

***The Republic of Argentina defaulted on its sovereign bonds arising from the 2005 and 2010 exchange offers: ICSID arbitration continues as planned***

*Nicola Stock, President of TFA, states: "As a result of this new default for Argentina, the scenario for the Italian bondholders that are ICSID claimants remains unchanged. We're waiting for the forthcoming Tribunal's decision with great confidence and optimism, so that our representatives can finally obtain justice"*

On 31 July 2014, the Republic of Argentina has entered in default on its sovereign debt. The bonds affected by this new breach of contract by the South American State, after the 2001 precedent, are only those issued as a result of the Argentine restructuring that led to the 2005 and 2010 public exchange offers.

The default has occurred as a result of Argentina's decision not to enforce the injunction issued by Judge Thomas Griesa of the Southern District Court of New York in which Argentina was required to fully repay the American hedge funds claimants in the case whenever the South American Country shall pay the bondholders holding the aforementioned exchange offers' bonds.

The recent public statements, proved as a facade, from Argentine President Cristina Kirchner venting the will to reimburse 100% of the Country's holdout debt, and the numerous attempts made by Judge Griesa up to the very last minute to bring the parties to an agreement, did not avoid the tragic ending of the said US legal proceeding. As a result, those who will suffer the most the effects of Argentina's financial and political choices are, in addition to the Argentine people, the bondholders who once more trusted Argentina, participating in the 2005 and 2010 exchange offers.

TFA had also stated its willingness to enter into negotiations for a fair compensation of the Italian bondholders and ICSID claimants it represents and resolve the dispute in good faith, but Argentina has consistently refused any form of negotiation, reiterating its hostile and obstructionist approach.

The Italian bondholders represented by TFA, that did not participate in the 2005 and 2010 exchange offers and that granted the Association a mandate for the ICSID arbitration maintain unaltered their rights against Argentina. The arbitration proceeding initiated before the World Bank's ICSID International Tribunal continues without any variations according to the program set by the Tribunal after the hearing held in Washington, D.C. on June 16, 2014.

Nicola Stock, President of TFA, states, *"As a result of this new default for Argentina, the scenario for the Italian bondholders that are ICSID claimants remains unchanged. After last June's hearing on the merits, we are now focused in the preparation of our final memorial to be filed during the month of September. It is with great confidence and renewed optimism that*

ASSOCIAZIONE PER  
LA TUTELA DEGLI  
INVESTITORI IN  
TITOLI ARGENTINI

TFA

*we're waiting for the forthcoming final decision from the arbitral Tribunal, so that our representatives can finally obtain justice".*

The full name of the World Bank case is *Abaclat and others (Case formerly known as Giovanna a Beccara and Others) v. Argentine Republic* (ICSID Case No. ARB/07/5). The Italian Bondholders are represented by White & Case LLP of Washington, DC, and Legance of Rome.

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**This Press Release is issued further to the Tribunal's Confidentiality Order, which authorizes the publication of decisions and orders by the Tribunal and communications regarding the status of the proceeding. Italian bondholders participating in the ICSID arbitration may obtain information on the case by sending a request for information to [info@tfargentina.it](mailto:info@tfargentina.it) or consulting the website [www.tfargentina.it](http://www.tfargentina.it). Any participating bondholders who revoke their participation in the cases against Argentina referenced above place the protection of their rights against Argentina at risk.**

Rome, 31 July 2014