

VULTURE FUNDS:

FACTS SHOW THAT IT IS NO MYTH THAT THEY ARE VULTURES

In a new display of their modus operandi, the vulture funds publicly insult and threaten Argentina. Their goal: to blackmail the country in order to make a profit of over 1600% at the expense of the well-being of the Argentine people.

In order to win over US public opinion, the vulture funds have been funding a group called "American Task Force Argentina" (ATFA; truly a US task force against Argentina), which has spent the last few years slandering the country before the eyes of Washington. The Vulture Funds have also dedicated recent years to fund the campaigns of US politicians. Today, ATFA published an ad in the international press, is rife with lies, insults and blackmail targeting Argentina.

The first lie of the vulture funds: "Argentina refuses to negotiate and chooses to default"

Argentina has given ample evidence of its negotiating capacity:

- The crisis in 2001 left Argentina with the largest default in history. The renegotiation process initiated by Néstor Kirchner and continued by Cristina Fernández de Kirchner achieved voluntary acceptance by 92.4% of creditors. In addition, Argentina has paid over USD 190 billion in principal and interest since 2003 without thereby jeopardizing the process of growth with social inclusion that began in 2003.

- Recently, Argentina negotiated a novel payment mechanism for the creditors gathered in the Paris Club, which will make it possible to boost investments by the member countries in Argentina, based on a design that provides for the economic and financial sustainability of the agreement.

- Argentina also negotiated and reached agreements to pay ICSID final awards.

- Furthermore, Argentina reached an amicable settlement with the company Repsol in connection with the expropriation of 51% of its shares in YPF, achieving a 50% reduction in the claim filed with ICSID and providing for payment over a term of more than 10 years.

There are no doubts that the only creditors that never agreed to negotiate with Argentina are the Vulture Funds, precisely because their business is judicial blackmail, rather than negotiations on fair, legal, and equitable terms for both sides.

The second lie of the vulture funds: "Argentina can negotiate a settlement without significantly affecting its reserves. The USD 15 billion number is unsubstantiated".

Judge Griesa's decision orders payment of USD 1.5 billion to the Vulture Funds when the creditors that accepted Argentina's exchange offer are paid interest service. The Vultures themselves admit that Judge Griesa's decision entails additional obligations for the country amounting to at least USD 7.5 billion or over 25% of the balance of international currency reserves held by Argentina. It is obvious that such a blow causes disproportionate harm to Argentina.

In fact, it would be enough even for only 80% of the holdouts to receive the same treatment as the Vulture Funds in order for that amount to climb to USD 15 billion. Moreover, if 92.4% of the bondholders that entered into the exchange were to demand the same, under the "RUFO clause" which guarantees equal treatment for them, Argentina would face litigation in amounts which some specialists estimate at over USD 500 billion and which would be at least 120 billion.

Whether it be 7.5 billion as the Vultures claim or 15 billion as it really is, added to the 500,000 under the RUFO clause, it is an unfair decision and a disproportionate burden for any country like Argentina.

Third lie of the vulture funds: "The Vulture Funds are willing to give Argentina more time"

An admission by a party dispenses with the need for evidence. The Vultures have stated before Judge Griesa that: "*If [Argentina wants] to talk about settlement, they know how to find us. They've got not just until June 30, your Honor. They have a 30-day grace period beyond June 30. They don't have to pay the exchange bond holders until the end of July.*" In other words, a decision that may lead to litigation representing over USD 15 billion must be "negotiated" in 40 days, under threat of plunging the country into default.

In fact, according to what attorney Cohen stated before Griesa, no such negotiation appears to exist either: "We're prepared to sit with them if they want to talk about it. But without any concession on their obligation to pay us the billion four that's before the Court now."

That is the way the Vultures operate: in order to make a scandalous profit, they hinder payment to 92.4% of Argentina's creditors, who accepted the debt restructuring. But Argentina will not accept blackmail by these professional speculators. Argentina will continue to honour its commitments to 92.4% of its creditors, as it did on 30 June 2014 under Argentine law, when it paid USD 832 million.

Incredibly, the effective collection of such sum is threatened today by the joint action of the vulture funds and Judge Griesa, who seek to redefine the meaning of the word "default". Default means not paying. Default is nothing more than the decision not to pay or the impossibility of paying. The Vulture Funds and Judge Griesa expect a solvent and liquid creditor like the Argentine Republic, which systematically honours its financial commitments, to default on payment. The international financial system should find a new term to define the impossibility of collection on the part of a creditor of the sums to which such creditor is legitimately and legally entitled due to the action or interference by third parties.

The Argentine government will continue to defend its successful sovereign debt restructuring process that enabled the country to experience the longest period of growth and social inclusion in its history. The Argentine Republic asks for fair, equitable and legal conditions to comply with its obligations to 100% of its creditors.

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