.* The Republic fails to pay any principal of or interest on such series of the Bonds when due and payable and such failure continues for 30 days;
2. *Breach of Other Obligations.* The Republic fails to perform or comply with any other obligation under such series of the Bonds or the Indenture and such failure cannot be remedied or is not remedied within 90 days after the Republic receives written notice of request to remedy such failure from the trustee;
3. *Cross Default.* Any event or condition occurs that results in the acceleration of the maturity (other than by optional or mandatory prepayment or redemption) of any of the Republic's performing public external indebtedness having an aggregate principal amount of U.S.\$50,000,000 (or its equivalent in other currencies) or more, or the Republic fails to pay performing public external indebtedness having an aggregate principal amount of U.S.\$50,000,000 (or its equivalent in other currencies) or more when and as the same shall become due and payable and that failure continues past the applicable grace period, if any;
4. *Moratorium.* A declaration by the Republic of a moratorium on the payment of principal of, or interest on, its performing public external indebtedness and such moratorium does not expressly exclude such series of the Bonds; or
5. *Validity.* The Republic contests the validity of such series of the Bonds.

If any of the above events of default occurs and is continuing with respect to a series of the Bonds, holders of such Bonds representing at least 25% of the aggregate principal amount of the then-outstanding Bonds of such series may declare the principal amount of all the Bonds of such series to be due and payable immediately by giving written notice to the Republic with a copy to the trustee. Upon any declaration of acceleration, the principal, interest and all other amounts payable on that series of Bonds will become immediately due and payable on the date that written notice is received by or on behalf of the Republic, unless the Republic has remedied the event or events of default prior to receiving the notice.

Holders of a series of the Bonds representing in the aggregate more than 50% of the principal amount of the then-outstanding Bonds of such series may waive any existing defaults, and their consequences, on behalf of the holders of all of the Bonds of such series, if:

- following the declaration that the principal of such Bonds has become due and payable immediately, the Republic deposits with the trustee a sum sufficient to pay all outstanding amounts then due on those Bonds (other than principal due by virtue of the acceleration upon the event of default) together with interest on such amounts through the date of the deposit as well as the reasonable fees and expenses of the trustee; and
- all events of default (other than non-payment of principal that became due by virtue of the acceleration upon the event of default) have been remedied or waived.

In the case of an event of default specified in (2) and (5) above, the principal, interest and all other amounts payable on that series of Bonds may only be declared due and payable immediately if such event is materially prejudicial to the interests of the holders of such series of Bonds.

In the event of a declaration of acceleration because of an event of default described in (3) above, the declaration of acceleration will be automatically rescinded and annulled if the Republic has remedied or cured the event of default or if the holders of the relevant indebtedness rescind the declaration of acceleration within 60 days after the event.

Only performing public external indebtedness is considered for purposes of cross-default. Other events of default apply solely to any series of Bonds that contain such events of default.

For this purpose, "performing public external indebtedness" means any public external indebtedness issued after June 2, 2005.

Suits for Enforcement and Limitations on Suits by Holders

If an event of default for a series of the Bonds has occurred and is continuing, the trustee may institute judicial action to enforce the rights of the holders of such Bonds. With the exception of a suit brought by a holder on or after the stated maturity date to enforce the absolute right to receive payment of the principal of and interest on the Bonds on the stated maturity date therefor (as that date may be amended or modified pursuant to the terms of the Bonds, but without giving effect to any acceleration), a holder has no right to bring a suit, action or proceeding with respect to the Bonds of a series unless: (1) such holder has given written notice to the trustee that a default with respect to such series of Bonds has occurred and is continuing; (2) holders of at least 25% of the aggregate principal amount outstanding of such series of Bonds have instructed the trustee by specific written request to institute an action or proceeding and provided an indemnity or other security satisfactory to the trustee; and (3) 60 days have passed since the trustee received the notice, request and provision of indemnity or other security, the trustee has failed to institute an action or proceeding as directed and no direction inconsistent with such written request shall have been given to the trustee by a majority of holders of such series of Bonds. Moreover, any such action commenced by a holder must be for the equal, ratable and common benefit of all holders of such series of Bonds.

Meetings, Amendments and Waivers—Collective Action

The Republic may call a meeting of holders of any series of the Bonds at any time regarding the Indenture. The Republic will determine the time and place of the meeting and will notify the holders of the time, place and purpose of the meeting not less than 30 and not more than 60 days before the meeting.

In addition, the Republic or the trustee will call a meeting of holders of a series of the Bonds if at least 10% in aggregate principal amount of such Bonds have delivered a written request to the Republic or the trustee (with a copy to the Republic) setting forth the purpose of the meeting. Within 10 days of receipt of such written request or copy thereof, the Republic will notify the trustee and the trustee will notify the holders of the time, place and purpose of the meeting called by the holders, to take place not less than 30 and not more than 60 days after the date on which such notice is given.

Only holders of the Bonds and their proxies are entitled to vote at a meeting of holders. The Republic will set the procedures governing the conduct of the meeting and if additional procedures are required, the Republic will consult with the trustee to establish such procedures as are customary in the market.

Modifications may also be approved by holders of the Bonds pursuant to written action with the consent of the requisite percentage of the Bonds of the relevant series. The Republic will solicit the consent of the relevant holders to the modification not less than 10 and not more than 30 days before the expiration date for the receipt of such consents as specified by the Republic.

The holders of a series of the Bonds may generally approve any proposal by the Republic to modify or take action with respect to the Indenture or the terms of such Bonds with the affirmative vote (if approved at a meeting of the holders) or consent (if approved by written action) of holders of more than 50% of the outstanding principal amount of the Bonds of that series.

However, holders of any series of debt securities issued under the Indenture (including the Bonds) may approve, by vote or consent through one of three modification methods, any modification, amendment, supplement or waiver proposed by the Republic that would do any of the following (such subjects referred to as “reserve matters”) with respect to such series of debt securities:

- change the date on which any amount is payable;
- reduce the principal amount (other than in accordance with the express terms of the debt securities of that series and the Indenture);
- reduce the interest rate;
- change the method used to calculate any amount payable (other than in accordance with the express terms of the debt securities of that series and the Indenture);
- change the currency or place of payment of any amount payable;
- modify the Republic’s obligation to make any payments (including any redemption price therefor);
- change the identity of the obligor;
- change the definition of “outstanding debt securities” or the percentage of affirmative votes or written consents, as the case may be, required to make a “reserve matter modification”;
- change the definition of “uniformly applicable” or “reserve matter modification”;
- authorize the trustee, on behalf of all holders of the debt securities, to exchange or substitute all the debt securities for, or convert all the debt securities into, other obligations or securities of the Republic or any other person; or

- change the legal ranking, governing law, submission to jurisdiction or waiver of immunities provisions of the terms of such debt securities.

A change to a reserve matter, including the payment terms of any series of the Bonds, can be made without your consent, as long as the change is approved, pursuant to one of the three following modification methods, by vote or consent by:

- in the case of a proposed modification to a single series of the Bonds, the holders of more than 75% of the aggregate principal amount of that series;
- where such proposed modification would affect the outstanding debt securities of any two or more series (including the Bonds) issued under the Indenture, the holders of more than 75% of the aggregate principal amount of the outstanding debt securities of all the series affected by the proposed modification, taken in the aggregate, if certain “uniformly applicable” requirements are met; or
- where such proposed modification would affect the outstanding debt securities of any two or more series (including the Bonds) issued under the Indenture, whether or not the “uniformly applicable” requirements are met, the holders of more than 66²/₃% of the aggregate principal amount of the outstanding debt securities of all the series (including the Bonds) affected by the proposed modification, taken in the aggregate, and the holders of more than 50% of the aggregate principal amount of the outstanding debt securities of each series affected by the modification, taken individually.

Any modification consented to or approved by the holders of debt securities pursuant to the above provisions will be conclusive and binding on all holders of the relevant series of debt securities or all holders of all series of debt securities affected by a cross-series modification, as the case may be, whether or not they have given such consent or approval, and on all future holders of those debt securities whether or not notation of such modification is made upon the debt securities. Any instrument given by or on behalf of any holder of a debt security in connection with any consent to or approval of any such modification will be conclusive and binding on all subsequent holders of that debt security.

For so long as any series of debt securities issued under the indenture dated as of June 2, 2005 between the Republic of Argentina, as issuer, and The Bank of New York Mellon (formerly, The Bank of New York), as trustee, as amended by the first supplemental indenture dated as of April 30, 2010 (the “2005 indenture”) (2005 and 2010 debt securities) are outstanding, if the Republic certifies to the trustee and to the trustee under the 2005 indenture that a cross-series modification is being sought simultaneously with a “2005 indenture reserve matter modification”, the 2005 and 2010 debt securities affected by such 2005 indenture reserve matter modification shall be treated as “series affected by that proposed modification” as that phrase is used in the indenture with respect to both cross-series modifications with single aggregated voting and cross-series modifications with two-tier voting; provided, that if the Republic seeks a cross-series modification with single aggregated voting, in determining whether such modification will be considered uniformly applicable, the holders of any series of 2005 and 2010 debt securities affected by the 2005 indenture reserve matter modification shall be deemed “holders of debt securities of all series affected by that modification,” for the purpose of the uniformly applicable definition. It is the intention that in the circumstances described in respect of any cross-series modification, the votes of the holders of the affected 2005 and 2010 debt securities be counted for purposes of the voting thresholds specified in the indenture for the applicable cross-series modification as though those 2005 and 2010 debt securities had been affected by that cross-series modification although the effectiveness of any modification, as it relates to the 2005 and 2010 debt securities, shall be governed exclusively by the terms and conditions of those 2005 and 2010 debt securities and by the 2005 indenture; provided, however, that no such modification as to the debt securities will be effective unless such modification shall have also been adopted by the holders of the 2005 and 2010 debt securities pursuant to the amendment and modification provisions of such 2005 and 2010 debt securities.

The Republic may select, in its discretion, any modification method for a reserve matter modification in accordance with the Indenture and to designate which series of debt securities will be included for approval in the aggregate of modifications affecting two or more series of debt securities. Any selection of a

modification method or designation of series to be included will be final for the purpose of that vote or consent solicitation.

“Uniformly applicable,” as referred to above, means a modification by which holders of debt securities of any series affected by that modification are invited to exchange, convert or substitute their debt securities on the same terms for (x) the same new instruments or other consideration or (y) new instruments or other consideration from an identical menu of instruments or other consideration. It is understood that a modification will not be considered to be uniformly applicable if each exchanging, converting or substituting holder of debt securities of any series affected by that modification is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting or substituting holder of debt securities of any series affected by that modification (or, where a menu of instruments or other consideration is offered, each exchanging, converting or substituting holder of debt securities of any series affected by that modification is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting or substituting holder of debt securities of any series affected by that modification electing the same option under such menu of instruments).

“2005 indenture reserve matter modification” means any modification to a reserve matter affecting the terms and conditions of one or more series of the 2005 and 2010 debt securities, pursuant to the 2005 indenture.

Before soliciting any consent or vote of any holder of a series of the Bonds for any change to a reserve matter, the Republic will provide the following information to the trustee for distribution to the holders of such Bonds:

- a description of the Republic’s economic and financial circumstances that are in the Republic’s opinion, relevant to the request for the proposed modification, a description of the Republic’s existing debts and description of its broad policy reform program and provisional macroeconomic outlook;
- if the Republic shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, (x) a description of any such arrangement or agreement and (y) where permitted under the information disclosure policies of the multilateral or other creditors, as applicable, a copy of the arrangement or agreement;
- a description of the Republic’s proposed treatment of foreign debt instruments that are not affected by the proposed modification and its intentions with respect to any other major creditor groups; and
- if the Republic is then seeking any reserve matter modification affecting any other series of debt securities, a description of that proposed modification.

For purposes of determining whether the required percentage of holders of any series of the Bonds or any other series of debt securities has approved any amendment, modification or change to, or waiver of, such Bonds, such other debt securities or the Indenture, or whether the required percentage of holders has delivered a notice of acceleration of such Bonds, debt securities will be disregarded and deemed not to be outstanding and may not be counted in a vote or consent solicitation for or against a proposed modification if on the record date for the proposed modification or other action or instruction hereunder, the debt security is held by the Republic or by a public sector instrumentality, or by a corporation, trust or other legal entity that is controlled by the Republic or a public sector instrumentality, except that (x) debt securities held by the Republic or any public sector instrumentality of the Republic or by a corporation, trust or other legal entity that is controlled by the Republic or a public sector instrumentality that have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the trustee the pledgee’s right so to act with respect to such debt securities and that the pledgee is not the Republic, a public sector instrumentality or a corporation, trust or other legal entity that is controlled by the Republic or a public sector instrumentality, and in case of a dispute

concerning such right, the advice of counsel shall be full protection in respect of any decision made by the trustee in accordance with such advice and any certificate, statement or opinion of counsel may be based, insofar as it relates to factual matters or information that is in the possession of the trustee, upon the certificate, statement or opinion of or representations by the trustee; and (y) in determining whether the trustee will be protected in relying upon any such action or instructions hereunder, or any notice from holders, only debt securities that a responsible officer of the trustee knows to be so owned or controlled will be so disregarded.

As used in the preceding paragraph, "public sector instrumentality" means any department, secretary, ministry or agency of the Republic, and "control" means the power, directly or indirectly, through the ownership of voting securities or other ownership interests, by contract or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of that legal entity.

Other Amendments

The Republic and the trustee may, without the vote or consent of any holder of debt securities (including the Bonds), amend the Indenture or such debt securities for the purpose of:

- adding to the Republic's covenants for the benefit of the holders;
- surrendering any of the Republic's rights or powers with respect to the debt securities of that series;
- securing the debt securities of that series;
- curing any ambiguity or curing, correcting or supplementing any defective provision in the debt securities of that series or the Indenture;
- amending any series of the Bonds or the Indenture in any manner that the Republic and the trustee may determine, including amending the denomination of the Bonds, and that does not materially adversely affect the interests of any holders of the debt securities of that series; or
- correcting a manifest error of a formal, minor or technical nature.

Further Issues of Debt Securities

The Republic may from time to time, without the consent of holders, create and issue additional debt securities having the same terms and conditions as any series of the Bonds in all respects, except for issue date, issue price, original interest accrual date and the first interest payment on the debt securities; provided, however, that any additional debt securities subsequently issued shall be issued, for U.S. federal income tax purposes, either (a) as part of the "same issue" as such Bonds or (b) in a "qualified reopening" of such Bonds, unless such additional debt securities have a separate CUSIP, ISIN or other identifying number from such Bonds. Such additional debt securities will be consolidated with and will form a single series with such Bonds.

Global Bonds

Euroclear Bank S.A./N.V., or Euroclear, and Clearstream, Luxembourg, are under no obligation to perform or continue to perform the procedures described below, and they may modify or discontinue them at any time. Neither the Republic nor the trustee will be responsible for Euroclear's or Clearstream, Luxembourg's performance of their obligations under their rules and procedures. Additionally, neither the Republic nor the trustee will be responsible for the performance by direct or indirect participants of their obligations under their rules and procedures.

The Bonds will be issued to investors in global form, the ownership and transfer of which are recorded in computerized book-entry accounts, eliminating the need for physical movement of Bonds. The Bonds will be sold in compliance with Regulation S and will be represented by one registered Bond in global form (the "Regulation S Global Bond"). The Republic refers to the intangible Bonds represented by a Regulation S

Global Bond as “book-entry” Bonds.

The Republic will deposit any Regulation S Global Bond it issues with a common depository and register such Regulation S Global Bond in the name of such common depository or its nominee, for the accounts of Euroclear and Clearstream, Luxembourg. Unless a Regulation S Global Bond is exchanged for certificated securities, as discussed below under “—Certificated Securities,” it may not be transferred, except as a whole among the clearing systems, its nominees or common depositories and their successors.

Clearing systems process the clearance and settlement of book-entry Bonds for their direct participants. A “direct participant” is a bank or financial institution that has an account with a clearing system. The clearing systems act only on behalf of their direct participants, who in turn act on behalf of indirect participants. An “indirect participant” is a bank or financial institution that gains access to a clearing system by clearing through or maintaining a relationship with a direct participant. Euroclear and Clearstream, Luxembourg are connected to each other by a direct link which permits you to hold book-entry Bonds through participants in any of these clearing systems, subject to applicable securities laws.

If you wish to purchase book-entry Bonds, you must either be a direct participant or make your purchase through a direct or indirect participant. Investors who purchase book-entry Bonds will hold them in an account at the bank or financial institution acting as their direct or indirect participant.

When you hold Bonds in this manner, you must rely on the procedures of the institutions through which you hold your Bonds to exercise any of the rights granted to holders. This is because the legal obligations of the Republic and the trustee run only to the registered owner of the Regulation S Global Bond, which will be the relevant clearing system or its nominee or common depository. For example, once the Republic arranges for payments to be made to the registered holder, the Republic will no longer be liable for the amounts so paid on the security, even if you do not receive it. In practice, the clearing systems will pass along any payments or notices they receive from the Republic to their participants, which will pass along the payments to you. In addition, if you desire to take any action which a holder of a Bond is entitled to take, then the clearing system would authorize the participant through which you hold your book-entry Bonds to take such action, and the participant would then either authorize you to take the action or would act for you on your instructions. The transactions between you, the participants and the clearing systems will be governed by customer agreements, customary practices and applicable laws and regulations, and not by any legal obligation of the Republic.

As an owner of book-entry Bonds represented by a Regulation S Global Bond, you will also be subject to the following restrictions:

- you will not be entitled to (a) receive physical delivery of the Bonds in certificated form or (b) have any of the Bonds registered in your name, except under the circumstances described below under “—Certificated Securities”;
- you may not be able to transfer or sell your Bonds to some insurance companies and other institutions that are required by law to own their Bonds in certificated form;
- you may not be able to pledge your Bonds in circumstances where certificates must be physically delivered to the creditor or the beneficiary of the pledge in order for the pledge to be effective; and
- none of the Republic, the trustee, any trustee paying agent, any registrar or any agent of the Republic or the trustee shall have any responsibility or obligation to any beneficial owner in a Regulation S Global Bond, or participant or other person with respect to the accuracy of the records of the relevant clearing system or its nominee or common depository, with respect to any ownership interest in the Bonds or with respect to the delivery to any participant, beneficial owner or other person of any notice (including any notice of redemption) or the payment of any amount, under or with respect to such Bonds. All notices and communications to be given to the holders and all payments to be made to holders under the Bonds and the Indenture will be given or made only to or upon the order of the registered holders (which shall be the relevant clearing system or its nominee or common depository in the case of the Regulation S Global Bond). The rights of

beneficial owners in the Regulation S Global Bond shall be exercised only through the relevant clearing system or its nominee or common depository subject to the applicable procedures. The Republic, the trustee, any trustee paying agent, any registrar and any agent of the Republic or the trustee shall be entitled to rely and shall be fully protected in relying upon information furnished by the relevant clearing system or its nominee or common depository with respect to its members, participants and any beneficial owners. The Republic, the trustee, any trustee paying agent, any registrar and any agent of the Republic or the trustee shall be entitled to deal with the relevant clearing system or its nominee or common depository, that is the registered holder of any Regulation S Global Bond for all purposes relating to such Regulation S Global Bond (including the payment of principal, premium, if any, and interest and additional amounts, if any, and the giving of instructions or directions by or to the owner or holder of a beneficial ownership interest in such Regulation S Global Bond) as the sole holder of such Regulation S Global Bond and shall have no obligations to the beneficial owners thereof. None of the Republic, the trustee, any trustee paying agent, any registrar or any agent of the Republic or the trustee shall have any responsibility or liability for any acts or omissions of the relevant clearing system or its nominee or common depository with respect to such Regulation S Global Bond, for the records of any such depository, including records in respect of beneficial ownership interests in respect of any such Regulation S Global Bond, for any transactions between the relevant clearing system or its nominee or common depository and any participant or between or among the relevant clearing system or its nominee or common depository, any such participant and/or any holder or owner of a beneficial interest in such Regulation S Global Bond, or for any transfers of beneficial interests in any such Regulation S Global Bond.

The Clearing Systems

The following description reflects the Republic's understanding of the current rules and procedures of Euroclear and Clearstream, Luxembourg. The Republic has obtained the information in this section from sources it believes to be reliable, including from Euroclear and Clearstream, Luxembourg. These systems could change their rules and procedures at any time, and the Republic takes no responsibility for their actions.

Clearstream, Luxembourg

Clearstream, Luxembourg is incorporated under the laws of Luxembourg as a professional depository.

Clearstream, Luxembourg holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions between its participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Clearstream, Luxembourg provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing.

Clearstream, Luxembourg interfaces with domestic markets in several countries. As a professional depository, Clearstream, Luxembourg is subject to potential supervision by the *Commission de Surveillance du Secteur Financier*. Clearstream, Luxembourg participants are financial institutions around the world, including the other securities brokers and dealers, banks, trust companies and clearing corporations and certain other organizations. Indirect access to Clearstream, Luxembourg is also available to others that clear through or maintain a custodial relationship with a Clearstream, Luxembourg participant either directly or indirectly.

Euroclear

Euroclear was created in 1968 to hold securities for its participants and to clear and settle transactions between its participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash.

Euroclear provides various other services, including securities lending and borrowing, and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S. A./N. V. (referred to as

the “Euroclear Operator”) under contract with Euro-Clear Clearance Systems, S.C., a Belgian cooperative corporation (referred to as the “Cooperative”). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries. Indirect access to Euroclear is also available to others that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

Because the Euroclear Operator is a Belgian banking corporation, Euroclear is regulated and examined by the Belgian Banking Commission.

Trading Between Euroclear and/or Clearstream Participants

Participants in Euroclear and Clearstream will transfer interests in the Bonds among themselves in the ordinary way according to the rules and operating procedures of Euroclear and Clearstream.

Certificated Securities

The Republic will issue Bonds in certificated registered form in exchange for interests in a Regulation S Global Bond only if:

- the depository notifies the Republic that it is unwilling or unable to continue as depository, is ineligible to act as depository or ceases to be a clearing agency registered under any applicable statute or regulation and the Republic does not appoint a successor depository or clearing agency within 90 days;
- The Republic decides it no longer wishes to have all or part of the Bonds represented by a Regulation S Global Bond; or
- the trustee has instituted or been directed to institute any judicial proceeding to enforce the rights of the holders under the Bonds and has been advised by its legal counsel that it should obtain possession of the Bonds for the proceeding.

If a physical or certificated security becomes mutilated, defaced, destroyed, lost or stolen, the Republic may execute, and the trustee shall authenticate and deliver, a substitute security in replacement. In each case, the affected holder will be required to furnish to the Republic and to the trustee an indemnity under which it will agree to pay the Republic, the trustee and any of their respective agents for any losses they may suffer relating to the security that was mutilated, defaced, destroyed, lost or stolen. The Republic and the trustee may also require that the affected holder present other documents or proof. The affected holder may be required to pay all taxes, expenses and reasonable charges associated with the replacement of the mutilated, defaced, destroyed, lost or stolen security.

If the Republic issues certificated securities, a holder of certificated securities may exchange them for Bonds of a different authorized denomination by submitting the certificated securities, together with a written request for an exchange, at the office of the trustee as specified in the Indenture in New York City, or at the office of any trustee paying agent. In addition, the holder of any certificated security may transfer it in whole or in part by surrendering it at any of such offices together with an executed instrument of transfer.

The Republic will not charge the holders for the costs and expenses associated with the exchange, transfer or registration of transfer of certificated securities. The Republic may, however, charge the holders for certain delivery expenses as well as any applicable stamp duty, tax or other governmental or insurance charges. The trustee may reject any request for an exchange or registration of transfer of any security made within 15 days of the date for any payment of principal of, or premium or interest on the Bonds.

Settlement

Initial settlement for the Regulation S Global Bond and settlement of any secondary market trades in the Regulation S Global Bond will be made in same day funds. The Regulation S Global Bond will settle in Euroclear's and Clearstream, Luxembourg's same day funds settlement system.

Trustee

The Indenture establishes the obligations and duties of the trustee, the right to indemnification of the trustee and the liability and responsibility, including limitations, for actions that the trustee takes. The trustee is entitled to enter into business transactions with the Republic or any of its affiliates without accounting for any profit resulting from these transactions.

Trustee Paying Agents; Transfer Agents; Registrar; Common Depositary

The trustee will at all times maintain a principal trustee paying agent, a transfer agent and a registrar in New York City. The trustee will also maintain The Bank of New York Mellon, London Branch, as common depositary. The Republic or the trustee, as the case may be, will give prompt notice to all holders of the Bonds of any future appointment or any resignation or removal of any trustee paying agent, transfer agent or registrar or of any change by any trustee paying agent, transfer agent or registrar in any of its specified offices.

In addition, the trustee will maintain a trustee paying agent in Luxembourg with respect to the Bonds for so long they are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require.

Notices

The Republic or the trustee, as the case may be, will mail notices to holders of certificated securities at their registered addresses as reflected in the books and records of the registrar. The Republic will consider any mailed notice to have been given five business days after it has been sent. The Republic will give notices to the holders of a global Bond in accordance with the procedures and practices of the depositary and such notices shall be deemed given upon actual receipt thereof by the depositary.

The Republic will also publish notices to the holders (a) in a leading newspaper having general circulation in Buenos Aires, New York City and London (which is expected to be La Nación or Ambito Financiero, The Wall Street Journal and the Financial Times, respectively) and (b) if and so long as the Bonds are listed on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of the exchange so require, in a leading newspaper having general circulation in Luxembourg (which is expected to be Luxemburger Wort) and on the website of the Luxembourg Stock Exchange at <http://www.bourse.lu>. If publication in a leading newspaper in Luxembourg is not practicable, the Republic will publish such notices in a leading English language daily newspaper with general circulation in Europe. The Republic will consider any published notice to be given on the date of its first publication.

Prescription

Claims against the Republic for the payment of principal, interest, if any, or other amounts due on the Bonds will be prescribed unless made within five years, with respect to principal, and two years, with respect to interest, premium, if any, or other amounts due on the Bonds, in each case from the date on which such payment first became due, or a shorter period if provided by Argentine law.

Governing Law

The Bonds will be, and the Indenture is, governed by and construed in accordance with the laws of the State of New York, except with respect to the authorization and execution of the Bonds and the Indenture by and on behalf of Argentina, which shall be governed by the laws of Argentina.

Jurisdiction, Consent to Service, Enforcement of Judgments and Immunities from Attachment

The Bonds and the Indenture provide that, subject to certain exceptions described below, the Republic will submit to the exclusive jurisdiction of any New York state or U.S. federal court sitting in the Borough of Manhattan, the City of New York and the courts of Argentina and, in each case, any appellate court thereof (each, a “specified court”) in any suit, action or proceeding arising out of or relating to the Bonds or Argentina’s failure or alleged failure to perform any obligations under the Bonds against it or its properties, assets or revenues (a “related proceeding”). The Republic will irrevocably and unconditionally waive, to the fullest extent permitted by law, any objection that it may have to in any related proceeding brought in a specified court whether on the grounds of venue, residence or domicile or on the ground that such related proceeding has been brought in an inconvenient forum (except for any related proceeding relating to the securities laws of the United States or any state thereof).

Subject to certain limitations described below, the Republic will appoint Banco de la Nación Argentina, at its office located at 225 Park Avenue, New York, New York, 10169 upon whom process may be served in any related proceeding, or any proceeding to enforce or execute a judgment brought in a specified court. This appointment will be irrevocable with respect to any series of Bonds until all amounts in respect of the principal of and interest due on such Bonds has been provided to the trustee in accordance with the terms of the Indenture, except that if for any reason, any agent for the service of process appointed by the Republic can no longer act in that capacity or no longer maintains an office in The City of New York, the Republic will appoint another person to serve as agent for the service of process.

Subject to certain limitations described below, to the extent that the Republic or any of its revenues, assets or properties are entitled, in any jurisdiction in which any specified court is located, in which any related proceeding may at any time be brought against it or any of its revenues, assets or properties, or in any jurisdiction in which any specified court is located in which any suit, action or proceeding may at any time be brought for the purpose of enforcing or executing any judgment issued in any related proceeding (the “related judgment”), to any immunity from suit, from the jurisdiction of any such court, from set off, from attachment prior to judgment, from attachment in aid of execution of judgment, from execution of a judgment or from any other legal or judicial process or remedy, and to the extent that in any such jurisdiction there shall be attributed such an immunity, the Republic irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction, including the FSIA (and consents to the giving of any relief or the issue of any process in connection with any related proceeding or related judgment as permitted by applicable law, including the FSIA), provided, however, that such waiver shall not extend to and the Republic shall be immune in respect of and in relation to any suit, action or proceeding or enforcement of any Related Judgment against:

- (i) any reserves of the Central Bank;
- (ii) any property in the public domain located in the territory of the Republic, including property that falls within the purview of Sections 234 and 235 of the Civil and Commercial Code of the Republic;
- (iii) any property located in or outside the territory of the Republic that provides an essential public service;
- (iv) any property (whether in the form of cash, bank deposits, securities, third party obligations or any other methods of payment) of the Republic, its governmental agencies and other governmental entities relating to the performance of the budget, within the purview of Sections 165 through 170 of Law No. 11,672, *Ley Complementaria Permanente de Presupuesto* (t.o. 2014);
- (v) any property entitled to the privileges and immunities of the Vienna Convention on Diplomatic Relations of 1961 and the Vienna Convention on Consular Relations of 1963, including, but not limited to, property, premises and bank accounts used by the missions of the Republic;
- (vi) any property used by a diplomatic, governmental or consular mission of the Republic;

- (vii) taxes, duties, levies, assessments, royalties or any other governmental charges imposed by the Republic, including the right of the Republic to collect any such charges;
- (viii) any property of a military character or under the control of a military authority or defense agency of the Republic;
- (ix) property forming part of the cultural heritage of the Republic; or
- (x) property entitled to immunity under any applicable sovereign immunity laws.

The waiver of sovereign immunity described above will constitute only a limited and specific waiver for the purpose of the Bonds and the Indenture and not a general waiver of immunity by the Republic or a waiver of immunity with respect to proceedings unrelated to the Bonds or the Indenture.

The Republic, however, will reserve the right to plead sovereign immunity under the United States by the Foreign Sovereign Immunities Act of 1976 with respect to actions brought against it under the U.S. federal securities laws or any state securities laws and the appointment of an authorized agent does not extend to such actions. In addition, the appointments of agents for the service of process will not extend to actions based on these laws.

Currency Indemnity

The Republic's obligation to any holder under a series of the Bonds that has obtained a court judgment affecting those Bonds will be discharged only to the extent that the holder may purchase Euros, referred to as the "agreement currency," with the judgment currency. If the holder cannot purchase the agreement currency in the amount originally to be paid, the Republic agrees to pay the difference. The holder, however, agrees to reimburse the Republic for the excess if the amount of the agreement currency purchased exceeds the amount originally to be paid to the holder. If the Republic is in default of its obligations under such Bonds, however, the holder will not be obligated to reimburse the Republic for any excess.

NOTICE TO INVESTORS

The distribution of this offering memorandum is restricted by law in certain jurisdictions. Persons into whose possession this offering memorandum comes are required by the Republic to inform themselves of and to observe any of these restrictions.

This offering memorandum does not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which an offer or solicitation is not authorized or in which the person making an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make an offer or solicitation. Neither the Republic nor the initial purchasers accept any responsibility for any violation by any person of the restrictions applicable in any jurisdiction.

The Bonds will be subject to the following restrictions on transfer. Holders of Bonds are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of their Bonds. By acquiring Bonds, holders will be deemed to have made the following acknowledgments, representations to and agreements with the Republic and the initial purchasers:

- (1) You acknowledge that the Bonds have not been registered under the Securities Act or the securities laws of any other jurisdiction and the Bonds may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions not subject to the registration requirements of the Securities Act. Accordingly, the Bonds will be offered only in offers and sales that occur outside the United States to persons other than U.S. persons ("non-U.S. persons," which term shall include any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by dealers or other professional fiduciaries organized, incorporated or resident in the United States) in reliance on Regulation S. As used herein, the terms "offshore transactions," "United States" and "U.S. person" have the respective meanings given to them in Regulation S.
- (2) You represent that you are not a U.S. person and are acquiring the Bonds in an offshore transaction in accordance with Regulation S under the Securities Act;
- (3) You agree on your own behalf and on behalf of any investor account for which you are purchasing Bonds, and each subsequent holder of Bonds by its acceptance of the Bonds will agree, that the Bonds may be offered, sold or otherwise transferred only:
 - to the Republic;
 - outside the United States in compliance with Rule 903 or 904 under the Securities Act;
 - pursuant to a registration statement that has been declared effective under the Securities Act;
 - in any other jurisdiction in compliance with local securities laws;
- (4) You acknowledge that the Republic and the trustee reserves the right to require, in connection with any offer, sale or other transfer of Bonds, the delivery of written certifications and/or other information satisfactory to the Republic and the trustee as to compliance with the transfer restrictions referred to above;
- (5) You agree to deliver to each person to whom you transfer Bonds, notice of any restrictions on transfer of such Bonds;
- (6) The Bonds will bear a legend to the following effect, unless we determine otherwise in compliance with applicable law:

THE BONDS EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE SECURITIES ACT) AND MAY NOT BE OFFERED, SOLD, OR DELIVERED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON, UNLESS SUCH BONDS ARE REGISTERED UNDER THE SECURITIES ACT, NOT SUBJECT TO REGISTRATION OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS THEREOF IS AVAILABLE.

You acknowledge that the Republic, the initial purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements. You agree that if any of the acknowledgments, representations or warranties deemed to have been made by your purchase of Bonds is no longer accurate, you shall promptly notify the Republic and the initial purchasers. If you are acquiring any Bonds as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the foregoing acknowledgments, representations, warranties and agreements on behalf of each account.

TAXATION

Argentine Federal Taxation

The following discussion summarizes certain aspects of Argentine federal taxation that may be relevant to you if you are a holder of Bonds who is an individual that is a non-resident of Argentina or a legal entity that is neither organized in, nor maintains a permanent establishment in Argentina (a "Non-Resident Holder"). This summary may also be relevant to you if you are a Non-Resident Holder in connection with the holding and disposition of the Bonds. The summary is based on Argentine laws, rules and regulations now in effect, all of which may change.

This summary is not intended to constitute a complete analysis of the tax consequences under Argentine law of the receipt, ownership or disposition of the Bonds, in each case if you are a non-resident of Argentina, nor to describe any of the tax consequences that may be applicable to you if you are a resident of Argentina.

If you (i) purchase Bonds pursuant to this offering, and (ii) are a Non-Resident Holder, the receipt of Bonds will not result in any withholding or other Argentine taxes. Provided that all acts and contracts necessary for the purchase of the Bonds are executed outside Argentina by Non-resident holders, the purchase of Bonds pursuant to this offering will not be subject to any stamp or other similar Argentine taxes.

Under Argentine law, as currently in effect, if you are a Non-Resident Holder, interest and principal payments on the Bonds will not be subject to Argentine income or withholding tax.

If you are a Non-Resident Holder and you obtain capital gains resulting from any trade or disposition of Bonds, you will not be subject to Argentine income or other taxes if you have no connection with the Republic other than as a holder of an interest in the Bonds.

If you are a Non-Resident Holder, provided that no bank account opened in an Argentine banking institution is used to receive capital or interest from the Bonds or the price of the sale of the Bonds, no Argentine tax (such as tax on debits and credits) would apply on said movement of funds.

If you are an individual or company that is resident or domiciled in Argentina for tax purposes, please note that the aforementioned tax consequences may differ. Please refer to your tax advisors for the specific tax treatment applicable to you.

Certain EU Related Tax Considerations

The Proposed Financial Transactions Tax

The European Commission has published a proposal (the "Commission's Proposal") for a directive for a common financial transactions tax ("FTT") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "Participating Member States"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in the Bonds in certain circumstances.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Bonds where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The FTT remains subject to negotiation between Participating Member States and the legality of the proposal is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or certain of the Participating Member States may decide to withdraw.

Prospective holders of the Bonds are advised to seek their own professional advice in relation to the FTT.

PLAN OF DISTRIBUTION

Banco Bilbao Vizcaya Argentaria, S.A., BNP Paribas and Credit Suisse Securities (Europe) Limited are acting as representatives of each of the initial purchasers named below. Subject to the terms and conditions in the purchase agreements among the Republic and the initial purchasers, the Republic has agreed to sell to the initial purchasers, and the initial purchasers have severally agreed to purchase from us at the issue price set forth on the cover of this offering memorandum, the entire principal amount of the Bonds set forth opposite their names below:

<u>Initial Purchasers</u>	<u>Principal Amount of Bonds</u>
Banco Bilbao Vizcaya Argentaria, S.A.	EUR
BNP Paribas	EUR
Credit Suisse Securities (Europe) Limited	EUR
Total	EUR

The obligations of the initial purchasers under the purchase agreement, including their agreement to purchase Bonds from the Republic, are several and not joint. The purchase agreements provide that the initial purchasers will purchase all the Bonds if any of them are purchased. The Initial Purchasers may offer and sell the Bonds through certain of their respective affiliates.

The initial purchasers initially propose to offer the Bonds for resale at the issue price that appears on the cover of this offering memorandum. After the initial offering, the initial purchasers may change the offering price and any other selling terms. The initial purchasers may offer and sell Bonds through certain of their affiliates.

If an initial purchaser defaults, the purchase agreements provide that the purchase commitments of the non-defaulting initial purchasers may be increased or the purchase agreements may be terminated.

The Republic will indemnify the initial purchasers and their controlling persons against certain liabilities, including liabilities under the Securities Act, or contribute to payments that the initial purchasers may be required to make in respect of those liabilities.

In the purchase agreements, the Republic has agreed not to, without the prior written consent of the several initial purchasers, offer, sell, contract to sell or otherwise dispose of any debt securities issued or guaranteed by the Republic, other than the sale of the Bonds pursuant to such purchase agreements, during the period from the date of the purchase agreements through and including the closing date of this offering.

Bonds Are Not Being Registered

The Bonds have not been registered under the Securities Act or the securities laws of any other place. In the purchase agreement, each initial purchaser has agreed that:

- the Bonds may not be offered or sold within the United States or to U.S. persons except pursuant to an exemption from the registration requirements of the Securities Act or in transactions not subject to those registration requirements.
- during the initial distribution of the Bonds, it will offer or sell Bonds only outside the United States in compliance with Regulation S under the Securities Act.

In addition, until 40 days following the commencement of this offering, an offer or sale of Bonds within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with an exemption from registration under the Securities Act.

New Issue of Bonds

The Bonds are a new issue of securities, and there is currently no established trading market for the Bonds. In addition, the Bonds are subject to certain restrictions on resale and transfer as described under “Notice to Investors.” We intend to apply to list the Bonds on the Official List of the Luxembourg Stock Exchange and the MERVAL and for trading on the Euro MTF Market and the MAE, however, we cannot assure you that the listing application will be approved. The initial purchasers have advised us that they intend to make a market in the Bonds, but they are not obligated to do so. The initial purchasers may discontinue any market making in the Bonds at any time in their sole discretion. Accordingly, we cannot assure you that a liquid trading market will develop for the Bonds, that you will be able to sell your Bonds at a particular time or that the prices that you receive when you sell will be favorable.

You should be aware that the laws and practices of certain countries require investors to pay stamp taxes and other charges in connection with purchases of securities.

Settlement

We expect that delivery of the Bonds will be made against payment therefor on or about October 1, 2016, which will be the business day following the date of pricing of the Bonds (this settlement cycle being referred to as “T+ 1”).

Price Stabilization and Short Positions

In connection with the offering of the Bonds, the initial purchasers may engage in overallotment, stabilizing transactions and syndicate covering transactions. Overallotment involves sales in excess of the offering size, which creates a short position for the initial purchasers. Stabilizing transactions involve bids to purchase the Bonds in the open market for the purpose of pegging, fixing or maintaining the price of the Bonds. Syndicate covering transactions involve purchases of the Bonds in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate covering transactions may cause the price of the Bonds to be higher than it would otherwise be in the absence of those transactions. If the initial purchasers engage in stabilizing or syndicate covering transactions, they may discontinue them at any time.

Other Relationships

Certain of the initial purchasers and their affiliates have performed and may in the future perform commercial banking, investment banking and advisory services for us and our affiliates in the ordinary course of business for which they have received customary fees and reimbursement of expenses. The initial purchasers and their affiliates may, from time to time, engage in transactions with and perform services for us and our affiliates in the ordinary course of their business for which they may receive customary fees, commissions and reimbursement of expenses.

In addition, in the ordinary course of their business activities, the initial purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the initial purchasers or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such short positions could adversely affect future trading prices of the notes offered hereby. The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Selling Restrictions

We are not making an offer to sell, or seeking offers to buy, the Bonds in any jurisdiction where the offer and sale is not permitted. You must comply with all applicable laws and regulations in force in any jurisdiction in which you purchase, offer or sell the Bonds or possess or distribute this offering memorandum, and you must obtain any consent, approval or permission required for your purchase, offer or sale of the Bonds under the laws and regulations in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. We will not have any responsibility therefor.

Notice to Prospective Investors in the European Economic Area

This offering memorandum has been prepared on the basis that any offer of Bonds in any Member State of the European Economic Area will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Bonds.

The expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Relevant Member State.

Notice to Prospective Investors in the United Kingdom

This offering memorandum is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The Bonds are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Bonds will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Notice to Prospective Investors in Canada

The Bonds may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.

Any resale of the Bonds must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Initial Purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in Switzerland

This offering memorandum does not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations and the Bonds will not be listed on the SIX Swiss Exchange. Therefore, this offering memorandum may not comply with the disclosure standards of the listing rules (including any additional listing rules or prospectus schemes) of the SIX Swiss Exchange. Accordingly, the Bonds may not be offered to the public in or from Switzerland, but only to a selected and limited circle of

investors who do not subscribe to the Bonds with a view to distribution. Any such investors will be individually approached by the initial purchasers from time to time.

Notice to Prospective Investors in the Dubai International Financial Centre

This offering memorandum relates to an Exempt Offer in accordance with the Market Rules of 2012 of the Dubai Financial Services Authority ("DFSA"). This offering memorandum is intended for distribution only to persons of a type specified in the Market Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this offering memorandum nor taken steps to verify the information set forth herein and has no responsibility for the offering memorandum. The Bonds to which this offering memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Bonds offered should conduct their own due diligence on the Bonds. If you do not understand the contents of this offering memorandum you should consult an authorized financial advisor.

In relation to its use in the Dubai International Financial Center, this document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the Dubai International Financial Center.

Notice to Prospective Investors in Chile

The offer of the Bonds will begin on June 30, 2016 and is subject to General Rule No. 336 of the Chilean Securities Commission (Superintendencia de Valores y Seguros de Chile, or the "SVS"). The Bonds being offered are not registered in the Securities Registry (Registro de Valores) or in the Foreign Securities Registry (Registro de Valores Extranjeros) of the SVS and, therefore, the Bonds are not subject to the supervision of the SVS. As unregistered securities, we are not required to disclose public information about the Bonds in Chile. The Bonds may not be publicly offered in Chile unless they are registered in the corresponding securities registry.

La oferta de los valores comienza el 30 de junio del 2016 y está acogida a la Norma de Carácter General número 336 de fecha 27 de junio de 2012 de la Superintendencia de Valores y Seguros de Chile (la "SVS"). La oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la SVS, por lo que los valores no están sujetos a la fiscalización de dicho organismo. Por tratarse de valores no inscritos, no existe obligación por parte del emisor de entregar en Chile información pública respecto de los valores. Estos valores no pueden ser objeto de oferta pública a menos que sean inscritos en el registro de valores correspondiente.

Notice to Prospective Investors in Peru

The Bonds and the information contained in this offering memorandum are not being publicly marketed or offered in Peru and will not be distributed or caused to be distributed to the general public in Peru. Peruvian securities laws and regulations on public offerings will not be applicable to the offering of the Bonds and therefore, the disclosure obligations set forth therein will not be applicable to the issuer or the sellers of the Bonds before or after their acquisition by prospective investors. The Bonds and the information contained in this offering memorandum have not been and will not be reviewed, confirmed, approved or in any way submitted to the Peruvian Superintendency of Capital Markets (*Superintendencia del Mercado de Valores*) or the SMV and the Bonds have not been registered under the Securities Market Law (*Ley del Mercado de Valores*) or any other Peruvian regulations. Accordingly, the Bonds cannot be offered or sold within Peruvian territory except to the extent any such offering or sale qualifies as a private offering under Peruvian regulations and complies with the provisions on private offerings set forth therein.

We intend to register the Bonds with the Foreign Investment and Derivatives Instruments Registry (*Registro de Instrumentos de Inversión y de Operaciones de Cobertura de Riesgo Extranjeros*) of the Peruvian Superintendency of Banks, Insurance and Private Pension Funds Administrators (*Superintendencia de Bancos, Seguros y Administradoras Privadas de Fondos de Pensiones*) in order to make the Bonds eligible for

investment by Peruvian private pension funds administrators. The Bonds may not be offered or sold in the Republic of Peru except in compliance with the securities law thereof.

Notice to Prospective Investors in Hong Kong

This offering memorandum has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. The Bonds will not be offered or sold in Hong Kong other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (winding up and Miscellaneous provisions) (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the Bonds which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) has been issued or will be issued in Hong Kong or elsewhere other than with respect to securities which are or are intended to be disposed of only to persons outside of Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Notice to Prospective Investors in Japan

The Bonds offered in this offering memorandum have not been registered under the Securities and Exchange Law of Japan. The Bonds have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Securities and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

Notice to Prospective Investors in Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering memorandum and any other document or material in connection with the offering may not be circulated or distributed, nor may the Bonds be offered, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (Chapter 289) (the “SFA”), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where the Bonds are subscribed for under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, then securities, debentures and units of securities and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the Bonds under Section 275 except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA; (ii) where no consideration is given for the transfer; or (iii) by operation of law.

Notice to Prospective Investors in Brazil

WITHIN BRAZIL, AS PROVIDED BY CVM INSTRUCTION NO. 476, THE OFFERING OF OUR BONDS IS DIRECTED ONLY TOWARD A LIMITED NUMBER OF PROFESSIONAL INVESTORS (INVESTIDORES PROFISSIONAIS) AS DEFINED UNDER CVM INSTRUCTION NO. 539, DATED NOVEMBER 13, 2013, AS AMENDED, WHICH PROVIDES FOR SPECIFIC TRANSFER RESTRICTIONS, SPECIFICALLY SELECTED PURSUANT TO THE RULES OF CVM INSTRUCTION NO. 476 (THE “INTENDED PBS”) AND IS NOT DIRECTED TOWARD PERSONS WHO ARE NOT INTENDED PBS BRAZILIAN RESIDENTS. THIS OFFERING MEMORANDUM IS NOT ADDRESSED TO BRAZILIAN RESIDENTS AND IT SHOULD NOT BE FORWARDED OR DISTRIBUTED TO, NOR READ OR CONSULTED BY, ACTED ON OR RELIED UPON BY

BRAZILIAN RESIDENTS. ANY INVESTMENT TO WHICH THIS OFFERING MEMORANDUM RELATES IS AVAILABLE ONLY TO NON BRAZILIAN RESIDENTS AND WILL BE ENGAGED IN ONLY WITH NON-BRAZILIAN RESIDENTS. IF YOU ARE A BRAZILIAN RESIDENT AND RECEIVED THIS OFFERING MEMORANDUM, PLEASE DESTROY ANY COPIES.

Notice to Prospective Investors in Colombia

The Bonds will not be registered in Colombia on the National Registry of Securities and Issuers (*Registro Nacional de Valores y Emisores*) maintained by the SFC and, accordingly, they may not be offered to persons in Colombia except pursuant to a public offering pursuant to Section 6.11.1.1.1 of Decree 2555 of 2010, as amended, or an exemption therefrom under Colombian law.

OFFICIAL STATEMENTS

Information in this offering memorandum that is identified as being derived from a publication of, or supplied by, the Republic or one of its agencies or instrumentalities relies on the authority of such publication as an official public document of the Republic. All other information in this offering memorandum, other than that which is included under the caption "Plan of Distribution," is included as a public official statement made on the authority of Santiago Bausili, Undersecretary of Finance of the Ministry of Treasury.

VALIDITY OF THE BONDS

The validity of the Bonds will be passed upon for the Republic by the Solicitor General of the Treasury of Argentina and by Cleary Gottlieb Steen & Hamilton LLP, special United States counsel to the Republic.

The validity of the Bonds will be passed upon for the initial purchasers by Shearman & Sterling LLP, United States counsel to the initial purchasers named in this offering memorandum, and by Bruchou, Fernández Madero & Lombardi, Argentine counsel to the initial purchasers named in this offering memorandum.

As to all matters of Argentine law, Cleary Gottlieb Steen & Hamilton LLP will rely upon the opinion of the Solicitor General of the Treasury of Argentina and Shearman & Sterling LLP will rely upon the opinion of Bruchou, Fernández Madero & Lombardi.

GENERAL INFORMATION

The Republic

The Republic has authorized the creation and issue of the Bonds pursuant to Law No. 27,198, Decree 594/2016 and Joint Resolution of the Secretary of Finance and the Secretary of the Treasury to be issued on or before the issue date of the Bonds.

Preservation of Defenses

Nothing in this offering memorandum, or in any communication from the Republic relating to the offering or otherwise, constitutes an acknowledgment or admission of the existence of any claim or any liability of the Republic to pay that claim or an acknowledgment that any ability to bring proceedings in any jurisdiction in respect of such claim or any limitation period relating thereto has been revived or reinstated, or an express or implied promise to pay any such claim (or part thereof). Whether or not a claim exists, the Republic may in its sole discretion and only if written notice to that effect is received from a duly authorized officer of the Republic, attribute a value to such claim for purposes of the Republic's Settlement Proposal. All defenses available to the Republic relating to any applicable statute of limitations or otherwise are expressly preserved for all purposes. This offering memorandum may not be relied upon as evidence of the Republic's agreement that a claim exists, or of the Republic's willingness, ability or obligation to pay any claim. Any attribution of any value to any claim for purposes of the Republic's Settlement Proposal will not be considered an acknowledgment of the existence or validity of that claim and any consideration given by or on behalf of the Republic to the proponent of that claim will be consideration only for the agreement by the proponent of that claim to cease all actions or proceedings in respect of that claim and to irrevocably assign and transfer to the Republic all rights, if any, with respect to such claim and to undertake to complete any and all formalities or requirements necessary to ensure that if such claim existed neither the proponent nor any successor or assignee of the proponent (other than the Republic) is able to evidence or allege such claim to remain in existence or to be a liability of the Republic.

Listing and Listing Agent

Application will be made to list the Bonds on the Luxembourg Stock Exchange and the MERVAL and for the Bonds to be admitted for trading on the Euro MTF Market and the MAE. The Luxembourg listing agent is The Bank of New York Mellon (Luxembourg) S.A.

Documents Relating to the Bonds

Copies of the Indenture, this offering memorandum and the forms of the Bonds may be inspected free of charge during normal business hours on any day, except Saturdays, Sundays and public holidays in Luxembourg, at the offices of the listing agent in Luxembourg, as long as the Bonds are listed on the Luxembourg Stock Exchange. Copies of this offering memorandum may be obtained during normal business hours on any day except Saturdays, Sundays and public holidays, at the offices of the listing agent in Luxembourg, as long as the Bonds are listed on the Luxembourg Stock Exchange.

Notices

For so long as any of the Bonds are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange shall so require, all notices to holders of such series shall be published either in a newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort* or the *Tageblatt*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu) or otherwise in compliance with the relevant listing rules of the Luxembourg Stock Exchange.

Clearing

The Bonds have been accepted for clearance through the Euroclear and Clearstream clearance systems. The relevant trading information is set forth in the following table:

<u>Bonds</u>	<u>ISIN Number</u>	<u>Common Code</u>
Regulation S		

ANNEX I: FORM 18-K FOR THE YEAR ENDED DECEMBER 31, 2015

ANNEX II: FORM 18-K/A FOR THE YEAR ENDED DECEMBER 31, 2015

ISSUER

The Republic of Argentina
Ministerio de Economía y Finanzas Públicas
Hipólito Yrigoyen 250
1310 City of Buenos Aires
Argentina

Procuración del Tesoro de la Nación
Posadas 1641
1112 City of Buenos Aires
Argentina

TRUSTEE, PRINCIPAL TRUSTEE PAYING AGENT, TRANSFER AGENT AND REGISTRAR

The Bank of New York Mellon
Attention: Corporate Trust
101 Barclay Street, 7th Floor East
New York, NY 10286
United States of America

LUXEMBOURG LISTING AGENT, TRUSTEE PAYING AGENT AND TRANSFER AGENT

The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building - Polaris – 2-4 rue Eugène Ruppert
L-2453 Luxembourg

LEGAL ADVISORS

To the Republic

As to U.S. federal and New York law:
Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
United States of America

To the Joint Bookrunners

As to U.S. federal and New York law:

Shearman & Sterling LLP
599 Lexington Avenue
New York, NY 10022
United States of America

As to Argentine law:

Bruchou, Fernández Madero & Lombardi
Ing. Enrique Butty 275
C1001AFA City of Buenos Aires
Argentina



The Republic of Argentina

EUR % Bonds Due 20

OFFERING MEMORANDUM

BBVA

Joint Bookrunners

BNP PARIBAS

Credit Suisse

September , 2016

TRADUCCIÓN PÚBLICA

Sujeto a finalización, fechado el 27 de septiembre de 2016

PROSPECTO PRELIMINAR

ESTRICTAMENTE CONFIDENCIAL

La información en este prospecto preliminar no es completa y puede ser modificada. Este prospecto preliminar no es una oferta para vender estos títulos valores y no es una invitación para ofrecer comprar estos títulos valores en cualquier jurisdicción en que la oferta o venta no esté permitida.

SE PROHÍBE SU DISTRIBUCIÓN EN O DENTRO DE LOS ESTADOS UNIDOS O A CUALQUIER PERSONA ESTADOUNIDENSE

La República Argentina

Bonos al [espacio en blanco]% por Euros [espacio en blanco] con vencimiento en 20[espacio en blanco]

La República Argentina (la "República" o la "Argentina") está ofreciendo Bonos al [espacio en blanco]% por Euros [espacio en blanco] con vencimiento en 20[espacio en blanco] (los "Bonos"). Los Bonos están siendo ofrecidos como títulos valores conforme a un contrato de fideicomiso de fecha 22 de abril de 2016 (el "Contrato de Fideicomiso"). Los intereses sobre los Bonos se devengarán desde el [espacio en blanco] de 2016 y serán pagaderos en anualmente el [espacio en blanco] de cada año. El primer pago de intereses respecto de los Bonos se realizará el [espacio en blanco] de 2017. Los Bonos vencerán el [espacio en blanco] de 20[espacio en blanco]. La totalidad o una parte del producido neto de cada serie de Bonos de esta oferta será utilizada para fines generales del Gobierno. Ver "Destino de los Fondos."

Los Bonos serán obligaciones directas, generales, incondicionales y no subordinadas de la República, respaldadas por el pleno reconocimiento y crédito de la República. Los Bonos no tienen y no tendrán preferencia entre ellos y estarán en pie de igualdad con toda la demás deuda pública externa no subordinada (tal como se la define más abajo) de la República. Se entiende que esta disposición no podrá ser interpretada de modo de requerir que la República realice pagos en virtud de los Bonos en forma proporcional con los pagos que se realicen en virtud de cualquier otra deuda pública externa de la República.

Se presentará una solicitud para que los Bonos coticen en la Lista Oficial de la Bolsa de Comercio de Luxemburgo y en Mercado de Valores de Buenos Aires S.A. ("MERVAL") y para que los Bonos sean admitidos para su negociación en el Mercado Euro MTF y en Mercado Abierto Electrónico S.A. ("MAE").

La inversión en los Bonos conlleva riesgos que se describen en la sección "Factores de Riesgo", en la página 19 de este prospecto. Debe considerar estos riesgos antes de invertir en los Bonos.

La información incluida en este prospecto debe ser leída junto con la información incluida en la memoria anual presentada por la República a la *Securities and Exchange Commission* (la "SEC") de los Estados Unidos el 23 de septiembre de 2016 en el Formulario 8-K, modificado por la Modificación N° 1 presentada el 23 de septiembre de 2016, incluidos en el presente como Anexo I y Anexo II, respectivamente.

Los Bonos incluirán disposiciones comúnmente conocidas como "cláusulas de acción colectiva". De acuerdo con estas disposiciones, que difieren de los términos de la deuda pública externa de la República emitida antes del 22 de abril de 2016, la República puede modificar las disposiciones de pago de cualquier serie de títulos de deuda emitidos conforme al Contrato de Fideicomiso (incluyendo cualquier serie de los Bonos) y otras cuestiones reservadas consignadas en el Contrato de Fideicomiso con el consentimiento de los tenedores de: (1) respecto de una única serie de títulos de deuda, más del 75% del monto total de capital de los títulos de deuda pendientes de pago de esa serie; (2) respecto de dos o más series de títulos de deuda, en caso de cumplirse ciertos requisitos "aplicables uniformemente", más del 75% del monto total de capital de los títulos de deuda pendientes de pago de todas las series afectadas por la modificación propuesta, considerados en conjunto; o (3) respecto de dos o más series de títulos de deuda, más del 66 2/3% del monto total de capital de los títulos de deuda pendientes de pago de todas las series afectadas por la modificación propuesta, considerados en conjunto y más del 50% del monto total de capital de los títulos de deuda pendientes de pago de todas las series afectadas por la modificación propuesta, considerados en conjunto. Ver "Descripción de los Bonos—Asambleas, Modificaciones y Renuncias—Acción Colectiva".

Precio para los inversores de los Bonos: [espacio en blanco]%, más los intereses devengados, en su caso, desde el [espacio en blanco] de 2016

Los Bonos no han sido y no serán registrados conforme a la Ley de Títulos Valores de 1933 de los Estados Unidos, con sus modificaciones (la "Ley de Títulos") o las leyes en materia de títulos valores de cualquier otra jurisdicción. A menos que sean registrados, los Bonos no podrán ser ofrecidos ni vendidos dentro de los Estados Unidos o a o para la cuenta o beneficio de personas estadounidenses (tal como se las define en la Reglamentación S de la Ley de Títulos ("Reglamentación S")). Por consiguiente, los Bonos están siendo ofrecidos únicamente a personas fuera de los Estados Unidos de acuerdo con la Reglamentación S de la Ley de Títulos. Para más detalles acerca de los destinatarios elegibles de la oferta y las restricciones a la reventa, ver "Aviso a los Inversores."

Se prevé que los Bonos serán entregados a los inversores en forma escritural a través de las instalaciones de Euroclear Bank S.A./N.V. ("Euroclear"), como operador del Sistema Euroclear y Clearstream Banking, *société anonyme* en o alrededor del [espacio en blanco] de octubre de 2016.

CUALQUIER OFERTA O VENTA DE BONOS EN CUALQUIER ESTADO MIEMBRO DEL ESPACIO ECONÓMICO EUROPEO QUE HAYA IMPLEMENTADO LA DIRECTIVA 2003/71/CE Y LAS MODIFICACIONES A LA MISMA, INCLUYENDO

DE GARCIA WATA
COPIA PÚBLICA
EN INGLÉS
FEDERAL FEDERAL
SERIAL 423490

LA DIRECTIVA 2010/73/UE (LA "DIRECTIVA DE PROSPECTOS") DEBE SER DIRIGIDA A INVERSORES CALIFICADOS (TAL COMO SE LOS DEFINE EN LA DIRECTIVA DE PROSPECTOS).

[Coordinaros Conjuntos de la Recepción de Ofertas]

BBVA

BNP Paribas

Credit Suisse

La fecha de este prospecto es [espacio en blanco] de septiembre de 2016

