

**GCAB REJECTS ARGENTINE EXCHANGE OFFER
AND
ANNOUNCES ITS OWN INVESTOR PRESENTATIONS**

Press Release

January 13, 2005

The Steering Committee of the Global Committee of Argentina Bondholders (GCAB) announced that it does not endorse the long awaited exchange offer by the Republic of Argentina and cannot recommend that its members tender into the exchange offer.

In response to the pending commencement of the exchange offer, Hans Humes, co-chairman of the GCAB Steering Committee, stated: "Argentina has failed to meet its agreements, both as they relate to the defaulted debt and to the international community. The proposed restructuring is not the result of good-faith negotiations as mandated by the IMF and agreed to by Argentina. GCAB recognized from the beginning that its members would be asked to incur a significant haircut but, based on Argentina's ability to pay, believed that good-faith negotiations would lead to an acceptable restructuring. Argentina's ability to pay has improved considerably over the past three years, but this is not reflected in the exchange offer. Argentina's higher than expected economic performance underscores the illegitimacy of the exchange offer that the government is now launching and we believe bondholders will oppose it."

Nicola Stock, co-chairman of the GCAB steering committee, added: "Argentina continues to create the illusion that there is wide creditor support for its unilateral exchange offer. However, there is widespread opposition to the exchange offer by retail bondholders in Europe, Asia and Argentina. The only bondholders who are likely to accept the exchange offer will be those bondholders who may feel they are not in a position to say no, such as the local banks and pension funds who are being given preferential treatment."

GCAB will commence shortly investor presentations either through meetings or other means in Europe, the United States and Asia. The presentations are intended to show bondholders that the exchange offer by Argentina to restructure the US\$81 billion in defaulted debt and over US\$26 billion of past due interest is worth less than Argentina can afford to pay, is therefore inadequate and should not be acceptable to bondholders.

The exchange offer, which is expected to commence on January 14, 2005, is clearly inconsistent with other sovereign restructurings and fails to balance the debt forgiveness being asked of bondholders with Argentina's current ability to pay. GCAB believes that



**Global Committee of
Argentina Bondholders**

Argentina's current and projected economic performance warrants additional recovery for bondholders.

GCAB will demonstrate in its presentations that realistic assumptions on GDP growth, inflation, foreign exchange rates, foreign reserves, tax revenues and primary surplus project a stronger economy for Argentina today and in the future and a greater ability to pay. GCAB will be meeting with investors in Paris, London, Zurich, Frankfurt, Rome, Los Angeles, New York, Boston and Hartford.

About GCAB

GCAB was formally established in January 2004 by representatives of all the major foreign bondholder constituencies of defaulted Argentine debt, and consists of a broad-based group of holders. The Steering Committee represents holders from Germany, Italy, Japan, Switzerland, the USA and other countries. Its retail and institutional members hold approximately US\$39 billion in defaulted debt of Argentina, accounting for 45% of the principal amount of US\$81 billion in total principal bond claims and 75% of all outstanding Argentine debt held outside Argentina.

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"Investors in Argentine defaulted securities must make their own evaluation, analysis and decision with respect to participation in any exchange offer, restructuring, debt swap or other transaction, based on such information as they deem appropriate after consultation with their own advisors and without reliance upon this communication or any materials contained herein or furnished herewith or upon GCAB or any of its members, affiliates or advisers. Any such evaluation, analysis and decision should be based on, among other matters, the investor's own views as to the financial, economic, legal, regulatory, tax and other risks and consequences associated with the exchange offer including, but not limited to, the consequences of declining to participate in any exchange offer proposed by Argentina, the structure, terms and conditions of any proposed new securities, the Argentine political situation and economy, convertibility and exchange rate risks, and risks posed by developments in other emerging market countries. GCAB and each of its members, affiliates and advisers disclaims any and all liability relating to any exchange offer or other transaction proposed by Argentina or any creditor's decision regarding its participation or non-participation in any such exchange offer or other transaction, whether or not such decision was made in whole or in part based on information furnished by or obtained through GCAB."