

Press release

ICSID Registers Request for Arbitration Brought By 195,000 Italian Investors Against Argentina

Green light from ICSID for international arbitration. For Stock it is “a fundamental step. Argentina must confront the Italian bondholders in arbitration. We go forward with strong resolve, though the door for dialogue with Buenos Aires remains open.”

The Request for Arbitration filed against Argentina by Italian bondholders is now registered with the International Centre for Settlement of Investment Disputes (ICSID), a part of the World Bank group based in Washington, DC. The Secretary-General of ICSID notified the parties of the registration on February 7, 2007. The case is *Italian Holders of Argentine Sovereign Bonds v. Argentina Republic*, ICSID Case No. ARB/07/5.

The Italian claimants in the arbitration include almost 195,000 Italian natural persons and juridical entities who invested almost US\$ 4.4 billion in Argentine sovereign bonds. Argentina offered the bonds to finance government expenses, public works and operations. Argentina later altered the legal framework that was in place when the Italian bondholders invested in Argentina, causing drastic losses by the bondholders. In the Request for Arbitration, the Italian bondholders present treaty claims that Argentina's acts breached its obligations under the Argentina-Italy bilateral investment treaty. The next step in the arbitration is the appointment of the arbitral tribunal. A procedural schedule for the case will then be established. After written submissions and oral hearings, the case will culminate in an arbitration award. An ICSID arbitration award is final and binding, and each ICSID Contracting State, including Argentina, is obligated to recognize an ICSID award as if it were a final judgment of a court in that State.

The President of Task Force Argentina, Nicola Stock, emphasizes that registration is “a fundamental step forward for the rights of participating Italian investors. Argentina must confront the Italian bondholders in arbitration. We go forward with strong resolve to protect the interests of the bondholders.” While Argentina has refused negotiations in the past, Stock states that “the door for negotiations with Buenos Aires remains open.”

TFA also has taken steps in recent months on behalf of all participating bondholders, pursuant to their mandates, to preserve the contract rights of the bondholders from possible expiry of prescription periods that may arise under the laws of relevant national jurisdictions while the arbitration is pending. This effort extends to all relevant bonds held by participating bondholders, including bonds governed by the laws of Argentina, Germany, England, Italy, Spain, the United States and Switzerland. Any participating bondholders who revoke their mandates put the protection of their rights at risk.

The Italian bondholders are represented by White & Case LLP in Washington, DC, Grimaldi e Associati in Rome and Perez Alati, Grondona, Benites, Arntsen & Martinez de Hoz, Jr. in Buenos Aires. Task Force Argentina, the working group established to protect the interests of Italian bondholders, organized the representation at no cost to the bondholders.

Participating Italian bondholders may obtain information on the arbitration by contacting their own bank or sending a request for information to info@tfargentina.it, or consulting the website www.tfargentina.it.

Rome, 9 February 2007