

Press release

Italian Bondholders' Arbitration Against Argentina Advances

"The appointment of the ICSID tribunal is another essential step in moving the arbitration forward as planned," says Stock.

The arbitration brought by Italian bondholders against Argentina is moving forward under the auspices of the International Centre for Settlement of Investment Disputes (ICSID) in Washington, DC. A tribunal of three arbitrators will consider the Request for Arbitration filed by almost 195,000 Italian natural persons and juridical entities who invested almost US\$ 4.4 billion in Argentine sovereign bonds.

Since ICSID registered the case on February 7, 2007, the Italian bondholders have designated Albert Jan van den Berg of the Netherlands as their party-appointed arbitrator. A partner in the Brussels firm of Hanotiau & van den Berg and Professor of Law – Arbitration – at Erasmus University of Rotterdam, Professor van den Berg received the inaugural award as the world's leading commercial arbitrator by *The International Who's Who of Business Lawyers* in 2006. Argentina has designated Georges Abi Saab of Egypt, honorary professor of the Graduate Institute of International Studies in Geneva and the Cairo University Faculty of Law, as its party-appointed arbitrator. The parties are now negotiating regarding the appointment of the third arbitrator, who will act as president of the Tribunal.

Nicola Stock, the President of Task Force Argentina (TFA), states, "The appointment of the ICSID tribunal is proceeding apace and the arbitration is moving forward as planned."

ICSID has designated the arbitration as *Giovanna a Beccara and others v. Argentina Republic*, ICSID Case No. ARB/07/5. After the appointment of the arbitral tribunal, the procedural schedule will be established and the case will move forward to address issues of jurisdiction and the substance of the dispute culminating in an arbitration award.

In addition to the arbitration, TFA, the working group established to protect the interests of Italian bondholders, has also taken steps to preserve the contract rights of participating bondholders from possible expiry of prescription periods that may arise under the laws of relevant national jurisdictions. As one of those steps, all participating Italian bondholders holding bonds governed by New York or English law filed an action in federal court in New York raising contract claims under applicable domestic law. The court stayed that action pending the outcome of the ICSID arbitration. As TFA has emphasized in the past, any participating bondholders who revoke their participation mandates put the protection of their rights at risk.

The Italian bondholders are represented by White & Case LLP in Washington, D.C., Grimaldi e Associati in Rome and Perez Alati, Grondona, Benites, Arntsen & Martinez de Hoz, Jr. in Buenos Aires.

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

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