

For Immediate Release

Bondholders Reject the Province of Buenos Aires' Restructuring Proposal

April 22, 2020 – Late yesterday, the Province of Buenos Aires (the “Province”) issued a press release announcing proposed terms for the restructuring of its external debt. The steering committee (the “Steering Committee”) of the bondholder group (the “Group”) formed by institutional holders of external debt issued by the Province has reviewed the proposed terms and has determined that it cannot support the proposal.

The Group is representative of a diverse range of investors, including mutual funds, asset managers, insurance companies and family offices and holds in excess of 40% of the foreign law bonds issued by the Province.

Since January, the Steering Committee and the Group have sought to engage constructively with the Province to design a framework for a resolution that the international investor community could support. The goal of such framework should be an orderly re-profiling of the Province’s external debt that adequately addresses near-term debt service challenges via a process in which all stakeholders, supported by the appropriate policies, would contribute equitably to achieve a consensual solution and put the Province on a positive and sustainable economic path.

The Steering Committee acknowledges that the Province’s economy is facing difficulties that have created debt service challenges and that the Covid-19 pandemic has reinforced the urgency for a solution. To this end, and based on the limited information provided by the Province, the Steering Committee has carefully analyzed the Province’s finances and outlined potential structures that would provide necessary cash flow relief, allowing the authorities to address immediate social needs and implement positive long-term economic policies. Unfortunately, the Province elected not to engage in discussions with the Steering Committee about these potential structures and instead launched a unilateral offer, which the Steering Committee cannot support.

The Steering Committee and the Group believe that good faith negotiations are the only viable way to achieve a resolution to the Province’s issues, and that such good faith negotiations depend on the timely exchange of substantiated forward-looking economic and financial information, anchored in concrete and feasible economic policies. Such information and policies have not been forthcoming, and the process followed by the Province leading up to its unilateral offer has fallen well short of bondholders' expectations. With the pursuit of a unilateral route, rather than a negotiated approach, the Province and its advisors may embark on a protracted process which could delay the restoration of confidence necessary to foster long term investment and access to capital.

The Steering Committee is prepared to continue to work in good faith with the Province to address its challenges and achieve a negotiated solution to the Province’s immediate needs, with equitable contribution from and benefit for all stakeholders.

Interested Bondholders are invited to contact the Committee:

Noah Kessler, BroadSpan Capital
Anthony Bitz, Mens Sana Advisors

nkessler@brocap.com
anthony@mens-sana.me

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