The Province of Buenos Aires

(A Province of Argentina)

Offers to Exchange Up to USD 500,000,000 of its Outstanding USD 11.75% Notes due 2015 (ISIN No. XS0546539569 144A / XS0546539486 Reg. S, Common Code 054653956 144A / 054653948 Reg. S) (the "Existing Bonds") For USD 9.95% Notes due 2021 (the "New Bonds") (the "Exchange Offer").

THE EXCHANGE OFFER EXPIRES AT 4:00 P.M., CENTRAL EUROPEAN TIME, ON JUNE 8, 2015, UNLESS THE PROVINCE IN ITS SOLE DISCRETION EXTENDS IT OR TERMINATES IT EARLIER (THE "EXPIRATION TIME"). HOLDERS OF EXISTING BONDS MUST TENDER THEIR EXISTING BONDS IN THE MANNER DESCRIBED IN THIS OFFERING MEMORANDUM ON OR PRIOR TO THE EXPIRATION TIME IN ORDER TO BE ELIGIBLE TO PARTICIPATE IN THE EXCHANGE OFFER.

Please see "Risk Factors" on page 14 for important information that each holder should consider before you make a decision to tender your Existing Bonds.

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The Province of Buenos Aires (the "Province") is offering to exchange up to USD 500,000,000 aggregate principal amount of its outstanding Existing Bonds for newly issued New Bonds. The Province is also offering New Bonds for cash as part of a separate offering (the "Concurrent Offer"), which is being made pursuant to a separate offering document, and not by this offering memorandum. The Exchange Offer is not an offer to sell or a solicitation of an offer to purchase the New Bonds pursuant to the Concurrent Offer. Any and all New Bonds issued in the Concurrent Offer will constitute a single series with, have the same terms and conditions as, be assigned the same ISIN numbers and Common Codes as, and trade fungibly with, the New Bonds issued pursuant to the Exchange Offer. The completion of the Exchange Offer is conditioned on, among other things, the settlement of the Concurrent Offer and the absence of legal actions or proceedings affecting the Exchange Offer.

ISIN Number	Common Code	Existing Bonds	Outstanding Principal Amount (in millions)	Consideration per USD 1,000 Principal Amount of Existing Bonds Accepted for Exchange
XS0546539569 144A / XS0546539486 Reg. S	054653956 144A / 054653948 Reg. S	11.75% Notes due 2015	USD 1,050,000,000	Approximately USD 1,064 principal amount of New Bonds (assuming the settlement of this Exchange Offer occurs on the date set forth under "Summary Time Schedule for the Exchange Offer")

The New Bonds will contain provisions, commonly known as "collective action clauses." Under these provisions, which differ from the terms of our public external indebtedness issued prior to the date hereof, we may amend the payment provisions of any series of debt securities issued under the indenture (including the New Bonds) and other reserved matters listed in the indenture with the consent of the holders of: (1) with respect to a single series of debt securities, more than 75% of the aggregate principal amount of the outstanding debt securities of such series; (2) with respect to two or more series of debt securities, if certain "uniformly applicable" requirements are met, more than 75% of the aggregate principal amount of the outstanding debt securities of all series affected by the proposed modification, taken in the aggregate; or (3) with respect to two or more series of debt securities, more than 66 2/3% of the aggregate principal amount of the outstanding debt securities of all series affected by the proposed modification, taken in the aggregate, and more than 50% of the aggregate principal amount of the outstanding debt securities of each series affected by the proposed modification, taken individually. See "Description of the New Bonds—Meetings, Amendments and Waivers."

Application will be made to list the New Bonds on the Luxembourg Stock Exchange, and to have the New Bonds admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange, the *Mercado de Valores de Buenos Aires S.A.* and the Argentine *Mercado Abierto Electrónico S.A.*.

The New Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States. The New Bonds are being offered only to qualified institutional buyers in the United States in transactions exempt from the registration requirements of the Securities Act and to persons outside the United States in reliance on Regulation S of the Securities Act. Prospective purchasers of New Bonds are hereby notified that resales of New Bonds may be in reliance on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. You are not eligible to receive or review this offering memorandum or to participate in the Exchange Offer unless you have previously completed a letter of eligibility through the following website: http://gbsc-usa.com/eligibility/PBA. For the description of these and certain further restrictions of offers, sales or transfers of the New Bonds, see "Transfer Restrictions."

The dealer managers for the Exchange Offer are:

BNP PARIBAS **BofA Merrill Lynch**

The date of this offering memorandum is June 2, 2015

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NOTICES

This offering memorandum contains important information that should be read carefully before any decisions are made with respect to the Exchange Offer. You should rely only on the information contained in this offering memorandum. No person has been authorized to give any information or to make any representations with respect to the matters described in this offering memorandum other than those contained herein or therein and, if given or made, such information or representations must not be relied upon as having been authorized by us or the dealer managers.

The Province is furnishing the offering memorandum to you solely for use in the context of the Exchange Offer. After having made all reasonable inquiries, the Province confirms that:

- the information contained in this offering memorandum is true and correct in all material respects and is not misleading as of the date of this offering memorandum;
- it holds the opinions and intentions expressed in this offering memorandum;
- to the best of its knowledge and belief, it has not omitted any facts, the omission of which would make this offering memorandum as a whole misleading as of the date of this offering memorandum; and
- it accepts responsibility for the information it has provided in this offering memorandum.

Notwithstanding the foregoing, the information provided in this offering memorandum that relates to the Republic of Argentina and its economy is based upon publicly available information, and the Province does not make any representation or warranty with respect thereto.

The information contained herein is as of the date hereof and is subject to change, completion or amendment without notice. The delivery of this offering memorandum shall not under any circumstances create any implication that the information contained herein is correct as of any time subsequent to the date hereof, or that there has been no change in the information set forth herein or in any attachments hereto or in the affairs of the Province or any of its agencies or political subdivisions since the date hereof.

In making an investment decision regarding acceptance of the Exchange Offer, you must rely on your own examination of the Province and of the terms of the Exchange Offer and the New Bonds to be delivered in the Exchange Offer, including, without limitation, the merits and risks involved. The Exchange Offer is being made on the basis of this offering memorandum. Any decision to tender Existing Bonds in the Exchange Offer must be based solely on the information contained herein.

None of the Province, the dealer managers, the information agent, the exchange agent, the trustee under the indenture for the Existing Bonds, the trustee under the indenture for the New Bonds, paying agent for the New Bonds or any of their delegates or agents makes any recommendation in connection with the Exchange Offer. You should not construe the contents of this offering memorandum as investment, legal or tax advice. You should consult your own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of an exchange of your Existing Bonds for any New Bonds to be issued and delivered pursuant to the Exchange Offer. We make no representation to you regarding the legality of a tender of your Existing Bonds in exchange for an interest in the New Bonds issued and made available pursuant to the Exchange Offer under appropriate legal investment or similar laws. You must make your own decision as to whether to tender your Existing Bonds and, if so, the principal amount to tender.

Notwithstanding anything in this offering memorandum to the contrary, we and each prospective investor (and any employee, representative or other agent of ours or any prospective investor) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this offering memorandum and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure. However, any such information relating to the tax treatment or tax structure is required to be kept confidential to the extent necessary to comply with any applicable federal or state securities laws.

Neither the U.S. Securities and Exchange Commission, any state securities commission nor any other U.S. regulatory authority has approved or disapproved the New Bonds, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense.

In order to participate in the Exchange Offer, you will be required to submit or arrange to have submitted on your behalf valid tender and blocking instructions ("Tender Instructions") prior to the Expiration Time, in the form required by the relevant clearing system and in accordance with the procedures set forth below. There is no separate letter of transmittal in connection with this offering memorandum. The Province reserves the right to reject any Tender Instructions not received in the appropriate form.

You should be aware that neither the Province nor the dealer managers assumes any responsibility for technical or other difficulties you may encounter in submitting your Tender Instructions.

For further information relating to the Exchange Offer, please call or e-mail the dealer managers or the information agent at the telephone numbers or the e-mail addresses set forth on the back cover of this offering memorandum. To obtain hard copies of this offering memorandum, please contact the information agent.

The distribution of this offering memorandum or any part of it, and the offering, sale and delivery of the New Bonds in certain jurisdictions, may be restricted by law. Persons who receive this offering memorandum are required to inform themselves about and to observe any such restrictions. This offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any New Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. For a description of certain further restrictions on offers, sales and deliveries of the New Bonds and on the distribution of this offering memorandum and any other offering material relating to the New Bonds, see "Jurisdictional Restrictions."

The New Bonds are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws pursuant to registration thereunder or exemption therefrom. See "Risk Factors—Risk Relating to the New Bonds" and "Transfer Restrictions."

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER RSA 421-B WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

ENFORCEMENT OF CIVIL LIABILITIES

The Province is a political subdivision of a sovereign state. Consequently, it may be difficult for investors or a trustee to obtain, or realize in the United States or elsewhere upon, judgments against the Province.

To the fullest extent permitted by applicable law, the Province will irrevocably submit to the non-exclusive jurisdiction of any New York state or U.S. federal court sitting in the City of New York, Borough of Manhattan, and any appellate court thereof, in any suit, action or proceeding arising out of or relating to the New Bonds or the Province's failure or alleged failure to perform any obligations under the New Bonds, and the Province will irrevocably agree that all claims in respect of any such suit, action or proceeding may be heard and determined in such New York state or U.S. federal court. The Province will irrevocably waive, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of any suit, action or proceeding and any objection to any proceeding whether on the grounds of venue, residence or domicile. To the extent that the Province has or hereafter may acquire any sovereign or other immunity from jurisdiction of such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise), the Province will, to the fullest extent permitted under applicable law, including the U.S. Foreign Sovereign Immunities Act of 1976 (the "Foreign Sovereign Immunities Act"), irrevocably waive such immunity in respect of any such suit, action or proceeding. However, under the Foreign Sovereign Immunities Act, it may not be possible to enforce in the United States a U.S. judgment against the Province. In addition, under the laws of Argentina, it may not be possible to obtain in Argentina recognition or enforcement of a U.S. Judgment and any attachment or other form of execution (before or after judgment) on the property and revenues of the Province will be subject to the applicable provisions of the *Código Procesal Civil y Comercial de la Nación Argentina*, or the "Code of Civil and Commercial Procedure of Argentina." See "Description of the New Bonds—Governing Law" and "—Submission to Jurisdiction."

A judgment obtained against the Province in a foreign court may be enforced in the Supreme Court of Argentina. Based on existing law, the Supreme Court of Argentina will enforce such a judgment in accordance with the terms and conditions of the treaties entered into between Argentina and the country in which the judgment was issued. In the event there are no such treaties, the Supreme Court of Argentina will enforce the judgment if it:

- complies with all formalities required for the enforceability thereof under the laws of the country in which it was issued;
- has been translated into Spanish, together with all related documents, and it satisfies the authentication requirements of the laws of Argentina;
- was issued by a competent court, according to Argentine principles of international law, as a consequence of a personal action (action *in personam*) or a real action (action *in rem*) over a movable property if it has been moved to Argentina during or after the time the trial was held before a foreign court;
- was issued after serving due notice and giving an opportunity to the defendant to present its case;
- is not subject to further appeal;
- is not against Argentine public policy; and
- is not incompatible with another judgment previously or simultaneously issued by an Argentine Court.

In a March 2014 decision, the Supreme Court of Argentina held that the enforcement of a foreign judgment did not satisfy one of the requirements set forth in the Code of Civil and Commercial Procedure of Argentina (*i.e.*, that a foreign judgment cannot contravene Argentine law principles of public policy), given the fact that an enforcement as such requested by the plaintiff would imply that such plaintiff, pursuant to an individual action filed before a foreign court, would circumvent the public debt restructuring process set forth by the federal government through emergency legislation enacted in accordance with the Argentine Constitution. In addition, the Supreme Court of Argentina held that such norms were part of Argentine public policy and, therefore, that the enforcement of a foreign judgment, as the one sought by the plaintiff, could not be granted as it would be clearly contrary to such legislation.

Attachment prior to judgment or attachment in aid of execution will not be ordered by courts of Argentina or the Province with respect to public property if such property is located in Argentina and is included within the provisions of Articles 2,337 to 2,340 of the Argentine Civil Code or directly provides an essential public service.

DEFINED TERMS AND CONVENTIONS

Certain Defined Terms

All references in this offering memorandum to:

The "Province," "we," "our" and "us" are to the Province of Buenos Aires, the issuer;

"Banco Provincia" are to *Banco de la Provincia de Buenos Aires*, the Bank of the Province of Buenos Aires;

The "Central Bank" are to the *Banco Central de la República Argentina*, the Central Bank of the Republic of Argentina;

"INDEC" are to the *Instituto Nacional de Estadística y Censos*, the National Institute of Statistics and Censuses;

"ANSeS" are to the *Administración Nacional de la Seguridad Social*, the National Social Security Administration;

"City of Buenos Aires" are to the Ciudad Autónoma de Buenos Aires, the Autonomous City of Buenos Aires;

"Argentina" are to the Republic of Argentina; and

The "federal government" are to the non-financial sector of the central government of Argentina, excluding the Central Bank.

The terms set forth below have the following meanings for purposes of this offering memorandum:

"BADLAR" is the average interest rate paid by private banks in Argentina for deposits in Argentine Pesos on amounts greater than ARS 1.0 million for periods of 30-35 days.

"*Boden*" are bonds that the federal government began to issue in 2002 originally to compensate individuals and financial institutions affected by some of the emergency measures adopted by the federal government during the 2001 economic crisis.

"*Bogar*" are bonds issued by the federally administered *Fondo Fiduciario para el Desarrollo Provincial* (Trust Fund for Provincial Development) in order to restructure debt obligations of Argentina's provinces, including the Province. The Province's debt obligations in respect of *Bogar* bonds were consolidated with other provincial debts under the *Programa Federal de Desendeudamiento de las Provincias Argentinas* (Argentine Provincial Indebtedness Federal Refinancing Program).

"CER," or *Coeficiente de Estabilización de Referencia*, is a unit of account adopted on February 3, 2002, the value in pesos of which is indexed to consumer price inflation. The nominal amount of a CER-based financial instrument is converted to a CER-adjusted amount, and interest on the financial instrument is calculated on the CER-adjusted balance.

The "*Conurbano Bonaerense*" is an industrialized and heavily populated urban area surrounding the City of Buenos Aires. The scope and coverage of this area are defined by federal government agencies to represent a diverse demographic sample of Argentina's urban population based upon various socio-economic variables, which are used in the development and implementation of national public policies. The area consists of several municipalities of the Province that surround the City of Buenos Aires and does not include the City of Buenos Aires. Approximately 63.5% of the Province's population resides within the *Conurbano Bonaerense*.

"Eurobonds" are bonds issued by the Province in the international capital markets since 1995, including securities issued under the Province's USD 3.2 billion Euro Medium-Term Note program (EMTN Program) established in 1998.

"Exchange Bonds" are the three series of bonds—Step-Up Long Term Par Bonds due 2035, Step-Up Medium Term Par Bonds due 2020, and Discount Bonds due 2017—issued by the Province pursuant to the restructuring exchange offer launched in November 2005 to holders of its then outstanding Eurobonds (as defined below). Approximately 93.7% of the principal amount of the then outstanding Eurobonds were tendered and cancelled pursuant to the exchange offer, which expired in December 2005. The exchange offer closed in January 2006. Subsequently, the Province issued additional amounts of Step-Up Long Term Par Bonds in order to cancel a portion of the remaining outstanding Eurobonds, increasing the percentage of then-outstanding Eurobonds cancelled to 97.6%.

"Exports" are calculated based upon statistics reported to Argentina's customs agency upon departure of goods originated in the Province on a free-on-board (FOB) basis.

The "Greater Buenos Aires" is a regional area within the Province, which includes the *Conurbano Bonaerense* and seven municipalities that surround the *Conurbano Bonaerense*. This definition is used for statistical purposes to refer to the largest urban area of the Province.

"Gross domestic product," or "GDP," is a measure of the total value of final products and services produced in Argentina or the Province, as the case may be, in a specific year.

The "inflation rate," or "rate of inflation," provides an aggregate measure of the rate of change in the prices of goods and services in the economy. The inflation rate is generally measured by the rate of change in the consumer price index, or "CPI," between two periods unless otherwise specified. The annual percentage rate of change in the CPI as of a particular date is calculated by comparing the index as of that date against the index as of the date 12 months prior. The CPI is calculated on a weighted basket of consumer goods and services that reflects the pattern of consumption of Argentine households using a monthly averaging method. The federal government also compiles statistics on the wholesale price index, or "WPI." The annual percentage rate of change in the WPI as of a particular date is calculated by comparing the index as of that date against the index as of the date 12 months prior. The WPI is based on a basket of goods and services that reflects the pattern of consumption of Argentine retailers. The CPI measures changes in the price level of goods and services to the final consumer and therefore tends to reflect changes in the cost of living in Argentina. While the WPI also provides a measure of inflation, it is more limited in scope since it measures changes in the price of goods and services paid by retailers and not consumers. All references in this offering memorandum to CPI are to the national CPI.

"Mercosur" refers to the Mercado Común del Sur, which is a regional trade agreement among Argentina, Brazil, Paraguay, Uruguay and Venezuela.

The "primary balance" refers to the difference between the Province's current and capital expenditures and current and capital revenues. The primary balance excludes interest expenses and borrowings and repayments of the Province's debt.

The "underemployment rate" represents the percentage of the Province's labor force that has worked fewer than 35 hours during the week preceding the date of measurement and seeks to work more than that amount. The "labor force" refers to the sum of the population of the five main urban areas of the Province (Greater Buenos Aires, Bahía Blanca-Cerri, Greater La Plata, Mar del Plata-Batán and San Nicolás-Villa Constitución) that has worked a minimum of one hour with compensation or 15 hours without compensation during the week preceding the date of measurement plus the population that is unemployed but actively seeking employment.

The “unemployment rate” represents the percentage of the Province’s labor force that has not worked a minimum of one hour with compensation or 15 hours without compensation during the week preceding the date of measurement.

Currency of Presentation and Exchange Rates

Unless otherwise specified, references in this offering memorandum to “dollars,” “U.S. dollars,” “USD” and “USD” are to the currency of the United States of America, references to “euros” and “EUR” are to the currency of the European Union, references to “CHF” are to Swiss francs and references to “pesos” and “ARS” are to Argentine pesos.

The Province publishes most of its economic indicators and other statistics in pesos. Since February 2002, the peso floats against other currencies, although the Central Bank purchases or sells U.S. dollars on the currency exchange market on a regular basis in order to minimize fluctuations in the value of the peso.

The following table sets forth the annual high, low, average and period-end “reference” exchange rates for the periods indicated, expressed in pesos per U.S. dollar and not adjusted for inflation. There can be no assurance that the peso will not depreciate or appreciate again in the future. The Federal Reserve Bank of New York does not report a noon buying rate for pesos.

	Exchange rates(1)			
	High	**Low**	**Average(2)**	**Period end**
Year ended December 31,				
2009	3.855	3.450	3.730	3.797
2010	3.986	3.794	3.913	3.976
2011	4.304	3.972	4.130	4.303
2012	4.917	4.305	4.551	4.917
2013	6.518	4.923	5.479	6.518
2014	8.556	6.543	8.119	8.552
2015				
January	8.640	8.554	8.602	8.640
February	8.726	8.649	8.686	8.724
March	8.820	8.731	8.779	8.820
April	8.905	8.826	8.866	8.905
May	8.989	8.910	8.949	8.989

(1) Central Bank reference exchange rates (Communication A 3500 of Central Bank).
(2) Average of daily closing quotes.
Source: Central Bank.

Currency conversions, including conversions of pesos into U.S. dollars, are included for the convenience of the reader only and should not be construed as a representation that the amounts in question have been, could have been or could be converted into any particular denomination, at any particular rate or at all.

As of June 1, 2015 the peso-dollar reference exchange rate was ARS 8.9965 to USD 1.00.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All annual information presented in this offering memorandum is based upon January 1 to December 31 periods, unless otherwise indicated. Totals in some tables in this offering memorandum may differ from the sum of the individual items in those tables due to rounding.

Unless otherwise stated, prices and figures are stated in current values of the currency presented.

Certain statistical information included in this offering memorandum is preliminary in nature and reflects the most recent reliable data readily available to the Province as of the date of this offering memorandum.

FORWARD-LOOKING STATEMENTS

This offering memorandum and any related supplement (including any documents incorporated by reference) may contain forward-looking statements within the meaning of Section 27A of the Securities Act and section 21E of the U.S. Securities Exchange Act of 1934 as amended (the "Exchange Act"). Forward-looking statements are statements that are not historical facts, including statements about the Province's beliefs and expectations. These statements are based on the Province's current plans, estimates and projections. Therefore you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made. The Province undertakes no obligation to update any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties, including, but not limited to, those set forth in "Risk Factors" in this offering memorandum. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. The information contained in this offering memorandum identifies important factors that could cause such differences. Such factors include, but are not limited to:

- adverse domestic factors, such as increases in inflation, high domestic interest rates and exchange rate volatility, any of which could lead to lower economic growth;

- adverse external factors, such as a decline in foreign investment, changes in international prices (including commodity prices) for goods produced within the Province, changes in international interest rates, recession or low economic growth in Argentina's trading partners, which could decrease the value or quantity of exports from the Province, induce a contraction of the Province's economy and, indirectly, reduce tax revenues and other public sector revenues and adversely affect the Province's fiscal accounts; and

- other adverse factors, such as climatic or political events, international or domestic hostilities and political uncertainty.

SUMMARY

This summary highlights selected economic and financial information about the Province. It is not complete and may not contain all of the information you should consider before deciding to tender your Existing Bonds in exchange for New Bonds. You should read this entire offering memorandum, including the "Risk Factors" section, carefully.

Selected Economic Information
(in billions of Pesos unless otherwise indicated)

	2010	2011	2012	2013	2014
PROVINCIAL ECONOMY					
Real GDP (in billions of 1993 pesos)	ARS 153.62	ARS 169.15	ARS 175.02	ARS 180.57	------
Rate of change in Real GDP from prior year	13.8%	10.1%	3.5%	3.2%	------
Provincial GDP as a % of National GDP	36.4%	36.8%	37.4%	------	------
Unemployment rate [1]	8.7%	8.3%	7.9%	7.2%	7.9%
NATIONAL ECONOMY					
Real GDP (in billions of 1993 pesos)	ARS 422.13	ARS 459.57	ARS 468.3	------	------
Rate of change from prior year	9.2%	8.9%	1.9%	------	------
Unemployment rate [2]	7.3%	6.7%	6.9%	6.40%	6.90%
Inflation (as measured by CPI)	10.9%	9.5%	10.8%	10.9%	23.9%
PROVINCIAL PUBLIC SECTOR FINANCES					
Total Revenues	ARS 69.38	ARS 90.29	ARS 111.43	ARS 150.05	ARS 203.0
Total Expenditures	72.13	98.43	120.29	151.08	202.18
Primary Fiscal Balance[3]	-0.81	-5.6	-5.31	3.32	7.52
Financial Balance [4]	-2.75	-8.14	-8.86	-1.03	0.80
Total results [5]	-0.84	-6.14	-7.38	-7.88	-9.75
PROVINCIAL PUBLIC SECTOR DEBT					
Peso-denominated debt [6]	ARS 31.96	ARS 33.67	ARS 40.27	ARS 39.89	ARS 38.33
Foreign-currency-denominated debt [7]	ARS 21.06	ARS 27.17	ARS 32.24	ARS 41.99	ARS 51.98
Total debt [7]	ARS 53.02	ARS 60.84	ARS 72.51	ARS 81.88	ARS 90.31
Total debt (in billions of USD)[7]	USD 13.34	USD 14.14	USD 14.74	USD 12.56	USD 10.56
Debt as a % of nominal GDP [7]	10.2%	9.2%	9.1%	8.3%	------
Debt as a % of total revenues[7]	76.4%	67.4%	65.1%	54.6%	44.5%

(1) For the fourth quarter of each year (weighted average data for Areas of Greater Buenos Aires).
(2) Based on the *Encuesta Permanente de Hogares* (Permanent Household Survey or "EPH") conducted in 28 major cities. According to INDEC, the current methodology to conduct the EPH is applied to every major city except Rawson - Trelew, San Nicolás -Villa Constitución and Viedma - Carmen de Patagones, where the EPH is still being conducted pursuant to the old methodology because of resource constraints in cities in the interior of Argentina.
(3) Excluding interest payments.
(4) Represents the primary fiscal balance minus interest payments.
(5) Represents total surplus/(deficit) plus borrowings, minus debt repayments.
(6) Includes debt denominated in CER-adjusted pesos.
(7) Excluding past due interest payments.
Source: Provincial Office of Statistics; Ministry of Economy of the Province; Federal Ministry of Economy and Public Finance.

The Province

General

The Province is the largest of the 23 provinces of Argentina, with an area of 304,907 square kilometers and with a population of approximately 15.6 million inhabitants. It is located in the central-eastern part of the country, in a region known as the "Pampas." The capital of the Province is the city of La Plata.

The executive branch consists of a Governor and a Vice Governor, who are elected by popular vote for a period of four years, and a number of ministries, secretariats and other provincial governmental agencies.

The legislative branch consists of the Senate and the House of Deputies. The judicial branch consists of trial courts, courts of appeals and the Supreme Court, which have jurisdiction over civil, commercial, administrative, labor, family and criminal matters within the Province. In addition, the provincial constitution provides for the existence of certain provincial agencies that do not fall under any of the three branches of government.

Each of the Province's 135 municipalities has its own government, responsible for providing basic local services. Pursuant to provincial law, the Province's municipalities are entitled to receive a percentage of the taxes collected by the Province and the federal government. In addition, several municipalities are entitled to collect certain provincial taxes.

The current President of Argentina, Cristina Fernández de Kirchner, and the Governor of the Province, Daniel Scioli, were elected in 2007 and re-elected in 2011. The next elections for President of Argentina and for Governor of the Province are scheduled to take place in October 2015.

The Provincial Economy

The provincial economy accounts for a significant part of the Argentine economy and its economic cycle is closely tied to that of Argentina.

In 2013, the Province's real GDP increased by 3.2%, from ARS 175,02 billion in 2012 to ARS 180,57 billion in 2013. In 2014, quarterly economic activity indicators developed by the Province, which track quarterly variations in GDP at constant prices, showed increases of 3.2%, 2.3% and 0.6% for the first, second and fourth quarter, respectively, and a decrease of 0.6% for the third quarter, in each case as compared to the same quarters of the prior year.

The Province has a diversified economy. The Province's most significant economic sectors are (i) manufacturing, (ii) real estate and business activities, (iii) retail and wholesale commerce, (iv) transport, storage and communications, (v) education, social and health services, (vi) construction, and (vii) agriculture, livestock, hunting and forestry. Historically, the Province's manufacturing sector has been the single largest contributor to provincial GDP.

Public Sector Finances

In 2014, the current account balance recorded a surplus of ARS 3,353 million, compared to a surplus of ARS 232 million in 2013. In 2014, a financial surplus of ARS 800 million was recorded, as compared to a financial surplus of ARS 1,029 million in 2013.

Main Sources of Revenues

From 2010 through 2014, 70.4% of provincial revenues were derived from taxes, either federal or provincial. On average, during this period, provincial tax collections represented 41.5% of total revenues, while federal tax transfers represented 28.8% of total revenues.

Federal Transfers. Under the federal tax co-participation regime, the federal government is required to transfer to a federal tax co-participation fund, 64% of income tax revenues, 89% of value added tax revenues, 100% of presumptive minimum income tax revenues and 30% of financial transaction tax revenues, among others.

Out of these revenues, ARS 549.6 million is allocated to the *Fondo de Desequilibrios Fiscales Provinciales* (Provincial Tax Imbalance Fund). After this allocation, 15.0% of all remaining funds are allocated to the federal social security system. The remaining 85% is distributed among the federal government, the City of Buenos Aires and the provinces, with approximately 42.3% of the balance being allocated to the federal government, the Province of Tierra del Fuego and the City of Buenos Aires; 1.0% being allocated to an emergency fund; and approximately 56.66% being allocated to the provinces to be shared among them according to percentages set forth in the federal tax co-participation law. The Province is currently entitled to 21.7% of funds allocated to the provinces under the co-participation regime. The province is required to transfer a portion of these funds to the municipalities and is entitled to manage the remaining funds in its sole discretion.

Provincial Revenues. Historically, the main source of provincial revenues has been the collection of provincial taxes. In 2014, 60.7% of total tax revenues were provincial tax revenues. The main taxes are gross revenue tax, real estate tax, automobile tax, stamp tax, energy tax, tax of gratuitous transfers of properties and tax amnesty and incentive plans.

The Province also derives non-tax revenues from various provincial sources, including transfers of net profits or surpluses from provincial entities such as the Institute of Lotteries and Casinos and the Loan Recovery Committee, fees collected by the provincial judicial system, interest on loans granted to municipalities or other provincial agencies and enterprises, and proceeds from the lease of provincial land.

Composition of Expenditures

The Province's expenditures are allocated to education, health programs, social programs, municipalities, investments in public infrastructure and services, police, courts, prisons and general provincial administration. Combined spending on education, health programs, social programs, investments in public infrastructure and services, police, courts and prisons and general provincial administration accounts for approximately 70.0% of the Province's total expenditures (excluding debt interest).

Provincial spending can be broken down in capital and current expenditures. Current expenditures consist of costs of personnel, goods and services and current transfers, which include transfers to municipalities under the provincial tax co-participation regime and to unconsolidated provincial agencies and enterprises. Capital expenditures include capital investment, loans and capital contributions to provincial enterprises and loans and transfers to municipalities for public works. The Province's total expenditures for 2014 increased by 33.8%, to ARS 202.18 billion from ARS 151.08 billion during 2013. This increase is explained by a 33.0% increase in current expenditures, to ARS 194.65 billion from ARS 146.39 billion during 2013.

The 2015 Budget

Pursuant to the constitution of the Province, the executive branch must submit a draft budget law for each upcoming year during the prior year. The budget represents an estimate of future revenues and also constitutes an authorization of, and a limit on, expenditures and indebtedness by the Province for the budgeted period. The provincial legislature has broad powers to amend or reject the draft budget law submitted by the executive branch.

The executive branch of the Province submitted its proposed budget for 2015 to the provincial legislature on October 8, 2014. On November 13, 2014, the provincial legislature approved Law No. 14,652 (the "2015 Budget Law") with certain modifications, such as the amount of indebtedness authorized for 2015.

The 2015 budget establishes a primary balance surplus of ARS 7.51 billion, as compared to a primary balance surplus of ARS 5.27 billion from the 2014 budget, and a financial surplus of ARS 78 million in 2015 as compared to a financial surplus of ARS 43 million in the 2014 budget. The Province expects to borrow ARS 19.41 billion to fund social programs and/or public works.

Public Sector Debt

The Province satisfies its financing needs with a wide variety of sources depending on the provincial and federal economies and the domestic and international financial markets. The Province's total indebtedness increased from ARS 72.5 billion as of December 31, 2012 to ARS 81.9 billion as of December 31, 2013 and to ARS 90.3 billion as of December 31, 2014.

As of December 31, 2014, the federal government held 37.5% of the Province's total indebtedness, while 53.4% was held by local and international bondholders, 7.8% corresponded to multilateral credit organizations and the remaining 1.3% was held by bilateral credit agencies and other creditors. As of December 31, 2014, 42.1% of the Province's total indebtedness was denominated in pesos, with the remaining 42.6%, 14.4%, 0.6% and 0.4% denominated in U.S. dollars, euros, other currencies and CER adjusted pesos, respectively. Also, as of December 31, 2014, 97.9% of the Province's debt stock was long term and 68.1% was at fixed rate.

During 2014, the Province's indebtedness increased mainly due to:

- the effect of the depreciation of the peso on non-indexed debt denominated in U.S. dollars and euros, accounting for an ARS 11.14 billion increase;
- new disbursements for ARS 6.07 billion;
- interest capitalization for ARS 1.73 billion; and
- the impact of inflation on debt denominated in pesos and adjusted by CER, which accounted for an ARS 145 million increase

These effects were partially offset by debt repayments to the federal government of ARS 4.80 billion, reflecting a debt reduction of ARS 4.56 billion pursuant to the 2013 Debt Refinancing Agreement with the federal government. This agreement established that the federal government transferred to the Province the funds generated by the National Treasury Contribution Fund, which were used to partially cancel the refinanced debt.

Banco Provincia

Banco Provincia is the second largest bank in Argentina in terms of total deposits and assets, with deposits of ARS 90.9 billion and total assets of ARS 107.3 billion as of December 31, 2014. The Province is the sole owner of Banco Provincia.

Banco Provincia is an *entidad autárquica* (self-administered public institution) governed by a board of directors appointed by the Governor of the Province with the approval of the provincial Senate. Banco Provincia acts as the financial agent of the Province and collects provincial taxes and duties on the Province's behalf. The Province guarantees all deposits and other liabilities of Banco Provincia. However, creditors of Banco Provincia that seek to enforce the guarantee must exhaust all legal remedies against Banco Provincia before requesting payment from the Province under the guarantee.

Although Banco Provincia is exempt from compliance with Argentine financial and banking regulations, it voluntarily adheres to the regulatory framework of the Argentine financial sector and therefore complies with the banking regulations and rules adopted by the Central Bank, including minimum capital, solvency and liquidity requirements and the supervisory powers of the Central Bank. Because of its special status as a provincial self-administered public institution, Banco Provincia is not subject to any federal income or other tax liability.

As of December 31, 2014, Banco Provincia's exposure to the public sector totaled approximately ARS 26.4 billion, accounting for approximately 24.6% of its total assets at that date.

The Exchange Offer

The summary highlights information contained elsewhere in this offering memorandum. It is not complete and may not contain all of the information that you should consider before deciding to tender your Existing Bonds in exchange for the New Bonds. You should read this entire offering memorandum, including the "Risk Factors" section, carefully.

General .... The Province is inviting holders of Existing Bonds to tender their Existing Bonds in exchange for newly issued New Bonds on the terms and subject to the conditions set forth in this offering memorandum.

The Province reserves the right not to accept any tenders that, in its sole discretion, do not comply with the requirements set forth in this offering memorandum or to modify in any manner any of the terms and conditions of the Exchange Offer subject to any legal requirements to extend the Expiration Time of the Exchange Offer.

The Exchange Offer expires at 4:00 P.M., Central European Time, on June 8, 2015, unless the Province in its sole discretion extends it or terminates it earlier. We refer to the date and time on which the Exchange Offer expires as the "Expiration Time."

Purpose of the Exchange Offer........ The Exchange Offer is part of a general strategy of the Province to manage its outstanding indebtedness. The Province may, in the future, offer to exchange, or repurchase the Existing Bonds not exchanged in the Exchange Offer, or exchange, repurchase or redeem other outstanding indebtedness.

Concurrent Offer.............................. The Province priced USD 500 million of its 9.95% bonds due 2021 on the date hereof for expected settlement on June 9, 2015.

The Concurrent Offer is being made pursuant to a separate offering document, and not by this offering memorandum. Any and all New Bonds issued in the Concurrent Offer will constitute a single series with, have the same terms and conditions as, be assigned the same ISIN numbers and Common Codes as, and trade fungibly with, the New Bonds issued pursuant to the Exchange Offer.

Interest... Interest accrued and unpaid on the Existing Bonds accepted for exchange will be paid as part of the Consideration (as defined below). The Province will pay no cash in lieu of any accrued and unpaid interest with respect to the Existing Bonds accepted for exchange. Interest on the Existing Bonds accepted for exchange will cease to accrue upon the settlement of the Exchange Offer.

Consideration.................................... Subject to the pro rata allocation described below, if you validly tender your Existing Bonds in the Exchange Offer, and your tender is accepted by the Province, you will receive, in exchange for your Existing Bonds accepted for exchange, New Bonds with a principal amount equal to the principal amount of your Existing Bonds accepted for exchange multiplied by a fraction (rounded to six decimals) equal to (i) USD 1,030 plus accrued and unpaid interest on such Existing Bonds through the settlement date of this Exchange Offer (expressed as U.S. dollar amount per USD 1,000 principal amount of Existing Bonds accepted for exchange) divided by (ii) USD 987.64 plus accrued interest on the New Bonds from June 9, 2015 through the settlement date of this Exchange Offer (expressed as U.S. dollar amount per USD 1,000 principal amount of New Bonds). Assuming the settlement of this Exchange Offer occurs on the dates set forth under "Summary Time Schedule for the Exchange Offer," you will receive approximately USD 1,064 principal amount of New Bonds per USD 1,000 principal amount of your Existing Bonds accepted for exchange (the "Consideration").

Conditions to the Exchange Offer... The settlement of the Exchange Offer is conditioned on, among other things, the settlement of the Concurrent Offer and the absence of legal actions or proceedings affecting the Exchange Offer. For more information regarding the conditions to which the Exchange Offer is subject, see "Terms of the Exchange Offer—Conditions to the Exchange Offer."

Allocation of New Bonds................. The Province will allocate the aggregate principal amount of New Bonds among eligible holders (as defined below) on a pro rata basis (as further described under "Terms of the Exchange Offer—Allocation of New Bonds").

Exchange Offering Restrictions; Eligible Holders......................... You are not eligible to receive or review this offering memorandum or to participate in the Exchange Offer unless you have previously completed a letter of eligibility through the following website: http://gbsc-usa.com/eligibility/PBA, and:

1) you are a qualified institutional buyer as defined in Rule 144A under the Securities Act and are participating in the Exchange Offer for your account or for the account of a qualified institutional buyer; or

2) you either:

    - are not in the United States (as contemplated by Rule 903(a)(1) of Regulation S under the Securities Act); or

    - are a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States holding a discretionary account or similar account (other than an estate or trust) for the benefit or account of a non-U.S. person (as contemplated by Rule 903(a)(1) of Regulation S under the Securities Act); and

3) your receipt and review of the offering memorandum, and your participation in the Exchange Offer, is otherwise permitted under the laws and regulations of any other jurisdiction applicable to you.

We refer to holders of Existing Bonds who meet the foregoing criteria as "eligible holders."

For a description of certain restrictions on resale or transfer of the New Bonds, see "Transfer Restrictions" in this offering memorandum.

Tendering Existing Bonds................ If your Existing Bonds are held in the name of a custodian or other securities intermediary, such as a broker, dealer, bank, trust company or trustee, you must contact such custodian or other securities intermediary and instruct it to tender your Existing Bonds on your behalf. You should

	contact your custodian or other securities intermediary well in advance of the Expiration Time, since your custodian may have earlier deadlines by which it must receive your instructions in order to have adequate time to submit your tender on time. For more information on tendering your Existing Bonds, please see "Terms of the Exchange Offer—Tender Procedures."
Withdrawal Rights	Any tender may be withdrawn for any reason, at any time prior to the Expiration Time. For more information about the conditions for withdrawal, see "Terms of the Exchange Offer—Withdrawal Rights."
Income Tax Consequences...............	Please see the section entitled "Taxation" for important information regarding the possible tax consequences to bondholders that tender Existing Bonds pursuant to the Exchange Offer.
Dealer Managers...............................	BNP Paribas Securities Corp. and Merrill Lynch, Pierce, Fenner & Smith Incorporated
Information Agent............................	Global Bondholder Services Corporation
Exchange Agent	Global Bondholder Services Corporation
Risk Factors	Before deciding to tender your Existing Bonds in the Exchange Offer in exchange for the New Bonds, you should read carefully all of the information contained in this offering memorandum, including, in particular, the risk factors described under "Risk Factors." These risks include: • Risks of not participating in the Exchange Offer, including: – The market for Existing Bonds may become limited or illiquid, which may adversely affect their market value; • Risks of participating in the Exchange Offer, including: – The Province has broad discretion to limit, cancel or amend the terms of the Exchange Offer, which may affect the timing of the Exchange Offer and the ability of holders of Existing Bonds to sell their bonds; – The Exchange Offer is subject to certain conditions, and the Province will not be obligated to proceed with settlement of the Exchange Offer if any of these conditions is not met or waived; – Holders of defaulted bonds of the Province may attempt to prevent consummation of the Exchange Offer by seeking an injunction or pursuing other legal remedies; – The Exchange Offer may be prorated if demand to exchange Existing Bonds exceeds the maximum aggregate principal amount of Existing Bonds that the Province intends to

exchange, in which case the amount of New Bonds you receive at settlement may differ from that which you elect to receive or your tender may not be accepted; and

  – Holders may experience delays and other difficulties in tendering Existing Bonds and in holding New Bonds through clearing systems other than the Designated Clearing Systems;

- Risks relating to the New Bonds, including:

  – The New Bonds are subject to restrictions on resales and transfers;

  – There can be no assurances that the credit ratings granted to the New Bonds to be issued under this offering memorandum may not be downgraded, suspended or cancelled by the rating agencies;

  – There is no prior market for the New Bonds; if one develops, it may not be liquid. In addition, a listing of the New Bonds on a securities exchange cannot be guaranteed;

  – It may be difficult for you to obtain or enforce judgments against the Province; and

  – The New Bonds will contain provisions that permit the Province to amend the payment terms of the New Bonds without the consent of all holders.

- Risks relating to the Province, including:

  – Investing in an emerging market such as Argentina, in which the Province is a political subdivision, entails certain inherent risks;

  – The Province is a political subdivision of Argentina and, as a result, the Province's economic performance is subject to general economic conditions in Argentina and to decisions and measures adopted by the federal government, which it does not control;

  – Increases in personnel expenditures may have a significant adverse effect on the public finances of the Province and its ability to service its debt;

  – If the Federal Council of Fiscal Responsibility were to determine that the Province's budget did not comply with the Fiscal Responsibility Law, the Province could be subject to sanctions;

  – The Province's limited sources of financing and investment may have an adverse effect on its economy and ability to service its debt obligations, including the New Bonds;

– An increase in inflation could have a material adverse effect on the Province's economic prospects;

– Possible impact of federal government measures on the provincial and federal economies;

– Any revisions to the Province's official financial or economic data resulting from a subsequent review of such data by the Provincial Office of Statistics or any other provincial entity could reveal a different economic or financial situation in the Province, which could affect your evaluation of the market value of the New Bonds;

– Some national and international economic agents have expressed their concerns about the accuracy of the CPI published until December 2013 and other economic data published by INDEC;

– The Province's economy may not recover to its rate of growth prior to the 2008 global economic crisis and may contract in the future, which could have a material adverse effect on the Province's public finances and its ability to service its debt obligations, including the New Bonds;

– The Province's economy remains vulnerable to external shocks that could be caused by significant economic difficulties of Argentina's major regional trading partners or by more general "contagion" effects, which could have a material adverse effect on the Province's economic growth and its ability to service its public debt;

– The global economic and financial crisis and unfavorable general economic and market conditions that commenced in 2008 have affected, and could continue to negatively affect the Province's economy;

– A decline in international prices for the Province's principal commodity exports could have a material adverse effect on the Province's economy and public finances;

– A significant depreciation of the currencies of the Province's trading partners or trade competitors may adversely affect the competitiveness of provincial exports and cause an increase in provincial imports, thus adversely affecting the Province's economy;

– Fluctuations in the value of the peso could have an adverse effect on the Province's economy and its ability to service its debt obligations;

– The intervention of the Central Bank in the foreign exchange market, aimed at counteracting sharp shifts in the value of the peso, may affect the level of international reserves and a significant depreciation or appreciation of the peso could have an impact on the Argentine and provincial economies and the

Province's ability to service its debt obligations;

- In the event of another economic crisis, the federal government could strengthen exchange controls and transfer restrictions, which could have a material adverse effect on provincial private and public sector economic activity;

- Liquidity or other problems faced by Banco Provincia may have an adverse effect on the Province's economic growth and cause the Province to incur extraordinary, unbudgeted expenditures; and

- The Province is a defendant in various lawsuits relating to its default on its public external indebtedness.

The New Bonds

The summary highlights information contained elsewhere in this offering memorandum. It is not complete and may not contain all of the information that you should consider before tendering Existing Bonds in exchange for New Bonds. You should read the entire offering memorandum, including the "Risk Factors" section, carefully.

Issuer	The Province of Buenos Aires.
New Bonds Offered in Exchange	9.95% Notes due 2021. The New Bonds issued in the Exchange Offer will constitute additional debt securities under the indenture. Any and all New Bonds issued in the Exchange Offer will constitute a single series of debt securities with, have the same terms and conditions as, be assigned the same ISIN numbers and Common Codes as, and trade fungibly with, the New Bonds issued pursuant to the Concurrent Offer.
Final Maturity	June 9, 2021.
Interest Payment Dates	June 9 and December 9, beginning December 9, 2015.
Amortization of Principal	The Province will pay the principal of the New Bonds in two installments: 50% of the outstanding principal amount on June 9, 2020 and the remaining outstanding principal amount on June 9, 2021. The New Bonds will represent a claim to their full principal due on each amortization date (plus accrued and unpaid interest) or upon earlier acceleration in accordance with their terms.
Ranking	The New Bonds are direct, general, unconditional and unsubordinated Public External Indebtedness (as defined below) of the Province. The New Bonds rank and will rank without any preference among themselves and equally with all other unsubordinated Public External Indebtedness of the Province. It is understood that this provision shall not be construed so as to require the Province to make payments under the New Bonds ratably with payments being made under any other Public External Indebtedness of the Province. See "Description of the New Bonds–Status."
Covenants	The indenture governing the New Bonds contains covenants that, among other things, limit the Province's ability to issue or assume any indebtedness secured by a lien on any of its property or assets unless the New Bonds are secured equally and ratably with such indebtedness. These covenants are subject to important exceptions and qualifications, which are described under the heading "Description of the New Bonds" in this offering memorandum.
Risk Factors	See "Risk Factors" and the other information in this offering memorandum for a discussion of factors you should carefully consider before deciding to invest in the New Bonds.
Further Issuances	The Province may from time to time, without the consent of the holders of the New Bonds, create and issue

	additional notes having terms and conditions which are the same as those of the New Bonds in all respects, except for the issue date, issue price and first payment of interest on the New Bonds; provided, however, that any additional notes subsequently issued that are not fungible with the previously outstanding New Bonds for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number from the previously outstanding New Bonds. Additional notes issued in a qualified reopening for U.S. federal income tax purposes will be consolidated with and will form a single series with the previously outstanding New Bonds.
Form and Settlement	The Province will issue the New Bonds in fully registered form, without interest coupons attached, only in denominations of USD 150,000 and in integral multiples of USD 1.00 in excess thereof. The New Bonds will be registered in global form in the name of a nominee of a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream"). See "Description of the New Bonds— Registration and Book-Entry System."
Clearing	The New Bonds offered hereby pursuant to Rule 144A and Regulation S under the Securities Act are expected to clear through the Euroclear and Clearstream clearance systems.

Summary Time Schedule for the Exchange Offer

The following summarizes the anticipated time schedule for the Exchange Offer assuming, among other things, that the Expiration Time is not extended. This summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this offering memorandum. All references are to Central European time unless otherwise noted.

Date	Action
June 2, 2015.....................................	*Commencement Date and Concurrent Offer Pricing* Commencement of Exchange Offer and distribution of this offering memorandum. This Exchange Offer is being made following the Province's announcement of the results of the Concurrent Offer, *see* "Terms of the Exchange Offer—Concurrent Offer."
June 9, 2015.....................................	*Concurrent Offer Settlement Date* The Province expects to settle the Concurrent Offer on this date.
4:00 P.M., Central European Time, on June 8, 2015....................	*Expiration Time* Deadline for holders of Existing Bonds to submit a completed Tender Instructions as described in this offering memorandum, unless the Province in its sole discretion extends or terminates the Exchange Offer earlier. After this time, you may no longer submit Tender Instructions. The clearing systems and custodians for the Existing Bonds may in accordance with their normal procedures establish earlier deadlines for the receipt of the Tender Instructions from their participants, as described under "Tender Procedures."
At or around 4:00 P.M., Central European Time, on June 9, or as soon as practicable thereafter........	*Announcement Date* Unless it has extended the Expiration Time or terminated the Exchange Offer earlier, the Province will announce on this date or as soon as possible thereafter the results of the Exchange Offer.
June 11, 2015, or as soon as practicable thereafter.....................	*Settlement Date* Unless the Exchange Offer is extended, in which case a new Settlement Date will be announced, the Province on this date will credit the New Bonds to the clearing systems as registered holders of the New Bonds for the benefit of the tendering holders.

RISK FACTORS

This Exchange Offer and an investment in the New Bonds involves a significant degree of risk. Before deciding to tender your Existing Bonds in exchange for the New Bonds, you should read carefully all of the information contained in this offering memorandum, including, in particular, the following risk factors.

Risks of Not Participating in the Exchange Offer

If the Exchange Offer is completed, the trading market for Existing Bonds may become limited or illiquid, which may adversely affect their market value and the ability of holders to sell Existing Bonds.

All Existing Bonds tendered and accepted pursuant to the Exchange Offer will be cancelled. Accordingly, the principal amount of Existing Bonds that will remain outstanding after the exchange is consummated may be significantly reduced, depending on the overall level of participation in the Exchange Offer. Consequently, the trading market, if any, for Existing Bonds outstanding after the Exchange Offer could become limited or nonexistent. As a result, if you elect not to participate in the Exchange Offer it may be difficult for you to trade your Existing Bonds and the market value of your Existing Bonds may be adversely affected.

Risks of Participating in the Exchange Offer

The Province has broad discretion to complete, limit, cancel, extend or amend the terms of the Exchange Offer, which may affect the timing for completion of the Exchange Offer and the ability of holders of the Existing Bonds to transfer or sell their bonds.

The terms of the Exchange Offer allow the Province to terminate or extend the Exchange Offer past the originally scheduled expiration time, to withdraw or amend the Exchange Offer in one or more jurisdictions, and to reject valid tenders of Existing Bonds, in each case at the Province's sole discretion. Accordingly, the Province cannot provide any assurance that the exchange of Existing Bonds for New Bonds pursuant to the Exchange Offer will be completed in any particular jurisdiction, or at all. Even if the Exchange Offer is consummated, the Province cannot assure holders of Existing Bonds that the Exchange Offer will be completed in accordance with the time schedule and terms set forth in this offering memorandum due to potential legal proceedings or other reasons. Accordingly, holders participating in the Exchange Offer may have to wait longer than expected to receive their New Bonds, during which time those holders will not be able to effect transfers of their Existing Bonds tendered pursuant to the Exchange Offer.

The Exchange Offer is subject to certain conditions, and the Province will not be obligated to proceed with the settlement of the Exchange Offer if any of these conditions is not met or waived.

The settlement of the Exchange Offer is conditioned on, among other things, the settlement of the Concurrent Offer and the absence of legal actions or proceedings affecting the Exchange Offer. If any legal action or proceeding is affecting the Exchange Offer, the Province may, in its sole and absolute discretion, decide to terminate the Exchange Offer, whether or not it has previously accepted tenders of Existing Bonds. Accordingly, there can be no assurance that the exchange of Existing Bonds pursuant to the Exchange Offer will be completed. For more information regarding the conditions to which the Exchange Offer is subject, see "Terms of the Exchange Offer—Conditions to the Exchange Offer."

Holders of defaulted bonds of the Province may attempt to prevent consummation of the Exchange Offer by seeking an injunction or pursuing other legal remedies.

The Province may be subject to efforts by holders of defaulted bonds of the Province to enjoin or otherwise prevent the consummation of the Exchange Offer. In the past, for example, non-participating creditors initiated legal proceedings to enjoin separate exchange offers by Argentina, including by attempting unsuccessfully to seize securities tendered to Argentina. Although the courts ultimately did not restrain those exchange offers, the legal proceedings succeeded in delaying their consummation. The Province cannot assure you that certain holders of its outstanding bonds will not take actions that may, or that a court will not, enjoin, impede or delay the Exchange

Offer. The Province intends to oppose vigorously any efforts to challenge the Exchange Offer, but can offer no assurances of success.

The Exchange Offer may be prorated if demand to exchange Existing Bonds exceeds the maximum aggregate principal amount of Existing Bonds that the Province intends to exchange, in which case the amount of New Bonds you receive at settlement may differ from that which you elect to receive or your tender may not be accepted.

The Province is offering to exchange up to a maximum of USD 500 million of its outstanding Existing Bonds for New Bonds. In the event that you elect to receive New Bonds in exchange for your Existing Bonds, and demand to exchange Existing Bonds exceeds the maximum aggregate principal amount of Existing Bonds that the Province intends to exchange, the amount of New Bonds you receive at settlement may differ from that which you elect to receive. In addition, the New Bonds may only be issued in minimum denominations of USD 150,000 and, accordingly, if as a result of proration the principal amount of New Bonds you are entitled to receive is less than the minimum denomination of the New Bonds, your tender will not be accepted by the Province. See "Terms of the Offer—Allocation of New Bonds."

Holders may experience delays, inconvenience and other difficulties in tendering Existing Bonds and holders may only tender Existing Bonds or hold New Bonds through the Designated Clearing Systems.

You may experience delays, inconvenience and other difficulties in tendering your Existing Bonds. You may only tender Existing Bonds or hold New Bonds through "Designated Clearing Systems," which are:

- Clearstream Banking, société anonyme ("Clearstream"); and
- Euroclear Bank S.A./N.V., as operator of the Euroclear Clearance System plc ("Euroclear").

Risks Relating to the New Bonds

The New Bonds are subject to restrictions on resales and transfers.

The New Bonds have not been registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the New Bonds may be offered and sold only (a) to "Qualified Institutional Buyers" (as defined in Rule 144A under the Securities Act) in compliance with Rule 144A; (b) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act; (c) pursuant to an exemption from registration under the Securities Act; or (d) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. For certain restrictions on resale and transfer, see "Plan of Distribution" and "Notice to Investors."

There can be no assurances that the credit ratings granted to the New Bonds to be issued under this offering memorandum may not be downgraded, suspended or cancelled by the rating agencies.

Any credit rating granted to the New Bonds to be issued under this offering memorandum may change following its issuance. Such credit rating is limited in its scope and does not consider all of the risks related to the investment in the New Bonds. The credit rating only reflects the considerations that were taken into account at the moment of issuing such credit rating. There can be no assurances that such credit rating be maintained for a certain period of time or that such credit rating may not be downgraded, suspended or cancelled upon the credit rating's consideration or if circumstances will so require. Any credit rating downgrade, suspension, or cancellation may have an adverse effect on the market price and the negotiation of the New Bonds.

There is no prior market for the New Bonds; if one develops, it may not be liquid. In addition, a listing of the New Bonds on a securities exchange cannot be guaranteed.

There currently is no market for the New Bonds. The Province cannot promise that such a market will develop or if one does develop, that it will continue to exist. If a market for the New Bonds were to develop, prevailing interest rates and general market conditions could affect the price of the New Bonds. This could cause the New Bonds to trade at prices that may be lower than their principal amount or their initial offering price.

In addition, although application will be made to list the New Bonds in the Luxembourg Stock Exchange, the *Mercado de Valores de Buenos Aires S.A.* and the Argentine *Mercado Abierto Electrónico S.A.* and to trading on the Euro MTF Market, the New Bonds issued hereby may not be so listed and traded. Moreover, even if a tranche of New Bonds is so listed and traded at the time of issuance, the Province may decide to delist the New Bonds and/or seek an alternative listing for such New Bonds on another stock exchange, although there can be no assurance that such alternative listing will be obtained.

It may be difficult for you to obtain or enforce judgments against the Province.

The Province is a political subdivision of a sovereign entity. Consequently, while the Province has irrevocably submitted to the jurisdiction of U.S. state or federal courts sitting in the Borough of Manhattan, the City of New York, with respect to the New Bonds, which are governed by New York law, it may be difficult for holders of New Bonds or the trustee in respect of the New Bonds to obtain or enforce judgments of courts in the United States or elsewhere against the Province. See "Enforcement of Civil Liabilities."

If holders of New Bonds obtained a foreign judgment against the Province, it may be difficult for holders to have that judgment recognized and enforced in Argentine courts in light of the March 6, 2014 decision of the Supreme Court of Argentina in *Claren Corporation vs. Estado Nacional*. In that case, the Supreme Court of Argentina held that the enforcement of a foreign judgment sought by *Claren Corporation* did not satisfy one of the requirements set forth in the Code of Civil and Commercial Procedure of Argentina (*i.e.*, that a foreign judgment cannot contravene Argentine law principles of public policy), given the fact that an enforcement, as such requested by the plaintiff, would imply that such plaintiff, pursuant to an individual action filed before a foreign court, would circumvent the public debt restructuring process set forth by the federal government through emergency legislation enacted in accordance with the Argentine Constitution. In addition, the Supreme Court of Argentina held that such norms were part of Argentine public policy and, therefore, that the enforcement of a foreign judgment as the one sought by the plaintiff could not be granted as it would be clearly contrary to such legislation. The Province cannot assure you that you will be able to obtain or enforce judgments against the Province, including with respect to the New Bonds.

The New Bonds will contain provisions that permit the Province to amend the payment terms of the New Bonds without the consent of all holders.

The New Bonds will contain provisions regarding voting on amendments, modifications and waivers which are commonly referred to as "collective action clauses." Under these provisions, certain key terms of the New Bonds may be amended, including the maturity date, interest rate and other payment terms, without your consent.

Risk Factors Relating to the Province

Investing in an emerging market such as Argentina, in which the Province is a political subdivision, entails certain inherent risks.

The Province is located in Argentina, which is an emerging market economy, and investing in emerging markets generally carries risks. These risks include political, social and economic instability that may affect Argentina's economic results. In the past, instability in Argentina and in other Latin American and emerging market countries has been caused by many different factors, including the following:

- fiscal deficits;

- dependence on external financing;
- changes in governmental economic or tax policies;
- changes in levels of inflation;
- changes in currency values;
- high interest rates;
- wage increases and price controls;
- exchange controls;
- political and social tensions; and
- fluctuations in central bank reserves.

Argentina has experienced political, social and economic instability in the past and may experience further instability in the future. Any of these factors may adversely affect the liquidity, trading markets and value of Argentina's debt securities and Argentina's ability to service its debt. These effects may in turn have a negative impact on the Province's economy and financial condition.

The Province is a political subdivision of Argentina and, as a result, the Province's economic performance is subject to general economic conditions in Argentina and to decisions and measures adopted by the federal government, which it does not control.

Because the Province is a political subdivision of Argentina, the Province's economic performance and public finances are subject to general economic conditions in Argentina and may be significantly affected by national events, such as the 2001 national economic crisis and resulting political and social instability, and by decisions and measures adopted by the federal government, including those related to inflation, monetary policy and taxation. The Province does not control any of these events or decisions. As a result, you should also carefully consider the economic and other information periodically made public by Argentina. The Province does not take part in the formulation of such information.

Moreover, because a significant part of the national population resides in the Province's territory and the Province's economy represents a significant part of the national economy, the Province and the federal government have established close political and economic ties, which have lead the Province to adopt economic decisions and measures that are in line with those adopted by the federal government. The interests of the Province, however, may not always be aligned with those of the federal government or other Argentine provinces and, as a result, the Province cannot assure you that future decisions or measures adopted by the federal government will not have an adverse effect on the Province's economy that may affect its financial situation.

Increases in personnel expenditures may have a significant adverse effect on the public finances of the Province and its ability to service its debt.

The Province has been taking several steps since 2006 until the present in response to the needs expressed by the unions to realign public employees' wages and other benefits. In addition, the Province has changed its workers' contractual relationship in the previous decade, incorporating them into the permanent payroll, which resulted in an increase in public employment during this period (see "Public Sector Finances—Composition of Expenditures—Current Expenditures"). The cumulative effect of the measures taken between 2010 and 2014 has led to a significant nominal increase in personnel costs for the Province during this period, representing an increase of 192.6%. Personnel costs represents the largest expenditure for the Province and during 2014 it reached 50.5% of total current expenditures.

The public sector employees of the Province are represented by 35 separate unions, including five teachers unions and one union for judicial employees. During 2013, the provincial government reached certain wage agreements with various unions. These agreements provided wage increases to be granted in three stages, effective as of April 2013, October 2013 and January 2014. In 2013, the estimated impact of the wage agreements contemplated by the three stages described above was ARS 8,890 million, which represented a 14.4% increase in personnel expenditures compared to 2012. Additionally, in December 2013 the Province granted new wage increases to the public security forces (police and prison services), which became effective as of January 1, 2014, representing a 2% increase in aggregate personnel expenditures for 2014. The wage agreements for 2014 provided for wage increases to be granted in two stages, effective as of March 2014 and August 2014. The estimated impact of the wage agreements for 2014 represents a 20% increase in aggregate personnel expenditures for 2014 compared to 2013.

The wage negotiations for 2015 started in December 2014. The first stage of the negotiations were agreed upon in January 2015. In February and March 2015, the wage increases were agreed upon with the unions, to be granted in a second and third stages, effective as of March 1, 2015 and August 1, 2015, respectively. See "Public Sector Finances—Composition of Expenditures—Current Expenditures—Personnel."

Although wages in real terms have regained and exceeded pre-crisis levels under the collective bargaining agreements since 2005 to the present, there are no assurances that public employees will not demand higher wages or that those higher wages will not be granted. In addition, the Province has limited flexibility to reduce personnel expenses in the future, as the employees are covered by constitutional guarantees of job security.

If the Federal Council of Fiscal Responsibility were to determine that the Province's budget did not comply with the Fiscal Responsibility Law, the Province could be subject to sanctions.

In August 2004, the federal Congress adopted Law No. 25,917, the Fiscal Responsibility Law, which became effective on January 1, 2005. This law establishes a fiscal regime for the federal government and the provinces relating to transparency in public administration, expenditures, fiscal balances and indebtedness and, in particular, requires balanced budgets. In 2009, the federal Congress enacted Law No. 26,530, which suspended for 2009 and 2010 some of the general rules of the Fiscal Responsibility Law, including the prohibition on the use of proceeds of new indebtedness to fund current expenditures and the freeze on new borrowings if debt service obligations exceed 15.0% of current revenues (net of transfers to municipalities). On December 29, 2010, the federal government issued Decree No. 2054/10, which extended the application of Law No. 26,530 (and therefore, the suspension of certain provisions of the Fiscal Responsibility Law referred above) through 2011. National budget laws for 2012, 2013, 2014 and 2015 extended the suspension of the above mentioned law to each of such years. The Fiscal Responsibility Law also created the *Consejo Federal de Responsabilidad Fiscal* (the Federal Council of Fiscal Responsibility), which is comprised of representatives from the federal and provincial governments and is responsible for controlling compliance by the provinces and the federal government with the Fiscal Responsibility Law. As of the date of this offering memorandum, the Federal Council of Fiscal Responsibility has never imposed sanctions on any province for non-compliance with the Fiscal Responsibility Law. However, if the Federal Council of Fiscal Responsibility determines that the Province's budget does not comply with the currently applicable sections of the Fiscal Responsibility Law, the Province could be subject to sanctions, including restrictions on federal tax benefits for the provincial private sector, limitations on guaranties from the federal government, denial of authorizations for further borrowings and limitations on federal transfers (other than federal tax transfers mandated by law, including co-participation transfers).

The Province's limited sources of financing and investment may have an adverse effect on its economy and ability to service its debt obligations, including the New Bonds.

The Province's primary balance may be insufficient to meet its debt service obligations, including the New Bonds. Although the Province obtained international capital markets financing to cover part of the Province's deficit in 2006, 2007, 2010 and 2011, the Province cannot assure you that foreign investors and lenders will be willing to lend money to the Province in the future, or that the Province will be able or willing to access international capital markets. The Province also cannot assure you that local sources of financings will remain available. The loss or limitation of these sources of financing or the Province's inability to attract or retain foreign investment in the future could adversely affect the Province's economic growth and public finances and ability to service its debt obligations, including the New Bonds.

An increase in inflation could have a material adverse effect on the Province's economic prospects.

In recent years, the Province has experienced changes in the CPI. According to INDEC, the CPI increased 7.7% in 2009, 10.9% in 2010, 9.5% in 2011, 10.8% in 2012 and 10.9% in 2013.

As of the beginning of 2014, following the implementation of methodology changes for its reports, INDEC has released CPI increases of 23.9% for 2014 and 1.1%, 0.9%, 1.3% and 1.1% for the months of January, February, March and April 2015, respectively. The Province cannot assure you that inflation rates will remain stable in the future or that the measures adopted or that may be adopted by the federal government to control inflation will be effective or successful. Eventual significant inflation could have a material adverse effect on the Province's economic growth and its ability to service its debt obligations, including the New Bonds.

Possible impact of federal government measures on the provincial and federal economies.

In April 2012, the federal government, pursuant to Decree No. 530/2012, ordered the temporary intervention for 30 days of YPF S.A. and sent a bill to Congress, which was approved, for the expropriation of 51% of the shares of YPF S.A. represented by Class D shares which belonged to Repsol YPF S.A. and its controlling or controlled affiliates. In February 2014, Argentina and Repsol signed the "Amicable Solution and Expropriation Agreement" to reciprocally waive their claims and to compensate the Spanish company. This agreement, which sets a compensation payable by Argentina of approximately USD 5 billion through dollar-denominated sovereign bonds, was approved by the Argentine Congress pursuant to Law No. 26,932 dated April 24, 2014. Argentina delivered the agreed amount of bonds to Repsol in May 2014, thus ending the dispute between the parties. Immediately after receiving such bonds, Repsol sold substantially all of them to JP Morgan Chase & Co.

In 2005 and 2010, Argentina conducted an exchange offer to restructure part of its sovereign debt that had been in default since the end of 2001. As a result of the 2005 and 2010 exchange offers, Argentina restructured over 92% of the defaulted debt eligible for the 2005 and 2010 exchange offers.

Holdout creditors that declined to participate in the exchange offers commenced numerous lawsuits against Argentina in several jurisdictions, including the United States, Italy, Germany, and Japan. These lawsuits generally assert that Argentina has failed to make timely payments of interest and/or principal on their bonds, and seek judgments for the face value of and/or accrued interest on those bonds. Judgments have been issued in numerous proceedings in the United States and Germany, but to date judgment creditors have not succeeded, with a few minor exceptions, in having those judgments enforced.

In February 2012, plaintiffs in 13 actions in New York obtained a district court order enjoining Argentina from making interest payments on the bonds issued pursuant to the 2005 and 2010 exchange offers unless Argentina paid the plaintiffs in full, under the theory that the former payments violated the *pari passu* clause governing the non-performing bonds. The U.S. Court of Appeals for the Second Circuit confirmed the injunctions and on June 16, 2014 the United States Supreme Court denied Argentina's petition for a writ of certiorari.

On June 26, 2014, Argentina proceeded to deposit the amounts required to make an interest payment on the exchange bonds scheduled for June 30, 2014. Invoking the injunction of the U.S. district court, the trustee for some of these bonds did not transfer the funds to the bondholders, and on August 6, 2014, the same U.S. district court ruled that the trustee should retain these funds pending further order from the court. The district court thereafter denied an attempt by certain creditors to execute on the funds, and the appeal of that decision is currently pending before the Second Circuit. Argentina has continued to make scheduled interest payments or to otherwise make the funds available in Argentina by depositing them with a local trustee for the benefit of the exchange bondholders. However, the chain of payments has remained interrupted as a consequence of the court orders, and various bondholders have sought release of such funds through litigation before the U.S. district court and in other jurisdictions.

As of the date of this offering memorandum, the trustee has continued to invoke the decision of the U.S. district court to not deliver the funds deposited by Argentina to the bondholders. Argentina has asserted that it has complied with its obligations under the bonds issued pursuant to the 2005 and 2010 exchange offers by making such deposits, and that the trustee has the obligation to deliver such funds to the bondholders.

On September 11, 2014, the Argentine Congress enacted Law No. 26,984, which declared the debt restructuring process in the public interest and set forth steps to address the effects of the *pari passu* injunctions and to exchange those bonds eligible for the 2005 and 2010 exchange offers that had not been tendered. Those steps included, among other things, an authorization to the Argentine Government to take the actions necessary to replace the trustee for some of the exchange bonds and to provide for a voluntary exchange of the outstanding bonds for new bonds that would have identical financial terms, but be governed by Argentine law and subject to Argentine jurisdiction. On September 29, 2014, the U.S. district court declared Argentina in contempt, but did not impose sanctions.

On May 11, 2015, the plaintiffs that obtained *pari passu* injunctions asked the U.S. district court to amend their complaints to include claims alleging that Argentina's issuance and servicing of BONAR 2024 bonds, and its external indebtedness in general, would violate the *pari passu* clause. Those requests are pending before the district court.

As of the date hereof, litigation initiated by bondholders seeking payments from Argentina continues in the U.S. and in other jurisdictions, and the consequences of potentially inconsistent rulings from different courts are unclear. As a result of this continuing and potential future litigation, as well as the injunctions issued by the United States courts preventing bondholders from receiving their interest payments on the bonds issued pursuant to the 2005 and 2010 exchange offers and the related subsequent events, the Argentine Government may not have the financial resources necessary to implement reforms and foster economic growth, which, in turn, could have a material adverse effect on the country's and the Province's economy.

Any revisions to the Province's official financial or economic data resulting from a subsequent review of such data by the Provincial Office of Statistics or any other provincial entity could reveal a different economic or financial situation in the Province, which could affect your evaluation of the market value of the New Bonds.

Certain financial, economic and other information presented in this offering memorandum may subsequently be materially revised to reflect new or more accurate data as a result of the review by the Provincial Office of Statistics or any other provincial entities that review the Province's official financial and economic data and statistics. These revisions could reveal that the Province's economic and financial conditions as of any particular date are significantly different from those described in this offering memorandum. These differences could affect your evaluation of the market value of the New Bonds.

Some national and international economic agents have expressed their concerns about the accuracy of the CPI published until December 2013 and other economic data published by INDEC.

At the end of January 2007, INDEC, the federal government's statistical agency and the only organization with operative ability to cover large territories and broad volumes of data in Argentina, experienced a process of institutional reform. Private analysts objected to the inflation figures (and to other economic data affected by inflation data, such as poverty and GDP estimates) published by INDEC. The federal government has questioned such objections for lack of scientific rigor. Only statistics from official sources, such as INDEC and provincial statistical bodies, are included in this offering memorandum unless otherwise noted. The International Monetary Fund has provided technical assistance to the federal government to improve the collection and calculation of inflation data.

Under the International Monetary Fund's recommendations, INDEC modified the CPI calculation methodology. As a result, the controversy over the difference between the figures released by private analysts and those released by the federal government has subsided. The Province of Buenos Aires cannot make any assurances that no controversies could arise in the future regarding the CPI calculation methodology.

The Province's economy may not recover to its rate of growth prior to the 2008 global economic crisis and may contract in the future, which could have a material adverse effect on the Province's public finances and its ability to service its debt obligations, including the New Bonds.

The economy of the Province, in line with the economy of Argentina, has experienced significant volatility in recent decades, including numerous periods of low or negative growth and high and variable levels of inflation and devaluation. The Province's economy recovered from the most recent domestic economic crisis (which reached its peak in 2001 and 2002) and experienced steady real GDP growth from 2005 to 2006. The Province's real GDP registered a 10.2% increase in 2007 and a 6.3% increase in 2008, in each case compared to the prior year, but subsided significantly in 2009, registering a 3.3% decrease. The province's real GDP increased by 13.8% in 2010, 10.1% in 2011, 3.5% in 2012 and 3.2% in 2013. The Province can offer no assurance that it will have similar growth rates in the future.

Economic growth is dependent on a variety of factors, including (but not limited to) international demand for provincial exports, the stability and competitiveness of the peso against foreign currencies, confidence among provincial consumers and foreign and domestic investors and their rates of investment in the Province, the willingness and ability of businesses to engage in new capital spending and a stable and relatively low rate of inflation. In most cases, these factors are outside the control of the Province. If the Province's economic growth slows, stops or contracts, the Province's revenues may decrease significantly, the market price of the New Bonds may be adversely affected and the Province's ability to service its public debt, including the New Bonds, may be materially adversely affected.

The Province's economy remains vulnerable to external shocks that could be caused by significant economic difficulties of Argentina's major regional trading partners or by more general "contagion" effects, which could have a material adverse effect on the Province's economic growth and its ability to service its public debt.

A significant decline in the economic growth of any of Argentina's major trading partners, such as Brazil, could adversely affect Argentina's balance of trade and, consequently, the Province's economic growth. Brazil is the Province's largest export market. A decline in Brazilian demand for imports could have a material adverse effect on the Province's economic growth. In addition, because international investors' reactions to the events occurring in one emerging market country sometimes appear to follow a "contagion" phenomenon, in which an entire region or investment class is disfavored by international investors, Argentina, including the Province, could be adversely affected by negative economic or financial developments in other emerging market countries. In the past, the Province has been adversely affected by such contagion effects on a number of occasions, including the 1994 Mexican financial crisis, the 1997 Asian financial crisis, the 1998 Russian financial crisis, the 1999 devaluation of the Brazilian real and the 2001 collapse of Turkey's fixed exchange rate regime.

Beginning in 2008, economic conditions in developed and, to a lesser extent, emerging economies were affected by a global economic and financial crisis. The Province cannot predict the length or extent of the crisis on the Province's major trading partners. The Province cannot assure you that the 2008 crisis or similar events in the future will not have an adverse effect on its economic growth and its ability to service its public debt.

The Province may also be affected by conditions in countries with developed economies, such as the United States, that are significant trading partners of Argentina or have influence over world economic cycles. For example, if interest rates increase significantly in developed economies, including the United States, Argentina's emerging markets trading partners, such as Brazil, could find it more difficult and expensive to borrow capital and refinance existing debt, which could adversely affect economic growth in those countries. Decreased growth on the part of Argentina's trading partners could have a material adverse effect on the markets for the Province's exports and, in turn, adversely affect the Province's economic growth.

The global economic and financial crisis and unfavorable general economic and market conditions that commenced in 2008 have affected, and could continue to negatively affect the Province's economy.

The global economic and financial crisis and economic downturn that commenced in 2008 have had a significant negative impact on the economies of countries around the world. Developed economies like the United

States have sustained some of the direst effects while some emerging economies like that of China and Brazil have suffered substantial but comparatively milder effects. More recently, several European economies have revealed significant macroeconomic imbalances. The financial markets have reacted adversely, curtailing the ability of certain of these countries to refinance their outstanding debt. The Province cannot predict the ongoing impact of this crisis on the Province's economy and financial performance. The ongoing effects of the crisis could include a reduction in exports, a decline in provincial and national co-participable tax revenues and an inability to access international capital markets, which may materially and adversely affect the Province's economy.

A decline in international prices for the Province's principal commodity exports could have a material adverse effect on the Province's economy and public finances.

Historically, the commodities market has been characterized by high volatility. During recent years, the prices of most of the Province's commodities exports suffered a high degree of volatility, mainly due to speculative behavior, climatic factors and political and economic downturns that affect the value of the currency of major economically powerful countries around the world. A strong decline in commodity prices may adversely affect the provincial economy. In addition, revenues that the federal government receives from taxes on its exports could decrease, thus producing a decrease in export tax revenues shared with the Province.

A significant depreciation of the currencies of the Province's trading partners or trade competitors may adversely affect the competitiveness of provincial exports and cause an increase in provincial imports, thus adversely affecting the Province's economy.

The depreciation of the currencies of one or more of the Province's trading partners or trade competitors relative to the peso may result in provincial exports becoming more expensive and less competitive. It may also cause an increase in relatively cheaper imports. A decrease in exports and an increase in imports may have a material adverse effect on the Province's economic growth, its financial condition and the ability of the Province to service its debt obligations, including the New Bonds.

Fluctuations in the value of the peso could have an adverse effect on the Province's economy and its ability to service its debt obligations.

Following the collapse of the dollar-peso parity under the convertibility regime and the implementation of a floating exchange rate system in early 2002, the peso depreciated significantly and continues to fluctuate, despite regular Central Bank intervention in the foreign exchange market. Additional depreciation of the peso would increase the cost of servicing the Province's public debt, while an appreciation in the value of the peso could make exports from the Province less competitive with goods from other countries and lead to a decrease in exports from the Province. Because the Province's exports represent a material portion of the Province's GDP, decreased export earnings could have a material adverse effect on the Province's economic growth and its ability to service its debt obligations, including the New Bonds. During 2014, and to a lesser extent in 2015, the peso has depreciated against the U.S. dollar. Additional appreciations or depreciations of the peso could adversely affect the Province and its ability to service its debt obligations, including the New Bonds.

The intervention of the Central Bank in the foreign exchange market, aimed at counteracting sharp shifts in the value of the peso, may affect the level of international reserves and a significant depreciation or appreciation of the peso could have an impact on the Argentine and provincial economies and the Province's ability to service its debt obligations.

The Central Bank regularly intervenes in the foreign exchange market in order to manage the currency and prevent sharp shifts in the value of the peso. Purchases of pesos by the Central Bank could cause a decrease in the international reserves of the Central Bank. A significant decrease in the Central Bank's international reserves may have an adverse impact on Argentina's and the Province's ability to withstand external shocks to the economy.

Since Argentina adopted a managed floating exchange rate regime in 2002, the peso's value has varied over time. The Province cannot assure you that the peso will not devalue or appreciate significantly in the future.

A significant depreciation of the peso would, among other effects, increase the cost of servicing the Province's foreign-currency denominated public debt. A significant appreciation in the value of the peso could, among other effects, make provincial exports less competitive with goods from other sources. Either a significant depreciation or appreciation could have a material adverse effect on the Argentine and the provincial economy and the Province's ability to service its debt obligations, including the New Bonds.

In the event of another economic crisis, the federal government could strengthen exchange controls and transfer restrictions, which could have a material adverse effect on provincial private and public sector economic activity.

From 1985 to 1991 and again following the 2001 economic crisis, the Central Bank imposed exchange controls and transfer restrictions. Certain of such controls and restrictions remain at present. There can be no assurance that the federal government will not strengthen exchange controls and/or transfer restrictions in the future, which could have a material adverse effect on the Province's private and public sector activity.

Liquidity or other problems faced by Banco Provincia may have an adverse effect on the Province's economic growth and cause the Province to incur extraordinary, unbudgeted expenditures.

Banco Provincia has historically been one of the largest financial institutions in Argentina and a major source of financing for consumers and businesses in the Province. During Argentina's 2001 economic crisis, Banco Provincia's liquidity was significantly reduced as a result of the run on deposits and its inability to attract new deposits following the federally mandated freeze on deposits, as well as the increase in its portfolio of non-performing loans. In addition, following the crisis, Banco Provincia's asset portfolio reflected a substantial exposure to debt instruments of the federal and provincial government, which has gradually declined over time. As of the date of this offering memorandum, such assets are within the limits provided by the Central Bank. Many of these assets are recorded at their technical value, which is calculated according to regulations of the Central Bank. If these assets were carried at their market value, Banco Provincia would have recorded a substantial decrease in its net assets at December 31, 2014. Although Banco Provincia's liquidity has improved since 2005 due to Argentina's economic recovery, if Banco Provincia were to experience further liquidity or other problems, the amount of financing available to the private sector might be reduced, which could adversely affect the Province's economic growth.

In addition, pursuant to provincial legislation, the Province is the guarantor of all liabilities of Banco Provincia, including deposits and indebtedness. While Banco Provincia's deposits are also guaranteed by the federal deposit insurance system, Banco Provincia's indebtedness does not benefit from any other guarantee, and, as result, the Province could be required to make payments to Banco Provincia's creditors if Banco Provincia fails to meet its payment obligations to these creditors. In the past, the Province has made contributions and provided support to, and entered into transactions with Banco Provincia to ensure the solvency of, Banco Provincia. The Province cannot assure you that it will not be required to provide further financial or other support to Banco Provincia, which could lead to substantial unbudgeted expenditures and liabilities, undermine the Province's public finances and adversely affect its ability to service its debt obligations, including the New Bonds.

The Province is a defendant in various lawsuits relating to its default on its public external indebtedness.

There are currently 13 final and non-appealable judgments and two lawsuits pending against the Province relating to the Province's 2002 default on its bonds. These judgments and lawsuits are under four different jurisdictions: the United States of America, Germany, Switzerland and Luxembourg. In the United States of America, there are six final and non-appealable judgments outstanding against the Province for a total principal amount of USD 424,000 and EUR 201,000 (excluding interest, costs and attorney's fees), and one lawsuit that remains pending for a total principal amount of USD 85,000 (excluding interest, costs and attorney's fees). In Germany, there are four final and non-appealable judgments outstanding against the Province for a total principal amount of EUR 2,459,000 (excluding interest, costs and attorney's fees). In Switzerland, there are three final and non-appealable judgments outstanding against the Province for a total principal amount of CHF 600,000 (excluding interest, costs and attorney's fees). In Luxembourg, there was one pending lawsuit against the Province for a principal amount of EUR 150,000 (excluding interest, costs and attorney's fees). An order issued on May 19, 2015 rejected the claim of the plaintiff. An appeal may be introduced by the plaintiff within 40 days from the notification of the order. The total amount of unpaid interest and principal due pursuant to these judgments is less than 0.05% of the Province's total revenues included in its budget for 2015. The Province can give no assurance that further litigation will not result in even more substantial judgments against the Province. Present or future litigation could result in the attachment or injunction of assets of the Province that it intends for other uses, including payments due under the New Bonds, and could have a material adverse effect on the Province's public finances.

TERMS OF THE EXCHANGE OFFER

The Province is inviting owners of Existing Bonds, also referred to as "holders," to tender Existing Bonds in exchange for New Bonds. Each such tender for exchange is referred to as a "tender." The terms of the New Bonds are described under the heading "Description of New Bonds."

General

The Province is inviting holders of Existing Bonds to tender their Existing Bonds in exchange for newly issued New Bonds on the terms and subject to the conditions set forth in this offering memorandum.

The Province reserves the right, in its sole discretion, not to accept any tenders that, in its sole discretion, do not comply with the requirements set forth in this offering memorandum or to modify in any manner any of the terms and conditions of the Exchange Offer subject to any legal requirements to extend the Expiration Time of the Exchange Offer.

The Exchange Offer expires at 4:00 P.M., Central European Time, on June 8, 2015, unless the Province in its sole discretion extends it or terminates it earlier. We refer to the date and time on which the Exchange Offer expires as the "Expiration Time."

Purpose of the Exchange Offer

The Exchange Offer is part of a general strategy of the Province to manage its outstanding indebtedness. The Province may, in the future, offer to exchange, or repurchase the Existing Bonds not exchanged in the Exchange Offer, or exchange, repurchase or redeem other outstanding indebtedness. The table below sets forth the Existing Bonds' ISIN numbers and the principal amount outstanding.

Existing Bonds	ISIN Numbers	Common Codes	Amount Outstanding
USD 11.75% due 2015	XS0546539569 144A XS0546539486 Reg. S	054653956 144A / 054653948 Reg. S	USD 1,050,000,000

The Existing Bonds are currently listed on the Luxembourg Stock Exchange, the *Mercado de Valores de Buenos Aires S.A.* and the *Mercado Abierto Electrónico S.A.*.

Concurrent Offer

The Province priced USD 500 million of its 9.95% bonds due 2021 on the date hereof for expected settlement on June 9, 2015. The Concurrent Offer is being made pursuant to a separate offering document, and not by this offering memorandum. Any and all New Bonds issued in the Concurrent Offer will constitute a single series with, have the same terms and conditions as, be assigned the same ISIN numbers and Common Codes as, and trade fungibly with, the New Bonds issued pursuant to the Exchange Offer.

The issue price of the New Bonds to be issued pursuant to the Concurrent Offer is 98.764% of the principal amount of the New Bonds plus accrued interest, if any, from June 9, 2015.

Consideration

Subject to the pro rata allocation described below, if you validly tender your Existing Bonds in the Exchange Offer, and your tender is accepted by the Province, you will receive, in exchange for your Existing Bonds accepted for exchange, New Bonds with a principal amount equal to the principal amount of your Existing Bonds accepted for exchange multiplied by a fraction (rounded to six decimals) equal to (i) USD 1,030 plus accrued and unpaid interest on such Existing Bonds through the settlement date of the Exchange Offer (expressed as U.S. dollar amount per USD 1,000 principal amount of Existing Bonds accepted for exchange) divided by (ii) USD 987.64 plus accrued interest on the New Bonds from June 9, 2015 through the settlement date of this Exchange Offer (expressed as U.S. dollar amount per USD 1,000 principal amount of New Bonds). Assuming the settlement of this Exchange Offer occurs on the date set forth under "Summary Time Schedule for the Exchange Offer," you will receive approximately USD 1,064 principal amount of New Bonds per USD 1,000 principal amount of your Existing Bonds accepted for exchange (the "Consideration").

Conditions to the Exchange Offer

The Province reserves the right not to accept any tenders that, in its sole discretion, do not comply with the requirements set forth in this offering memorandum. In addition, notwithstanding any other provisions of the Exchange Offer, the Exchange Offer is conditioned on there not having been:

- any threatened, instituted or pending action or proceeding before any court or governmental, regulatory or administrative body that: (1) makes or seeks to make illegal the exchange of Existing Bonds for New Bonds pursuant to the Exchange Offer; (2) would or might result in a delay in, or restrict, the ability of the Province to issue the New Bonds in exchange for Existing Bonds; or (3) imposes or seeks to impose limitations on the ability of the Province to issue the New Bonds in exchange for Existing Bonds or cancel the Existing Bonds; or

- any material adverse change or development, including a prospective change or development, in the general economic, political, financial or market conditions in the United States, Argentina or elsewhere, or in securities or financial markets generally.

Each of the foregoing conditions is for the sole benefit of the Province and may be waived by the Province, in whole or in part, at any time and from time to time, in its discretion. Any determination by the Province concerning the conditions set forth above (including whether or not any such condition has been satisfied or waived) will be final and binding upon all parties. The Province does not intend to grant withdrawal rights in the event that it waives any condition past the Expiration Time.

Allocation of New Bonds

The Province will allocate the aggregate principal amount of New Bonds among eligible holders on a pro rata basis, as further described below.

Pro Rata Allocation

If it is necessary to allocate any New Bonds on a pro rata basis, a proration factor will be used for purposes of this particular allocation, to determine the portion of your Existing Bonds that will be exchanged for the New Bonds you elected to receive. To determine the proration factor, the Province will divide the aggregate U.S. dollar principal amount of Existing Bonds validly tendered into USD 500,000,000, the maximum aggregate principal amount of Existing Bonds to be exchanged (the "Existing Bonds Cap"), and the resulting fraction will be the approximate initial proration factor.

In addition, the New Bonds may only be issued in minimum denominations of USD 150,000 and, accordingly, if as a result of the initial proration the principal amount of New Bonds you are entitled to receive is less than the minimum denomination of New Bonds, your tender will not be accepted by the Province. As a result, the Province will proceed to recalculate the total principal amount of Existing Bonds validly tendered and divide it into the Existing Bonds Cap, and the resulting fraction will be the approximate definitive proration factor.

In the event of proration of your tender of Existing Bonds, the principal amount of your Existing Bonds will be multiplied by the applicable proration factor, and the resultant amount will be rounded down to the nearest authorized denomination of the Existing Bonds. This portion of your Existing Bonds will be exchanged for the New Bonds in an amount calculated in accordance with the terms of the Exchange Offer. The Province will not pay any cash or other consideration for the balance of your tendered Existing Bonds and the Province will return any Existing Bonds that it does not accept for exchange for any reasons as soon as practicable after the Expiration Time.

Timing of Pro Rata Allocation

We will not determine whether the Existing Bonds Cap has been oversubscribed until after the Expiration Time. When we make this determination, we will announce whether the Existing Bonds Cap has been oversubscribed and any required pro rata allocation. You will not be able to withdraw your tender of Existing Bonds at the time we make the determination even if it may affect the New Bonds that you will receive.

Rounding; Denominations; Calculations; Interest

Existing Bonds were issued in denominations of USD 100,000 and in integral multiples of USD 1,000 in excess thereof. The New Bonds will be issued in denominations of USD 150,000 and in integral multiples of USD 1.00 in excess thereof.

The amount of New Bonds that you will receive with respect to a specific tender will be determined pursuant to the calculations described above, and the resultant amount will be rounded down to the nearest multiple of USD 1.00 (in excess of USD 150,000). No cash will be paid in lieu of any principal amount of New Bonds not received as a result of rounding down.

The Province will pay no cash in lieu of any accrued and unpaid interest with respect to the Existing Bonds accepted for exchange. Interest on the Existing Bonds accepted for exchange will cease to accrue upon the settlement of the Exchange Offer.

Exchange Offering Restrictions; Eligible Holders

You are not eligible to receive or review this offering memorandum or to participate in the Exchange Offer unless you have previously completed a letter of eligibility through the following website: http://gbsc-usa.com/eligibility/PBA, and:

1) you are a qualified institutional buyer in the United States as defined in Rule 144A under the Securities Act and are participating in the Exchange Offer for your account or for the account of a qualified institutional buyer; or

2) you either:

   - are not in the United States (as contemplated by Rule 903(a)(1) of Regulation S under the Securities Act); or

   - are a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States holding a discretionary account or similar account (other than an estate or trust) for the benefit or account of a non-U.S. person (as contemplated by Rule 903(a)(1) of Regulation S under the Securities Act); and

3) your receipt and review of the offering memorandum, and your participation in the Exchange Offer, is otherwise permitted under the laws and regulations of any other jurisdiction applicable to you.

We refer to holders of Existing Bonds who meet the foregoing criteria as "eligible holders."

For a description of certain restrictions on resale or transfer of the New Bonds, see "Transfer Restrictions" in this offering memorandum.

Representations, Warranties and Undertakings Relating to Tenders of Existing Bonds

By validly tendering Existing Bonds in the Exchange Offer, the holder and beneficial owner (as defined below) of those Existing Bonds, and (if applicable) the relevant direct participant on such holder's behalf, will acknowledge, represent and warrant to the Province, the dealer managers, the information agent and the exchange agent, among other things, that:

- it has received and reviewed this offering memorandum in its entirety;

- it has tendered the Existing Bonds pursuant to the Exchange Offer for the purpose of their cancellation and accepts the Exchange Offer in respect of such Existing Bonds, subject to the terms and conditions of the Exchange Offer as set forth in this offering memorandum;

- subject to and effective upon exchange by the Province of the Existing Bonds tendered pursuant to the Exchange Offer, it irrevocably (subject to the withdrawal rights granted hereunder) and unconditionally sells, assigns and transfers to or upon the order of the Province or its nominee all right, title, interest in and to the Existing Bonds tendered by it in the Exchange Offer, and such exchange will be deemed to constitute full performance by the Province of all of its obligations under such Existing Bonds, such that thereafter it shall have no contractual or other rights or claims in law or in equity against the Province, or any fiduciary, trustee or other person connected with the Existing Bonds arising under, from or in connection with such Existing Bonds;

- it waives any and all rights with respect to the Exchange Offer against the Province (and its affiliates), the trustee for the New Bonds, the trustee for the Existing Bonds, the dealer managers, the exchange agent, the information agent, and any of their agents, officials, officers, employees or advisors, and discharges and releases any of the foregoing from any and all claims such holder may have, now or in the future, arising out of or related to the Exchange Offer, other than as expressly provided for in this offering memorandum;

- all authority conferred or agreed to be conferred pursuant to its representations, warranties and undertakings and all of its obligations shall be binding upon its successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives and shall not be affected by, and shall survive, its death or incapacity;

- it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of its participation in the Exchange Offer and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Province, the dealer managers, the information agent, the exchange agent, the trustee of the Existing Bonds or any other person in respect of such taxes and payments;

- it constitutes and appoints the exchange agent as its true and lawful agent and attorney-in-fact with respect to all Existing Bonds tendered, with full power of substitution, to (a) present such Existing Bonds and all evidences of transfer and authenticity to us, or upon our order, (b) present such Existing Bonds for transfer or cancellation, as necessary and (c) receive on behalf of such holder and beneficial owner the New Bonds issued upon and in exchange for the cancellation of the Existing Bonds;

- it constitutes and appoints the exchange agent as its true and lawful agent and attorney-in-fact, and provides an irrevocable instruction to such attorney and agent to complete and execute all or any form(s) of transfer and other document(s) deemed necessary in the opinion of such attorney and agent in relation to Existing Bonds tendered thereby in favor of the Province or such other person or persons as the Province may direct and to deliver such form(s) of transfer and other document(s) in the attorney's and agent's opinion and/or the certificate(s) and other document(s) of title relating to such Existing Bonds' registration and to execute all such other documents and to do all such other acts and things as may be in the opinion of such attorney or agent necessary or expedient for the purpose of, or in connection with, the acceptance and settlement of the Exchange Offer;

- it is a person for whom it is lawful to participate in the Exchange Offer under applicable securities laws, it has full power and authority to submit the Tender Instructions, and has full power and authority to tender, sell, assign and transfer Existing Bonds tendered by it;

- it is, and will remain until the Exchange Offer is settled, an eligible holder, as defined in "—Exchange Offering Restrictions";

- it has good and marketable title to all Existing Bonds being tendered by it, free and clear of all liens, charges, claims, encumbrances, interests, rights of third parties and restrictions of any kind;

- it will not sell, pledge, hypothecate or otherwise encumber or transfer any Existing Bonds tendered from the date of tender and agrees that any purported sale, pledge, hypothecation or other encumbrance or transfer will be void and of no effect;

- it holds, and will hold, until the time of cancellation for the purpose of settlement, the Existing Bonds it has tendered blocked in the clearing system through which such securities are held and, in accordance with the requirements of such clearing system and by the deadline established by such clearing system, has taken all steps necessary to authorize the blocking of its tendered Existing Bonds with effect on and from the date its Tender Instructions are received, has authorized any transfers of the Existing Bonds by the clearing systems in furtherance of cancellation and settlement and, pending any such transfers relating to cancellation and settlement of such Existing Bonds, it will not instruct or effect any transfers of such Existing Bonds;

- its Existing Bonds are not the subject of any proceedings against the Province (or its affiliates), the trustee in respect of the Existing Bonds, or any of their agents, officials, officers, employees or advisors before any court or arbitral tribunal (including claims for payment of past due interest, principal or any other amount sought in connection with its tendered Existing Bonds or for compensation of lawyers' costs and court fees);

- in evaluating the Exchange Offer and in making its decision whether to participate therein by tendering its Existing Bonds, it has made its own independent appraisal of the matters referred to herein and in any related communications and is not relying on any statement, representation or warranty, express or implied, made to such holder by the Province or the dealer managers other than those contained in this offering memorandum (as supplemented prior to the Expiration Time);

- the tendering of its Existing Bonds pursuant to the Exchange Offer shall constitute an undertaking to execute any further documents, authorize any transfers of the Existing Bonds relating to the cancellation and settlement of the Exchange Offer and give any further assurances that may be required in connection with any of the foregoing, in each case on and subject to the terms and conditions set out or referred to in this offering memorandum; and

- the Province, the dealer managers, the exchange agent, the trustee for the New Bonds, the trustee for the Existing Bonds and other persons will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements, and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by it by its acquisition of the New Bonds is no longer accurate, it will promptly notify the Province and withdraw its tender of Existing Bonds.

The representations, warranties and agreements of a person tendering Existing Bonds shall be deemed to be repeated and reconfirmed on and as of the Expiration Time and on and as of the Settlement Date.

For purposes of this offering memorandum, the "beneficial owner" of any Existing Bonds shall mean any person or entity that exercises sole investment discretion with respect to such Existing Bonds.

No Recommendation

You should independently analyze the value of the Existing Bonds and the New Bonds and make your own assessment of the terms of the Exchange Offer. None of the Province, the dealer managers, the trustee for the New Bonds, the trustee for the Existing Bonds, the information agent or the exchange agent has expressed any opinion as to whether the terms of the Exchange Offer are fair. None of the Province, the dealer managers, the trustee for the New Bonds, the trustee for the Existing Bonds, the information agent or exchange agent makes any recommendation that you tender Existing Bonds or refrain from doing so pursuant to the Exchange Offer, and no one has been authorized by the Province, the dealer managers, the trustee for the New Bonds, the trustee for the Existing Bonds, the information agent or the exchange agent to make any such recommendation.

Tender Procedures

General

If your Existing Bonds are held in the name of a custodian or other securities intermediary, such as a broker, dealer, bank, trust company or trustee, you must contact such custodian or other securities intermediary and instruct it to tender your Existing Bonds on your behalf. You should contact your custodian or other securities intermediary well in advance of the Expiration Time, since your custodian may have earlier deadlines by which it must receive your instructions in order to have adequate time to submit your tender on time.

We will only accept tenders of Existing Bonds through Clearstream or Euroclear by way of the submission by you of valid Tender Instructions, in the form required by the relevant clearing system and in accordance with the procedures set forth below.

Only direct participants may submit Tender Instructions. Each holder of Existing Bonds that is not a direct participant must arrange for the direct participant through which it holds the Existing Bonds to submit a Tender Instruction on its behalf to Clearstream or Euroclear, as applicable, by the deadlines specified by such clearing system.

You are advised to check with any custodian or nominee, or other intermediary through which you hold Existing Bonds, whether such entity would require the receipt of instructions to participate in, or notice of a revocation of your instruction to participate in, the Exchange Offer before the Expiration Time. **The deadlines set by your custodian or nominee, or by Clearstream and Euroclear, for the submission and revocation of Tender Instructions may be earlier than the relevant Expiration Time of this Exchange Offer**. You are required to make yourself aware of these deadlines and procedures.

Tender Instructions

The term Tender Instructions refers to irrevocable instructions: (i) to block any attempt to transfer a holder's Existing Bonds on or prior to the Settlement Date and (ii) to debit the holder's account on the Settlement Date in respect of the Existing Bonds that have been tendered by the holder, or in respect of such lesser portion of its Existing Bonds as are accepted for exchange by the Province, upon receipt of and in accordance with instructions provided by the exchange agent on behalf of the Province. To be valid, a Tender Instruction must specify:

- the event or reference number issued by Clearstream or Euroclear;
- the name of the direct participant and the securities account number in which the Existing Bonds the holder wishes to tender are held;
- the ISIN and Common Code of such Existing Bonds;
- the principal amount of the Existing Bonds the holder wishes to tender; and
- any other information as may be required by Clearstream or Euroclear and duly notified to the tendering holder prior to the submission of the Tender Instruction.

The tendering of any Existing Bonds in the Exchange Offer will be deemed to have occurred upon receipt by the exchange agent, via Clearstream or Euroclear, as applicable, of a valid Tender Instruction in accordance with the requirements of such clearing system. The receipt of such Tender Instruction by Clearstream or Euroclear, as applicable, will be acknowledged in accordance with the standard practices of such Clearing System and will result in the blocking of the Existing Bonds in such clearing system so that no transfers may be effected in relation to such Existing Bonds.

You must take the appropriate steps through Clearstream or Euroclear, as applicable, so that no transfers may be effected in relation to such blocked Existing Bonds at any time after the date of submission of such Tender Instruction, in accordance with the requirements of such clearing system and the deadlines required by such clearing system. Holders of Existing Bonds are responsible for informing themselves of these deadlines and arranging for timely delivery of Tender Instructions to Clearstream or Euroclear.

By submitting a Tender Instruction, holders authorize Clearstream and Euroclear, as applicable, to disclose the name of the direct participant to the exchange agent, the Province and the Dealer Managers. All of the Existing Bonds tendered by the holder will be debited from the holder's account, unless a lesser portion of such Existing Bonds are accepted by us.

The debit will occur upon receipt of an instruction from the exchange agent. In the event that the Exchange Offer is terminated by us prior to the Expiration Time, as notified to Clearstream or Euroclear by the exchange agent, the irrevocable instructions will be automatically withdrawn.

By submitting a tender in the Exchange Offer, the direct participant in the Designated Clearing System and the tendering holder on whose behalf it is acting, will be deemed to have made the representations and warranties set forth above under "–Representations, Warranties and Undertakings Relating to Tenders of Existing Bonds" to the Province, the dealer managers, the trustee for the New Bonds, the trustee for the Existing Bonds, the information agent and the exchange agent, and they will be deemed to have read and agreed to be bound by the terms and conditions of the Exchange Offer contained in this offering memorandum and that we and the exchange agent may enforce the terms and conditions against such holder and participant.

If you have any questions regarding the process by which you can tender Existing Bonds, you may contact the information agent at the phone number listed on the back cover of this offering memorandum.

If you encounter technical difficulties in submitting your Tender Instructions, you may contact the information agent and the exchange agent and/or the dealer managers at the phone numbers listed on the back cover of this offering memorandum. None of the Province, the dealer managers, the information agent or exchange agent can assure you, however, that you will be assisted successfully.

The Designated Clearing Systems

The Province has designated the following clearing systems as "Designated Clearing Systems" for purposes of the Exchange Offer:

- Clearstream, and
- Euroclear.

Effectiveness of Tenders

For your tender of Existing Bonds to be effective, your Tender Instructions must be received by the exchange agent, via Clearstream or Euroclear, as applicable, in accordance with the requirements of such clearing system, no later than the Expiration Time. You are responsible for arranging the valid and timely delivery of your tender. None of the Province, the dealer managers, the trustee for the New Bonds, the trustee for the Existing Bonds, the information agent or the exchange agent will be responsible for the submission of tenders by:

- holders (or brokers, dealers, banks, trust companies, trustees or other custodians on their behalf) to direct participants in a Designated Clearing System; or

- direct participants (whether on their own behalf or on behalf of holders who are not direct participants) to the Designated Clearing Systems;

The Province can offer no assurance that any custodian, direct participant or clearing system will follow the procedures outlined above for purposes of effecting your tender of Existing Bonds, as these procedures are entirely within such parties' discretion.

Irregularities

All questions regarding the validity, form and eligibility, including time of receipt or revocation or revision, of any tender of Existing Bonds, will be determined by the Province in its sole discretion, which determination will be final and binding. The Province reserves the absolute right to reject any and all tenders not timely made or in proper form or for which any corresponding agreement by the Province to exchange would, in the opinion of the Province's counsel, be unlawful. The Province reserves the absolute right to waive any of the conditions of the Exchange Offer or defects in tenders. None of the Province, the dealer managers, the information agent or the exchange agent shall be under any duty to give notice to you, as the tendering holder, of any irregularities in any tender, nor shall any of them incur any liability for the failure to give such notice.

Withdrawal Rights

Any tender may be withdrawn for any reason at any time prior to the Expiration Time.

Procedures for Withdrawal of Tenders

The direct participant acting on your behalf may withdraw your tender by requesting so to the exchange agent. Upon the request of the direct participant, the exchange agent will instruct the applicable Designated Clearing System to release to you the Existing Bonds you wish to withdraw.

Any Existing Bond properly withdrawn will be deemed to be not validly tendered for purposes of the Exchange Offer. However, such Existing Bond may be tendered again, pursuant to the terms of the Exchange Offer.

The Province can offer no assurance that any custodian, direct participant or clearing system will follow the procedures necessary to withdraw your tender, as these procedures are entirely within such parties' discretion.

Term of Exchange Offer

For purposes of the Exchange Offer, the term "Expiration Time" means 4:00 P.M., Central European Time, on June 8, 2015, unless the Province in its sole discretion extends it or terminates it earlier, in which case the Expiration Time means the latest date and time to which the Exchange Offer is extended.

Termination and Amendments

At any time before the Province announces on the Announcement Date the acceptance of any tenders (in the manner specified below under "—Acceptance of Tenders"), the Province may, in its sole discretion and to the extent permitted by the applicable laws, rules and regulations of each jurisdiction in which the Exchange Offer is being made:

- terminate the Exchange Offer, including with respect to tenders submitted prior to the time of the termination;

- extend the Exchange Offer past the originally scheduled Expiration Time;

- withdraw the Exchange Offer from any one or more jurisdictions; or

- amend the Exchange Offer from time to time in any manner, including amendments in any one or more jurisdictions.

Any change in the consideration offered to holders of Existing Bonds pursuant to the Exchange Offer will be paid to all holders whose Existing Bonds have previously been tendered and not withdrawn pursuant to the Exchange Offer. There can be no assurance that the Province will exercise its right to extend, terminate or amend the Exchange Offer.

Acceptance of Tenders

The Province has not conditioned its acceptance of tenders or the consummation of the Exchange Offer on any minimum level of participation by holders of Existing Bonds. However, the completion of the Exchange Offer is conditioned on, among other things, the settlement of the Concurrent Offer and the absence of legal actions or proceedings affecting the Exchange Offer, as described above under "–Conditions to the Exchange Offer." The Province reserves the right not to accept tenders in its sole discretion.

If the Province elects to accept tenders of Existing Bonds submitted pursuant to the Exchange Offer, it will, at or around 4:00 P.M., Central European Time, on June 9, 2015 (the "Announcement Date"), announce by press release issued to Bloomberg News and the Reuters News Service, which we refer to as the "news services," by publication of a notice in the Luxembourg Stock Exchange's website and through publication in the form and manner required in Argentina and certain other jurisdictions outside the United States:

- the approximate aggregate principal amount of Existing Bonds duly tendered and accepted by the Province for exchange and cancellation, and

- the approximate aggregate principal amount of New Bonds issued in exchange for Existing Bonds.

You may obtain such information by contacting the information agent. In addition, the Province will notify the Luxembourg Stock Exchange, the *Mercado de Valores de Buenos Aires S.A.* and the *Mercado Abierto Electrónico S.A.* of the results of the Exchange Offer, and, subject to applicable law, will publish the results of the Exchange Offer as described below under "— Notices and Publication." The Province may also publish information concerning tenders in certain jurisdictions prior to the Announcement Date, in the manner and to the extent required in those jurisdictions.

The Announcement Date may be postponed by the Province for any reason, including if the Exchange Offer is extended. Once the Province has announced the acceptance of tenders on the Announcement Date as provided above, the Province's acceptance will be irrevocable, subject to the right of the Province not to consummate the Exchange Offer as described herein. Tenders, as so accepted, shall constitute binding obligations of the submitting holders and the Province to settle the exchange, in the manner described under "— Settlement" below.

If the Province terminates the Exchange Offer without accepting any tenders, all tenders shall automatically be deemed rejected.

If the Province terminates the Exchange Offer without accepting any tenders, or does not accept all or a portion of your tender, it will instruct the exchange agent to instruct the Designated Clearing System through which such tenders were submitted to unblock such Existing Bonds held in the direct participant's account at such clearing system.

Notices and Publication

The Province will promptly announce any extension, amendment or termination of the Exchange Offer by publishing notices in compliance with the regulations of the Luxembourg Stock Exchange, the *Mercado de Valores de Buenos Aires S.A.* and the *Mercado Abierto Electrónico S.A.* or through such other means of announcement as the Province deems appropriate. It will, in all cases, be sufficient means of announcement to provide such notice to the exchange agent and the Designated Clearing Systems. You may obtain all such information by contacting the information agent. The Province will announce any such extension or amendment of the Expiration Time or termination of the Exchange Offer no later than 3:00 P.M., Central European Time, on the business day following the date of the previously scheduled Expiration Time.

Notification in Luxembourg

As promptly as possible after the commencement of the Exchange Offer and in addition to the notices described elsewhere in this offering memorandum, the Province will give notice in the Luxembourg Stock Exchange's website of such commencement setting forth:

- the period of time during which holders of such Existing Bonds may exchange such Existing Bonds for New Bonds;
- the exchange agent for the Exchange Offer; and
- the ability of holders of Existing Bonds to receive documentation relating to such offers from the exchange agent.

After the Exchange Offer is completed, the Province will notify the Luxembourg Stock Exchange and provide publication in an authorized newspaper of:

- the amount of Existing Bonds exchanged in the Exchange Offer;
- the amount of New Bonds issued in the Exchange Offer;
- the day upon which the Exchange Offer was closed; and
- the ISIN numbers and the Common Codes for the New Bonds.

Settlement

The Province expects the settlement date for the Concurrent Offer to be June 9, 2015.

The settlement of the Exchange Offer will commence on the date when the Province deposits the New Bonds issued pursuant to the Exchange Offer with the common depositary that will hold the New Bonds on behalf of Euroclear and Clearstream (the "Settlement Date"). Credit of the New Bonds to the accounts of tendering holders is expected to take several days after the Settlement Date. The Province expects the Settlement Date for the Exchange Offer to be June 11, 2015, which is three days after the Expiration Time, or as soon as practicable thereafter, unless the Exchange Offer is extended, in which case a new Settlement Date, if necessary, will be announced by press release.

In connection with the settlement, if the Province has accepted your tender, you, as the beneficial owner, must have delivered to the Province good and marketable title to your Existing Bonds, free and clear of all liens, charges, claims, encumbrances, interests, rights of third parties and restrictions of any kind for purposes of cancellation of the Existing Bond.

If the Province accepts your tender, the exchange agent will take any and all actions necessary or desirable to complete the transfer and cancellation of Existing Bonds in consideration of the issuance of New Bonds, including transferring your Existing Bonds from your account to the account of the exchange agent. The Province will authorize the transfer of the New Bonds to the accounts of tendering holders within the Designated Clearing Systems only upon cancellation of all Existing Bonds accepted in the Exchange Offer.

The determination by the Province of the exchange ratios and any other calculation or quotation made with respect to the Exchange Offer shall be conclusive and binding on you, absent manifest error.

Under no circumstances will the amount of New Bonds deliverable to you be adjusted, by reason of any delay in making delivery of New Bonds on the Settlement Date, other than a delay caused by the Province's failure to deposit the relevant New Bonds on the Settlement Date.

Agents of the Province; Other Fees and Expenses

Exchange Agent

Global Bondholder Services Corporation has been appointed as the exchange agent for the Exchange Offer and will receive customary compensation for its services. All correspondence in connection with the Exchange Offer should be sent or delivered by each holder of Existing Bonds, or a beneficial owner's commercial bank, broker, dealer, trust company or other nominee, to the exchange agent at the address and facsimile number set forth on the back cover page of this offering memorandum.

Information Agent

Global Bondholder Services Corporation has been appointed as the information agent for the Exchange Offer and will receive customary compensation for its services. Questions concerning tender procedures and requests for additional copies of this offering memorandum should be directed to the information agent at the address and telephone number set forth on the back cover page of this offering memorandum. Holders of Existing Bonds may also contact their commercial bank, broker, dealer, trust company or other nominee for assistance concerning the Exchange Offer.

Dealer Managers

The Province has retained BNP Paribas Securities Corp. and Merrill Lynch, Pierce, Fenner & Smith Incorporated to act as dealer managers in connection with the Exchange Offer. The Province will pay a fee to the dealer managers based on the aggregate principal amount of New Bonds for which Existing Bonds are exchanged in the Exchange Offer. The obligations of the dealer managers to perform these functions are subject to certain conditions. The Province has agreed to indemnify the dealer managers against certain liabilities, including certain liabilities under U.S. federal securities laws. Questions regarding the terms of the Exchange Offer may be directed to the dealer managers at the address or telephone number set forth on the back cover page of this offering memorandum.

Other Fees and Expenses

The dealer managers will bear their expenses of soliciting tenders of the Existing Bonds. The principal solicitation is being made by telephone, e-mail and electronically; additional solicitations may, however, be made by facsimile transmission or in person by the dealer managers or the information agent, as well as by officers and other employees of the Province.

You will not be responsible for the payment of any fees or commissions to the exchange agent, the trustee for the Existing Bonds, the trustee for the New Bonds or the dealer managers. If you are a direct participant in a Designated Clearing System who is exchanging Existing Bonds, you will not be obligated to pay Argentine transfer taxes with respect to that tender, if any. If you hold Existing Bonds through a broker, dealer, commercial bank or financial institution, you should consult with that institution as to whether it will charge any fees for performing services in connection with the Exchange Offer.

Market for the Existing Bonds and New Bonds

All Existing Bonds tendered and accepted pursuant to the Exchange Offer will be cancelled. Accordingly, the aggregate principal amount of the Existing Bonds will be reduced substantially if the Exchange Offer is consummated. This is likely to adversely affect the liquidity and market value of any Existing Bonds not tendered pursuant to the Exchange Offer. Existing Bonds not exchanged pursuant to the Exchange Offer will remain outstanding.

The New Bonds is a new issue of securities with no established trading market. The Province has applied to list the New Bonds on the regulated market of the Luxembourg Stock Exchange, the *Mercado de Valores de Buenos Aires S.A.* and the Argentine *Mercado Abierto Electrónico S.A.*. However, no assurance can be given as to the liquidity of the trading market for the New Bonds. The price at which the New Bonds will trade in the secondary market is uncertain.

Governing Law and Jurisdiction

Each Tender Instruction submitted in a jurisdiction in which the Exchange Offer is being extended on the basis of this offering memorandum will be governed by and construed in accordance with the laws of the State of New York. By submitting a Tender Instruction, you (and the direct participant on your behalf) irrevocably and unconditionally agree for the benefit of the Province, the dealer managers, the information agent and the exchange agent that the New York state or U.S. federal courts sitting in the Borough of Manhattan, The City of New York, are to have jurisdiction to settle any disputes which may arise out of or in connection with the Exchange Offer or any of the documents referred to in this offering memorandum and that, accordingly, any suit, action or proceedings arising out of or in connection with the foregoing may be brought in such courts.

Repurchases of Existing Bonds that Remain Outstanding; Subsequent Exchange Offers

The Province reserves the right, in its absolute discretion, to purchase, exchange, offer to purchase or exchange any Existing Bonds that are not exchanged pursuant to the Exchange Offer (in accordance with their respective terms) and, to the extent permitted by applicable law, purchase or offer to purchase Existing Bonds in the open market, in privately negotiated transactions or otherwise. Any such purchase, exchange, offer to purchase or exchange or settlement will be made in accordance with applicable law. The terms of any such purchases, exchanges or offers could differ from the terms of the Exchange Offer.

THE PROVINCE OF BUENOS AIRES

General

The Province is the largest of the 23 provinces of Argentina with an area of 304,907 square kilometers. It is located in the central-eastern part of the country. It has a coastline of approximately 1,800 kilometers, including its shoreline on the *Río de la Plata* (River Plate), and encompasses mild-climate, fertile agricultural areas suitable for raising cattle and a wide variety of agricultural activities. In addition, the Province is the most industrialized area of Argentina. The capital of the Province is the city of La Plata.

With approximately 15.6 million inhabitants according to the results from the National Census of Households and Population conducted in October 2010, the Province's population represents approximately 38.9% of the total population of Argentina. Approximately 63.5% of the Province's population is concentrated in the *Conurbano Bonaerense*. The City of Buenos Aires is not part of the Province.

Constitutional Framework and Relationship between Federal and Provincial Governments

The Argentine federal constitution sets forth a division of powers between the federal and provincial governments. Each province has its own constitution, which establishes its governmental structure and provides for the election of a provincial Governor and Vice Governor and a provincial legislative branch. The provinces have general jurisdiction over matters of purely provincial or local concern, including, among others:

- healthcare and education,
- provincial police and courts, and
- the borrowing of money on its own credit, subject to a federal approval and control mechanism.

The jurisdiction of the federal government is limited to those matters that are expressly delegated to it by the federal constitution. These areas include, among others:

- the regulation of trade and transport,
- the issuance of currency,
- the regulation of banks and banking activities,
- national defense and foreign affairs, and
- customs and the regulation of shipping and ports.

The federal government does not guarantee, nor is it responsible for, the financial obligations of any province.

Under the Argentine federal system, each province retains significant responsibility for the rendering of public services and other functions within its territory that require public expenditure, while relying primarily on a centralized tax collection system run by the federal government as a source of public revenues. This centralized system, which is called the federal tax co-participation regime, dates back to 1935, when the provinces agreed to delegate their constitutional power to collect several categories of taxes to the federal government in exchange for transfers of a portion of the related tax revenues. This coordinated taxation regime has been amended several times and, currently, the "shared" or "co-participated" taxes include income tax, value-added tax, a tax on financial transactions and several specific excise taxes levied on consumption. See "Public Sector Finances—Main Sources of Revenues—Federal Tax Co-Participation Regime."

Provincial Government

Executive Branch

The executive branch consists of a Governor and a Vice Governor, who are elected together for a maximum of two consecutive four-year terms, and a number of ministries and secretariats. The Governor has the power to appoint and remove ministers. The Governor also appoints, subject to confirmation by the Provincial Senate (the "Senate"), the General Provincial Attorney, the President of the Audit Tribunal and the president of Banco Provincia, among others. The Governor also presents the state of public accounts of the previous fiscal year and budget bills before the provincial legislative branch.

The current Governor is Daniel Scioli, who has been in office since 2007 and whose current term ends in 2015. The Vice Governor is Gabriel Mariotto, who has been in office since 2011 and whose current term also ends in 2015. They both belong to the *Frente para la Victoria* (the Victory Front, or "FPV"), which is the same party to which the current President of Argentina belongs. The next elections will take place in October 2015.

The executive branch carries out its duties with the assistance of ministers, whose powers are provided by Law No. 13,757. The Province's organizational structure is comprised of the following ministries: Cabinet Office, Ministry of Internal Affairs, Ministry of Economy, Ministry of Justice, Ministry of Security, Ministry of Production, Ministry of Agricultural Affairs, Ministry of Health, Ministry of Infrastructure, Ministry of Social Development and Ministry of Labor.

Legislative Branch

The legislative branch is composed of two bodies: the Senate, composed of 46 members, and the House of Deputies, composed of 92 members. The Vice Governor serves as President of the Senate. The members of both bodies are elected to four-year terms by popular vote. Half of the members of each of these bodies face election every two years.

The most recent elections for federal deputies of the Province took place in October 2013, in which the *Frente Renovador* (Renewal Front) won with 43.9% of the votes, followed by the FPV with 32.3% of the votes.

The tables below show, by political party, the current composition of the provincial legislature after the most recent elections in 2013:

Composition of the House of Deputies

Parties	Number of Seats	%
FPV	43	46.7%
Frente Renovador	20	21.7%
Frente Amplio Progresista	9	9.8%
UCR	7	7.6%
Juntos por Buenos Aires	3	3.3%
Union Celeste y Blanco	3	3.3%
Nuevo Encuentro	2	2.2%
Espacio Abierto	2	2.2%
Lealtad Peronista	1	1.1%
Unidad Popular	1	1.1%
Frente de Izquierda y Trabajador	1	1.1%
Total	**92**	**100.0%**

Source: Legislature of the Province.

Composition of the Senate

Parties	Number of Seats	%
FPV	19	41.3%
Frente Renovador	15	32.6%
UCR	3	6.5%
Juntos por Buenos Aires	2	4.3%
GEN	1	2.2%
PJ Néstor Kirchner	1	2.2%
Nuevo Encuentro	1	2.2%
Buenos Aires de Pie	1	2.2%
Propuesta Bonaerense	1	2.2%
Others	2	4.4%
Total	**46**	**100.0%**

Source: Legislature of the Province.

Historically, the main traditional political parties were the *Partido Justicialista* (Justicialist Party, or "PJ") and the *Unión Cívica Radical* (Radical Civic Union, or "UCR"). However, in the last 12 years, as a result of political divisions and alliances, new political groups have emerged, including the FPV to which the incumbent President of Argentina and the Governor of the Province belong.The FPV was created in 2003 by Nestor Kirchner and Felipe Solá, former Governor of the Province. The FPV was registered as a political party in 2005. Other nationally relevant political parties include:

- *Generación para un Encuentro Nacional* (Generation for a National Encounter, or "GEN"), founded in 2007 and currently led by Margarita Stolbizer.

- *Propuesta Republicana* (Republican Proposal, or "PRO"), founded in 2005 as an alliance for the elections of that year, following an electoral agreement among several political parties.

- *Unión para el Desarrollo Social* (Union for Social Development, or "UDESO"), a center-right political alliance formed by Francisco de Narváez and Ricardo Alfonsín for the national elections in 2011. Ricardo Alfonsín ran for President of Argentina, whereas Francisco de Narváez ran for Governor of the Province of Buenos Aires.

- *Frente Amplio Progresista* (Progressive Front, or "FAP"), a center-left coalition formed by a series of small political parties. Hermes Binner ran for President, whereas Margarita Stolbizer ran for Governor of the Province of Buenos Aires in the last elections.

- *Frente Renovador* (Renewal Front, or"FR"), founded in 2013 by Sergio Massa, in the Province, together with a number of other mayors, to participate in the obligatory, simultaneous and open primary elections held on August 2013 and in the mid-term elections held in October 2013.

Judicial Branch

The judicial branch of the Province consists of trial courts, courts of appeals and the provincial Supreme Court, which have jurisdiction over civil, commercial, administrative, labor, family and criminal matters within the Province. The Supreme Court justices are appointed by the Governor and confirmed by the Senate. The Governor appoints other judges from a list of candidates proposed by the *Consejo de la Magistratura* (Counsel of Magistrates), with the Senate's approval. Judges serve for life, and can be removed only by impeachment proceedings. Argentina also has a federal judiciary that has jurisdiction over federal matters within the territory of the Province.

Other Agencies

The provincial constitution provides for the existence of four provincial agencies that are not part of any of the three branches of government: the *Contaduría General de la Provincia* (General Accounting Office), the *Tribunal de Cuentas* (Audit Tribunal), the *Tesorería General de la Provincia* (General Treasury) and the *Fiscalía de*

Estado (Attorney General's office). All of the agencies, except the General Treasury, are part of the control system of the provincial administration set forth in Law No. 13,767 (the "Financial Administration Law").

The Province's General Accounting Office keeps books and records of the Province's operations and administers the Financial Information System, which provides information to the public on matters relating to the budget, cash flow and property management as well as the economic, operating and financial administration of the Province and prepares the annual financial statements that are submitted to the legislative and executive branches and to the Audit Tribunal. The General Accounting Office also internally controls the financial and economic administration of the provincial public sector.

The Audit Tribunal examines the investment and collection accounts on public revenues, both provincial and municipal, approving or rejecting them, and also holds public servants accountable when appropriate.

The Attorney General's office represents the Province in any lawsuits that could affect the Province's assets and reviews and oversees the legal aspects of the activities of the executive branch. The Attorney General's office also has the authority to challenge in court any provincial laws or decrees that it considers unconstitutional. The Attorney General is appointed for life by the Governor and confirmed by the Senate, and may be removed from office only through impeachment. Hernán Gómez is the current Attorney General.

The Province's General Treasury makes payment orders that have been previously authorized by the General Accounting Office and manages the Province's bank accounts, all of which are held at Banco Provincia in accordance with the Financial Administration Law.

Municipalities

The Province is divided into 135 municipalities, several of which are more populous than some Argentine provinces. The general administration of each municipality is carried out by its Mayor. In addition, each municipality has its own legislature, which passes ordinances on organizational and technical matters relating to the administration of each municipality.

Each municipality is in charge of providing basic local services such as water, sewerage, street lighting and first aid services, which are financed in part by municipal tax revenues. The Province is responsible for the financing of services related to health care, education and security.

Pursuant to provincial co-participation law, the municipalities receive, in the aggregate, 16.14% of provincial taxes collected by the Province such as non-decentralized gross revenue tax, urban real estate tax, non-decentralized automobile tax, stamp tax and federal co-participation transfers. The overall percentage of funds transferred by the Province to its municipalities and the portion of such funds to be allocated to each municipality are determined and may be modified by the provincial legislature.

In 2003, pursuant to the collection and tax administrative decentralization law, the Province transferred to its municipalities the administration of a number of taxes, such as rural real estate taxes, certain gross revenue taxes and certain automobile taxes. A portion of the revenues from these taxes is allocated to the Province based on criteria that vary for each tax. Another portion of such revenues is allocated to the municipalities as compensation for their tax collection and administration services. The remaining revenues are allocated to social programs and environmental sanitation, as well as to the maintenance of roads and schools.

THE PROVINCIAL ECONOMY

Introduction

Historically, the economy of the Province has represented a significant part of the overall Argentine economy, tracking Argentina's growth and recessionary cycles.

The Province experienced a period of economic growth until 2008, which was reflected in both provincial GDP growth and level of economic activity indicators. Provincial GDP increased by 6.2% in real terms in 2008. The recovery brought about higher employment rates and increased wages. The unemployment rate and the poverty rate in Greater Buenos Aires fell between 2005 and 2008 from 12.1% to 8.5% and from 36.9% to 17.8%, respectively.

In 2009, economic activity in the Province fell by 3.3% in real terms, as a result of the impact caused by the international economic downturn. The Province experienced a 26.4% contraction in international trade in 2009 compared to the previous year, which had a significant impact on growth. In addition, a severe drought affected the Province in 2009. At the provincial level, labor indicators reflected the impact of this situation on the job market, showing an increase in unemployment to 10.1% in 2009.

In 2010 and 2011, the provincial economy resumed its growth path. GDP grew, in real terms, by 13.8% in 2010 and 10.1% in 2011. Part of the growth in 2010 was due to the performance of the agricultural sector, which grew by approximately 54.0%, and the manufacturing sector, which grew by 17.2%. The manufacturing sector accounts for slightly more than a quarter of provincial GDP. The performance of the Province's exports was also positive, growing at approximately 25.0% in each of 2010 and 2011. This increase was partially due to the growth of Brazil, a major trading partner of the Province. In 2012 and 2013, provincial GDP growth slowed to 3.5% and 3.2%, respectively, against the backdrop of a deepening economic slowdown in the region and slower growth of the major economies of the world.

In 2014, quarterly economic activity indicators developed by the Province, which track quarterly variations in GDP at constant prices, showed increases of 3.2%, 2.3% and 0.6% for the first, second and fourth quarter, respectively, and a decrease of 0.6% for the third quarter, as compared to the same quarters of the prior year.

Gross Domestic Product 2009-2013

The Provincial Office of Statistics elaborates and releases the Province's Gross Domestic Product, which shows the results of the activities of the various productive and service sectors of the Province, during a given period. The table below shows the evolution of the Province's real GDP from 2009 through 2013.

Gross Domestic Product (2009-2013)

	2009(1)	2010(1)	2011(1)	2012(1)	2013(1)
GDP (in millions of constant 1993 pesos) (2)	135,047	153,620	169,148	175,019	180,572
Real GDP growth	-3.3%	13.8%	10.1%	3.5%	3.2%
National real GDP growth	0.9%	9.2%	8.9%	1.9%	------
Provincial real GDP / National real GDP	34.92%	36.39%	36.81%	37.37%	------
Population (inhabitants)(3)	15,185,336	15,716,942	15,909,607	16,100,618	16,289,599
Real GDP per capita (constant 1993 pesos)	8,893	9,774	10,632	10,870	11,085

(1) Preliminary data.
(2) Market prices, including value added tax and specific taxes.
(3) Based on the report "Provincial Population Projections by sex and age group: 2001-2015" and "Provincial Population Projections by sex and age group: 2010-2040" as published by INDEC.
Source: Provincial Office of Statistics; Ministry of Economy of the Province; INDEC.

Principal Sectors of the Economy

Historically, the economy of the Province has represented a significant portion of the Argentine economy, accounting for approximately 36.0% of Argentina's GDP from 2009 through 2013.

The Province's most significant economic production sectors in 2013 (as a percentage of the Province's total real GDP) were the following:

Manufacturing (27.6%);

Transport, storage and communications (17.4%);

Real estate and business activities (12.5%);

Retail and wholesale commerce (13.2%);

Construction (5.4%);

Education, social and health services, (4.9%); and

Agriculture, livestock, hunting and forestry (4.2%).

The table below shows the evolution of the Province's real GDP by sector from 2009 through 2013.

Gross Domestic Product by Sector 2009-2013(1)
(in millions of Pesos, at constant 1993 prices)

	For the year ended December 31,									
	2009(2)		2010(2)		2011(2)		2012(2)		2013(2)	
Primary Production:										
Agriculture, livestock, hunting and foresty	4,344	*3.5%*	6,676	*4.8%*	6,800	*4.5%*	6,565	*4.2%*	6,858	*4.2%*
Fisheries and other related services	129	*0.1%*	138	*0.1%*	121	*0.1%*	116	*0.1%*	139	*0.1%*
Mining, oil and gas	99	*0.1%*	112	*0.1%*	124	*0.1%*	130	*0.1%*	141	*0.1%*
Total Primary Production	**4,571**	***3.7%***	**6,926**	***5.0%***	**7,045**	***4.7%***	**6,811**	***4.3%***	**7,137**	***4.4%***
Secondary Production:										
Manufacturing industry	31,009	*25.3%*	36,340	*26.3%*	41,227	*27.2%*	43,820	*27.8%*	44,864	*27.6%*
Construction	7,502	*6.1%*	8,069	*5.8%*	8,828	*5.8%*	8,857	*5.6%*	8,823	*5.4%*
Electricity, gas and water	2,714	*2.2%*	2,845	*2.1%*	2,999	*2.0%*	3,086	*2.0%*	3,150	*1.9%*
Total Secondary Production	**41,224**	***33.6%***	**47,254**	***34.2%***	**53,054**	***35.1%***	**55,763**	***35.4%***	**56,836**	***34.9%***
Services:										
Real estate and business activities	17,533	*14.3%*	18,268	*13.2%*	19,247	*12.7%*	19,769	*12.6%*	20,422	*12.5%*
Transport, storage and communications	20,880	*17.0%*	23,829	*17.3%*	26,355	*17.4%*	27,436	*17.4%*	28,324	*17.4%*
Retail and wholesale commerce	14,574	*11.9%*	16,493	*11.9%*	18,822	*12.4%*	19,726	*12.5%*	21,488	*13.2%*
Educations, social and health services	7,312	*6.0%*	7,549	*5.5%*	7,771	*5.1%*	7,873	*5.0%*	8,000	*4.9%*
Public Administration, defense and social security	4,327	*3.5%*	4,470	*3.2%*	4,710	*3.1%*	4,755	*3.0%*	4,816	*3.0%*
Financial Intermediation	2,708	*2.2%*	3,137	*2.3%*	3,402	*2.2%*	3,834	*2.4%*	4,063	*2.5%*
Hotel and restaurant services	2,383	*1.9%*	2,673	*1.9%*	3,021	*2.0%*	3,177	*2.0%*	3,210	*2.0%*
Other services	7,035	*5.7%*	7,445	*5.4%*	7,922	*5.2%*	8,322	*5.3%*	8,448	*5.2%*
Total services	**76,752**	***62.6%***	**83,865**	***60.8%***	**91,251**	***60.3%***	**94,891**	***60.3%***	**98,773**	***60.7%***
Total GDP	**122,548**	***100.0%***	**138,045**	***100.0%***	**151,350**	***100.0%***	**157,465**	***100.0%***	**162,746**	***100.0%***

(1) In terms of producers' prices, excluding value added taxes and import taxes.
(2) Preliminary data.
Source: Provincial Office of Statistics; Ministry of Economy of the Province.

The following table shows the evolution of the share of the Province's GDP in the national GDP by economic sector from 2009 through 2013, in constant 1993 pesos:

Share of Provincial GDP in National GDP by Sector 2009-2013(1)
(in millions of pesos, at constant 1993 prices)

	For the year ended December 31,												
	2009(2)			2010(2)			2011(2)			2012(2)			2013(2)
Sector	Provincial GDP	Federal GDP	Provincial GDP / Federal GDP	Provincial GDP	Federal GDP	Provincial GDP / Federal GDP	Provincial GDP	Federal GDP	Provincial GDP / Federal GDP	Provincial GDP	Federal GDP	Provincial GDP / Federal GDP	Provincial GDP (3)

Primary Production:													
Agriculture, livestock, hunting and foresty	4,344	15,601	*27.8%*	6,676	20,046	*33.3%*	6,800	19,557	*34.8%*	6,565	17,342	*37.9%*	6,858
Fisheries and other related services..	129	427	*30.1%*	138	472	*29.2%*	121	511	*23.6%*	116	502	*23.0%*	139
Mining, oil and gas	99	5,193	1.9%	112	5,113	2.2%	124	4,933	2.5%	130	4,980	2.6%	141
Total Primary Production	**4,571**	**21,222**	**21.5%**	**6,926**	**25,632**	**27.0%**	**7,045**	**25,002**	**28.2%**	**6,811**	**22,825**	**29.8%**	**7,137**
Secondary Production:													
Manufacturing industry	31,009	61,503	*50.4%*	36,340	67,547	*53.8%*	41,227	74,962	*55.0%*	43,820	74,660	*58.7%*	44,864
Construction.........	7,502	22,744	*33.0%*	8,069	23,915	*33.7%*	8,828	26,085	*33.8%*	8,857	25,396	*34.9%*	8,823
Electricity, gas and water...........	2,714	9,954	*27.3%*	2,845	10,567	*26.9%*	2,999	11,049	*27.1%*	3,086	11,583	*26.6%*	3,150
Total Secondary Production	**41,224**	**94,201**	***43.8%***	**47,254**	**102,029**	***46.3%***	**53,054**	**112,096**	***47.3%***	**55,763**	**111,638**	***49.9%***	**56,836**
Services:													
Real estate and business activities...........	17,533	50,878	*34.5%*	18,268	52,982	*34.5%*	19,247	55,661	*34.6%*	19,769	55,860	*35.4%*	20,422
Transport, storage and communications	20,880	44,860	*46.5%*	23,829	49,605	*48.0%*	26,355	54,231	*48.6%*	27,436	56,918	*48.2%*	28,324
Retail and wholesale commerce..........	14,574	49,751	*29.3%*	16,493	56,245	*29.3%*	18,822	64,486	*29.2%*	19,726	65,739	*30.0%*	21,488
Educations, social and health services.............	7,312	29,426	*24.8%*	7,549	30,778	*24.5%*	7,771	32,216	*24.1%*	7,873	33,540	*23.5%*	8,000
Public Administration, defense and social security....	4,327	17,609	*24.6%*	4,470	18,486	*24.2%*	4,710	19,220	*24.5%*	4,755	20,008	*23.8%*	4,816
Financial Intermediation...	2,708	16,163	*16.8%*	3,137	17,966	*17.5%*	3,402	21,441	*15.9%*	3,834	25,285	*15.2%*	4,063
Hotel and restaurant services.............	2,383	9,486	*25.1%*	2,673	10,180	*26.3%*	3,021	10,964	*27.6%*	3,177	11,137	*28.5%*	3,210
Other services.......	7,035	22,114	*31.8%*	7,445	22,735	*32.7%*	7,922	23,560	*33.6%*	8,322	23,864	*34.9%*	8,448
Total services	**76,752**	**240,287**	***31.9%***	**83,865**	**258,976**	***32.4%***	**91,251**	**281,779**	***32.4%***	**94,891**	**292,350**	***32.5%***	**98,773**
Total GDP	**122,548**	**355,709**	***34.5%***	**138,045**	**386,637**	***35.7%***	**151,350**	**418,877**	***36.1%***	**157,465**	**426,813**	***36.9%***	**162,746**

(1) In terms of producer's prices, excluding value added taxes and import taxes.

(2) Preliminary data.

(3) INDEC modified the methodology and base year to calculate the 2013 GDP for Federal GDP at constant 2004 prices. Provincial GDP for 2013 is calculated based at 1993 prices, accordingly, it is not comparable to 2013 Federal GDP, which is not included in the table herein. For 2014 and subsequent years, the Province will use a new methodology and base year to calculate the Provincial GDP, which is comparable to the methodology used to calculate the Federal GDP.

Source: Provincial Office of Statistics; Ministry of Economy of the Province.

Manufacturing

The Province's manufacturing sector, which is highly diversified, has historically been the single largest contributor to provincial GDP. Manufactured products include refined petroleum products, cereals and food products, steel, chemicals, electrical machinery, aluminum, piping, automobiles and automobile spare parts, oil drilling tools and equipment, computer printers, cement, pharmaceuticals and textiles.

From 2009 through 2013, the output of the manufacturing sector increased by 44.7% while total provincial GDP increased by 32.8% during the same period. This sector represented, on average, 27.0% of total provincial GDP during this period.

The sectors driving the increase in industrial activity have varied over the years. In 2009, a year marked by a downturn in economic activity, the manufacturing sector decreased by 10.4% as compared with 2008. The most adversely affected sectors within the manufacturing segment were the steel, oil refining, machinery and equipment and automobile industry.

When economic activity rebounded in 2010, the manufacturing sector was instrumental to the recovery of the Province, with a 17.2% increase as compared to the previous year. Among the industrial activities, the most important contributions came from tanning and leather finishing; production of leather goods; production of basic metals; manufacture of radios, television and communications equipment; manufacture of motor vehicles, trailers and semi-trailers; and manufacture of furniture and bedding items, which collectively accounted for more than 70.0% of the increase in industrial activity as compared to the previous year. Car production in the Province reached a record high of 396,988 units in 2010. In addition, automobile plants located in the provincial territory exported 240,145 units, 77.0% of which were shipped to Brazil. The production of crude iron and primary steel grew by 41.5% and 30.4%, respectively, as compared to the previous year.

In 2011, the increase in industrial activity was primarily due to an increase in clothing (26.5%); machinery and equipment (24.0%); motor vehicles, trailers and semi-trailers (23.7%); food and beverages (18.7%); basic metals (14.0%); and chemicals and chemical products (8.8%). In that year the sector, as a whole, grew by 13.4%.

In 2012, the manufacturing sector recorded a 6.3% increase in activity levels, with strong growth in the manufacture of machinery and equipment (21.4%), furniture and mattresses (14.4%), products of petroleum refining (14.0%) and food and beverages (12.7%).

In 2013, the manufacturing sector grew by 2.4%, mainly due to the increases in rubber and plastics (18.5%), clothing (15.3%), metal products (13.0%), textiles (9.5%) and cars (1.7%).

Real Estate and Business Activities

The real estate and business activities sector has historically been the second-most important sector to provincial GDP. This sector encompasses a wide range of services rendered to businesses and individuals, including real estate transactions, leases of machinery and equipment without operating personnel, computer services, research and development and other business and professional services. Real estate transactions, which include both, sales and rentals, account for the vast majority of the Province's total production in this sector.

From 2009 through 2013, the output of the real estate and business activities sector increased by 16.5% and represented, on average, 13.0% of total provincial GDP during this same period.

Following the slowdown of 2009, in which this sector showed an increase of only 1.0% as compared to the previous year, in 2010 and 2011 the sector recorded a rate of growth of 4.2% and 5.4%, respectively, as compared in each case to the previous year. During 2010 and 2011, real estate services and real estate leases increased due to higher stock of housing, and the resulting greater number of leasing and property sale opportunities in the market.

The sector recorded a moderate growth rate of 2.7% and 3.3% in 2012 and 2013 as compared to the previous year.

Transport, Storage and Communications

This sector includes land, air and water transportation of passengers and cargo, and postal and telecommunications services. It also includes other services rendered in connection with transportation, such as terminal and parking services, handling and storage of cargo, operation of toll road concessions and other infrastructure, and other related services. Telecommunications and freight land transportation together typically account for a vast majority of the Province's production within this sector.

From 2009 through 2013, the output of the transport, storage and communications sector increased by 35.7%. The average annual growth was 8.0%.

In 2009, a year marked by a fall in GDP, this sector was one of the few sectors that did not suffer a fall. Despite showing a slowdown from the 16.2% increase in 2008, it still increased by 11.9% as compared to the previous year.

In 2010, the sector grew by 14.1% largely due to an increase in land transportation services (8.5%), rail passengers (6.5%) and bus passengers (9.0%). In turn, the number of local, interurban and mobile phone calls increased by 20.0% as compared to the previous year.

In 2011, the sector grew by 10.6% mainly due to an increase of transportation services of light and heavy trucks by 6.2% and 4.4%, respectively, as well as an increase in passengers transported by buses in suburban lines by 6.0%. The sector increase was also due to a higher number of wire line local calls, which rose by 7.8%, and interurban calls, which rose by 10.7%. In turn, calls from mobile phones increased by 25.1%.

In 2012, the sector grew by 4.1%. Freight services increased by 1.2% and passengers carried on suburban lines increased by 6.3%. In turn, the number of local calls from mobile phones increased by 18.5%, while the number of subscribers to cable TV service increased by 5.8%.

In 2013, the sector increased by 3.2%. The cargo transport services decreased by 1.7%, while passengers carried on suburban lines fell to 5.8%. Relatedly communications, the number of local calls on mobile phones rose by 12.2%, while the number of subscribers to cable television services increased by 4.7%.

Retail and Wholesale Commerce

Half of this sector's total production is typically derived from retail sales of food, beverages and tobacco. The retail and wholesale commerce sector has traditionally represented more than one-tenth of provincial GDP.

From 2009 through 2013, the output of the retail and wholesale commerce sector increased by 47.4%, and had an average annual growth of 10.3%. Like most other sectors of the provincial economy, after a positive performance in 2008, it recorded a decrease of 1.9% in 2009.

In 2010, the sector grew by 13.2%, mainly due to growth in retail and wholesale sales of food, beverages and household items. Also, brand-new car sales, second-hand car sales and motorcycle sales increased by 30.1%, 17.3% and 55.5%, respectively. Additionally, fuel sales grew by 8.1%.

In 2011, the sector grew by 14.1%, mainly due to the growth of retail and wholesale sales of food, beverages and household items. New car sales exceeded 280,000 and second-hand cars reached 720,000, representing an increase of 29.4% and 21.2%, respectively.

In 2012, the sector grew at a rate of 4.8%, mainly due to a general increase in both wholesale and retail sale of food, beverages and household items. However, sales of new and second-hand cars fell 5.0% and 0.7%, respectively.

In 2013, this sector grew by 8.9%, mainly due to growth in both wholesale by 8.6% and retail sales by 9.5%. Brand new car sales exceeded 320,000 and used cars, 711,000, representing an increase of 14.2% and 3.8%, respectively.

Construction

Housing construction typically accounts for approximately 50.0% of the Province's total production in this sector. The construction sector has traditionally represented around 5.0% of the Province's real GDP. However, this sector has been increasing its share in the Province's GDP, representing on average 5.8% of the Province's real GDP in the period from 2009 through 2013.

From 2009 through 2013, the output of the construction sector increased by 17.6%, registering an average annual growth of 4.2%. The sector's share of total provincial GDP averaged 5.8% on an annual basis.

Following a 4.4% reduction in 2009, activity grew by 7.6% in 2010, mainly driven by an 8.4% increase in the number of construction permits in major districts of the Province. Construction permits increased again by 13.1% in 2011, renewing the boost in this sector, which in turn grew by 9.4% as compared to the previous year.

In 2012, the sector grew by only 0.3% due to a 3.0% decrease in unregistered construction and a 6.3% decrease in public construction. These losses were offset by an 8.2% increase in private construction.

In 2013, construction fell by 0.4% due to a 7.3% decline in private construction and a 3.2% decline in public construction. Unregistered construction increased by 4.0%.

Education, Social and Health Services

The Province records together two activities: the provision of educational services, which typically represents slightly more than one half of total production of this sector, and healthcare and social services. The Province's share of total Argentine GDP in this sector is relatively lower than the Province's share of total Argentine population due to different cost levels among the provinces and between the provinces and the federal government. The disparity between health and social services costs is primarily attributable to greater economies of scale available to the Province for the provision of these services, leading to a lower cost per inhabitant.

From 2009 through 2013, the output of the education, social and health services sector increased by 9.4%, registering an average annual variation of 2.3%. The sector's share of total provincial GDP averaged 5.3% on an annual basis.

Due to the nature of these services, and unlike in most sectors, annual variations were generally constant. The highest growth in this sector was recorded in 2010. The increase in educational services was a direct result of the Province's inclusion policies and the Universal Allowance per Child program, both of which in turn increased the number of students.

Agriculture, Livestock, Hunting and Forestry

Agriculture and livestock typically account for the vast majority of the Province's total production within this sector. The Province's main agricultural products include oil-producing crops, vegetables, soybeans and fodder. Livestock includes meat, dairy, wool and hide production. The main activities that compose this sector are cereals and oil-producing crops, which, together with livestock and dairy products, typically account for most of the Province's production within this sector. Corn, soybeans, wheat and sunflower are the most widely produced crops. Argentina is the worldwide leader in the production of crop-derived oils and the Province is Argentina's main producer of crop-derived oils. In addition, the Province is Argentina's largest producer of wheat and one of Argentina's main producers of corn.

From 2009 through 2013, the output of the agriculture, livestock, hunting and forestry sector increased by 57.9%, with an average annual growth rate of 14.1%. On average, this sector represented 4.3% of the provincial GDP on an annual basis.

This agriculture, livestock, hunting and forestry sector was the most adversely affected sector in 2009, when it recorded a decrease of 19.0%. The international trade slowdown, coupled with the drought in the area, led to a significant deterioration in activity levels.

The recovery of the sector was very important in 2010, achieving a 53.7% growth. This increase in growth was largely due to a 153.0% increase in soybean production, a 124.0% increase in corn production and a 86.0% increase in wheat production.

In 2011, the sector grew by a moderate 1.9% due to increases in the production of wheat, sunflower, sorghum and corn. These increases were offset by a 9.0% decrease in soybean production.

In 2012, the sector performed poorly and decreased by 3.5%, mainly due to a 19.0%, 10.4% and 7.5% decrease in the production of sunflower, corn and wheat, respectively.

In 2013, the sector grew by 4.5%, mainly due to an increase in malting barley production by 20.3%, soybeans by 15.7% and corn by 10.4%; offset by decreases in the production of wheat by 57.1% and sunflower by 13.9%. Livestock fell by 5.1%.

Exports Originating in the Province

In Argentina, information relating to exports is collected and released by INDEC, and is based mainly on data collected in connection with the issuance of shipping permits by the Argentine Federal Customs Bureau. Since 1995, export data has also been collected in connection with the export of goods that require no such permits, such as energy. Provincial exports include exports of all goods produced within the territory of the Province, either by growth, extraction or collection, and all goods processed or built completely in the Province, including those made entirely from raw materials produced outside of the Province and transformed within the Province into a different product (as classified under the Mercosur rules).

From 2009 through 2014, exports grew by 25.4%, with significant differences in the year-on-year variations due to the international slowdown in 2009 when exports decreased by 26.4%, and in 2012, 2013 and 2014 when exports decreased by 2.8%, 7.3% and 9.2%, respectively. In addition, the Province's share in the total national exports during this period amounted to an annual average of 33.0%. Brazil has historically been the Province's main trading partner, representing more than 30% of its total exports since 2009.

Classification of Main Exported Items

The following table sets forth the breakdown of the Province's exports by product category from 2009 through 2014.

Exports by Product Category 2009 - 2014
(in millions of U.S. dollars and percentages)

	For the year ended December 31,											
	2009		2010		2011		2012		2013		2014(1)	
Live animals	29	0.2%	22	0.1%	19	0.1%	23	0.1%	15	0.1%	20	0.1%
Fish and seafood	159	0.9%	186	0.8%	226	0.8%	192	0.7%	241	1.0%	205	0.9%
Honey	77	0.4%	83	0.4%	107	0.4%	103	0.4%	102	0.4%	98	0.4%
Vegetables	39	0.2%	77	0.3%	69	0.2%	62	0.2%	84	0.3%	40	0.2%
Fruit	15	0.1%	21	0.1%	21	0.1%	15	0.1%	13	0.1%	15	0.1%
Cereals	1,313	7.2%	1,841	8.0%	3,680	13.1%	4,394	16.1%	3,043	12.0%	1,969	8.5%
Seeds and oilseeds	433	2.4%	1,695	7.4%	1,814	6.4%	1,319	4.8%	1,593	6.3%	1,460	6.3%
Others	16	0.1%	16	0.1%	17	0.1%	26	0.1%	22	0.1%	29	0.1%
Total Primary Products	**2,082**	**11.3%**	**3,941**	**17.2%**	**5,955**	**21.2%**	**6,135**	**22.4%**	**5,113**	**20.2%**	**3,835**	**16.6%**
Meat	1,125	6.1%	958	4.2%	1,054	3.7%	997	3.6%	961	3.8%	904	3.9%
Processed fish and seafood	277	1.5%	313	1.4%	306	1.1%	232	0.8%	222	0.9%	215	0.9%
Eggs and dairy products	109	0.6%	118	0.5%	220	0.8%	192	0.7%	207	0.8%	138	0.6%
Other products of animal origin	35	0.2%	35	0.2%	31	0.1%	33	0.1%	28	0.1%	29	0.1%
Dried and frozen fruit	6	0.0%	4	0.0%	6	0.0%	5	0.0%	6	0.0%	5	0.0%
Coffee, tea, herbs and spices	5	0.0%	6	0.0%	9	0.0%	9	0.0%	10	0.0%	9	0.0%
Mill products	394	2.1%	415	1.8%	497	1.8%	741	2.7%	600	2.4%	653	2.8%
Oils and fats	906	4.9%	814	3.6%	1,375	4.9%	1,163	4.3%	691	2.7%	600	2.6%
Sugar and candy products	26	0.1%	32	0.1%	35	0.1%	123	0.5%	95	0.4%	94	0.4%
Prepared vegetables	119	0.6%	152	0.7%	188	0.7%	169	0.6%	232	0.9%	197	0.9%
Beverages, alcohol and vinegars	45	0.2%	64	0.3%	73	0.3%	72	0.3%	66	0.3%	61	0.3%
Food industry residue and waste	472	2.6%	654	2.9%	871	3.1%	995	3.6%	1,019	4.0%	1,645	7.1%
Hides and skins	353	1.9%	515	2.3%	470	1.7%	494	1.8%	526	2.1%	600	2.6%
Processed wood	26	0.1%	35	0.2%	52	0.2%	34	0.1%	35	0.1%	38	0.2%
Others	496	2.7%	526	2.3%	589	2.1%	318	1.2%	294	1.2%	293	1.3%
Total Manufactured Goods of Agricultural Origin	**4,395**	**23.9%**	**4,641**	**20.3%**	**5,776**	**20.5%**	**5,577**	**20.4%**	**4,991**	**19.7%**	**5,480**	**23.8%**
Chemical products	1,986	10.8%	2,362	10.3%	2,670	9.5%	2,752	10.1%	2,740	10.8%	2,652	11.5%
Plastics	998	5.4%	1,086	4.7%	1,269	4.5%	1,143	4.2%	1,060	4.2%	1,046	4.5%
Rubber	255	1.4%	287	1.3%	295	1.0%	264	1.0%	258	1.0%	251	1.1%
Leather goods	28	0.2%	31	0.1%	33	0.1%	33	0.1%	27	0.1%	22	0.1%
Paper, cardboard, printing and publications	180	1.0%	205	0.9%	204	0.7%	162	0.6%	132	0.5%	109	0.5%
Textile	219	1.2%	269	1.2%	321	1.1%	267	1.0%	230	0.9%	211	0.9%
Footwear and related materials	15	0.1%	20	0.1%	21	0.1%	23	0.1%	22	0.1%	19	0.1%
Stone and plaster products	105	0.6%	134	0.6%	143	0.5%	123	0.4%	107	0.4%	91	0.4%
Precious stones and metals	7	0.0%	4	0.0%	9	0.0%	4	0.0%	7	0.0%	3	0.0%
Metals	1,704	9.3%	1,523	6.7%	1,773	6.3%	1,633	6.0%	1,390	5.5%	1,261	5.5%
Machinery and electric materials	798	4.3%	943	4.1%	1,076	3.8%	959	3.5%	871	3.4%	734	3.2%
Transportation materials	3,592	19.6%	5,379	23.5%	6,621	23.5%	6,608	24.2%	7,119	28.1%	6,157	26.7%
Navigation	11	0.1%	10	0.0%	21	0.1%	11	0.0%	6	0.0%	9	0.0%
Others	227	1.2%	249	1.1%	257	0.9%	282	1.0%	237	0.9%	185	0.8%
Total Manufactured Goods of Industrial Origin:	**10,123**	**55.1%**	**12,501**	**54.6%**	**14,712**	**52.3%**	**14,262**	**52.1%**	**14,205**	**56.0%**	**12,750**	**55.3%**
Fuel	1,156	6.3%	1,080	4.7%	838	3.0%	718	2.6%	492	1.9%	433	1.9%
Grease and oil lubricants	99	0.5%	88	0.4%	116	0.4%	101	0.4%	412	1.6%	44	0.2%
Petroleum gas and others	413	2.2%	504	2.2%	592	2.1%	454	1.7%	58	0.2%	429	1.9%
Electrical energy	20	0.1%	26	0.1%	3	0.0%	-		-	0.0%	-	0.0%
Other	79	0.4%	95	0.4%	139	0.5%	107	0.4%	94	0.4%	69	0.3%
Total Fuel and Energy:	**1,767**	**9.6%**	**1,793**	**7.8%**	**1,689**	**6.0%**	**1,379**	**5.0%**	**1,056**	**4.2%**	**975**	**4.2%**
Total	**18,367**	**100.0%**	**22,877**	**100.0%**	**28,132**	**100.0%**	**27,354**	**100.0%**	**25,365**	**100.0%**	**23,040**	**100.0%**

(1) Preliminary data.
Source: Provincial Office of Statistics; Ministry of Economy of the Province on the basis of information provided by INDEC.

Primary Products.

Exports of primary products include animals and animal products (including unprocessed seafood and fish, but not meat), honey, fruits, vegetables, cereals and seeds and oilseeds. From 2009 through 2014, these products represented an annual average of 18.2% of total provincial exports and 27.2% of total national exports in this sector. Exports of primary products showed a 84.2% increase from 2009 to 2014, with a very uneven year-over-year average variation. In 2009, when agricultural activity was affected by a severe drought, exports of these products suffered a 50.7% reduction, recovering significantly in the following years. In 2014, these products recorded a 25.0% decrease due to a 35.3% decline in exports of cereals. Exports of cereals, seeds and oilseeds traditionally have accounted for the majority of provincial exports of primary products, accounting on average for 59.0% and 30.8%, respectively, of total exports of primary products from 2009 through 2014. The provincial exports of primary goods for the year ended December 31, 2014, amounted to USD 3,835 million and represented 16.6% of the total provincial exports.

Manufactured Goods of Agricultural Origin.

Exports of manufactured goods of agricultural origin include meat, processed fish and seafood and other products of animal origin, processed food and vegetables, mill products, oil and fats, beverages, alcohol and vinegars, food industry residue and waste, dyes and extracts, hides and skins, processed wood and other agricultural products that have undergone some sort of processing. From 2009 through 2014, these products represented an annual average of 21.4% of total provincial exports and 19.9% of total national exports in this sector. The variation in this item, considering the period between 2009 and 2014, shows a 24.7% increase. In 2014, these exports recorded a 9.8% increase due to a 61.4% increase in food industry residue and waste exports and 14.1% increase in hides and skins exports. The most representative products of this group are meats that, on average, account for 19.7% of these agricultural exports. The provincial exports of manufactured goods of agricultural origin for the year ended December 31, 2014, amounted to USD 5,480 million and represented 23.8% of the total provincial exports.

Manufactured Goods of Industrial Origin.

Manufactured goods of industrial origin include chemicals, plastics, rubbers, leather, paper, textiles, footwear, stone, precious stone, metals, machinery and transportation materials, navigation and other industrial goods. Manufactured goods of industrial origin are the most important provincial exports. From 2009 through 2014, these products represented an annual average of 54.0% of total provincial exports and 52.0% of total national exports in this sector. From 2009 through 2014 exports of these products increased by 25.9%. In 2014 these exports decreased by 10.2%. The products with the highest share in this segment are land transport materials, with an average weight on total exports of 44.7%. In 2014, this share was 48.3%. Chemicals and related products come second in order of importance, with an average share of 19.3%. The provincial exports of manufactured goods of industrial origin for the year ended December 31, 2014, amounted to USD 12,750 million and represented 55.3% of the total provincial exports.

Fuel and Energy.

Fuel and energy exports consist of exports of fuel, grease and lubricants, petroleum gas, electrical energy and other fuel and energy products. From 2009 through 2014, these products represented an annual average of 6.1% of the total provincial exports and 23.2% of total national exports in this sector. Exports of these products have decreased by 44.8% from 2009 to 2014. The most significant decrease was 41.8% in 2009 due to a general decrease in economic activity. In 2014, exports of fuel and energy recorded a decrease of 7.7%. Fuel has traditionally been the most significant export item in this category with an average annual share of 53.1%, although its share was 44.4% in 2014. The provincial exports of fuel and energy for the year ended December 31, 2014, amounted to USD 975 million and represented 4.2% of the total provincial exports

Destination of Exports

The following table sets forth the breakdown of the Province's exports by geographic destination from 2009 through 2014.

Geographic Distribution of Exports 2009- 2014 (in millions of U.S. dollars and percentages)

	For the year ended December 31,											
Country	**2009**		**2010**		**2011**		**2012**		**2013 (1)**		**2014 (1)**	
Brazil	6,946	37.8%	9,031	39.5%	10,224	36.3%	10,113	37.0%	9,790	38.6%	8,901	38.6%
Chile	1,196	6.5%	1,448	6.3%	1,636	5.8%	1,706	6.2%	1,527	6.0%	1,284	5.6%
United States	881	4.8%	857	3.7%	1,017	3.6%	971	3.5%	1,034	4.1%	961	4.2%
China	641	3.5%	1,558	6.8%	1,724	6.1%	1,369	5.0%	1,472	5.8%	1,314	5.7%
Uruguay	745	4.1%	881	3.9%	1,107	3.9%	975	3.6%	953	3.8%	836	3.6%
Mexico	601	3.3%	650	2.8%	532	1.9%	449	1.6%	516	2.0%	564	2.4%
Venezuela	533	2.9%	612	2.7%	678	2.4%	796	2.9%	702	2.8%	485	2.1%
Paraguay	508	2.8%	639	2.8%	687	2.4%	680	2.5%	719	2.8%	704	3.1%
Colombia	337	1.8%	495	2.2%	652	2.3%	851	3.1%	624	2.5%	477	2.1%
Germany	344	1.9%	648	2.8%	1,047	3.7%	710	2.6%	434	1.7%	416	1.8%
Peru	315	1.7%	327	1.4%	489	1.7%	614	2.2%	407	1.6%	310	1.3%
Bolivia	335	1.8%	356	1.6%	432	1.5%	450	1.6%	378	1.5%	367	1.6%
Italy	297	1.6%	263	1.2%	272	1.0%	189	0.7%	208	0.8%	154	0.7%
Netherlands	281	1.5%	267	1.2%	397	1.4%	337	1.2%	269	1.1%	328	1.4%
Egypt	189	1.0%	290	1.3%	550	2.0%	387	1.4%	321	1.3%	297	1.3%
Russia	242	1.3%	147	0.6%	171	0.6%	175	0.6%	166	0.7%	197	0.9%
Ecuador	219	1.2%	218	1.0%	267	0.9%	260	0.9%	150	0.6%	214	0.9%
Spain	196	1.1%	204	0.9%	324	1.2%	227	0.8%	187	0.7%	156	0.7%
South Africa	167	0.9%	203	0.9%	500	1.8%	483	1.8%	213	0.8%	157	0.7%
Others	3,392	18.5%	3,894	17.0%	5,425	19.3%	5,612	20.5%	5,292	20.9%	4,918	21.3%
Total	**18,367**	**100.0%**	**22,877**	**100.0%**	**28,132**	**100.0%**	**27,354**	**100.0%**	**25,365**	**100.0%**	**23,040**	**100.0%**

(1) Preliminary data.
Source: Provincial Office of Statistics; Ministry of Economy of the Province on the basis of information provided by INDEC.

Historically, the main destinations for exports from the Province have been the Mercosur, the United States, China and Chile. Exports to Brazil constitute the vast majority of exports to the Mercosur, accounting for more than 80.0% of these exports in each of the last six years.

Economically Active Population and Employment

INDEC prepares a series of indexes used to measure the social, demographic and economic characteristics of the Argentine population based on data collected in the *Encuesta Permanente de Hogares* (Permanent Household Survey, or "EPH"). The results of the EPH are presented periodically. The EPH is conducted in the five main urban areas within the territory of the Province, the largest of which is the Greater Buenos Aires area, which includes the *Conurbano Bonaerense*.

The five main urban areas located within the territory of the Province are:

Greater Buenos Aires, which contains approximately 67.0% of the Province's population;

Greater La Plata, which contains approximately 5.0% of the Province's population;

Mar del Plata – Batán, which contains approximately 4.0% of the Province's population;

Bahía Blanca – Cerri, which contains approximately 2.0% of the Province's population; and

San Nicolás – Villa Constitución, which contains approximately 1.0% of the Province's population. Villa Constitución, which is included in this urban area, is located in the Province of Santa Fe.

The following tables set forth employment figures from 2009 through the first quarter of 2015 for the main urban areas of the Province for the periods specified.

Labor Share Rate of the Main Urban Areas of the Province 2009 - the first quarter of 2015[1]
(as a percentage of total population)

	4Q2009	4Q2010	4Q2011	4Q2012	4Q2013	4Q2014	1Q2015
Areas of Greater Buenos Aires	47.5	46.7	46.9	47.4	45.8	44.7	39.8
Bahía Blanca – Cerri	46.2	47.7	46.3	46.6	48.0	44.7	43.6
Greater La Plata	47.5	45.3	45.4	43.7	47.3	46.3	43.5
Mar del Plata – Batán	47.0	49.2	48.0	45.0	47.4	44.6	39.6
San Nicolás - Villa Constitución	41.1	41.3	40.3	40.2	38.1	40.8	37.7

(1) Calculated by dividing the portion of the population employed or actively seeking employment ("economically active population") by the total population.

Source: INDEC.

Unemployment Rate of the Main Urban Areas of the Province 2009- the first quarter of 2015 [1]
(as a percentage of economically active population)[2]

	4Q2009	4Q2010	4Q2011	4Q2012	4Q2013	4Q2014	1Q2015
Areas of Greater Buenos Aires	10.1	8.7	8.3	7.9	7.2	7.9	8.8
Bahía Blanca – Cerri	9.5	6.9	7.8	6.6	8.7	7.5	5.7
Greater La Plata	7.6	5.7	5.6	4.9	5.2	5.5	5.6
Mar del Plata – Batán	9.2	8.7	7.7	9.5	11.7	10.9	10.3
San Nicolás - Villa Constitución	5.8	7.8	8.8	6.1	5.7	5.1	7.6

(1) Calculated by dividing the unemployed population seeking employment by the economically active population.

(2) Population employed or actively seeking employment.

Source: INDEC.

Underemployment Rates of the Main Urban Areas of the Province 2009- the first quarter of 2015 [1]
(as a percentage of economically active population) [2]

	4Q2009	4Q2010	4Q2011	4Q2012	4Q2013	4Q2014	1Q2015
Areas of Greater Buenos Aires	7.9	5.9	7.1	7.9	5.7	7.0	3.0
Bahía Blanca – Cerri	3.4	2.5	4.0	2.9	1.9	2.7	0.6
Greater La Plata	7.0	2.4	6.4	6.8	8.2	6.9	1.7
Mar del Plata – Batán	8.5	5.4	9.2	9.2	6.4	7.9	2.0
San Nicolás - Villa Constitución	4.5	6.2	5.0	4.3	2.7	2.4	0.7

(1) Calculated by dividing the portion of the population working 35 hours or less per week and with the intent to work more by the economically active population.

(2) Population employed or actively seeking employment.

Source: INDEC.

In 2008, the Province created the *Plan de Promoción, Preservación y Regularización del Empleo* (Plan for the Promotion, Preservation and Regularization of Employment), which is aimed at incorporating vulnerable groups of the population, which are often involved in distressed situations, into the labor market and foster the creation of jobs in strategic economic sectors and geographic regions. This program is divided into the following four sub-programs:

Inclusión Laboral (Employment Opportunity)

Regularización del Empleo no Registrado (Unregistered Employee Regularization)

Asistencia a la Promoción Industrial (Industrial Promotion)

Preservación de Puestos de Trabajo en Situación de Crisis (Preservation of Labor Force in Distressed Situations)

Under each of these sub-programs, companies that hire or retain qualifying employees receive a fixed monthly sum of up to ARS 1,150 per employee for a period of between 6 to 24 months, depending on each sub-program.

In addition, the *Programa Barrios Bonaerenses* (Buenos Aires Neighborhood Program), which has been in place since 2000 and was developed with the goal of improving the income of poor households by providing public service employment to heads of households over 18 years of age, is also available for qualifying unemployed individuals in the Province.

The Greater Buenos Aires unemployment rate was 10.1% in 2009 due to the economic slowdown in that year. The rebound during the following periods, mainly due to the increase of industrial activity in the Province, brought unemployment in Greater Buenos Aires down to 7.9% in 2014.

Poverty

Because the Province's only source of data relating to poverty consists of statistics compiled by INDEC as part of the EPH, the following discussion relates primarily to poverty within the main urban areas of the Province. See "—Economically Active Population and Employment."

Poverty indicators are calculated on the basis of a proportion of households whose income is not enough to meet a basic basket of goods and services necessary to satisfy food and nonfood essential needs. The basket is valued at market prices and the resulting threshold is called the "poverty line."

Poverty in the Province decreased significantly between 2009 and 2013. In the Greater Buenos Aires districts, in which most of the Province's population is concentrated, the rate of households and persons living below the poverty line in the first half of 2009 reached 9.6% and 14.0%, respectively, while the same items for the first half of 2013 were 4.2% and 5.4%, respectively.

The following table sets forth the percentage of households and persons living in the principal urban areas of the Province of Buenos Aires with annual incomes below the poverty line from 2009 through 2013 for the periods specified.

Poverty in the Main Urban Areas of the Province, 2009-2013
(in percentages)

	Areas of Greater Buenos Aires		Bahía Blanca-Cerri		Greater La Plata		Mar del Plata-Batán		San Nicolás - Villa Constitución	
Period	**Households**	**Persons**	**Households**	**Persons**	**Households**	**Persons**	**Households**	**Persons**	**Households**	**Persons**
First half 2009	**9.6**	**14.0**	7.6	12.7	7.7	12.2	8.4	12.0	10.2	13.5
Second half 2009	**10.4**	**14.5**	5.6	7.9	6.0	9.6	8.2	10.2	10.4	13.3
First half 2010	**9.2**	**13.5**	4.3	7.2	7.4	13.0	5.7	6.9	8.5	12.3
Second half 2010	**7.4**	**10.6**	4.6	7.2	7.1	12.5	3.7	5.0	6.0	8.3
First half 2011	**7.2**	**10.0**	4.3	5.9	5.3	7.7	4.7	5.8	7.7	10.6
Second half 2011	**5.2**	**6.9**	6.5	9.8	5.0	8.7	4.5	5.4	4.3	7.1
First half 2012	**6.3**	**8.6**	4.9	6.5	3.1	5.0	3.5	4.9	4.7	6.3
Second half 2012	**5.2**	**6.6**	2.8	5.1	3.2	6.0	4.1	5.4	3.7	4.7
First half 2013	**4.2**	**5.4**	5.6	8.8	1.0	1.0	4.8	6.4	4.4	5.1

Source: INDEC.

In recent years, the federal government has developed a number of poverty reduction programs throughout Argentina, including the following social welfare programs:

Asignación Universal por Hijo (Universal Allowance per Child), which provides to families with dependents under 18 years of age, which members are unemployed or with unregistered employment, a monthly stipend (per child, up to a maximum of five children) to cover healthcare costs. The stipend is ARS 644 per child per month, or, in the case of dependents that are disabled, ARS 2,100 per dependent per month regardless of age. To receive this stipend, recipients must comply with certain requirements, including compliance with certain sanitary controls until each dependent has reached five years of age, and school attendance until each dependent is at least 18 years old. Eighty percent of the stipend is paid through the ANSeS payment system, and 20.0% is distributed to a bank account in the recipient's name at *Banco de la Nación Argentina*, and may be withdrawn with a magnetic card given to the recipient;

Asignación por Embarazo para Protección Social (Allowance for Pregnancy for Social Protection), which provides a monthly stipend of ARS 644 to unemployed women or with unregistered employment, who are between the twelfth and the last weeks of pregnancy and whose direct family members are unemployed or with unregistered employment. 80% of this allowance is paid on a monthly basis, and the remaining 20% is paid in a single payment after giving birth, provided the beneficiary has complied with the required medical checkups; and

Programa de Respaldo a Estudiantes de Argentina (Argentine Students' Support Program, or "PROGRESAR"), which provides a monthly stipend of ARS 900 to youths between the ages of 18 and 24 who want to commence or complete formal education. PROGRESAR is aimed at youths who neither study nor work (or do so informally), provided that they or their households do not receive a salary higher than the minimum wage, which currently stands at ARS 4,716.

The Province estimates that approximately 43.6% of the total population of Argentina living below the poverty line resides within the Province on the basis of the data provided by INDEC during the first half of 2013. Therefore, poverty reduction measures taken by the federal government have a more significant impact on the Province than on any other Argentine province.

In addition to federally funded poverty reduction programs, the Province has established a series of social welfare programs intended to assist those members of its population who are most vulnerable to poverty. The Province spent ARS 2,073.5 million in 2009, ARS 2,327.1 million in 2010, ARS 2,886.3 million in 2011, ARS 2,711.2 million in 2012, ARS 2,884.1 million in 2013 and invested ARS 3,161.6 million in 2014 on these programs. In addition, the 2015 Budget Law contemplates expenditures of ARS 6,201.6 million.

The following programs concentrate approximately 80% of provincial expenditures on social programs:

Plan Más Vida (More Life Plan).This program provides staple foods (oil, rice, sugar, noodles, semolina flour, wheat flour, legumes, flan powder and milk) to poor families that have pregnant mothers or children from birth until the children enter school at five or six years of age. Beneficiaries of this program are primarily families who, for various reasons, but mainly a lack of identification documents, cannot participate in the Rechargeable Magnetic Card program described below. Under the More Life Plan, food is distributed to families through volunteers and town halls. The More Life Plan is in force in 51 districts of the Province. In 2013, the Province invested ARS 521 million in this program, and invested ARS 322 million in 2014. It has budgeted ARS 840 million to be invested in 2015;

Plan Vida Tarjeta Magnética Recargable (TMR) (Life Plan – Rechargeable Magnetic Card). This program provides families with a rechargeable magnetic card that can be used to purchase staple foods. Each municipality determines the level of benefits, which are transferred to a bank account in the beneficiary's name, and which can be withdrawn using the rechargeable magnetic card. The cards generally have a value of ARS 80 to ARS 100. Approximately 520,000 people participate in this program. In 2013, the Province invested ARS 383 million in this program, and invested ARS 880 million in 2014. It has budgeted ARS 1,140 million to be invested in 2015; and

Servicio Alimentario Escolar (School Nutrition Service). This program provides school lunches and snacks to children throughout the Province ages 3 to 14 who lack adequate housing or who come from families with unemployed heads-of-household. The program provides a daily breakfast, lunch and snack to children. The objective of this program is to ensure that children have a minimum level of nutrition to improve their education and health. Funds for this program are transferred from the Province to school boards, which use the funds for food for the program. In 2013, the Province invested ARS 1,038.1 million in this program, and invested ARS 1,031 million in 2014. It has budgeted ARS 2,240.8 million to be invested in 2015.

Environment

In 1973, Argentina was one of the first Latin American countries to create an environmental protection agency, and in 1995, the Province created the *Organismo Provincial para el Desarollo Sostenible* (Provincial Organization for Sustainable Development, or "OPDS"), which is in charge of overseeing environmental issues in the Province. The OPDS conducts environmental inspections, maintains a database of licensed environmental service providers, receives citizen complaints about pollution and is involved in a wide range of environmental projects, from bio-fuel promotion, clean-up and forestry to energy efficiency.

Although the Province confronts many environmental issues, including soil and air quality, the major environmental challenge facing the Province is water quality. Three water basins with significant pollution are located within the Province: the Matanza-Riachuelo River Basin, the Reconquista River Basin and the Luján River Basin.

Matanza-Riachuelo River Basin

This basin has suffered significant degradation as a result of many years of unplanned urban development. In addition, approximately 10,000 manufacturing facilities dump industrial waste in drainages or directly into several local rivers. Moreover, the evolution and growth of the industrial sector has not been accompanied by the necessary clean-up infrastructure investment that these activities demand. This situation has made it necessary to adopt public policies aimed at reversing the damage on the environment caused over the years.

The new *Autoridad de la Cuenca Riachuelo-Matanza* (Authority of the Matanza-Riachuelo Basin, or "ACUMAR") was created in December 2006 to address and monitor the environmental aspects related to the Matanza-Riachuelo River Basin. This entity is empowered to inspect, sanction and close down the companies polluting the area. The ACUMAR replaced several governmental authorities and has the power and the necessary means to coordinate the large scale environmental clean-up and rational use of natural resources.

In 2004, a case was brought before federal court by Beatriz Silvia Mendoza and a number of other neighbors, requesting the environmental clean-up of the basin and the creation of a special fund to finance such clean-up. In this case, the federal government, the Province and the City of Buenos Aires together with 44 other companies are charged with environmental pollution. The complaint was later extended to include 14 municipalities of the Province.

In 2008, the Supreme Court of Argentina issued a ruling on the case, requiring ACUMAR to comply with a clean-up program and making the federal government, the Province and the City of Buenos Aires jointly responsible for its execution. The Supreme Court of Argentina also indicated that the governments are responsible for preventing further damage and repairing the existing damage to the basin. Accordingly, the Supreme Court of Argentina set a 90-day period for the governments involved to implement an active health plan for the areas affected by the basin pollution, and established fines for public officials who did not comply with the law. In addition, follow up and control mechanisms have been implemented to comply with the established goals, such as public hearings before the federal courts and the issuance of reports on the clean-up of the Matanza-Riachuelo River Basin.

In order to comply with the Supreme Court of Argentina's judgment, the Province; together with certain other defendants; developed the *Plan Integral de Saneamiento Ambiental* (Comprehensive Plan for Environmental Sanitation or "PISA"), which is a comprehensive environmental clean-up plan. The PISA was last updated in March 2010.

In order to provide relevant information about the basin, as well as the progress of actions under the PISA framework, a system of indicators has been developed. Its last publication compiles the results for 2012. ACUMAR publishes on its webpage (http://www.acumar.gov.ar/indicadores/lista-completa) the updated results on each of such indicators.

Reconquista River Basin

The Reconquista River Basin is the second most contaminated river basin in Argentina, following the Matanza-Riachuelo River Basin. The number of urban settlements and manufacturing facilities in the nearby area has been increasing over the years without any plan or consideration of the environmental characteristics of the region. This significant concentration of people and factories has polluted the surface and underground water resources with domestic and industrial waste.

In 2001, the Province created the *Comité de la Cuenca del Río Reconquista* (Reconquista River Basin Committee, or "COMIREC") to oversee the work of the *Unidad de Coordinación de Obras Saneamiento Ambiental y Control de las Inundaciones* (Coordinating Unit for Environmental Clean-up and Flood Control Works, or "UNIREC"), which was created in 1994. In 2003 the provincial government decided to dissolve UNIREC due to lack of resources for project expenses.

In November 2006, the provincial government approved a new environmental clean-up program for the Reconquista River Basin, and entrusted COMIREC with the control and monitoring of domestic and industrial pollution. In December 2014, the Province signed a loan with the IDB for USD 230 million for the integral clean-up of the Reconquista River Basin. The draft loan agreement was approved by Decree No. 965/14.

Luján River Basin

The Luján River Basin is the least contaminated of the three major river basins in the Province. In 2001 and 2008 the Regional Committee Aand the Regional Committee B, respectively, were created with the participation of the pertinent municipalities to oversee environmental issues affecting the Luján River Basin. The Regional Committee A maintains periodic meetings and the Regional Committee B is not yet fully operational.

Litigation

Concession Dispute

In May 1999, the Province awarded a concession to Azurix Buenos Aires ("Azurix"), an indirect subsidiary of Enron, for the provision of water and wastewater services in 48 of the Province's municipalities. In January 2001, Azurix alleged that the Province had failed to comply with certain provisions of the concession. Following several months of unsuccessful negotiations, in October 2001 Azurix gave notice of termination of the concession to the Province and subsequently brought a claim against the Province before the provincial Supreme Court. In 2002, the Province assumed the provision of water and wastewater services in these municipalities through the newly created *Aguas Bonaerenses S.A.* ("Aguas Bonaerenses"), which is jointly owned by the Province (90.0%) and its employees (10.0%).

The parent company of Azurix, Azurix Corp., filed a request for arbitration against the federal government with the International Centre for Settlement of Investment Disputes ("ICSID") on the grounds that Argentina had violated the 1991 Treaty Concerning the Reciprocal Encouragement and Protection of Investment between the Republic of Argentina and the United States of America, seeking approximately USD 555 million. In 2006, an ICSID tribunal rendered a decision in the arbitration proceedings in favor of Azurix Corp. and ordered the federal government to pay USD 165 million in damages. Argentina filed an application for annulment and requested that the court suspend execution of the award pending resolution of the annulment proceedings. ICSID rejected Argentina's annulment request and affirmed its prior decision. In October 2013, the federal government settled the Azurix Corp. ICSID award. The settlement of the Azurix Corp. ICSID award was part of a larger settlement, which included four other ICSID awards against Argentina. The settlement amount was paid in sovereign bonds of Argentina (BODEN 2015 and BONAR 2017). The Province may be asked by the federal government to reimburse amounts paid by it in respect of the settlement of the Azurix Corp. ICISID award, on terms to be negotiated and mutually agreed to by the Province and the federal government. As of the date of this offering memorandum, the federal government has not requested the reimbursement of this award.

Bondholder Claims

There are currently 13 final and non-appealable judgments and two lawsuits pending against the Province relating to the Province's 2002 default on its bonds. These judgments and lawsuits are under four different jurisdictions: the United States of America, Germany, Switzerland and Luxembourg.

In the United States of America, there are six final and non-appealable judgments outstanding against the Province for a total principal amount of USD 424,000 and EUR 201,000 (excluding interest, costs and attorney's fees), and one lawsuit that remains pending for a total principal amount of USD 85,000 (excluding interest, costs and attorney's fees).

In Germany, there are four final and non-appealable judgments outstanding against the Province for a total principal amount of EUR 2,459,000 (excluding interest, costs and attorney's fees).

In Switzerland, there are three final and non-appealable judgments outstanding against the Province for a total principal amount of CHF 600,000 (excluding interest, costs and attorney's fees).

In Luxembourg, there was one lawsuit pending against the Province for a principal amount of EUR 150,000 (excluding interest, costs and attorney's fees). An order issued on May 19, 2015 rejected the claim of the plaintiff. An appeal may be introduced by the plaintiff within 40 days from the notification of the order.

As of the date of this offering memorandum, no creditors who have brought legal action against the Province have succeeded in collecting on judgments entered in their favor.

Provincial Enterprises

The Province owns part or all of a number of different enterprises. Some of these enterprises provide traditional public services to people who live in the Province, such as Aguas Bonaerenses, which provides water services, Buenos Aires Gas S.A. ("Buenos Aires Gas"), which provides gas services, and CEAMSE, which provides garbage collection and disposal services. In addition, the Province owns 100% of Banco Provincia, which is a self-administered public bank that provides general, commercial and retail banking services in Argentina. See "Banco Provincia." The Province also owns enterprises that compete in markets for other goods and services. The following is a description of some of the most socially and economically important enterprises owned by the Province.

Aguas Bonaerenses

Aguas Bonaerenses is a corporation 90% owned by the Province and 10% owned by its employees, which in 2002 assumed a water concession to guarantee and improve water rendering and sewer services across a large portion of the Province. Aguas Bonaerenses currently provides services in 91 areas across 62 regions of the Province in an area of approximately 150,000 square kilometers. Aguas Bonaerenses carries out a wide range of activities, including the purification, transportation and distribution of drinking water as well as the collection, treatment and disposal of waste water.

Aguas Bonaerenses' activities are overseen and monitored by the *Organismo de Control de Aguas de Buenos Aires* (Water Control Entity of Buenos Aires or "OCABA"), a self-regulated regulatory authority that oversees compliance with the rules and regulations set forth in the water regulatory framework.

Buenos Aires Gas

Buenos Aires Gas is a corporation 51.0% owned by the Province with the remaining 39.0% and 10.0% owned by cooperatives and the municipalities, respectively. Buenos Aires Gashas as its main purpose the distribution of low, medium and high pressure natural gas; natural compressed gas; and liquefied natural gas. BAGSA also participates in the distribution and commercialization of liquefied petroleum gas. Buenos Aires Gas performs a wide range of activities such as planning, managing and implementing infrastructure works in areas that lack infrastructure or are not adequately served. In addition, Buenos Aires Gas works closely with the Province's municipalities and cooperatives to implement projects, control engineering aspects of gas services, execute bidding processes and secure its own financing resources.

Instituto Provincial de Lotería y Casinos

The Provincial Institute of Lotteries and Casinos is an independent, decentralized and self-governed entity dedicated to gaming activities in the Province. Since November 2006, this entity has been implementing a new program to renew licenses granted to bingo and slot machine operators which had already expired or were scheduled to expire by 2015. As consideration for renewing licenses, operators are generally required to pay fixed sums to the Province. The Province has collected ARS 147.5 million in 2009, ARS 220.5 million in 2010, ARS 144.0 million in 2011 and ARS 1,189.29 million in 2012. The latter includes ARS 1 billion as a result of the renewal of some bingo halls' licenses which are set to expire between 2013 and 2015. In 2013, the Province collected ARS 264.5 million and collected ARS 348.2 million in 2014. The Province has budgeted ARS 239.3 million for 2015.

Fideicomiso de Recuperación Crediticia

In 2001, pursuant to a provincial law enacted to improve Banco Provincia's balance sheet, Banco Provincia transferred approximately ARS 1,900 million in non-performing loans to the Province in exchange for a bond issued by the Province to Banco Provincia in a principal amount equal to the face value of the loans, less approximately ARS 600 million in allowances for loan losses. Banco Provincia subsequently exchanged the ARS 1,300 million bond for *Bogar* in the provincial debt exchange. See "Public Sector Debt—Debt Denominated in CER-adjusted Pesos—Provincial Debt Exchange (*Bogar*)."

In order to recover the transferred loans, the Province created, by provincial law, the *Fideicomiso de Recuperación Crediticia* (the Loan Recovery Committee), a provincial self-administered public entity whose members are appointed by the Governor. The Loan Recovery Committee was required to transfer all of its profits (calculated as amounts recovered on the transferred loans less the entity's expenses) to the Province for purposes of funding a portion of the payments due by the Province to the federal government in respect of *Bogar*.

Pursuant to Law No. 13,929 the Loan Recovery Committee was permitted to act as trustee in trust agreements with financial and other private or public institutions providing credit recovery services. In furtherance of its duty as trustee, the Committee was authorized by Law No. 14,062 (the "2010 Budget Law"), to purchase loan portfolios. As a result, certain pre-arranged loans are being negotiated between Banco Nación and producers in the agricultural sector of the Province. The 2010 Budget Law also abolished the duty described above; to apply all profits to fund payments due under the *Bogar* bonds as such debt has been consolidated with other provincial debts under the Federal Debt Refinancing Program.

As of December 31, 2014, the Province had received ARS 1.78 billion from the Loan Recovery Committee.

Astillero Río Santiago

In June 1994, the federal government transferred the *Astillero Río Santiago* (Rio Santiago shipyard, or the "Shipyard") to the Province in anticipation of its privatization. Despite the loss-generating nature of the Shipyard, the Province accepted the transfer and has been subsidizing its operations in order to preserve an important source of employment for the city of Ensenada. This subsidy amounted to approximately ARS 303.1 million in 2009, ARS 500.6 million in 2010, ARS 617.7 million in 2011 and ARS 632.40 million in 2012. In 2013, the Province granted to the Shipyard a subsidy of ARS 814.4 million and transferred ARS 1,154.8 million in 2014. The Province has budgeted ARS 1,016 million to be transferred to the Shipyard in 2015. The Province does not have any current plans to privatize the Shipyard.

Centrales de la Costa Atlántica S.A.

Centrales de la Costa Atlántica S.A. ("Centrales de la Costa Atlántica"), is a corporation 99% owned by the Province and 1% owned by Banco Provincia, which produces and commercializes power generated through its four power plants located in the atlantic coast of the Province. As a power generator agent, Centrales de la Costa Atlántica is part of the *Mercado Eléctrico Mayorista* (Wholesale Electrical Market or "MEM"), and its operations are integrated to the National Interconnected System. Centrales de la Costa Atlántica has an installed capacity of 510 MW.

In the last years, power consumption has grown dramatically across the country and between 2002 and 2006, Centrales de la Costa Atlántica´s generation has increased by more than 400%. Centrales de la Costa Atlántica has provided satisfactory responses in the context of increased energy demand by improving the availability and operation of its power plants through adequate preventive maintenance, remodeling and other works. In addition, with the purpose of meeting the growing demand for power supply, the Modernization Project of Centrales de la Costa Atlántica established the incorporation of a new generation unit (Central Eléctrica Villa Gesell), which is already providing 80 MW in simple cycle operation.

Secretariat of Planning and Public Services Control

In December 2013, pursuant to Decree No. 1081/13, the Province created the *Secretaría de Planificación y Control de los Servicios Públicos* (Secretariat of Planning and Public Services Control), which among other functions supervises and controls Aguas Bonaerenses, Buenos Aires Gas, Centrales de la Costa Atlántica, the Provincial Transportation Agency, the Provincial Rail Program and the Buenos Aires Highway Program.

PUBLIC SECTOR FINANCES

Scope and Methodology

The public sector of the Province consists of the central administration of the Province, decentralized provincial institutions, provincial enterprises, trust funds formed (in whole or in part) with provincial funds, and the social security system.

The provincial budget and public accounts reflect the consolidated results of the institutions and agencies that comprise the central administration of the Province, decentralized institutions and social security system (which operates on a pay-as-you-go basis). The Province does not consolidate the results of its municipalities, provincial enterprises and other agencies. Under provincial law, however, the Province is required to transfer a portion of its tax revenues to its municipalities, and certain provincial enterprises and agencies are required to transfer their profits or surpluses to the Province. The Province records transfers to these unconsolidated entities (including contributions, loans and advances to provincial enterprises) as expenditures, and transfers from these entities as revenues.

The Province maintains its books and records in pesos and prepares its budget and financial statements in accordance with accounting principles set forth in the Financial Administration Law. These principles differ materially from generally accepted accounting principles, or GAAP, in Argentina and in other jurisdictions, including the United States, but are generally in line with the accounting principles followed by other Argentine provinces. The principal features of the Province's accounting principles are:

- revenues are not accounted for on an accrual basis, but are recognized in the period in which they are received;
- expenditures are accounted for when they are accrued, regardless of whether there has been a cash outflow from the provincial treasury, except for interest expense, which is accounted for when paid;
- capital investments are carried at cost without reduction for depreciation or amortization and accordingly, the Province does not record any charges for depreciation or amortization in its financial statements;
- capital expenditures and investments in tangible assets are not capitalized, but are expensed during the period in which they are incurred;
- construction contracts are expensed using the percentage of completion method; and
- revenues, expenditures and public debt are not adjusted for inflation in the Province's accounts.

The financial records and statements of the Province are prepared and examined by the *Contaduría General de la Provincia* (General Accounting Office of the Province) and approved by the provincial *Tribunal de Cuentas* (Audit Tribunal). Pursuant to the Financial Administration Law, the General Accounting Office has until April 15 of each year to publish the financial statements of the previous fiscal year.

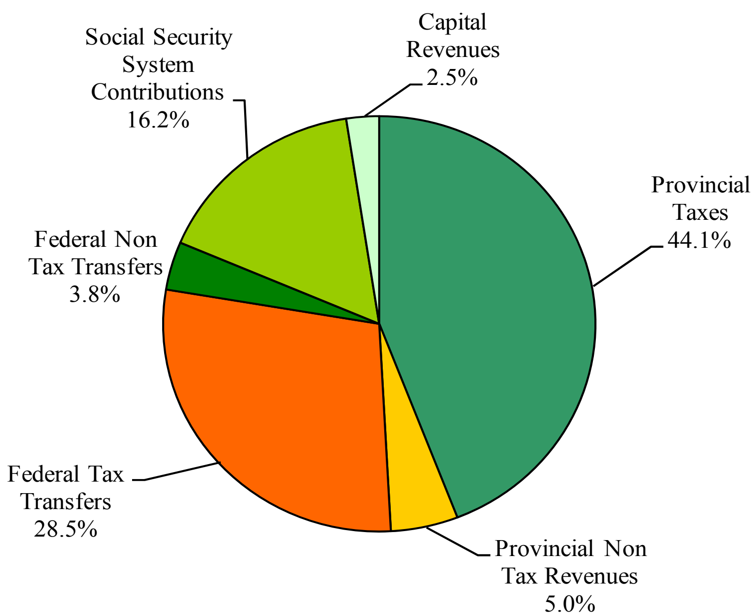
In August 2004, the federal Congress adopted Law No. 25,917, the Fiscal Responsibility Law, which became effective on January 1, 2005. This law establishes a fiscal regime for the federal government and the provinces relating to transparency in public administration, expenditures, fiscal balances and indebtedness and, in particular, requires balanced budgets. On January 13, 2005, the Province adopted into provincial law the operative provisions of the Fiscal Responsibility Law. Certain provisions of the Fiscal Responsibility Law have been frequently suspended (see "Risk Factors—If the Federal Council of Fiscal Responsibility were to determine that the Province's budget did not comply with the Fiscal Responsibility Law, the Province could be subject to sanctions").

Main Sources of Revenues

From 2010 through 2014, approximately 70.4% of the Province's revenues were derived from taxes, either federal or provincial. On average, during this period, provincial taxes represented 41.5% of total revenues, while federal tax transfers represented 28.8% of such revenues.

The following chart shows the sources of the Province's revenues for the year ended December 31, 2014.

Total Revenues by Source for the Year Ended December 31, 2014
(Total = ARS 202.98 billion)



Source: Ministry of Economy of the Province.

Federal Tax Co-Participation Regime

Under the federal constitution, both the federal and provincial governments are authorized to levy taxes. In 1935, the federal and provincial governments entered into a coordinated tax arrangement (also called "tax co-participation") pursuant to which the federal government agreed to collect certain taxes on an exclusive basis and to distribute a portion of those tax revenues among the provinces. In exchange, the provincial governments agreed to limit the types of taxes they collected. This coordinated taxation regime has been extended and modified several times since its inception. Currently, the "shared" or "co-participated" taxes are income taxes, value-added taxes, several excise taxes levied on consumption and taxes on financial transactions.

The *Ley de Coparticipación Federal de Recursos Fiscales* (the "Federal Tax Co-Participation Law") enacted in 1988 and two agreements entered into between the federal and provincial governments in 1992 and 1993, currently govern the tax co-participation system. This scheme was memorialized in the 1994 amendments to the federal constitution, which granted constitutional recognition to the tax co-participation scheme. The current allocation of taxing powers between the federal government and the provinces is as follows:

- federal and provincial governments are both authorized to levy taxes on consumption and impose other indirect taxes;
- the federal government may also levy direct taxes (such as income taxes) in exceptional cases;
- taxes collected by the federal government (except those collected for specific purposes) are to be shared between the federal and provincial governments;
- the federal government has the exclusive right to levy taxes on foreign trade, which are excluded from the tax co-participation regime; and

- the provinces retain all taxing and other powers that are not expressly delegated to the federal government in the federal constitution.

Under the tax co-participation system, the federal government is currently required to transfer to a federal co-participation fund 64.0% of income tax revenues, 89.0% of value-added tax revenues, 100% of revenues from the presumptive minimum income tax, 30% of banking debits and credits tax revenues and the revenues from excise tax and other minor taxes.

Of the total annual co-participable revenues, ARS 549.6 million are transferred to the *Fondo de Desequilibrios Fiscales Provinciales* (Provincial Tax Imbalance Fund). Of the remaining revenues, 15.0% is transferred to the federal pension system, and 85% is distributed as follows: 42.3% of these funds is transferred to the federal government for its own needs and for transfers to the City of Buenos Aires (which until 1996 was under the administration of the federal government) and the Province of Tierra del Fuego, 1.0% is retained in a special reserve for emergency situations and financial difficulties of the provinces and the remaining 56.7% of these funds is allocated to the provinces to be shared according to percentages set forth in the Federal Tax Co-Participation Law, which was established following negotiations among the federal government and the provinces. Under this law, the Province is entitled to 21.7% of the funds allocated to the provinces, subject to certain deductions or special allocations. The Province is required to transfer a proportion of that amount to the municipalities. After transfers to the municipalities, the Province's use of the remaining federal tax co-participation payments is discretionary.

In addition, the federal government is required to transfer an annual fixed sum to the provinces, including the Province, as partial compensation for provincial expenditures incurred in the administration of the public schools and hospitals within the provincial territory following the delegation of these administrative responsibilities to the provinces in 1994. This amount is deducted from the co-participable revenues to be distributed to all provinces. The Province's share of this fixed sum is ARS 412 million.

In 2006, the *Ley de Financiamiento Educativo* (Education Financing Law) was enacted by the federal Congress, with the goal of increasing financing to education, science and technology to 6.0% of the federal GDP, taking into account the consolidated 2010 budget of the federal government, the provinces and the City of Buenos Aires. Funds received by the Province under the Education Financing Law are deductible from the aggregate amount of co-participable tax transfers that the Province is entitled to under the tax co-participation system. In 2009 and 2010, the Province received ARS 2,113 million and ARS 3,362 million, respectively, in financing under the Education Financing Law. The Education Financing Law expired in 2010 and was not renewed for 2011. However, since 2012, the National budget laws reestablished this special allocation of funds. In 2013, the Province received ARS 6,986 million and in 2014, it received ARS 8,961 million. It has budgeted to receive ARS 13,709 million in 2015 to go to the financing of education.

In 2009, the federal government created the *Fondo Federal Solidario* (Federal Solidarity Fund) using 30.0% of the amount collected by the federal government from soybean export duties. The amounts from this fund are distributed to the provinces under the percentages established in the tax co-participation system for use on infrastructure projects. In turn, the provinces are required to transfer 30.0% of their share of these revenues to their respective municipal governments.

Certain taxes not governed by the main tax co-participation system, such as the personal property tax, the *Monotributo* (Simplified Regime for Small Taxpayers), fuel tax and energy tax, are regulated by special regimes of co-participation.

On several occasions, the Province has requested that the percentage of revenues allocated to the provinces under the federal tax co-participation regime be increased to ensure that the Province is able to continue providing basic public services. In addition, the Province has requested that, as required by the 1994 amendments to the federal constitution, the distribution of revenues among provinces be carried out following objective criteria, such as the number of inhabitants in, and the amount of federal taxes collected by, each province. According to data extracted from the 2010 Permanent Household Survey and published by the INDEC, 38.9% of the total Argentine population resides in the Province, and according to information published by the Ministry of Economy of the Province, approximately 37.0% of the federal taxes are collected within the Province. Notwithstanding the foregoing, under the federal tax co-participation system, only 21.7% of the total revenues from the tax co-participation system, after allocating all specially allocated tax co-participation revenues, is distributed to the Province. The Province has not made any significant progress in obtaining a higher co-participation percentage.

Moreover, although the Province is entitled to receive specified amounts of federal transfers pursuant to special laws intended to address its greater needs, these transfers are funded with designated sources of revenues and are capped or subject to limits. These caps or limits have been reached over time and the remainder of these designated revenues is distributed among all the provinces in accordance with the Federal Tax Co-Participation Law. These and other situations have led to a further dilution in the Province's share of total federal tax transfers (including tax co-participation transfers). For example, the federal government is required to transfer up to 10.0% of the revenues from the federal income tax to the *Fondo Para Obras de Carácter Social* (Fund for Socially-Oriented Public Works), commonly known as the *Fondo del Conurbano* (Conurbano Fund), subject to an annual cap of ARS 650 million as provided by Law No. 24,621. The Province uses these funds to finance hospitals, schools, roads and other infrastructure projects and various social welfare programs in the Conurbano Bonaerense. However, the amount that is equal to 10.0% of federal income taxes has consistently exceeded the established cap and, as a result, the Province has received only ARS 650 million annually, while the remaining revenues have been transferred to the other provinces. In 2013 and 2014, the amount transferred to the Fondo del Conurbano was ARS 650 million and represented approximately 0.35% and 0.24%, respectively, of the federal income tax collection for each of those years. The amounts transferred were thus significantly lower than the 10.0% originally established. This cap, as well as other caps and limits have decreased the Province's share of total federal tax transfers.

The Province has pledged a part of its revenues from federal tax transfers, including a part of the federal tax co-participation, to secure certain outstanding obligations, most of which are owed to the federal government. Under these security arrangements, the federal government is entitled to withhold a portion of the Province's federal tax transfers to cover principal and interest payments on the secured obligations. As of December 31, 2014, the federal government retained approximately 0.8% of the federal tax transfers to the Province pursuant to these arrangements. See "Public Sector Debt—Pledge of Tax Co-Participation Revenues."

The following table sets forth the Province's share of total federal automatic transfers to the Argentine provinces (other than pursuant to the Federal Solidarity Fund) compared to that of other provinces with a similar level of per capita GDP from 2010 through 2014.

Provincial Share of Total Federal Automatic Tax Transfers
(in percentages)

	2010	2011	2012	2013	2014
Province of Buenos Aires	19.7%	19.5%	19.3%	19.1%	18.9%
Province of Santa Fe	8.9%	8.9%	8.9%	8.9%	8.9%
Province of Córdoba	8.7%	8.8%	8.8%	8.8%	8.8%
Province of Mendoza	4.1%	4.1%	4.1%	4.2%	4.2%

Source: Ministry of Economy of the Province.

The following table sets forth the Province's federal tax co-participation revenues per capita (based on the 2001 and 2010 Permanent Household Survey) compared to that of other provinces with a similar level of relative development from 2009 through 2013.

Provincial Per Capita Tax Co-Participation Revenues
(in ARS)

	2010	2011	2012	2013	2014
Province of Buenos Aires	1,278.4	1,667.2	2,099.0	2,714.5	3,677.5
Province of Santa Fe	2,798.8	3,715.2	4,712.9	6,153.9	8,461.0
Province of Córdoba	2,665.9	3,543.4	4,504.3	5,880.8	8,091.3
Province of Mendoza	2,392.5	3,177.6	4,039.6	5,273.4	7,265.1
Average of all Provinces	2,519.6	3,333.4	4,232.4	5,515.9	7,567.7

Source: Ministry of Economy of the Province.

Other Federal Tax Transfers

The federal government also distributes to the Province other tax revenues that are not included in the tax co-participation regime described above. The principal tax transfers include the following:

- *Housing Fund*. The federal government is required to transfer 33.2% of revenues from the federal tax on fuels to the *Fondo Nacional de la Vivienda* (National Housing Fund, or "FONAVI"), for purposes of funding the construction of low-income housing around the country. Under current federal law, the Province is entitled to 14.5% of the funds transferred to FONAVI. The Province received from the National Housing Fund ARS 298 million in 2010, ARS 382 million in 2011, ARS 535 million in 2012 and ARS 734 million in 2013. In 2014, the Province received ARS 992 million and, according to the 2015 budget, expects to receive ARS 1.15 billion in 2015;

- *Highway Fund*. The federal government is required to transfer 13.7% of revenues from the federal tax on fuels to the *Fondo de Vialidad (*the "Highway Fund*"*). The Highway Fund distributes these funds to the provinces on the basis of road construction and maintenance expenditures of each province, as well as other factors that include population size and fuel consumption. The Province received from the Highway Fund ARS 126 million in 2010, ARS 221 million in 2011, ARS 262 million in 2012 and ARS 440 million in 2013. In 2014, the Province received ARS 588 million and, according to the 2015 budget, expects to receive ARS 697 million in 2015; and

- *Federal Teachers' Incentive Fund.* The *Fondo Nacional de Incentivo Docente* (Federal Teachers' Incentive Fund), was created in 1999 and is intended to improve state and state-subsidized private school teacher's wages in the provinces and the City of Buenos Aires. The annual federal budget allocates general federal revenues to this fund**.** The allocation of this fund to the provinces is based on criteria corresponding to the number of teachers and class hours in every province. The Province received from the Federal Teacher's Incentive Fund ARS 797 million in 2010, ARS 1,128 million in 2011, ARS 1,310 million in 2012 and ARS 1,317 million in 2013. In 2014, the Province received ARS 1,326 million and, according to the 2015 budget, expects to receive ARS 1,455 million in 2015.

Federal Contributions

The Province records other non-refundable payments or transfers from the federal government as federal contributions. These contributions consist primarily of discretionary transfers to the provinces, known as Aportes del Tesoro Nacional, to meet special or emergency needs or to finance certain expenditures of national interest.

In addition, pursuant to a 1999 agreement among the federal government and the provinces, the federal government offered to assume responsibility for provincial pension obligations within the national pension system and agreed to fund deficits in any provincial pension systems that were not transferred to it.Because the Province elected not to transfer its pension system to the federal government, it is entitled to receive transfers from the federal government from time to time to finance projected deficits in the provincial pension system.In exchange, the Province committed to harmonize its social security system with the federal social security system. The federal government did not make any transfers from 2001 through 2003, but transferred ARS 300 million in 2004 as compensation for deficits recorded by the provincial pension system during those years. The federal government transferred ARS 350 million in 2006, ARS 365 million in 2007, ARS 390 million in 2008, ARS 860 million in 2009 and ARS 730 million in 2010 as compensation for the deficits recorded by the provincial pension system. Because the Province provisionally funded these deficits using general provincial revenues, there are no restrictions on the Province's use of such transferred amounts. The Province has received no federal contributions since 2011.

Further, under the Education Financing Law, the federal government created the Teacher's Salary Compensation Federal Program to compensate for any inequities in teachers' salaries among the provinces. In 2009, the federal government transferred ARS 216 million to the Province pursuant to this program. Since 2010, the federal government has not made any transfers to the Province under this program.

Provincial Tax Revenues

Historically, the largest source of the Province's revenues has been the collection of provincial taxes. In 2014, 60.7% of total tax revenues (total federal and provincial tax revenues, but excluding other federal and provincial sources of income) were provincial tax revenues.

As of the date of this offering memorandum, the following are the main provincial taxes:

- *Gross revenue tax*. The gross revenue tax is the single largest source of provincial tax revenue. Gross revenues of most industrial, commercial and business activities, carried out within the jurisdiction of the Province, are taxed at rates ranging from 1.0% to 12.0%. The applicable rate depends on a variety of factors, including the nature of the taxpayer, the type of activity and the size of its business or activity. Exempted activities include work in an employer-employee relationship, holding public office and export of goods and services. In addition, all of the activities performed by the federal, provincial and the City of Buenos Aires governments, stock exchanges and other capital markets, privately owned schools and religious institutions are also exempt. Gross revenue tax on alcoholic beverages, gambling and other activities which the Province considers detrimental to a person's health are normally taxed at higher rates. At present, 43.25% of the gross revenue tax is kept by the Province to fund social plans and expenses related to municipalities; 25.0% is transferred to the *Fondo Provincial Compensador de Mantenimiento de Establecimientos Educativos* (Provincial Compensation Fund for the Maintenance of Educational Institutions), a special purpose fund which compensates municipalities for the maintenance of schools; 4.25% is transferred to ARBA to fund its expenditures; and 5.0% is distributed among municipalities, based on population, to fund waste disposal. The remaining 22.5% is transferred to the municipalities as compensation for their tax collection and administration services.

- *Real Estate Tax*. The real estate tax is determined by applying a tax assessment on the appraised fiscal value of urban and rural real estate located in the Province. Both the applicable tax rate and the applicable tax base depend on a variety of factors, including the location (urban or rural), the condition (vacant, built, improved) and on whether the title holder has other real estate property. Also, all real estate owned by federal, provincial and municipal governments, religious temples, non-profit organizations, universities, public libraries, health care organizations and free social assistance, and firefighting services, among others, or which are historical monuments, are exempt from the real estate tax. The Province also grants a 100% real estate tax discount for properties located in areas with unsatisfied basic needs, valued at less than ARS 25,000 and owned by retirees or pensioners, either individually or as undivided estate. The Province has decentralized to its municipalities the administration and collection of real estate taxes in rural areas to increase efficiency. Proceeds from such taxes are kept by the Province, except for: 12.0% of such proceeds, which are allocated to road construction and maintenance; 3.0% of such proceeds, which are allocated to a welfare fund; and 20.0% of such proceeds, which are distributed to the municipalities as compensation for their tax collection and administration services.

- *Automobile Tax*. The Province charges a tax on automobiles registered in the Province. The tax rate, which ranges from 3.0% to 5.51% for most motor vehicles, is determined by taking into consideration the model, year, type, category and appraised value of the vehicle, and is fixed annually in a provincial tax law. The appraised value of each vehicle is calculated as a percentage of the valuation determined by the Federal Automobile Register and by recorded liens on the vehicle. Certain vehicles used for productive activities are classified as capital assets and are subject to a lower tax rate than vehicles deemed to be final consumer goods. At present, the collection of the automobile tax for vehicles manufactured between 1990 and 2003 has been decentralized to municipalities, and automobile taxes collected by each municipality are kept by such municipality.

- *Stamp Tax*. The Province levies a stamp tax on all acts, agreements and transactions, for good and valuable consideration, entered into within the territory of, or that have effects in, the Province, and that are documented in private or public instruments. The tax rate ranges from 0.2% to 12.0% (or, in the case of lottery tickets, 24.0%) of the value of the underlying agreement or transaction depending on the subject of the transaction. All parties to the activity subject to this tax are jointly and severally liable for its payment.

- *Energy Tax*. The Province levies a tax on companies that distribute electricity within its territory by means of a concession of either the federal or the provincial government.The tax rate is 0.6% on the gross revenues attributable to the sale of electricity to final consumers. Companies that are subject to the energy tax are exempt from the gross revenue tax, the stamp tax, the automobile tax and the real estate tax. In addition, the Province levies a tax on electricity consumption by all electricity users at a rate of 10% for households and 20% for businesses. This tax is levied on the total amount invoiced by the service provider, who acts as withholding agent. Revenues generated by this tax were historically allocated to a special fund for electrical works. However, pursuant to Law No. 13,863, since January 1, 2008, all revenues from the energy tax are allocated to fund current expenditures of the Province.

- *Tax on Gratuitous Transfers of Property.*This tax was created pursuant to Law No. 14,044 (the "2010 Tax Law") and has been in effect since January 1, 2011. The tax is levied on any increase in assets that results from a gratuitous title transfer, including inheritances, legacies and gifts. The amount to be taxed, which includes a fixed component and a variable component that is based on differential rates (which range from 4.0% to 21.9%), varies according to the property value being transferred and the degree of kinship of the parties involved. Transfers of property valued at or less than ARS 60,000 are exempt. This amount is increased to ARS 250,000 in the case of transfers among parents and their children, and among spouses. In addition, donations to the government, religious and cultural institutions, and transfers of community property in case of death, among others, are exempt from this tax. Under the tax on gratuitous transfers of property, 80.0% of revenues collected are allocated to the *Fondo Provincial de Educación* (Provincial Educational Fund), 10.0% are allocated to the *Fondo para el Fortalecimiento de Recursos Municipales* (Municipal Resources Strengthening Fund), and 10.0% to the *Fondo Municipal de Inclusión Social* (Municipal Fund for Social Inclusion).

- *Tax Amnesty and Incentive Plans.* The Province has established several tax amnesty and incentive plans, including plans currently in force, for the collection of overdue taxes, which, along with other efforts of the Province to strengthen tax enforcement, have provided significant additional funds to the Province in recent periods. Among other benefits, incentive plans allow taxpayers, to pay overdue taxes in several installments. The Province charges interest on the overdue obligations. Implementation of these plans and other programs designed to increase the efficiency of tax collection has led to a decrease in unpaid taxes. The Province expects the decrease in unpaid taxes to result in diminishing tax collection under these plans.

Creation of the Tax Collection Agency of the Province of Buenos Aires (ARBA)

In December 2007, pursuant to Law No. 13,766, the Province created the *Agencia de Recaudación de la Provincia de Buenos Aires* (Tax Collection Agency of the Province of Buenos Aires, or "ARBA"). ARBA is an autonomous public institution that took over the tax collection and administration functions and duties from the Public Revenues Secretariat of the Ministry of Economy. ARBA implements the Province's tax policies and carries out the determination, supervision and collection of taxes. ARBA has its own budget, funded in part by a percentage of provincial tax revenues, which is determined on an annual basis by the relevant budget law. This percentage was initially, in 2008, set at 3.5%, but was later reduced to 2.75%. In addition, ARBA has an incentive account to which up to 0.75% of the revenues generated by the Province's tax collection efforts are credited. The funds in this incentive account are distributed among ARBA's personnel depending on the performance and the efficiency at each level and of each agent, based on objective standards approved by the Ministry of Economy on an annual basis. For a discussion of the evolution of tax revenues since the creation of ARBA, see "—Fiscal Result of 2011 Compared to Fiscal Result of 2010", "—Fiscal Result of 2012 Compared to Fiscal Result of 2011" and "—Fiscal Result of 2013 Compared to Fiscal Result of 2012" in "Public Sector Finances—Evolution of Fiscal Results: 2009- 2014."

Tax Reform

In July 2008, the provincial legislature enacted Law No. 13,850 (the "Tax Reform Law"), which implemented the first of a series of comprehensive changes in the provincial tax system with the main goal of increasing provincial tax revenues. The Tax Reform Law provided for the application of the gross revenue tax to primary sectors and industrial activities, which were previously exempt, and established a 1.0% tax rate on companies invoicing over ARS 60 million per year in these sectors.

The Tax Reform Law also established a 4.5% gross revenue tax rate on companies invoicing over ARS 30 million per year in the retail and wholesale commerce sector. The Province estimates that this reform generated a revenue increase of approximately ARS 900 million in 2008.

In addition, the Tax Reform Law created the *Fondo para el Fortalecimiento de Recursos Municipales* (Municipal Revenue Strengthening Fund) to which 2.0% of gross revenue tax collection is allocated. In addition, in September 2008, the Province created the *Fondo Municipal de Inclusión Social* (Municipal Fund for Social Inclusion) to which 1.5% of gross revenue tax collection is transferred. Both funds are distributed to municipalities that have abolished certain municipal taxes such as inspection, advertisement and abattoir taxes.

2010 Tax Changes

On October 2009, the provincial legislature approved the 2010 Tax Law, which introduced the following main modifications with the goal of increasing provincial tax revenues:

- *Gross revenue tax*. Increased the tax rate for service businesses that invoiced more than ARS 30 million on an annual basis from 3.5% to 4.5%, with retroactive effect in respect of the 2009 fiscal year.

- *Real Estate Tax*. Increased the urban real estate tax for properties valued at more than ARS 100,000.

- *Stamp Tax.*Increased the tax rate for purchases of automobiles through individuals and other entities that are not agencies or dealerships that pay gross revenue taxes, with retroactive effect in respect of the 2009 fiscal year.

- *Gratuitous Transfer of Property Tax*. Although this tax was created by the 2010 Tax Law, it began to be collected in 2011.

2011 Tax Changes

In December 2010, the provincial legislature approved Law No. 14,200 (the "2011 Tax Law"). Among other modifications, the 2011 Tax Law raised the urban real estate tax base from 80% to 90% of the fiscal value of the property. In addition, the 2011 Tax Law eliminated tax increase caps to make this tax more progressive, thus applying higher taxes to higher-valued properties. Finally, the 2011 Tax Law increased rural real estate taxes to an average rate of 15%.

2012 Tax Changes

Law No. 14,333 (the "2012 Tax Law"), which was approved by the legislature in November 2011 and amended on May 31, 2012, introduced the following main modifications, which were also principally directed at increasing provincial tax revenues:

- *Real Estate Tax*. Updated the urban real estate tax valuation in order to account for the increases in market prices in the last few years. However, the tax base for improved properties was only increased by 65% of the increase in valuation to ease the impact of this increase on the taxpayers. For vacant lots, the tax base was increased by the same amount as the increase in valuation to combat speculation. Also, the 2012 Tax Law established a new tax base for the rural real estate tax equal to 50% of the fiscal valuation of real estate not subject to improvements and equal to 65% of the fiscal valuation of the developed and/or improved real estate.The tax rate for the rural real estate tax was also increased.

- *Automobile Tax*. Tax brackets and rates were restructured to be more progressive by adding two levels, thereby capturing more value in the automobile fleet. The rate for automobiles valued over ARS 150,000 was increased from 3.0% to 5.51% and an additional annual fixed installment of ARS 6,308 was established.

- *Gross revenue tax*. Increased the tax rate for commercial businesses that invoiced between ARS 1 million and ARS 40 million on an annual basis from 3.0% to 3.5%. In addition, the rates applied to alcoholic drinks, gambling and other activities determined by the Province to be detrimental to a person's health were raised from 4.5% to 5% in the case of alcoholic beverages, and from 6% to 8% in the cases of gambling and other activities detrimental to a person's health. The rate applicable to the sale of fertilizers and chemicals was raised from 1% to 2% to make it similar to the treatment provided by neighboring provinces and the City of Buenos Aires.

- *Stamp tax*. The stamp tax exception for the purchase of new cars was eliminated and replaced with a 1% rate.

The 2012 Tax Law also strengthened municipal revenues through a series of measures, including gross revenue tax and automobile tax decentralization, and by transferring to the municipalities the responsibility of administering and collecting gross revenue taxes from taxpayers whose annual revenues are ARS 450,000 or less.

2013 Tax Changes

In November 2012, the provincial legislature approved Law No. 14,394 (the 2013 Tax Law), which introduced the following main modifications; also with the goal of increasing provincial tax revenues:

- *Real Estate Tax*: A marginal rate system with a fixed rate and a variable rate, similar to the rate system applicable to rural and vacant lots, was established for urban real estate taxes. This structure replaced the previous fixed rate system, increasing the effective burden applicable to the highest items on the scale. In addition, the tax base for built real estate increased from 65% to 85% of the updated fiscal value. Moreover, as set forth in the 2012 Tax Law, on January 1, 2013, tax reassessments on country clubs, gated communities, stud farms or similar projects became effective. Also, a complementary real estate tax was created levying each set of properties with a same use (built, urban, vacant or rural) and owned by a same person. The complementary real estate tax is equal to (i) the amount that would result from applying the corresponding real estate tax rate to the aggregate value of the set of properties owned by a same person and which have the same use, *minus* (ii) the sum of the basic real estate tax that effectively applies to each property of that set. In addition, holders of real estate exceeding ARS 350,000 in fiscal value were required to pay, for the fiscal year 2012, a one-time only extraordinary additional installment of the developed urban real estate tax.

- *Automobile Tax:* A special 10% contribution calculated on the fiscal value of automobiles was created to fund road expansions and general road infrastructure maintenance. In addition, owners of automobiles and sporting vessels exceeding ARS 110,000 in fiscal value were required to pay, for the fiscal year 2012, a one-time only extraordinary additional installment of the automobile tax.

- *Gross revenue tax:* Tax rates applicable to certain productive sectors of the provincial economy were increased. The tax rate for large agricultural and industrial companies invoicing more than ARS 60 million on an annual basis was increased from 1.0% to 1.75%. In turn, the tax rate applicable to the construction and financial services sectors was increased from 3.5% to 4.0% and from 7% to 8.0%, respectively. In addition, a 2% additional extraordinary installment was created for large farmers that work leased lands. Moreover, the tax rate for gaming activities was increased from 8.0% to 12.0%.

2014 Tax Law

In November 2013, the provincial legislature approved Law No. 14,553 (the "2014 Tax Law"), which did not include any material modifications to the provincial tax framework.

2015 Tax Law

In November 2014, the provincial legislature approved Law No. 14,653 (the "2015 Tax Law"), which includes the following changes:

- *Real Estate Tax*: rates on urban real estate tax were increased, from a range of 0.4% - 2.453% to a range of 0.52% - 3.189%. The rates on rural real estate tax were also increased from 2.21% to 2.87%. In addition, the fixed installments of both taxes were increased.

- *Gross Revenues*: the rate on aircraft service and aircraft rentals with pilots was raised, from 1.5% to 3.5%, as the users of these services show high payment capacity. The exemption on revenues from the sale of fuel for ships and aircrafts engaged in international cargo or passenger transport was eliminated so that international cargo and transport will be treated the same as domestic cargo and transport.

- *Stamp Tax*: a 1.8% rate was levied on agreements transferring professional sportsmen's rights.

- Provincial Non-Tax Revenues

  The Province derives non-tax revenues from various sources, including:

  - transfers of net profits or surpluses from unconsolidated provincial agencies and enterprises, including the Provincial Institute of Lotteries and Casinos (see "The Provincial Economy—Provincial Enterprises");

  - proceeds from the sale of assets and loan recovery;

  - revenues from collecting fees (for services provided to third parties) and fines;

  - interest accrued on the Province's loans to municipalities or other unconsolidated provincial agencies and enterprises; and

  - proceeds from the lease of provincial land.

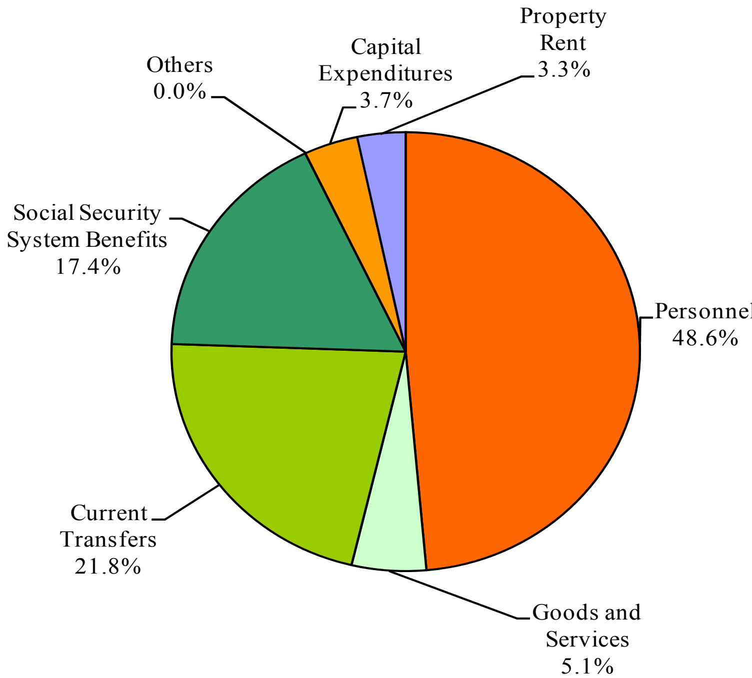
The Province also records revenues from recoveries on loans transferred as a result of the efforts of the Loan Recovery Committee. See "The Provincial Economy—Provincial Enterprises—Loan Recovery Committee."

Composition of Expenditures

The Province provides a number of public services, primarily related to healthcare, education, security (including police and prisons), social programs, investments in public infrastructure and general provincial administration. Such services account for more than 70.0% of provincial expenditures (excluding debt service payments).

The Province's expenditures are classified as current and capital expenditures. Current expenditures consist of costs of personnel, goods and services and current transfers, which include net transfers to municipalities in accordance with the provincial tax co-participation regime and to unconsolidated provincial agencies and enterprises. Capital expenditures include real direct investment, loans and capital contributions to provincial enterprises and loans and transfers to municipalities for public works. The following chart shows the Province's expenditures for the year ended December 31, 2014.

Total Expenditures for the Year Ended December 31, 2014
(Total = ARS 202.18 billion)



Source: Ministry of Economy of the Province.

Current Expenditures

Personnel. Personnel expenditures, which consist mainly of wages and other benefits paid to employees of the public provincial administration, are the largest component of the Province's total expenditures, representing approximately 48.6% of total expenditures.

The following table shows the number of public employees authorized to be hired by the Province by sector from 2010 through 2015.

Provincial Employees 2010-2015(1)
(number of employees)

	As of December 31,											
	2010		2011		2012		2013		2014		2015	
Education	287,610	59.5%	296,629	59.4%	301,443	59.2%	311,795	59.5%	311,803	59.5%	314,163	58.4%
Health and Social Aid	45,460	9.4%	48,785	9.8%	51,984	10.2%	50,133	9.6%	50,472	9.6%	53,845	10.0%
Security Services	86,226	17.8%	86,225	17.3%	86,213	16.9%	84,614	16.1%	85,624	16.3%	92,849	17.3%
Judicial System	25,742	5.3%	27,753	5.6%	28,403	5.6%	29,198	5.6%	29,198	5.6%	29,643	5.5%
Others	38,570	8.0%	39,635	7.9%	40,824	8.0%	48,643	9.3%	47,274	9.0%	47,393	8.8%
Total	**483,607**	**100.0%**	**499,026**	**100.0%**	**508,866**	**100.0%**	**524,382**	**100.0%**	**524,370**	**100.0%**	**537,893**	**100.0%**

(1) Figures reflect employees authorized to be hired for each fiscal year by the respective budget law (items "*Resumen del Número de Cargos*" and "*Resumen Horas Cátedra*"), regardless of effectiveness of personnel hiring.

Source: Ministry of Economy of the Province.

In 2010 and 2011, provincial employment increased by approximately 2.5% and 3.2%, as compared to 2009 and 2010, respectively, mainly due to an increase in personnel in the judicial, health and social assistance sectors. In 2012, provincial employment increased by 2.0% as compared to 2011, due to an increase in personnel in the health and social assistance sector. Law No. 14,393 (the "2013 Budget Law") contemplated an increase of 3.1% in personnel due to an increase in personnel in the education and judicial sectors, among others. There were no significant changes in the Province´s number of employees for 2014. The 2015 Budget Law registered a 2.6% increase in personnel, mainly due to an increase in personnel in the security sector.

In recent years, the Province has focused on regularizing employment in the public provincial administration. The cumulative effect of such measures represented a significant increase in personnel expenditures between 2008 and 2013. The public sector employees of the Province are represented by 35 separate unions, including five teachers unions and one union for judicial employees.

During 2013, the provincial government reached certain wage agreements with different unions. These agreements provided wage increases to be granted in three stages. The first stage involved an approximate 12.5% increase, effective as of April 2013. The second stage involved an additional increase of approximately 8.2% (21.8% in the aggregate), effective as of October 2013. Finally, the last stage involved a further increase of 1.07% (23.1% in the aggregate), payable as of January 2014. In 2013, the estimated impact of the wage agreements described above was of ARS 8.890 million, which represented a 14.4% increase in personnel expenditures compared to 2012. Additionally, in December 2013 the Province granted a new wage increase to the public security forces (police and prison services), which became effective as of January 1, 2014, representing a 2% increase in aggregate personnel expenditures for 2014.

In May 2014, all public employees of the Province's workforce completed negotiations and reached wage agreements. These agreements provided wage increases to be granted in two stages. The first stage involved an 18.4% increase, payable as of March 2014; while the second stage involved an additional increase of 8.9% (28.8% in the aggregate), payable as of August 2014.

Wage negotiations for 2015 began in December 2014. The first stage of the negotiations was agreed upon in January 2015. This first stage included an average 7% wage increase for January and February 2015, and an additional 2.98% wage increase to resolve wage quality issues such as transfer of sums into the basic salary, pension, welfare contributions or the administrative career and hierarchical scale staff recategorization. The second stage involved an additional wage increase of 12% (23.2% in the aggregate), effective as of March 1, 2015. The third stage, effective as of August 1, 2015, involves a further increase of approximately 9.84% (35.3% in the aggregate). The wage agreements described above are estimated to represent a 26% increase in personnel expenditures for 2015, as compared to 2014.

Goods and Services. The Province purchases a wide variety of goods and services from the private sector in connection with the provision of education, health, security and other public services, and the administration and general maintenance of the provincial government.

Current Transfers. Pursuant to provincial law, the Province is required to transfer to its municipalities 16.1% of the funds received by the Province under the federal tax co-participation regime and of provincial tax revenues collected by the Province (excluding certain taxes such as the energy tax). In addition, the Province has delegated to some municipalities the collection of certain tranches of the gross revenue tax, rural real estate tax and automobile tax on older vehicles, in exchange for which the municipality retains a portion of the tax collected. Furthermore, pursuant to provincial law, the Province is entitled to allocate a portion of amounts to be transferred to the municipalities to capitalize a special fund for social programs and for provincial public works. Transfers to municipalities account, on average, for slightly more than 52.0% of the total current transfers during the period 2010-2014. The balance of current transfers include those allocated to finance several social programs, grant subsidies to private schools and pay medical residents' salaries, among others.

Capital Expenditures

Capital Investment. Capital investments have historically constituted an important component of total capital expenditures. Most capital investments reflect the funding of public works, such as hydraulic and waterworks, housing, roads and construction of public buildings, among other investments. Other capital investments include the purchase of new capital goods such as hospital equipment, automobiles and computers.

Loans and Capital Contributions. This category comprises loans to municipalities, principally for municipal public works and low-cost housing, as well as capital contributions to provincial enterprises.

Transfers for Public Works. Under the *Programa para el Fortalecimiento de los Municipios* (Program for the Strengthening of Municipalities, or "PFM"), the Province allocates loan proceeds received through the federal government from multilateral organizations, such as the World Bank, to municipalities for purposes of public works. Recipient municipalities must reimburse the PFM for the amount of such transfers and the PFM, in turn, repays borrowed amounts to the multilateral lenders through the federal government.

Evolution of Fiscal Results: 2010-2014

The following table shows the Province's fiscal results in nominal pesos from 2010 through 2014.

Fiscal Results
(in millions of nominal pesos, except as otherwise indicated)

	As of December 31,					
	2010	2011	2012	2013	2014	2014 (USD)[(1)]
Current Revenues	**66,912**	**86,932**	**108,261**	**146,619**	**198,002**	**24,381**
Total Tax Revenues	**46,412**	**61,277**	**78,981**	**110,381**	**147,397**	**18,150**
Provincial Taxes	26,413	35,193	46,128	67,632	89,532	11,024
Federal Tax Transfers	19,999	26,083	32,853	42,749	57,865	7,125
Social Security System Contributions	**10,637**	**14,955**	**20,308**	**25,930**	**32,787**	**4,037**
Non Tax revenues	**9,863**	**10,701**	**8,972**	**10,308**	**17,817**	**2,194**
Other non Tax Revenues	1,697	2,085	2,961	4,042	5,425	668
Current Transfers	8,166	8,616	6,011	6,265	12,393	1,526
Current Expenditures	**67,982**	**92,732**	**116,165**	**146,387**	**194,649**	**23,968**
Personnel	33,570	46,727	59,030	72,908	98,236	12,096
Good and Services	4,931	6,224	6,821	7,031	10,372	1,277
Interest Expenses and Others	1,936	2,544	3,545	4,347	6,721	828
Social Security System Benefits	10,815	15,437	22,089	28,776	35,171	4,331
Current Transfers	16,716	21,789	24,668	33,187	44,146	5,436
Miscellaneous	14	12	12	137	3	0
Current Account Balance	**-1,069**	**-5,800**	**-7,903**	**232**	**3,353**	**413**
Capital Revenues	**2,465**	**3,359**	**3,171**	**3,434**	**4,981**	**613**
Capital Expenditures	**4,144**	**5,703**	**4,125**	**4,694**	**7,534**	**928**
Capital Investments	2,038	2,431	1,624	2,002	3,870	477
Transfers for Public Works	1,363	2,248	1,572	1,729	2,587	319
Loans and Capital Contributions	743	1,025	930	964	1,078	133
Total Revenues	69,378	90,292	111,433	150,052	202,983	24,994
Total Expenditures	72,126	98,435	120,290	151,081	202,183	24,896
Primary Balance (excludes interest expenses)	**-812**	**-5,600**	**-5,313**	**3,319**	**7,521**	**926**
Financial Balance	**-2,749**	**-8,144**	**-8,858**	**-1,029**	**800**	**98**
Financing Sources	**16,213**	**12,027**	**10,219**	**10,562**	**12,905**	**1,589**
Previous Year Surplus [(2)]	4,465	1,486	1,261	3,855	6,949	856
Borrowings	11,748	10,541	8,958	6,706	5,956	733
Use of financing	**14,308**	**10,024**	**8,743**	**17,409**	**23,452**	**2,888**
Financial Investment / Allocated Revenues	7,022	3,586	5,523	9,544	12,776	1,573
Repayments and other indebtedness decrease	7,286	6,437	3,220	7,864	10,677	1,315
Total Results	**-844**	**-6,140**	**-7,382**	**-7,876**	**-9,748**	**-1,200**

(1) Peso amounts as of December 31, 2014 have been converted into USD solely for the convenience of the reader at a rate of ARS 8.121 per USD 1.00, which was the average rate published by the Central Bank in 2014. The USD equivalent information should not be construed to imply that the peso amounts represent or could have been or could be converted into USD at such rates or any other rate.

(2) Reflects revenues allocated for a specific purpose in the prior years' budget but unused during such year.

Source: Ministry of Economy of the Province.

The following tables set forth the composition of the Province's tax revenues (including federal transfers) from 2010 through 2014.

Composition of Tax Revenues
(in millions of nominal pesos)

	As of December 31,				
	2010	**2011**	**2012**	**2013**	**2014**
Federal Tax Transfers					
Federal Tax Co-Participation	13,590	22,554	22,941	30,292	42,009
Education Financing	3,362	0	5,690	6,986	8,961
Conurbano Fund	650	650	650	650	650
FONAVI	298	382	535	734	992
Highway Fund	126	221	262	440	588
Others	1,972	2,276	2,775	3,647	4,665
Total Federal Transfers	**19,999**	**26,083**	**32,853**	**42,749**	**57,865**
Provincial Taxes					
Gross Revenues Tax	19,742	26,172	33,357	49,525	67,023
Real State Tax	1,738	2,241	3,774	5,447	5,612
Automobile Tax	1,582	2,125	2,973	4,473	5,693
Stamp Tax	1,935	2,955	3,987	5,323	6,397
Tax Amnesty Plans	920	1,102	1,267	1,784	3,470
Gratuitous Transfers of Property	0	26	71	134	181
Others	496	573	699	947	1,157
Total Provincial Taxes	**26,413**	**35,193**	**46,128**	**67,632**	**89,532**

Source: Ministry of Economy of the Province.

Fiscal Result of 2011 Compared to Fiscal Result of 2010

Total Revenues. In 2011, total revenues increased by 30.2%, to ARS 90.29 billion from ARS 69.38 billion in 2010. This increase reflects the following:

- a 32.0% increase in total tax revenues, to ARS 61.28 billion in 2011 from ARS 46.41 billion in 2010, resulting from a 30.4% increase in federal tax transfers and a 33.2% increase in provincial tax revenues, to ARS 35.19 billion in 2011 from ARS 26.41 billion in 2010, resulting in:
    - a 32.6% increase in gross revenue tax collections, to ARS 26.17 billion in 2011 from ARS 19.74 billion in 2010, reflecting an increase in economic activity;
    - a 28.9% increase in real estate tax collections, to ARS 2.24 billion in 2011 from ARS 1.74 billion in 2010, due to an increase in the valuation of real estate property; and
    - a52.7% increase in stamp tax revenues, to ARS 2.95 billion in 2011 from ARS 1.93 billion in 2010.
- a 8.5% increase in non-tax revenues, to ARS 10.70 billion in 2011 from ARS 9.86 billion in 2010,
- a 40.6% increase in Social Security to ARS 14.96 billion in 2011 from ARS 10.64 billion in 2010.

Total Expenditures. In 2011, the Province's total expenditures increased by 36.5%, to ARS 98.44 billion from ARS 72.13 billion in 2010. This increase reflects primarily the following:

- a 39.2% increase in personnel expenditures, to ARS 46.73 billion in 2011 from ARS 35.57 billion in 2010, principally reflecting the cumulative impact of salary increases of approximately 25% granted in March 2011 (including an increase in the primary school teacher monthly minimum wage, on March 1, 2011, from ARS 1,900 to ARS 2,360, and a further increase, on July 1, 2011, from ARS 2,360 to ARS 2,400);

- a 30.3% increase in current transfers, to ARS 21.79 billion in 2011 from ARS 16.72 billion in 2010, reflecting subsidies on private school teachers' wages and to municipalities transfers;

- a 26.2% increase in goods and services expenditures, to ARS 6.22 billion in 2011 from ARS 4.93 billion in 2010, primarily due to an increase in the cost of goods and the expansion of education, health, security and justice-related services; and

- a 37.6% increase in capital expenditures, to ARS 5.70 billion in 2011 from ARS 4.14 billion in 2010, due to increased spending on public works.

Primary Balance. In 2011, the Province's primary deficit increased by 589.4%, to ARS 5.60 billion from ARS 812 million in 2010, due to a 36.5% increase in total expenditures, which were offset by a 30.2% increase in total revenues.

Financial Result. In 2011, the Province recorded a financial deficit of ARS 8.14 billion, compared to a financial deficit of ARS 2.75 billion in 2010, mainly due to the increase in the above mentioned primary deficit.

Total Result. The Province's total deficit increased to ARS 6.14 billion in 2011 from ARS 844 million in 2010. This increase was principally due to the increase in the financial deficit.

Fiscal Result of 2012 Compared to Fiscal Result of 2011

Total Revenues. In 2012, total revenues increased by 23.41%, to ARS 111.43 billion from ARS 90.29 billion in 2011. This increase reflects the following:

- a 28.9% increase in total tax revenues, to ARS 78.98 billion in 2012 from ARS 61.28 billion in 2011, due to a 25.9% increase in federal tax transfer, to ARS 32.85 billion in 2012 from ARS 26.08 billion in 2011, and a 31.07% increase in provincial tax revenues, to ARS 46.13 billion in 2012 from ARS 35.19 billion in 2011, mainly due to:

    - an 34.90% increase in stamp tax collections, to ARS 3.99 billion in 2012 from ARS 2.95 billion in 2011;

    - a 27.45% increase in gross revenue tax collections, to ARS 33.36 billion in 2012 from ARS 26.17 billion in 2011; and

    - a 68.41% increase in real estate tax collections, to ARS 3.77 billion in 2012 from ARS 2.24 billion in 2011.

- a 16.2% decrease in non-tax revenues, to ARS 8.97 billion in 2012 from ARS 10.70 billion in 2011,

- a 35.8% increase in Social Security, to ARS 20.31 billion in 2012 from ARS 14.96 billion in 2011.

Total Expenditures. In 2012, the Province's total expenditures increased by 22.2%, to ARS 120.29 billion from ARS 98.44 billion in 2011. This increase is due to:

- a 26.33% increase in personnel expenditures, to ARS 59.03 billion in 2012 from ARS 46.73 billion in 2011, reflecting the cumulative impact of salary increases granted in 2011. In 2012, the Province granted salary increases of approximately 21.0% (including an increase, as of March 1, 2012, to the primary school teacher monthly minimum wage from ARS 2,400 to ARS 2,900);

- a 13.22% increase in current transfers, to ARS 24.67 in 2012 from ARS 21.79 billion in 2011, mainly due to an increase in transfers to municipalities resulting from an increase in federal tax transfers and provincial tax revenues;

- a 9.59% increase in goods and services expenditures, to ARS 6.82 in 2012 from ARS 6.22 billion in 2011, primarily due to an increase in the cost of goods;

- a 43.09% increase in social security benefits, to ARS 22.09 in 2012 from ARS 15.44 billion in 2011, attributable to the salary adjustment mechanism; and

- a 27.66% decrease in capital expenditures, to ARS 4.13 in 2012 from ARS 5.70 billion in 2011.

Primary Balance. In 2012, the Province's primary balance deficit declined by 5.12%, to a deficit of ARS 5.31 billion from a deficit of ARS 5.60 billion in 2011. This was mainly due to a reduction in the capital account deficit resulting from a reduction in capital expenditures.

Financial Result. In 2012, the Province's total deficit was ARS 8.86 billion, compared to a deficit of ARS 8.14 billion in 2011. This increase in the deficit was mainly due to a 39.35% increase in debt interest services, to ARS 3.55 billion in 2012 from ARS 2.54 billion in 2011.

Total Result. The total result declined to an ARS 7.38 billion deficit in 2012 as compared to an ARS 6.14 billion deficit in 2011.

Fiscal Result of 2013 Compared to Fiscal Result of 2012

Total Revenues. In 2013, total revenues increased by 34.7%, to ARS 150.05 billion from ARS 111.43 billion in 2012. This increase reflects the following:

- a 39.8% increase in total tax revenues, to ARS 110.38 billion in 2013 from ARS 78.98 billion in 2012, due to a 30.1% increase in federal tax transfers, to ARS 42.75 billion in 2013 from ARS 32.85 billion in 2012, and a 46.6% increase in provincial tax revenues, to ARS 67.63 billion in 2013 from ARS 46.13 billion in 2012, mainly due to:
    - a 48.5% increase in gross revenue tax collections, to ARS 49.53 billion in 2013 from ARS 33.36 billion in 2012;
    - a 44.3% increase in real estate tax collections, to ARS 5.45 billion in 2013 from ARS 3.77 billion in 2012; and
    - a 50.4% increase in automobile tax collections, to ARS 4.47 billion in 2013 from ARS 2.97 billion in 2012.

Total Expenditures. In 2013, the Province's total expenditures increased by 25.6%, to ARS 151.08 billion from ARS 120.29 billion in 2012. This increase reflects primarily the following:

- a 23.5% increase in personnel expenditures, to ARS 72.91 billion in 2013 from ARS 59.03 billion in 2012, principally reflecting the cumulative effect of salary increases granted in 2012 and 2013;

- a 34.5% increase in current transfers, to ARS 33.19 billion in 2013 from ARS 24.67 billion in 2012, mainly due to increased transfers to municipalities resulting from the increase in overall tax collections and co-participation transfers;

- a 30.3% increase in social security benefits, to ARS 28.78 billion from ARS 22.09 billion in 2012, attributable to the salary adjustment mechanism;

- a 13.8% increase in capital expenditures, to ARS 4.69 billion from ARS 4.12 billion in 2012, due to increased spending on public works.

Primary Balance. In 2013, the Province's primary balance increased from a deficit of ARS 5.31 billion in 2012 to a surplus of ARS 3.32 billion in 2013, due to a 34.7% increase in total revenues compared to a 25.6% increase in total expenditures.

Financial Results. In 2013, the Province recorded a financial deficit of ARS 1.03 billion, compared to a total deficit of ARS 8.86 billion in 2012 (an 88.4% improvement), attributable to the increase in the primary balance.

Total Result. The overall financial deficit increased to a ARS 7.88 billion deficit in 2013 as compared to a ARS 7.38 billion deficit in 2012. This increase was primarily due to the substantial increase in the amount of repayments and decrease of other indebtedness.

Fiscal Result of 2014 Compared to Fiscal Result of 2013

Total Revenues. In 2014, total revenues increased by 35.3%, to ARS 202.98 billion from ARS 150.05 billion in 2013. This increase reflects the following:

- a 33.5% increase in total tax revenues, to ARS 147.40 billion in 2014 from ARS 110.38 billion in 2013, due to a 35.4% increase in federal tax transfers, to ARS 57.86 billion in 2014 from ARS 42.75 billion in 2013 and a 32.4% increase in provincial tax revenues, to ARS 89.53 billion in 2014 from ARS 67.63 billion in 2013, mainly due to:
    - a 35.3% increase in gross revenue tax collections, to ARS 67.02 billion in 2014 from ARS 49.52 billion in 2013;
    - a 27.3% increase in automobile tax collections, to ARS 5.69 billion in 2014 from ARS 4.47 billion in 2013; and
    - a 20.2% increase in stamp tax revenues, to ARS 6.40 billion in 2014 from ARS 5.32 billion in 2013.
- a 26.4% increase in social security benefits, to ARS 32.79 billion in 2014 from ARS 25.93 billion in 2013.

Total Expenditures. In 2014, the Province's total expenditures increased by 33.8%, to ARS 202.18 billion from ARS 151.08 billion in 2013. This increase reflects primarily the following:

- a 34.7% increase in personnel expenditures, to ARS 98.24 billion in 2014 from ARS 72.91 billion in 2013, principally reflecting the cumulative impact of the salary increases granted in mid-year 2013 and further increases granted in 2014;
- a 33.0% increase in current transfers, to ARS 44.15 billion in 2014 from ARS 33.19 billion in 2013, reflecting increased transfers to municipalities due to an increase in overall tax collections and co-participation transfers;
- a 22.2% increase in social security benefits, to ARS 35.17 billion in 2014 from ARS 28.78 billion in 2013, attributable to the salary increase adjustment mechanism;
- a 47.5% increase in goods and services expenditures, to ARS 10.37 billion in 2014 from ARS 7.03 billion in 2013, primarily due to an increase in the cost of goods; and
- a 60.5% increase in capital expenditures, to ARS 7.53 billion in 2014 from ARS 4.69 billion in 2013, due to increased spending on public works.

Primary Balance. In 2014, the Province's primary surplus increased by 126.6%, from a surplus of ARS 3.32 billion in 2013 to a surplus of ARS 7.52 billion in 2014. This increase was primarily due to a 35.3% increase in total revenues, which was partially offset by a 33.8% increase in total expenditures.

Financial Result. In 2014, the Province recorded a financial surplus of ARS 800 million, compared to a financial deficit of ARS 1.03 billion in 2013, mainly due to the increase in the primary surplus.

*Total Result.*The total deficit increased to ARS 9.75 billion in 2014 compared to the ARS 7.88 billion in 2013, principally due to the substantial increase in the use of financing.

2015 Budget

Overview of the Provincial Budget Process

Under the Provincial Constitution, the Governor is required to submit a budget bill to the legislature before August 31 for the following year. The annual budget represents an estimation of the Province's revenues for the budgeted year on the basis of forecasts of the economic activity of Argentina and the Province, and of the necessary expenditures to render public services and to comply with the Province's obligations. In addition, the budget, when approved, represents the amount that the Province is authorized to spend and the level up to which the Province may borrow. The provincial legislature has full power to amend or reject the budget bill submitted by the Governor.

2015 Budget Law

The 2015 budget bill was submitted to the provincial legislature on October 8, 2014 and on November 13, 2014, the provincial legislature approved the 2015 Budget Law.

The following table shows the 2015 budget, as compared to 2014 fiscal results.

2014 Fiscal Results vs. 2015 Budget
(in millions of nominal Pesos)

	2014	2015 Budget	Variation
Current Revenues	**198,002**	**239,100**	20.8%
Total Tax Revenues	**147,397**	**189,860**	28.8%
Provincial Taxes	89,532	117,188	30.9%
Federal Tax Transfers	57,865	72,672	25.6%
Social Security System Contributions	**32,787**	**34,449**	5.1%
Non Tax revenues	**17,817**	**14,791**	-17.0%
Other non Tax Revenues	5,425	4,259	-21.5%
Current Transfers	12,393	10,532	-15.0%
Current Expenditures	**194,649**	**231,141**	18.7%
Personnel	98,236	115,179	17.2%
Good and Services	10,372	14,343	38.3%
Interest Expenses and Others	6,721	7,436	10.6%
Social Security System Benefits	35,171	37,008	5.2%
Current Transfers	44,146	57,176	29.5%
Others	3	0	-100.0%
Current Account Balance	**3,353**	**7,958**	137.3%
Capital Revenues	**4,981**	**7,186**	44.3%
Capital Expenditures	**7,534**	**15,066**	100.0%
Capital Investments	3,870	8,258	113.4%
Transfers for Public Works	2,587	4,152	60.5%
Loans and Capital Contributions	1,078	2,657	146.6%
Total Revenues	202,983	246,286	21.3%
Total Expenditures	202,183	246,207	21.8%
Primary Balance (excludes interest expenses)	**7,521**	**7,514**	-0.1%
Financial Balance	**800**	**78**	-90.2%
Financing Sources	**12,905**	**23,612**	83.0%
Previous Year Surplus (1)	6,949	4,202	-39.5%
Borrowings	5,956	19,410	225.9%
Use of financing	**23,452**	**23,690**	1.0%
Financial Investment / Allocated Revenues	12,776	2,625	-79.5%
Repayments and other indebtedness decrease	10,677	21,065	97.3%

	2014	2015 Budget	Variation
Total Results	**-9,748**	**0**	

(1) Reflects revenues allocated for a specific purpose in the prior year's budget but unused during such year.

Source: Ministry of Economy of the Province.

Total Revenues. In 2015, the Province estimates an increase in total provincial revenues of 21.3% to ARS 246.29 billion, as compared with 2014 revenues. This increase is mainly due to a budgeted 28.8% increase in total tax revenues to ARS 189.86 billion in 2015, from ARS 147.40 billion in 2014.

The increase in provincial tax revenues includes:

- a 32.8% increase in gross revenue tax collections due to the cumulative effect of the 2014 and 2015 modifications to the tax laws, which are expected to increase the efficiency and fairness of the tax system;
- a 32.9% increase in automobile tax collections;
- a 27.1% increase in real estate tax collections; and
- a 31.5% increase in stamp tax collections.
- In addition, capital revenues are budgeted to increase by 44.3%, to ARS 7.19 billion in 2015 from ARS 4.98 billion in 2014.

Total Expenditures. In 2015, total provincial expenditures are estimated to increase by 21.8%, to ARS 246.21billion from ARS 202.18 billion in 2014, mainly due to:

- a 17.2% increase in personnel expenditures, to ARS 115.18 billion budgeted in 2015 from ARS 98.24 billion in 2014;
- a 38.3% increase in goods and services expenditures, to ARS 14.34 billion budgeted in 2015 from ARS 10.37 billion in 2014, mainly due to the strengthening of social, health and education programs;
- a 29.5% increase in current transfers, to ARS 57.18 billion budgeted in 2015 from ARS 44.15 billion in 2014, mainly due to increased federal co-participation tax revenues, which will result in an increase in transfers to municipalities; and
- a 100.0% increase in capital expenditures, to ARS 15.07 billion budgeted in 2015 from ARS 7.53 billion in 2014, mainly due to an increase in public works

Primary Balance. In 2015, the Province expects the primary surplus to decrease by 0.1%, to ARS 7.51 billion from ARS 7.52 billion in 2014.

Financial Result. In 2015, the Province expects to record a financial surplus of ARS 78 million, compared to a financial surplus of ARS 800 million in 2014.

Total Result. In 2015, the Province expects to obtain financing by issuing debt, primarily consisting of bonds (including the New Bonds) in the domestic and international capital markets and, to a lesser extent, multilateral lenders and other sources, for ARS 19.41 billion.

Public Works

For 2015, the Province's budgeted public works plan includes the following projects:

- The Roads Department has budgeted capital expenditures of ARS 2.19 billion for construction, paving and improving roads. The Roads Department's principal projects include:

  - Paving of Provincial Route 6 and complementary works, for ARS 703 million; and
  - Paving of other provincial routes, including Routes 4, 31, 65, 67, 72 and 86 for ARS 173 million.

- The Ministry of Infrastructure has budgeted capital expenditures of ARS 3.26 billion, including:
  - Arroyo El Gato Cleanup – La Plata, for ARS 454 million; Río Colorado Bahía Blanca Aqueduct, for ARS 400 million; and
  - Cuenca del Arroyo Maldonado Storm Sewers – La Plata, Berisso, for ARS 161 million.

- The *Instituto de la Vivienda* (Housing Institute) has budgeted capital expenditures of ARS 1.94 billion, including ARS 680.8 million for the *Programa Techo Digno* (Decent Housing Program), ARS 380.9 million to the *Programa de Solidaridad, Compartir y Mejoramiento de Vivienda y Hábitat* (Solidarity, Sharing and Improvement of Housing and Habitat Program), ARS 83 million, for the *Programa Mejoramiento de Barrios* (Neighbourhoods Improvement Program) and ARS 69.2 million which has been allocated to the *Programa Federal de Construcción y Mejoramiento de Viviendas* (Federal Housing Improvement and Construction Program).

PUBLIC SECTOR DEBT

General

The Province satisfies its financing needs with a wide variety of sources depending on the provincial and federal economies and the domestic and international financing markets.

The Province's total indebtedness amounted to USD 13.3 billion, USD 14.1 billion, USD 14.7 billion and USD 12.6 billion, as of December 31, 2010, December 31, 2011, December 31, 2012 and December 31, 2013, respectively. As of December 31, 2014 the Province's total indebtedness reached USD 10.56 billion.

As of December 31, 2014, the federal government held 37.5% of the Province's total indebtedness, while 53.4% was held by local and international bondholders, 7.8% corresponded to multilateral credit organizations and the remaining 1.3% was held by bilateral credit agencies and other creditors. As of December 31, 2014, 42.1% of the Province's total indebtedness was denominated in pesos, with the remaining 42.6%, 14.4%, 0.6% and 0.4% denominated in U.S. dollars, euros, other currencies and CER adjusted pesos, respectively. Also, as of December 31, 2014, 97.9% of the Province's debt stock was medium-term and long-term and 68.1% was at fixed rate.

Evolution of Debt: 2010 to 2014

The following tables describe the evolution of the Province's total outstanding indebtedness from 2010 through 2014 by creditor, currency, interest rate and term:

Total Gross Debt by Creditor[(1)]
(in millions of U.S. dollars)

	As of December 31,									
CREDITOR	**2010**		**2011**		**2012**		**2013**		**2014**	
Federal Government	7,587	*56.9%*	7,321	*51.8%*	7,055	*47.9%*	5,460	*43.5%*	3,962	*37.5%*
Bondholders	4,766	*35.7%*	5,779	*40.9%*	6,668	*45.2%*	6,092	*48.5%*	5,644	*53.4%*
Multilateral Credit Agencies	825	*6.2%*	874	*6.2%*	867	*5.9%*	861	*6.9%*	819	*7.8%*
Bilateral Credit Agencies	154	*1.2%*	157	*1.1%*	151	*1.0%*	141	*1.1%*	135	*1.3%*
Others	3	*0.0%*	3	*0.0%*	3	*0.0%*	2	*0.0%*	3	*0.0%*
Total	**13,336**	*100.0%*	**14,135**	*100.0%*	**14,744**	*100.0%*	**12,556**	*100.0%*	**10,561**	*100.0%*
Exchange Rates,										
ARS/USD [(2)]	3.976		4.304		4.918		6.521		8.551	
CER [(3)]	2.630		2.881		3.185		3.520		4.377	

(1) Excluding past and due interest.
(2) Last exchange rate recorded for each period.
(3) CER accumulated from February 4, 2002 until the end of each period.
Source: Ministry of Economy of the Province.

Total Gross Debt by Currency [(1)]
(in millions of U.S. dollars)

CURRENCY	As of December 31, 2010		2011		2012		2013		2014	
CER adjusted pesos	74	*0.6%*	67	*0.5%*	60	*0.4%*	45	*0.4%*	41	*0.4%*
USD	3,435	*25.8%*	4,529	*32.0%*	4,747	*32.2%*	4,611	*36.7%*	4,500	*42.6%*
Euros[(2)]	1,747	*13.1%*	1,700	*12.0%*	1,730	*11.7%*	1,760	*14.0%*	1,519	*14.4%*
others[(3)]	116	*0.9%*	84	*0.6%*	77	*0.5%*	68	*0.5%*	60	*0.5%*
Pesos	7,964	*59.7%*	7,755	*54.9%*	8,130	*55.1%*	6,071	*48.4%*	4,442	*42.1%*
Total	**13,336**	*100.0%*	**14,135**	*100.0%*	**14,744**	*100.0%*	**12,556**	*100.0%*	**10,561**	*100.0%*
Exchange Rates,										
ARS/USD [(4)]	3.976		4.304		4.918		6.521		8.551	
CER [(5)]	2.630		2.881		3.185		3.520		4.377	

(1) Excluding past and due interest.
(2) Following the introduction of the euro in 1999, debts owed in a variety of European currencies were converted into euros.
(3) Figures include Swiss francs and Japanese yen.
(4) Last exchange rate recorded for each period.
(5) CER accumulated from February 4, 2002 until the end of each period.
Source: Ministry of Economy of the Province.

Total Gross Debt by Type of Interest Rate [(1)]
(in millions of U.S. dollars)

By interest type	As of December 31, 2010		2011		2012		2013		2014	
Fixed rate [(2)]	9,891	*74.2%*	10,620	*75.1%*	10,550	*71.6%*	8,805	*70.1%*	7,187	*68.1%*
Fixed rate + CER adjustment [(3)]	73	*0.5%*	67	*0.5%*	60	*0.4%*	45	*0.4%*	41	*0.4%*
Fixed Step-up rate	1,950	*14.6%*	1,953	*13.8%*	2,055	*13.9%*	2,107	*16.8%*	1,926	*18.2%*
Variable rate	1,421	*10.7%*	1,495	*10.6%*	2,079	*14.1%*	1,599	*12.7%*	1,408	*13.3%*
IDB -WB [(4)]	411	*3.1%*	331	*2.3%*	275	*1.9%*	250	*2.0%*	163	*1.5%*
LIBOR	457	*3.4%*	586	*4.1%*	592	*4.0%*	611	*4.9%*	656	*6.2%*
Tasa Encuesta + BADLAR[(5)]	479	*3.6%*	504	*3.6%*	1,137	*7.7%*	662	*5.3%*	519	*4.9%*
Others	75	*0.6%*	73	*0.5%*	75	*0.5%*	76	*0.6%*	69	*0.7%*
Total	**13,336**	*100.0%*	**14,135**	*100.0%*	**14,744**	*100.0%*	**12,556**	*100.0%*	**10,561**	*100.0%*
Exchange Rates,										
ARS/USD[(6)]	3.976		4.304		4.918		6.521		8.551	
CER[(7)]	2.630		2.881		3.185		3.520		4.377	

(1) Excluding past and due interest.
(2) Consists primarily of Eurobonds and the Federal Debt Refinancing Program.
(3) Consists primarily of domestic notes.
(4) Includes multilateral debt.
(5) Rate determined by the Central Bank based on a survey of the rate paid on savings accounts and time deposits in pesos and in dollars by banks in the City of Buenos Aires and in Greater Buenos Aires.
(6) Last exchange rate recorded for each period.
(7) CER accumulated from February 4, 2002 until the end of each period.
Source: Ministry of Economy of the Province.

Total Gross Debt by Term [(1)]
(in millions of U.S. dollars)

TERM	As of December 31, 2010		2011		2012		2013		2014	
Short-term [(2)]	280	*2.1%*	386	*2.7%*	888	*6.0%*	435	*3.5%*	219	*2.1%*
Medium-term and long term [(3)]	13,056	*97.9%*	13,749	*97.3%*	13,857	*94.0%*	12,121	*96.5%*	10,342	*97.9%*
Total	**13,336**	*100.0%*	**14,135**	*100.0%*	**14,744**	*100.0%*	**12,556**	*100.0%*	**10,561**	*100.0%*
Exchange Rates,										
ARS/USD [(4)]	3.976		4.304		4.918		6.521		8.551	
CER [(5)]	2.630		2.881		3.185		3.520		4.377	

(1) Excluding past and due interest.

(2) Debt with original maturity of one year or less.
(3) Debt with original maturity of more than one year.
(4) Last exchange rate recorded for each period.
(5) CER accumulated from February 4, 2002 until the end of each period.
Source: Ministry of Economy of the Province.

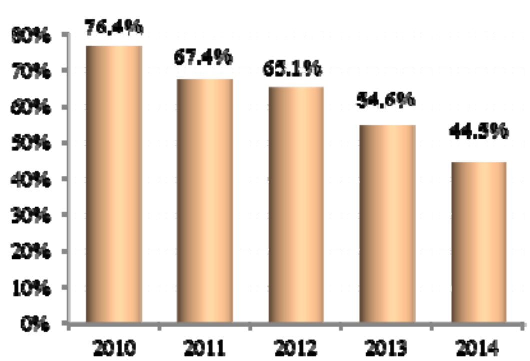
Between 2010 and 2014, the federal government's share of the Province's public debt has fluctuated between 56.9% and 37.5%. The Province received significant financial assistance from the federal government for the 2010 – 2012 period and in 2014 through transfers of funds under a series of agreements known as *Programas de Asistencia Financiera* (Financial Assistance Programs, or "PAFs"). These agreements helped fund, among others, the Province's debt service obligations. Moreover, the Province entered into additional agreements with the federal government to offset debt and to suspend and refinance the debt service owed by the Province to the federal government and other creditors. Additionally, the Province has entered into agreements with the Trust Fund for Provincial Development to invest in capital assets. On May 31, 2010, all outstanding indebtedness then owed to the federal government under the above-mentioned agreements was refinanced under the Federal Debt Refinancing Program and further debt refinancing agreements. See "—Debt Denominated in Pesos—Argentine Provincial Indebtedness Federal Refinancing Program" and "—Debt Denominated in Pesos—Debt Refinancing Agreements with the Federal Government."

Another important milestone in the history of provincial indebtedness was the 2006 provincial restructuring of Eurobonds, which have been in default since December 2001. See "—Debt Denominated in Foreign Currencies—Exchange Bonds" This debt restructuring helped the Province return to the international capital markets in October 2006.

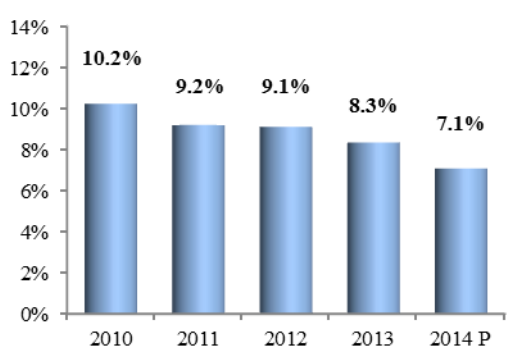
Since 2005, the favorable conditions of the financing agreements with the federal government as well as the provincial debt restructuring process have helped the Province improve its debt maturity profile and debt sustainability indicators.

The following charts show debt divided by total revenues and debt divided by provincial GDP from 2010 through 2014.

Total Debt / Total Revenues



Total Debt / GDP



(1) GDP: Data elaborated by the Provincial Office of Statistics.
GDP 2014= Projected figures elaborated by Provincial Macroeconomic Analysis Office.
Source: Ministry of Economy of the Province

The following table sets forth the Province's total outstanding indebtedness from 2013 through 2014.

Total Outstanding Indebtedness

	Outstanding principal (in millions)				Variation Dec 31, 2014 vs. Dec 31, 2013	
	2013		2014			
	USD	ARS	USD	ARS	ARS	%
Debt in Pesos - adjusted by CER						
Malvinas Bond (Law Nº13,763)	2	12			-12	-100.0%
PYMES Bond (Law Nº12,421)	43	282	41	349	67	23.8%
Total Debt in Pesos - adjusted by CER	**45**	**294**	**41**	**349**	**55**	**18.7%**
Debt in Pesos						
Federal Refinancing Program	4,330	28,235	3,033	25,932	-2,303	-8.2%
2010 Financial Assistance	605	3,944	424	3,623	-322	-8.2%
2011 Financial Assistance	77	500	54	459	-41	-8.2%
2012 Financial Assistance	230	1,500	161	1,378	-122	-8.2%
2014 Financial Assistance			140	1,200	1,200	
2010 FFDP Loan	29	187	15	125	-63	-33.4%
2011 FFDP Loan	105	686	67	572	-114	-16.7%
Flood Relief Loan			41	352	352	
Consolidation Bonds (Law Nº12,836)	2	12	1	6	-6	-48.0%
Bonds Law Nº 10,328	0	0	0	0	0	-12.4%
Housing Trust Fund	50	324	36	311	-13	-4.0%
Treasury Bills	435	2,836	219	1,876	-961	-33.9%
Debt Cancellation Bonds due 2014 (Suppliers' Bond)	38	249			-249	-100.0%
Debt Cancellation Bonds Issue Oct 1º, 2012 (Suppliers' Bond)	59	386			-386	-100.0%
Debt Cancellation Bonds due 2016 (Suppliers' Bond) - SERIE A			58	500	500	
Debt Cancellation Bonds due 2016 (Suppliers' Bond) - SERIE B			32	271	271	
Law N° 14,315-Serie A	22	147	9	73	-73	-50.0%
Law N° 14,315-Serie B	24	157	26	220	63	40.2%
Law N° 14,315-Serie C			46	396	396	
Law N° 14,315-Serie D			41	352	352	
Others	66	429	39	337	-92	-21.5%
Total Debt in pesos	**6,071**	**39,592**	**4,442**	**37,981**	**-1,611**	**-4.1%**
Debt in Foreign Currency						
Eurobonds	5,220	34,043	4,916	42,034	7,991	23.5%
Dollar - denominated Long Term Par Bond	472	3,077	476	4,071	994	32.3%
Euro - denominated Long Term Par Bond	783	5,105	690	5,902	797	15.6%
Dollar - denominated Medium Term Par Bond	64	415	64	545	129	31.1%
Euro - denominated Medium Term Par Bond	788	5,140	696	5,949	809	15.7%
Dollar - denominated Discount Bond	234	1,524	167	1,428	-97	-6.3%
Euro - denominated Discount Bond	134	871	84	720	-151	-17.3%
Eurobonds (Untendered Holdings) [(1)]	72	466	64	546	79	17.0%
USD 475 M Bond	475	3,097	475	4,062	964	31.1%
USD 400 M Bond	400	2,608	400	3,420	812	31.1%
USD 1,050 M Bond	1,050	6,847	1,050	8,979	2,132	31.1%
USD 750 M Bond	750	4,891	750	6,413	1,523	31.1%
Multilateral Loans (IADB-World Bank)	861	5,616	819	7,002	1,386	24.7%
Bilateral Loans [(1)]	141	922	135	1,150	229	24.8%
USD	84	547	84	717	170	31.1%
Yen	45	292	40	338	46	15.6%
Liras	13	82	11	95	13	15.5%
Provincial Bond due 2016	16	107	10	84	-23	-21.3%
USD200M Bond at 4.24% Due 2015	200	1,304	200	1,710	406	31.1%
Total Debt in Foreign Currencies	**6,439**	**41,991**	**6,079**	**51,981**	**9,990**	**23.8%**
Total Indebtedness	**12,556**	**81,877**	**10,561**	**90,311**	**8,434**	**10.3%**

(1) Excluding past and due interest as of December 2001

Exchange rates	As of December 31	
	2013	2014
ARS/USD	6.521	8.551
ARS/JPY	0.062	0.072
ARS/CHF	7.328	8.646
ARS/EUR	8.983	10.396
ARS/ITL	0.005	0.005
USD/ITL	0.001	0.001
USD/JPY	0.009	0.008
Accumulated CER	3.520	4.377

(1) Excluding past and due interest as of December 2001.
Source: Ministry of Economy of the Province.

Causes of debt stock variation between December 31, 2014 and December 31, 2013

For the year ended December 31, 2014, the Province's indebtedness increased by ARS 8.4 billion, or 10.3%, as compared to December 31, 2013.

The following table describes the increases and decreases in the Province's outstanding indebtedness that led to the net increase in the provincial debt stock from December 31, 2013 to December 31, 2014.

Causes of Debt Stock variation, December 31, 2014 vs. December 31, 2013
(in millions of current pesos)

	Variation
Indebtedness with federal government	(1,426)
Amortization	(4,799)
Disbursements	1,565
Interest Capitalization	1,730
Inflation Effect	78
Other Indebtedness	9,860
Inflation Effect	68
Exchange Rate[(1)]	11,139
Amortization and other decrease in indebtedness	(5,845)
Disbursements	4,497
Debt Stock Variation	**8,434**

(1) Includes the devaluation of the peso against the U.S. dollar, euro, Japanese yen and Swiss franc.
Source: Ministry of Economy of the Province.

For the year ended December 31, 2014, the Province's indebtedness increased mainly due to:

- the effect of the depreciation of the peso on non-indexed debt denominated in U.S. dollars and euros, accounting for an ARS 11.14 billion increase;
- new disbursements for ARS 6.07 billion;
- interest capitalization for ARS 1.73 billion; and
- the impact of inflation on debt denominated in pesos and adjusted by CER, which accounted for an ARS 145 million increase.

These effects were partially offset by debt repayments to the federal government of ARS 4.79 billion, reflecting a debt reduction of ARS 4.56 billion pursuant to the 2013 Debt Refinancing Agreement with the federal government. This agreement implied that the federal government transferred to the Province the funds generated by the National Treasury Contribution Fund, which were used to partially cancel the refinanced debt.

Estimated Debt Service

The following table shows projected debt service by creditor and year based on the Province's outstanding indebtedness as of December 31, 2014.

Estimated Debt Service by Creditor (1) (3)
(in millions of U.S. dollars)

Creditor	Outstanding As of December 31, 2014	2015	2016	2017	2018	2019-2038
Federal Government	**3,962**					
Amortization		253	274	310	271	2,854
Interest		230	215	196	175	982
Bondholders	**5,644**					
Amortization		1,709	173	198	732	2,793
Interest		427	270	248	241	929
USD	3,597					
Amortization		1,323	70	44	496	1,670
Interest		328	194	188	186	632
EUR	1,519					
Amortization		34	34	133	232	1,051
Interest		55	53	50	49	274
ARS	441					
Amortization		350	67	19	2	3
Interest		37	17	4	0	0
ARS + CER	41					
Amortization		1	0			40
Interest						
CHF	10					
Amortization						
Interest						
Fideicomiso_ANSES	36					
Amortization		1	2	2	2	29
Interest		7	7	6	6	23
Multilateral	**819**					
Amortization		117	106	107	82	406
Interest		16	14	12	10	41
Bilateral	**135**					
Amortization						
Interest						
Others	**3**					
Amortization		3				
Interest						
TOTAL	**10,561**					
Amortization		**2,082**	**554**	**615**	**1,085**	**6,052**
Interest		**673**	**499**	**456**	**425**	**1,952**
Exchange rates as of December 31, 2014						
ARS/USD	8.551					
ARS/JPY	0.072					
ARS/CHF	8.646					
ARS/EUR	10.396					
ARS/ITL	0.005					
Accumulated CER as of December 31, 2014	4.3769					
Pesification	1.4					

(1) Calculated based on the stock of debt, exchange rate and interest rates as of December 31, 2014. Data does not include any adjustment for inflation with respect to the debt denominated in CER adjusted, ICC adjusted pesos (Pesos adjusted pursuant to the Índice de Costos de la Construcción (Construction Costs Index)) or any other debt. Amortization payments include amortization of capitalized interest.

(2) Does not reflect amortization or interest payments on debt issued or refinanced after December 31, 2014.

Source: Ministry of Economy of the Province.

Pledge of Tax Co-Participation Revenues

The Province has pledged a part of its federal tax transfers to secure its obligations under certain of its outstanding indebtedness, most of which is owed to the federal government. Pursuant to these security arrangements, the federal government is entitled to withhold a portion of the Province's federal tax transfers to cover principal and interest payments on the secured debt.

The following table sets forth the amount of federal tax transfers withheld to cover provincial debt service payments for each of the indicated periods.

Withheld Federal Tax Transfers 2010 - 2014
(in millions of pesos)

	Year ended December 31,				
	2010	**2011**	**2012**	**2013**	**2014**
Federal Tax Co-Participation...	19,881.7	25,886.8	32,558.6	41,723.9	56,586.6
Withholdings					
Federal Government (1)............	2,201.9	55.9	223.6	492.9	327.8
Other Debt (2)...........................	230.2	4.2	18.1	14.5	97.8
Total...	**2,432.2**	**60.1**	**241.7**	**507.4**	**425.7**
Percentage Withheld	12.2%	0.2%	0.7%	1.2%	0.8%

(1) Through June 23, 2010, these secured debts consisted primarily of financing provided pursuant to the Provincial Debt Exchange (*Bogar*), the Monetary Unification Program (PUM), the Orderly Financing Program (PFO), the Financial Assistance Program (PAF) and the Interest Suspension Agreements. After June 23, 2010, these secured debts consisted mainly of financing provided pursuant to the Trust Fund for Provincial Development.
(2) Consists mainly of withholdings to make debt service payments to multilateral creditors.
Source: Ministry of Economy of the Province and Banco de la Nación Argentina.

Debt Denominated in CER-adjusted Pesos

PyMEs Bond

In May 2000, the Province implemented a financial support program for small and medium size businesses ("PyMEs") in financial distress with outstanding bank loans from Banco Provincia. Through this program, an eligible PyME could refinance debt by extending the term of its loans to 15, 20 or 25 years and purchasing zero-coupon dollar-denominated provincial bonds issued by the Province ("PyMEs Bonds") and depositing these bonds at Banco Provincia as collateral for its loans. At maturity, the Province would redeem PyMEs Bonds collateralizing the principal amount of the loans, which would be cancelled. Participating PyMEs may be excluded from this program if they default on their loans, in which case the PyMEs Bonds that serve as collateral for the defaulted loans will be redeemed by the Province at their then-current value.

As of December 31, 2014, the aggregate nominal amount of outstanding PyMEs Bonds was ARS 349 million, which, if all participating PyMEs had been excluded and all PyMEs Bonds had been redeemed, the Province would have been required to pay approximately ARS 99.56 million to Banco Provincia.

Malvinas Islands Veterans' Debt Cancellation Bond Law No. 13,763

In January 2008, the Province enacted Law No. 13,763, pursuant to which the Province acknowledged an outstanding debt with the Malvinas Islands war veterans as a result of failing to calculate certain items in the pension provided by the Province. Law No. 13,763 established how those pension items would be calculated and provided for the mechanism to repay this debt. Law No. 13,763 also established that 10.0% of the debt would be paid in cash and the remaining 90.0% in securities (the "Malvinas Bonds"). The Malvinas Bonds were issued on September 15, 2007 and matured on March 15, 2014. The Malvinas Bonds were denominated in CER-adjusted pesos and were amortized in 72 consecutive monthly installments, consisting of 70 installments of 1.3% and two installments of 2.7%, of the principal amount plus capitalized interest through March 15, 2008. The first installment was due on

April 15, 2008. Interest on the Malvinas Bonds accrued at 2.0% per annum and was capitalized on a monthly basis until March 15, 2008.

On March 15, 2014, the Province repaid in full all amounts due under the Malvinas Bonds.

Debt Denominated in Pesos

Argentine Provincial Indebtedness Federal Refinancing Program

On May 10, 2010, the federal government issued Decree No. 660/10, creating the *Programa Federal de Desendeudamiento de las Provincias Argentinas* (Argentine Provincial Indebtedness Federal Refinancing Program, or the "Federal Debt Refinancing Program"). The Federal Debt Refinancing Program:

- reduces indebtedness owed by provinces to the federal government by applying funds held in the *Fondo de Aportes del Tesoro Nacional* (National Treasury Contribution Fund) as of December 31, 2009 to reduce, on a pro rata basis, the indebtedness of provinces that agreed to participate in the Federal Debt Refinancing Program prior to May 31, 2010; and

- allows provinces to refinance indebtedness held with the federal government as of May 31, 2010 under the *Ley de Responsabilidad Fiscal* (Fiscal Responsibility Law), the Trust Fund for Provincial Development, the Monetary Unification Program (PUM), the Financial Assistance Program (PAF), Interest Suspension Agreements, *Bogar*, and *Boden*.

On May 12, 2010, the Province indicated to the federal government that it would participate in this program. The Province and the federal government signed a bilateral agreement memorializing the Province's participation in the Federal Debt Refinancing Program on June 23, 2010, which was approved by Provincial Decree No. 903/10 dated June 24, 2010. This agreement provided that the refinanced indebtedness would be denominated in pesos and have a grace period until December 31, 2011, after which the principal had to be repaid in 227 consecutive monthly installments of 0.439% of the principal and a final installment of 0.374% of the principal. All outstanding amounts would bear interest at an annual fixed rate of 6%, and interest would be capitalized until December 31, 2011. The Federal Debt Refinancing Program eliminated all provincial CER-adjusted debt owed to the federal government. The Province is required to secure amounts owed under the Federal Debt Refinancing Program by pledging federal tax co-participable funds that it is entitled to receive.

The following table shows the amounts owed by the Province to the federal government under these programs as of May 31, 2010, the amount of this debt that was reduced through application of funds held in the National Treasury Contribution Fund, and the amount of debt that was refinanced through the Federal Debt Refinancing Program.

Provincial Debt included in the Federal Debt Refinancing Program as of May 31, 2010

	At May 31, 2010 Outstanding principal (in millions)	
	ARS	**USD**
Provincial Debt Exchange (BOGAR)	13,928.7	3,545.1
Monetary Unification Program (BODEN 2011)	599.4	152.6
Financial Assistance 2005	702.0	178.7
Financial Assistance 2006	1,352.3	344.2
Financial Assistance 2007(1)	2,469.8	628.6
Financial Assistance 2008(1)	3,105.2	790.3
Financial Assistance 2009(1)	3,551.7	904.0
FFDP Loan 2008	426.3	108.5
FFDP Loan 2009	1,671.3	425.4
Outstanding principal	**27,806.9**	**7,077.3**
National Treasury Funds to be applied (2)	**(4,134.2)**	**(1,052.2)**
Outstanding principal net of National Treasury Funds	**23,672.7**	**6,025.1**
Exchange rate ARS /USD		**3.929**

(1) Includes debt from the Interest Suspension Agreements in 2007, 2008 and 2009.

(2) Includes an additional ARS 40.8 million to the original ARS 4,093.4 million held in the National Treasury Contribution Fund due to the Province of Chubut's refusal to participate in the program, which allowed the federal government to reallocate those funds among all the participating provinces.

Source: Ministry of Economy of the Province.

The debt included in this program had been incurred as follows: Following the economic crisis that began in 2001, certain debt obligations of the Province were restructured during 2002-2004 by exchanging them for BOGAR (an obligation of the federal government) and the Province became obligated to pay the federal government for the debt service on the associated BOGAR. Similarly, in 2003, under the Monetary Unification Program ("PUM"), the federal government issued BODENs in exchange for Patacones, a quasi-currency treasury bond that had been issued by the Province beginning in 2001 to pay current expenditures. From 2005 through 2009, the Province received funding from the federal government under the Financial Assistance Programs ("PAF") (described below) in order to make debt amortization payments that were due during those years. In 2008 and 2009, the Province received loans for infrastructure through the federal Trust Fund for Provincial Development ("FFDP"). Finally, interest on PFO, PAF and PUM for 2007-2009, which had been capitalized pursuant to the federal Interest Suspension Agreements was also included.

During 2002-2004, the Province also signed bi-lateral agreements with the federal government under the Orderly Financing Program ("PFO") which provided loans to reduce provincial fiscal deficits and whereby the federal government repaid multilateral lenders on behalf of the Province. Amounts due to the federal government under these programs were settled through a 2004 debt-offsetting agreement with the federal government and refinancing agreements which have now been fully repaid.

In June 2010, the federal government withheld ARS 330.8 million of federal co-participable tax revenues to cover interest and principal payments owed on refinanced debt prior to June 23, 2010. These amounts were used to reduce amounts owed to the federal government under the Federal Debt Refinancing Program.

In December 2011, pursuant to Resolution No. 33/11, the federal government amended the terms and conditions of the Federal Debt Refinancing Program and the PAF 2010. Under the new conditions, the debt outstanding under these programs would be paid in 203 consecutive and monthly installments equivalent to 0.49% of the principal each, and one last installment equivalent to 0.53% of the principal. All outstanding amounts would continue to bear interest at an annual fixed rate of 6% and interest would be capitalized until December 31, 2013. The grace period was extended to December 31, 2013 and the first installment would be paid in January 2014. Certain terms of the Federal Debt Refinancing Program were subsequently amended in 2013, 2014 and 2015 through the execution of several Debt Refinancing Agreements. See "—Debt Denominated in Pesos—Debt Refinancing Agreements with the Federal Government."

Financial Assistance Programs (PAFs)

In August 2004, the federal government created the *Régimen Federal de Responsabilidad Fiscal* (Federal Fiscal Responsibility Regime), which went into effect as of January 1, 2005. The new regime establishes general rules of fiscal behavior and transparency for Argentina's national, provincial and municipal public sectors. In addition, the federal government established, pursuant to various bilateral agreements, financing programs for those provinces that do not have other sources of funds and are in compliance with the fiscal responsibility rules established under the new regime. The Province and the Federal Government entered into Financial Assistance Programs for each of the years 2005 through 2007 ("Initial PAFs").

In March 2008, the federal government and the Province entered into the 2008 Financial Assistance Program ("PAF 2008") for ARS 2.82 billion. Like the previous agreements, the PAF 2008 was entered into for purposes of making debt amortization payments due in 2008. The PAF 2008 financed approximately 96.5% of the 2008 budgeted provincial debt amortizations.

In February 2009, the federal government and the Province entered into the 2009 Financial Assistance Program ("PAF 2009") for ARS 2.93 billion. The PAF 2009 was entered into for the purpose of making debt amortization payments due in 2009, which were estimated to be ARS 2.95 billion. In this manner, the PAF 2009 financed approximately 99.3% of the 2009 budgeted provincial debt amortizations.

On May 31, 2010, the entire outstanding amount due under the Initial PAFs, the PAF 2008 and the PAF 2009 was refinanced in the Federal Debt Refinancing Program. See "—Debt Denominated in Pesos—Argentine Provincial Indebtedness Federal Refinancing Program."

On December 21, 2010, the federal government and the Province entered into the 2010 Financial Assistance Program ("PAF 2010"), pursuant to which the federal government granted the Province ARS 5.06 billion loans for purposes of meeting fiscal imbalances and making debt service payments. All payments under this loan were secured by federal tax co-participable funds that the Province is entitled to receive. In addition, the federal government made a payment of ARS 1.71 billion in January 2011, with funds from the National Treasury Contribution Fund to partially cancel the debt originated by the PAF 2010. On December 28, 2011, the terms applicable to the PAF 2010 were amended to provide for repayments of principal and interest on a schedule identical to the Federal Debt Refinancing Program. See "—Debt Denominated in Pesos —Argentine Provincial Indebtedness Federal Refinancing Program." This loan was later incorporated into further debt restructuring agreements with the national government. See "—Debt Denominated in Pesos—Debt Refinancing Agreements with the Federal Government."

On December 23, 2011 the federal government and the Province entered into the 2011 Financial Assistance Program ("PAF 2011"), pursuant to which the federal government granted the Province a ARS 3.0 billion loan for purposes of addressing fiscal imbalances, treasury payment delays and making debt service payments. The PAF 2011 had to be repaid in 84 monthly and consecutive installments, with a one-year grace period, beginning in January 2013. Outstanding amounts bore interest at an annual fixed rate of 6%. All payments under this loan were secured by federal tax co-participation funds which the Province would be entitled to receive. The PAF 2011 also established that the federal government would transfer ARS 2.42 billion from the National Treasury Contribution Fund to the Province to partially cancel the debt originated by the PAF 2011, thus reducing the amount owed. This loan was later incorporated into further debt refinancing agreements with the national government. See "—Debt Denominated in Pesos—Debt Refinancing Agreements with the Federal Government."

On December 27, 2012, the federal government and the Province entered into the 2012 Financial Assistance Program ("PAF 2012"), pursuant to which the federal government granted the Province a ARS 1.5 billion loan for purposes of meeting fiscal imbalances and making debt service payments. This loan had to be repaid in 84 monthly and consecutive installments, with a one-year grace period, beginning in January 2014. Outstanding amounts bore interest at an annual fixed rate of 6%. All payments under this loan were secured by federal tax co-participation funds which the Province would be entitled to receive. This loan was later incorporated into further debt refinancing agreements with the national government. See "—Debt Denominated in Pesos—Debt Refinancing Agreements with the Federal Government."

On December 18, 2014, the federal government and the Province entered into the 2014 Financial Assistance Program ("PAF 2014"), pursuant to which the federal government granted the Province a ARS 1.2 billion loan. This loan is scheduled to amortize in 84 consecutive monthly installments, commencing in January 2016. Interest on principal would accrue at a rate of 6% per annum. All payments under this loan were secured by revenues from the federal tax co-participation regime. This loan was later incorporated into further debt refinancing agreements with the national government. See "—Debt Denominated in Pesos—Debt Refinancing Agreements with the Federal Government."

Debt Refinancing Agreements with the Federal Government

2013 Refinancing Agreement

On December 27, 2013, the federal government and the Province entered into the *Convenio entre la Provincia de Buenos Aires y el Gobierno Nacional* (2013 Debt Refinancing Agreement with the federal government, or the "2013 Debt Refinancing Agreement") to refinance the entire outstanding amount due under the Federal Debt Refinancing Program and the PAF 2010, PAF 2011 and PAF 2012, which was approved by Provincial Decree No. 1096/13. The total refinanced amount of the Province's debt that was refinanced under this agreement was ARS 34,179.4 million. This agreement also established that in January 2014 the federal government would transfer to the Province funds generated by the *Fondo de Aportes del Tesoro Nacional* (National Treasury Contribution Fund) for ARS 4,556.8 million, which were used to partially cancel the refinanced debt, resulting in a net amount of ARS 29,622.6 million. Pursuant to the terms of the agreement, the principal would be amortized in 201 monthly installments with a grace period on both principal and interest until March 31, 2014. All outstanding amounts bear interest at an annual fixed rate of 6%, and interest was capitalized until March 31, 2014. In addition, the agreement provided that the grace period for principal and capitalization of interest may be extended during 2014 if the Province provided certain information to the federal government, which the Province did. The Province is required to secure amounts owed under this agreement by pledging federal tax co-participable funds that it is entitled to receive.

Debt Refinancing Agreement with the Federal Government

	Dated	As of December 31, 2014 (In millions) ARS	USD
Argentine Provincial Indebtedness Federal Refinancing Program (PFD)	May 31, 2010	23,672.7	2,768.4
Federal government withheld of coparticipation tax revenues	Jun 30, 2010	-330.8	-38.7
Capitalized Interest PDF	Dec 31, 2011	2,324.7	271.9
Financial Assistance 2010	Dec 31, 2011	5,061.8	592.0
2011 National Treasury Funds to be applied	2011	-1,706.0	-199.5
Capitalized Interest AF 2010	Dec 31, 2011	207.9	24.3
2011 Debt Refinancing Agreement with Federal Government	Dec 31, 2011	29,230.2	3,418.3
Financial Assistance 2011	Dec 31, 2011	499.7	58.4
Financial Assistance 2012	Dec 31, 2012	1,500.0	175.4
Capitalized Interest 2013	Dec 31, 2013	2,949.4	344.9
2013 Debt Refinancing Agreement with Federal Government	Dec 31, 2013	34,179.4	3,997.1
2013 National Treasury Funds to be applied	January 2014	-4,556.8	-532.9
Net 2013 Debt Refinancing Agreement with Federal Government	January 2014	29,622.6	3,464.2
Capitalized Interest 2014	Dec 31, 2014	1,768.6	206.8
2014 Debt Refinancing Agreement with Federal Government	Dec 31, 2014	31,391.1	3,671.0

Exchange rate ARS/USD as of December 31, 2014: 8.551

Source: Ministry of Economy of the Province.

As of December 31, 2014, the outstanding principal amount under the 2013 Debt Refinancing Agreement was ARS 31.39 billion.

2014 Refinancing Agreement

On April 28, 2014, the federal government and the Province entered into a new Convenio entre la Provincia de Buenos Aires y el Gobierno Nacional (the "2014 Debt Refinancing Agreement"), which was approved by Provincial Decree No. 303/14. Pursuant to the terms of this agreement, the grace period on both principal and interest payments under the 2013 Debt Refinancing Agreement was extended to June 30, 2014. Principal would be amortized in 198 monthly installments, with the maturity date remaining the same

On July 31, 2014, the federal government and the Province modified the grace period of the 2014 Debt Refinancing Agreement (the "First Amendment"). Pursuant to the terms of this First Amendment, the grace period on both principal and interest payments was extended to December 31, 2014. Principal wouldamortize in 195 monthly installments, with the maturity date remaining the same.

In addition, on September 30, 2014, the Province and the federal government agreed on an additional quarter to the grace period of the 2014 Debt Refinancing Agreement as amended by the First Amendment (the "Second Amendment"). As a result, the grace period on principal and interest payments was extended to December

31, 2014. The principal had to be repaid in 192 monthly installments, with the same maturity date as that of the original agreement.

2015 Refinancing Agreement

On January 30, 2015, the Province and the federal government entered into a new *Convenio entre la Provincia de Buenos Aires y el Gobierno Nacional* (the "January 2015 Debt Refinancing Agreement"), to refinance the total debt outstanding under the previous debt refinancing agreements and the PAF 2014, which was approved by Provincial Decree No. 95/15. The total refinanced amount was ARS 32.59 billion. In addition, due to the implementation of the National Treasury Contributions for ARS 4.75 billion, which were used to partially cancel the refinanced debt, the net debt was ARS 27.84 billion as of December 31, 2014. Pursuant to the terms of the January 2015 Debt Refinancing Agreement, principal will be amortized in 189 installments following a 3-month grace period on both principal and interests. Interest will be capitalized during such grace period, and then payable on a monthly basis.The outstanding amounts will accrue interest at a fixed annual rate of 6%. In addition, the agreement provides that the grace period may be extended during 2015 if the Province provides certain information to the federal government. Debt services are secured by the revenues of the Province from the federal tax co-participation regime.

On May 12, 2015, the Province and the federal government entered into a new *Convenio entre la Provincia de Buenos Aires y el Gobierno Nacional* (the "May 2015 Debt Refinancing Agreement"), to refinance the total debt outstanding of ARS 28,236 million as of March 31, 2015. Pursuant to the terms of the May 2015 Debt Refinancing Agreement, principal will be amortized in 185 installments following a 3-month grace period on both principal and interests. Interest will be capitalized during such grace period, and then payable on a monthly basis. The outstanding amounts will accrue interest at a fixed annual rate of 6%. In addition, the agreement provides that the grace period may be extended during 2015 if the Province continues to provide certain information to the federal government. Debt services are secured by the revenues of the Province from the federal tax co-participation regime. As of the date of this offering memorandum, the decree approving this May 2015 Debt Refinancing Agreement has not been issued.

Trust Fund Loan for Provincial Development

In May 2010, the Province and the federal government entered into a new loan agreement under the Trust Fund for Provincial Development for ARS 300 million to be allocated to social services and basic social infrastructure works. This loan will be repaid over five years in 60 consecutive and equal monthly installments beginning January 2012, and will accrue interest at an annual nominal fixed rate of 7.0%. The interest due on this loan was capitalized through and including December 31, 2010 and the first interest payment was on January 2011. All of the payments under this loan are secured by federal tax co-participable funds that the Province is entitled to receive. This loan was disbursed in June 2010 and as of December 31, 2014 its outstanding principal amount was ARS 125 million.

On December 23, 2011, the Province signed a new loan agreement under the Trust Fund for Provincial Development for ARS 800 million to cover teachers' salaries and social plans. This loan will be repaid over 84 monthly and consecutive installments, with a one year grace period, beginning in January 2013. Outstanding amounts bear interest at an annual fixed rate of 6%. Interest was capitalized until December 31, 2011 and the first interest payment was on January 31, 2012. As of December 31, 2014, the outstanding principal amount under this loan was ARS 572 million.

Debt Consolidation (Law No. 12,836, as amended by Law No. 13,436)

In 2001, the Province established procedures for the consolidation of the Province's obligations to claimants who have prevailed in legal actions brought against the Province or its municipalities arising from events that occurred from April 1, 1991 through November 30, 2001. These procedures permit the issuance by the Province of a bond ("*Boconba* 12,836") to the claimants to extinguish their debt. *Boconba* 12,836 was issued in November 2001 with a 16-year maturity. The bonds are denominated in pesos and accrue interest at the rate *Tasa Encuesta* as published by the Central Bank. The *Tasa Encuesta* is the average annual interest rate paid on savings accounts. Accrued interest was capitalized during the 72-month period immediately following the issuance date and payable monthly thereafter. Principal amounts (including capitalized interest) are payable in 120 consecutive monthly installments that began on December 30, 2007.

On October 26, 2004, however, the Supreme Court of Argentina declared this debt consolidation process invalid because:

(i) it differed from the national debt consolidation regime in that it provided no cash payment option;

(ii) the provincial bonds have a longer maturity than the national debt consolidation bond; and

(iii) the aggregate amount of the provincial bonds is capped.

In response to the Supreme Court of Argentina ruling, the provincial legislature amended the provincial debt consolidation process by establishing a cash payment option, prioritizing the payments by source, reducing the maturity on the provincial bonds to 170 months and the amortization schedule to 98 monthly installments and eliminating the bond issuance cap, which originally amounted to 15.0% of the budgeted revenues for the central administration, effective upon the issue date. In addition, the provincial legislature established a voluntary early redemption option at technical value for the original holders of the *Boconba* 12,836 who received their bonds when no cash payment option was available. As a result of the modifications by the provincial legislature, the provincial executive was able to proceed with the issuance of *Boconba* 12,836.

The early redemption option for the *Boconba* 12,836 was exercisable only once, from April 3 through May 31, 2006. All redemption requests were satisfied for a total amount of ARS 7.7 million.

Requests for cash payments are organized according to the established criteria in the applicable regulations. Amounts are cancelled in the quarter in which payment is made until the quarterly budget for cash payments is exhausted. Any payments that are not made during a particular quarter are added to those requests for cash payments submitted in the following quarter.

As of December 31, 2014, cash payment requests totaled ARS 114.4 million, all of which have been satisfied. As of December 31, 2014, the outstanding principal amount under the Boconba 12,836 was ARS 6 million.

Federal Trust Fund for Regional Infrastructure

In 1997, the federal government created the *Fondo Fiduciario Federal de Infraestructura Regional* (the Federal Trust Fund for Regional Infrastructure, or "FFFIR") to finance provincial infrastructure projects and other public works in order to promote regional economic development and increase national economic productivity. The Province has entered into sixteen loan agreements with the FFFIR, of which eight are allocated to improve public roadways, two are intended to renew and expand a port within the Province, four are allocated to build city halls, one aimed at improving the water and sanitary system and one aimed at financing a land reclamation project.

As of December 31, 2014, the Province had received approximately ARS 276.47 million under these agreements and the aggregate outstanding amount was equal to approximately ARS 237.42 million, of which approximately 99.9% was denominated in pesos adjusted by the *Índice del Costo de la Construcción* (Construction Price Index) and 0.1% was denominated in normal pesos. All payments under these loans are secured by federal tax co participable funds that the Province is entitled to receive.

Fund for the Transformation of the Provincial Public Sectors

In 1993, the federal government created the *Fondo para la Transformación del Sector Público Provincial* (Fund for the Transformation of the Provincial Public Sectors, or "FTSP") for the purpose of extending loans to finance tax reforms, personnel restructuring and the improvement of the public sector. In 2003, the FTSP extended the Province a ARS 6 million 10-year loan, which is secured by federal co-participation tax revenues owed to the Province, for purposes of investments in public health, security and education services. As of December 31, 2014, the FTSP had disbursed 100% of this loan and the aggregate outstanding principal amount owed to the FTSP was ARS 0.30 million.

ANSeS Housing Plan and Housing Trust Fund.

In 2009, ANSeS provided the Province with a ARS 350 million line of credit to build homes pursuant to a federal housing program for a two-year term as from the date of the principal disbursement of the loan, accruing interest on a quarterly basis at a rate of BADLAR plus 3.5% from the date of disbursement. Pursuant to the 2010 Budget Law, the executive branch is authorized to create a trust to issue bonds for up to ARS 950 million. According to Provincial Decree No. 1,507/09, ARS 350 million was authorized in order to refinance the loan with ANSeS. In April 2011, debt securities for ARS 350 million due in 2026 were issued under this trust fund. These securities accrue interest at the BADLAR rate of public banks plus 2.0%, and amortize on a quarterly basis. The first installment was paid in October 2011. The use of proceeds was used to cancel the loan granted by ANSeS. Payments under these securities are secured by federal tax co-participable funds that the Province is entitled to receive. As of December 31, 2014, the aggregate outstanding principal amount was ARS 311 million.

Bonds for the Cancellation of Obligations with Agents and Ex-Agents of the Accounting Tribunal, General Legal Advisor to the Executive Branch of the Province, General Accounting Office of the Province and General Treasury (BOTACOTE).

In September 2010, in accordance with Decree 820/10, BOTACOTE with a face value of ARS 78.1 million were delivered to current and former employees in the Accounting Tribunal, the General Legal Advisor to the Executive Branch of the Province, the General Accounting Office of the Province and the General Treasury in order to retroactively pay bonuses owed to those employees, pursuant to the provincial law which restores and realigns the agents' hierarchy and compensation in these five offices. The BOTACOTE had an issue date of January 10, 2010, and all amortizations and interest accrual were made retroactive to that date. Accordingly, BOTACOTE were repaid in 48 consecutive and equal monthly installments. The first nine installments were paid in October 2010. BOTACOTE accrued interest at an annual rate of 5.0%. The bonds matured on January 10, 2014 and were repaid in full.

Bonds Law 10,328

In November 2006, pursuant to Law No.13,576, the Province created the *Plan de Adecuación Salarial del Personal de Vialidad* (Wage Plan Adequacy for Road Personnel) applicable to certain road personnel covered by Provincial Law No.10,328. This Wage Plan Adequacy for Road Personnel authorized the Province to issue bonds for a nominal value of ARS 20 million to cancel obligations with such personnel.

As of December 31, 2014, there was only one subscription of ARS 0.02 million.

Treasury Bills

In 2010, the Province began to use treasury bills as a new short-term financing instrument (the "Treasury Bills"). The 2010 provincial budget established a cap of ARS 2.50 billion nominal amount outstanding under these instruments in 2010. The Treasury Bills must be fully amortized within a year of their issuance and their repayment is guaranteed with federal tax co-participation revenues to which the Province is entitled. If Treasury Bills are not fully amortized within the fiscal year of their issuance, they are automatically converted into outstanding indebtedness for the previous fiscal year. The Treasury Bills can be issued with a discount or with an interest coupon, in local or foreign currency, with a single amortization at maturity. The Treasury Bills are listed on the Buenos Aires Stock Exchange and the *Mercado Abierto Electrónico* (MAE), and were rated "B3" by Moody's Latin America on the Global Local Currency Instruments scale, and Baa3.ar on the Argentine Instruments scale.

The General Provincial Treasury Office authorized the issuance of up to 16 tranches of Treasury Bills in 2010, all of which were issued. As of December 31, 2010, ARS 1.11 billion nominal amount of Treasury Bills not amortized within fiscal year 2010 were converted into outstanding indebtedness for 2010. As of June 9, 2011, that aggregate outstanding amount of Treasury Bills had been cancelled.

Law No. 14,199 (the "2011 Budget Law") authorized the Province to issue up to ARS 3.0 billion of Treasury Bills in 2011, however, Resolution 185/10 of the General Provincial Treasury Office authorized the issuance of only ARS 2.0 billion of Treasury Bills. As of December 31, 2011, ARS 1.66 billion nominal amount of Treasury Bills not amortized within fiscal year 2011 were converted into outstanding indebtedness for 2011.

Law No. 14,331 (the "2012 Budget Law") authorized the Province to issue up to ARS 3.0 billion of Treasury Bills in 2012. Resolution No. 214/11 of the General Provincial Treasury Office authorized the issuance of only ARS 2.5 billion of Treasury Bills. Resolution No. 52/12 of the General Provincial Treasury Office increased this amount in ARS 500 million, reaching the ARS 3.0 billion authorized by the 2012 Budget Law. However, Law No. 14,357 authorized the Province to issue Treasury Bills for an additional ARS 2.2 billion and Resolution No. 125/12 of the General Provincial Treasury Office authorized the issuance of such additional amount. As of December 31, 2012, ARS 3.14 billion of Treasury Bills not amortized within fiscal year 2012, were converted into outstanding indebtedness for 2012.

The 2013 Budget Law authorized the Province to issue up to ARS 3.0 billion. In addition, the Permanent Complementary Budget Law authorized the issuance of additional Treasury Bills to cancel the Treasury Bills issued in 2012. Resolution No. 276/12 of the General Treasury Office authorized the issuance of Treasury Bills for up to ARS 5.59 billion. As of December 31, 2013, ARS 2.8 billion of Treasury Bills not amortized within fiscal year 2013 were converted into outstanding indebtedness for 2013.

The 2014 Budget Law authorized the Province to issue up to ARS 1.5 billion in Treasury Bills. In addition, the Permanent Complementary Budget Law authorized the issuance of additional Treasury Bills to cancel the Treasury Bills issued in 2013, and the General Treasury Office authorized the issuance of Treasury Bills for up to ARS 4.33 billion for this purpose. As of December 31, 2014, ARS 1.875 billion of Treasury Bills not amortized within fiscal year 2014 were converted into outstanding indebtedness for 2014.

The 2015 Budget Law authorized the Province to issue up to ARS 2.5 billion in Treasury Bills. In addition, the Permanent Complementary Budget Law authorized the issuance of additional Treasury Bills to cancel the Treasury Bills issued in 2014. Resolution No. 942/14 of the General Treasury Office authorized the issuance of Treasury Bills for up to ARS 4.37 billion for this purpose. As of the date of this offering memorandum, the Province has issued the following Treasury Bills in 2015:

First Tranche (issued on January 2, 2015):

Type	**Rate**	**Amount**	**Maturity**
Discount	24.75%	ARS 594.05 million	February 10, 2015
Discount	26.00%	ARS 508.31 million	April 9, 2015
BADLAR-adjusted	BADLAR + 6.65%	ARS 501.84 million	May 28, 2015
BADLAR-adjusted	BADLAR + 7.00%	ARS 77.32 million	November 12, 2015

Second Tranche (issued on January 15, 2015):

Type	**Rate**	**Amount**	**Maturity**
Discount	24.50%	ARS 129.02 million	February 26, 2015
Discount	26.25%	ARS 105.06 million	May 14, 2015
BADLAR-adjusted	BADLAR + 6.25%	ARS 154.54 million	July 16, 2015
BADLAR-adjusted	BADLAR + 6.25%	ARS 278.41 million	November 12, 2015

Third Tranche (issued on February 10, 2015):

Type	**Rate**	**Amount**	**Maturity**
Discount	24.90%	ARS 338.19 million	March 12, 2015
Discount	26.75%	ARS 274.31 million	May 14, 2015
BADLAR-adjusted	BADLAR + 6.00%	ARS 81.20 million	August 13, 2015
BADLAR-adjusted	BADLAR + 6.30%	ARS 24.50 million	November 12, 2015

Fourth Tranche (issued on February 26, 2015):

Type	**Rate**	**Amount**	**Maturity**
Discount	26.00%	ARS 469.27 million	May 14, 2015
Discount	26.55%	ARS 96.47 million	June 18, 2015
BADLAR-adjusted	BADLAR + 5.70%	ARS 26.06 million	August 13, 2015

BADLAR-adjusted	BADLAR + 6.25%	ARS 39.50 million	December 17, 2015

Fifth Tranche (issued on March 12, 2015):

Type	Rate	Amount	Maturity
Discount	25.75%	ARS 462.82 million	May 28, 2015
Discount	27.00%	ARS 375.83 million	July 16, 2015
Discount	27.50%	ARS 107.13 million	August 27, 2015
BADLAR-adjusted	BADLAR + 6.50%	ARS 267.50 million	October 15, 2015

Sixth Tranche (issued on April 9, 2015):

Type	Rate	Amount	Maturity
Discount	25.90%	ARS 545.13 million	June 18, 2015
Discount	26.85%	ARS 61.83 million	August 13, 2015
Discount	27.45%	ARS 114.72 million	September 17, 2015
BADLAR-adjusted	BADLAR + 6.25%	ARS 155.60 million	December 17, 2015

Seventh Tranche (issued on May 14, 2015):

Type	Rate	Amount	Maturity
Discount	25.90%	ARS 431.95million	July 16, 2015
Discount	26.30%	ARS 239.51 million	August 13, 2015
Discount	27.48%	ARS 55.36 million	October 15, 2015
BADLAR-adjusted	BADLAR + 6.25%	ARS 50.61 million	December 17, 2015

Eighth Tranche (issued on May 28, 2015):

Type	Rate	Amount	Maturity
Discount	26.50%	ARS 540.01 million	August 13, 2015
Discount	27.00%	ARS 426.43 million	September 17, 2015
BADLAR-adjusted	BADLAR + 6.80%	ARS 91.12 million	December 17, 2015

Source: Ministry of Economy of the Province.

As of the date of this offering memorandum, the outstanding principal amount of Treasury Bills is ARS 4.92 billion.

Bonds of the Province of Buenos Aires – Section 45, Law No. 14,062

In December 2010, in accordance with Section 45 of the 2010 Budget Law, the Province issued bonds with a face value of ARS 133.5 million to the pension fund for Banco Provincia personnel. These bonds were issued to repay funds advanced by Banco Provincia to the pension fund from 2000 to 2008 to cover financial imbalances in the fund. Law No. 14,062 Bonds had an issue date of September 20, 2010, and all amortizations and interest accrual were made retroactive to that date. Interest on Law No. 14,062 Bonds is paid quarterly at an annual interest rate of 6.0%. These bonds are repaid in 40 consecutive and equal quarterly installments and mature on September 20, 2020. The first installment on these bonds was paid on December 20, 2010. As of December 31, 2014, the outstanding principal amount of the Law No. 14,062 Bonds was ARS 76.74 million.

Bonds for the Cancellation of Provincial's Debts – Decree No. 557/12

In August 2012, the Province issued debt cancelation bonds to regularize treasury payment delays, with a total face value of ARS 900 million. Two series of bonds were issued, A and B, which were repaid in 18 monthly and consecutive installments, after a three month-grace period. The A series accrued interests at the BADLAR rate.

The B series accrued interest at the BADLAR rate plus 200 basis points. On May 1, 2014, the Province repaid in full all amounts due under these Bonds.

Bonds for the Cancellation of Provincial's Debts – Decree No. 648/12

In October 2012, the Province issued debt cancelation bonds to regularize treasury payment delays, for a total aggregate amount of ARS 1 billion. Two series of bonds were issued, A and B, which were repaid in 18 monthly and consecutive installments, after a three-month grace period. The A Series accrued interest at BADLAR rate. The B Series accrued interest at the BADLAR rate plus 200 basis points. The bonds matured on July 1, 2014 and were repaid in full.

Bonds for the Cancellation of Provincial's Debts – Decree No. 1285/13

In December 2013, the Province enacted the Provincial Decree No.1285/13, which authorized the issuance of a new debt cancelation bond to regularize treasury payment delays, for a total aggregate amount of ARS 1.5 billion, in two series: Series A was issued on March 14, 2014, and Series B were issued on July 14, 2014. Both series will be repaid in 21 monthly and consecutive installments, after a grace period of three months, and accrue interest at BADLAR rate. As of December 31, 2014, there were subscriptions of ARS 999.02 million.

Bonds for the Strengthening of the Municipal Finances – Law No. 14,357

In December 20, 2012, in accordance with Section 26 of Law No. 14,357, the Province issued bonds for ARS 200 million to help strengthen the municipal finances. These bonds were repaid in 18 monthly and consecutive installments, after a three-month-grace period. The proceeds of these bonds were transferred to the municipalities in accordance with unique distribution coefficients, based on which co-participable revenues are transferred. Debt services were paid with general provincial revenues. The bonds matured on September 20, 2014 and were repaid in full.

Bonds for the Cancellation of Debts with Suppliers and Contractors – Law No. 14,315

Law No. 14,315 established the issuance of a bond for up to ARS 1.1 billion to cancel obligations with suppliers and contractors resulting from construction, complementary works and work maintenance of Provincial Route No. 6. Such bonds were issued in three series on November 1, 2012 for ARS 220 million, on March 1, 2013 for ARS 440 million and on March 1, 2014 for ARS 440 million. The term for all of the series is three years, payable in quarterly installments. The last two series include a grace period of two quarters. Interest is payable on a quarterly basis and accrues at the BADLAR rate. As of the date of this offering memorandum, the three series have been fully subscribed.

In addition, section 43 of the 2014 Budget Law established an additional amount of ARS 700 million to the already budgeted amount under Law No. 14,315. In this regard, Provincial Decree No. 683/14 provided for the issuance of the "Bond Law No. 14,315 - Series D", for a period of three years and repayable in quarterly installments, with a grace period of two quarters. Interest is payable on a quarterly basis over the BADLAR rate in pesos. This Series D bonds were issued on September 1, 2014. As of the date of this offering memorandum, the Series D have been fully subscribed.

Section 39 of the 2015 Budget Law increased the aggregate amount established under Law No. 14,315 by an additional ARS 700 million for a total of ARS 2.5 billion. Provincial Decree No. 45/15 authorized the issuance of the "Bond Law No. 14,315 – Series E", for a period of three years and repayable in quarterly installments, with a grace period of two quarters. Interest is payable on a quarterly basis on the basis of the BADLAR rate in pesos. The Series E bonds were issued on February 1, 2015. As of the date of this offering memorandum, there were subscriptions of ARS 133.10 million.

As of December 31, 2014, the outstanding principal amount of the A, B, C and D series of bonds was ARS 1,041 million.

La Plata Flood Relief Agreement

The natural disaster which took place on April 2, 2013, damaged the infrastructure of the city of La Plata, capital of the Province. As a result, pursuant to Law No. 14,527, the Executive Branch incurred debt in an amount of ARS 1,973 million to finance the reconstruction of all damaged infrastructure and undertake any other measure necessary to mitigate the potential future damage that may occur due to heavy rainfall in the area.

On October 22, 2013, the Province and the federal government signed a Framework Agreement whereby the federal government commits itself to financially assist the Province in implementing the Public Work Plan approved by Law No.14,527.

On February 14, 2014, the Province and the federal government signed a Financing Agreement which established the financial terms and conditions of the loan from the federal government. It will be repaid in one installment after 3 years from each disbursement and will accrue interest at an annual rate of BADLAR plus 1%. All payments under this loan are secured by federal tax co-participable funds that the Province is entitled to receive. As of December 31, 2014, a total of ARS 352.29 million had been disbursed under this loan.

Public Debt Issuance Program in the Local Capital Markets for 2015

Pursuant to Provincial Decree No. 46/15, the Province created the "Public Debt Issuance Program in the Local Capital Markets for 2015" for a total amount up to ARS 2,000 million. Banco de la Provincia de Buenos Aires is acting as bookrunner.

On February 11, 2015, the Province issued the first series of bonds pursuant to this program. The terms and conditions were approved by Resolution No. 27/15. The first series included two classes of bonds:

Class I: Issuance of ARS 787.7 million, with a term of 18 months. Principal will be repaid in a single installment at maturity and interest is paid on a quarterly basis. The first three interest payments will be calculated at a fixed rate of 27.50%; whereas the remaining will be calculated at a variable rate, which will be determined at BADLAR rate plus 6.35%.

Class II: Issuance of ARS 105.2 million, with a term of 24 months. Principal will be repaid at maturity in a single installment. Interest will be paid on a quarterly basis, at BADLAR rate plus 6.70%.

On May 18, 2015, the Province issued the second series of bonds pursuant to this program. The terms and conditions were approved by Resolution 88/15. The second series include two classes of bonds:

Class I: issuance of ARS 564 million, with a term of 18 months. Principal will be repaid in a single installment at maturity and interest is paid on a quarterly basis. The first three interest payments will be calculated at a fixed rate of 26.9875% whereas the remaining will be calculated at a variable rate, which will be determined at BADLAR rate plus 6.25%.

Class II: Issuance of ARS 168.7 million, with a term of 24 months. Principal will be repaid in four equal installments together with the last four interest payments. The first three interest payments will be calculated at a fixed rate of 26.9875% whereas the remaining will be calculated at a variable rate, which will be determined at BADLAR rate plus 6.25%.

Debt Denominated in Foreign Currencies

Exchange Bonds

In November 2005, the Province launched an offer to the holders of its outstanding Eurobonds, which had been in default since December 2001, to exchange these bonds for three series of newly issued bonds at a specified exchange ratio that recognized a portion of the accrued and unpaid interest on the Eurobonds. The aggregate principal amount of Eurobonds outstanding at the time of the offer was approximately USD 2.70 billion, denominated in dollars, euros, yen and Swiss francs.

Holders of approximately 93.7% of the aggregate outstanding principal amount of Eurobonds tendered their bonds in the offer, which expired in December 2005. As a result, in January 2006, the tendered Eurobonds were cancelled and, in exchange, the Province issued the following "Exchange Bonds":

- USD 500 million aggregate principal amount of Discount Bonds due April 15, 2017 ("Discount Bonds"), denominated in both dollars and euros, with semi-annual payments of principal, commencing on October 15, 2012 and bearing interest on the outstanding principal amount from December 1, 2005 at an annual rate of 9.2% for the series in dollars and 8.5% for the series in euros, payable every six months on April 15 and October 15, calculated on the basis of a 360 day year;

- USD 750 million aggregate principal amount of Medium Term Par Bonds due May 1, 2020 ("Medium Term Par Bonds"), denominated in both dollars and euros, with semi-annual payments of principal, commencing on November 1, 2017, and bearing interest on the outstanding principal amount at an annual rate of 1.0% on the outstanding principal amount from December 1, 2005 until November 1, 2009, 2.0% from November 2, 2009 to November 1, 2013, 3.0% from November 2, 2013 to November 1, 2017, and thereafter 4.0% until maturity, payable every six months on May 1 and November 1, calculated on the basis of a 360 day year; and

- USD 1.06 billion aggregate principal amount of Long Term Par Bonds due May 15, 2035 ("Long Term Par Bonds"), denominated in dollars and euros, with semi-annual payments of principal, commencing on November 15, 2020, and bearing interest on the outstanding principal amount at an annual rate of 2.0% from December 1, 2005 until November 15, 2007, 3.0% from November 16, 2007 to November 15, 2009, and 4.0% thereafter, payable every six months on May 15 and November 15, calculated on the basis of a 360 day year.

In addition, after the closing of the exchange offer, the Province continued receiving requests from bondholders who, for various reasons, had not been able to tender their holdings into the exchange. As of December 31, 2014, 97.6% of the existing Eurobonds had been exchanged for Exchange Bonds, the aggregate principal amount of Exchange Bonds outstanding was ARS 19.21 billion, and the aggregate principal amount of Eurobonds that have not been exchanged was ARS 556.72 million.

The table below provides a summary of the total issuance of Exchange Bonds:

	Currency	Maturity	Amount	Interest rate	Interest payment frequency	Payment days
Discount	USD	15-Apr-2017	333,893,191	Fixed, 9.25%	semi-annually	15/Apr and 15/Oct
	Euro	15-Apr-2017	138,536,283	Fixed, 8.50%	semi-annually	15/Apr and 15/Oct
Medium Term Par	USD	01-May-2020	63,699,456	Step up, from 1 to 4%	semi-annually	1/May and 1/Nov
	Euro	01-May-2020	572,261,329	Step up, from 1 to 4%	semi-annually	1/May and 1/Nov
Long Term Par	USD	15-May-2035	488,427,963	Step up, from 2 to 4%	semi-annually	15/May and 15/Nov
	Euro	15-May-2035	578,248,613	Step up, from 2 to 4%	semi-annually	15/May and 15/Nov

Source: Ministry of Economy of the Province.

Post-restructuring issued Eurobonds

In 2006, the Province accessed the international credit markets by issuing a new bond under the borrowing authorization provided by Laws No. 13,403 (the "2006 Budget Law") and No. 13,526, which amended the 2006 Budget Law, and Decree No. 2,546/06. This bond was issued in October 2006 in an aggregate principal amount of USD 475 million and is due in 2018. The bond has an annual coupon of 9.375% and a single amortization at maturity. Interest on these bonds is paid semiannually in March and September of each year.

On April 18, 2007, the Province decided to again access the international capital markets. Pursuant to Law No. 13,612 (the 2007 Budget Law) and Decree No. 63/07, the Province issued USD 400 million of bonds due in 2028. These bonds have a 9.625% coupon and amortize in equal amounts during the final three years of the bonds before maturity. Interest on these bonds is paid semiannually in April and October of each year.

On October 5, 2010, the Province issued bonds due 2015 for USD 550 million. This issuance was reopened on October 20, 2010 and on July 21, 2011, and an additional USD 500 million of bonds were issued, for an aggregate total principal amount of USD 1.05 billion. The bonds issued in 2010 and 2011 were issued under the borrowing authorization provided by the 2010 Budget Law and Decree No. 449/10, and by the 2011 Budget Law and Decree No. 2,962/10, respectively. The bonds have a coupon of 11.75% and amortize in a single payment upon maturity. Interest on the bond is paid semiannually in April and October of each year.

On January 26, 2011, the Province issued bonds due in 2021 for USD 750 million. The bonds were issued under the borrowing authorization provided by the 2011 Budget Law and Decree No. 2,962/10. These bonds have a coupon of 10.875% and amortize in equal amounts in each of the three last years. Interest on the bonds is paid semiannually in January and July of each year.

As of December 31, 2014, the aggregate outstanding principal amount of these bonds was ARS 22.87 billion.

Multilateral Loans

The World Bank and the Inter-American Development Bank (IDB) have extended several credit facilities to finance various projects in the Province, such as road construction, water and wastewater infrastructure, public administration strengthening, and education and health reforms. The latest maturity under these credit facilities occurs in 2038. In most cases, these facilities are extended to the federal government, which makes the proceeds available to the relevant provincial agencies or entities.

In March 2005, the World Bank extended the Province a direct loan for USD 200 million to finance the first phase of a program aimed at improving the provision of water, wastewater system and provincial roads. The second phase of the program was financed with a new loan from the World Bank for USD 270 million. As of December 31, 2014, the total amount had been disbursed under these loans. In addition, in November 2006 a new direct loan for USD 230 million was extended to the Province by the IDB to finance education, health and social assistance services. As of December 31, 2014, USD 217.25 million had been disbursed under this loan. In addition, two loan agreements were signed in 2009, one with the IDB (Municipal Management Improvement) and the other with the World Bank (Municipal Basic Services Program). These two lending programs together total USD 40 million. As of December 31, 2014, USD 3.2 million had been disbursed under the IDB loan and USD 5.6 million under the Municipal Basic Services Program. In addition, a USD 25 million loan (Citizen Security and Inclusion) was approved by the Governor of the Province on June 14, 2010. As of December 31, 2014, USD 6.7 million had been disbursed.

As of December 31, 2014, the Province had obtained 21 multilateral credit facilities, of which eight are direct loans to the Province with the federal government acting as guarantor, and the remaining 12 are subsidiary lending arrangements through credit facilities extended to the federal government. Under the subsidiary lending arrangements, the federal government is the direct obligor rather than the guarantor, and the Province has a subsidiary obligation to reimburse the federal government for any repayments made under the facilities. Under either arrangement, the Province's obligation to reimburse the federal government is secured by a portion of the federal tax coparticipation transfers to which the Province is entitled. In addition, the proceeds of three credit facilities extended by the IDB and the World Bank have been made available to the municipalities through further subsidiary lending arrangements.

In December 2014, the Province signed a new loan agreement with the IDB under the Reconquista River Environmental Sanitation Program for a total amount of USD 230 million. As of December 31, 2014, the lender had not made any disbursement.

In December 2014, the Provincial Legislature enacted Decree No. 1595/14 which approved a new project related to the construction of a drinking water pipeline in the city of Bahia Blanca, which involved a new financing of USD 150 million from the Latin American development bank *Corporación Andina de Fomento* ("CAF"). As of the date of this offering memorandum, this financing has not been signed.

As of December 31, 2014, the outstanding principal amount owed to the World Bank, the IDB and Fondo Financiero para el Desarrollo de la Cuenca del Plata (FONPLATA) totaled ARS 7.00 billion.

Bilateral Lending and Credit Facilities

Member states of the Organization for Economic Co-operation and Development (the "OECD") have extended loans or credit facilities to the Province for various purposes. These loans or facilities include:

- bilateral loans from the governments of Italy and Spain;
- credit facilities provided by Credit Lyonnais and guaranteed by COFACE, the French export-import insurance agency; and
- financing extended by the Export-Import Bank of Japan and the Japan Bank for International Cooperation, both of which are agencies of the government of Japan.

Each of these loans and credit facilities has been extended to the Province to finance equipment imports necessary for essential public services.

The federal government guarantees the Province's payment obligations under these loans and credit facilities. Any payments made by the federal government pursuant to this guarantee are secured by federal tax co-participation revenues owed to the Province.

The Province is in default on these loans and credit facilities and has authorized the federal government to conduct negotiations on its behalf to restructure these loans and credit facilities. As of December 31, 2014, the outstanding principal amount owed under these loans or credit facilities totaled ARS 1.15 billion.

Bond of the Province of Buenos Aires due 2016

In May 2009, the Province issued U.S. dollar-denominated bonds in the aggregate amount of USD 35 million. USD 28.9 million of these bonds was subscribed by the Social Security Funds of the Province. The unsubscribed bonds are currently held by the Province. In December 2009, the original issue amount was increased by USD 165 million and such amount remains unsubscribed. The bonds were issued on May 1, 2009, mature on May 1, 2016 and amortize in nine semi-annual installments beginning on May 1, 2012. The bonds bear interest at U.S. dollar BADLAR plus 1.5%, with an interest rate cap of 7.0%. Interest was capitalized until November 1, 2009 and the first interest payment was made on May 1, 2010. All payments are secured by federal tax co-participable funds that the Province is entitled to receive. As of December 31, 2014 the aggregate outstanding principal amount owed under these bonds was equal to ARS 84 million.

Public Debt Issuance Program in the local capital markets for 2012

In 2012, pursuant to Provincial Decree No. 292/12, the Province created the *Programa de Emisión de Deuda Pública en el Mercado Local de Capitales durante el Ejercicio 2012* (Public Debt Issuance Program in the Local Capital Markets for 2012) to issue bonds for up to USD 250 million. Principal and interest on these bonds are payable in pesos at the exchange rate in effect as of each payment date. Banco Provincia was retained to act as Lead Manager and Puente Hnos. Sociedad de Bolsa S.A. as Bookrunner.

On May 24, 2012, pursuant to Resolution No. 181/12, the Province issued the first bond under this program for a nominal value of USD 50.2 million. The bond, which was paid on May 24, 2013, accrued interest at an annual fixed rate of 9.25%.

On August 8, 2012, pursuant to Resolution No. 245/12, a second bond was issued for a nominal value of USD 192.5 million. On November 7, 2012, the Province reopened the issuance of this second bond through a private placement for the remaining nominal value under the program of USD 7.3 million.This second bond, which was repaid in full on August 8, 2013, accrued interest at an annual fixed rate of 9.00%.

Public Debt Issuance Program in the local capital markets for 2013

In 2013, pursuant to Provincial Decree No. 164/13, the Province created the *Programa de Emisión de Deuda Pública en el Mercado Local de Capitales durante el Ejercicio 2013* (Public Debt Issuance Program in the local capital markets for 2013) to issue bonds for up to USD 800 million. Principal and interest on these bonds are payable in pesos at the exchange rate in effect as of each payment date. As in 2012, Banco Provincia was retained to act as Lead Manager and Puente Hnos. Sociedad de Bolsa S.A. as Bookrunner.

On August 8, 2013, pursuant to Resolution No. 99/13, the Province issued a bond for a nominal value of USD 200 million. The bond, accrued interest at an annual fixed rate of 4.24% and was repaid in full on February 8, 2015.

Authorizations under the Fiscal Responsibility Law

Under the Fiscal Responsibility Law established in 2004 and adopted by the Province in 2005, all of the provincial governments are required to obtain the authorization from the federal government before incurring any indebtedness. See "Public Sector Finances—Overview of Provincial Accounts—Fiscal Responsibility Law."

Since the regime has come into effect, the Province has applied several times to obtain the federal government's authorization for incurring new indebtedness, including with respect to the New Bonds, or modifying the financial terms of the Province indebtedness. As of the date of this offering memorandum, the Province has submitted 71 authorization requests to the federal government (including the authorization to issue the New Bonds), having obtained a favorable response to 62 of these requests; nine requests remain pending.

BANCO PROVINCIA

Overview

Banco de la Provincia de Buenos Aires ("Banco Provincia") is a self-administered public institution, whose origin, guaranties and privileges are set forth in the Preamble and in Sections 31 and 104, ratified by Sections 31 and 121 of the National Constitution as amended in 1994, in the National Law No. 1029 of 1880, and in the relevant Provincial laws.

Banco Provincia is the second largest bank in Argentina in terms of total deposits and assets, with deposits of ARS 90.9 billion, representing 9.28% of the total deposits in cash of Argentina, and total assets of ARS 107.3 billion at December 31, 2014. The Province is the sole owner of Banco Provincia.

Banco Provincia is an *entidad autárquica* (self-administered public institution) governed by a board of directors appointed by the Governor of the Province with the approval of the provincial Senate. Banco Provincia acts as the financial agent of the Province and collects provincial taxes and duties on the Province's behalf. Banco Provincia is also the exclusive paying agent of the Province, handling payments of civil servants' wages and salaries and pension and retirement benefits, as well as payments to the Province's creditors. In addition, Banco Provincia is the exclusive agent for judicial deposits related to non-federal cases in provincial courts.

In accordance with Banco Provincia's charter approved by Provincial Decree-Law No. 9,434/79, the Province guarantees all deposits, bonds, securities and other liabilities of Banco Provincia. However, since the specific nature, scope and procedural aspects of the Province's obligations under the guarantee are not expressly defined under the provincial decree-law, the Province believes that the guarantee is an indirect and subsidiary obligation of the Province under general provincial legal principles. As a result, creditors of Banco Provincia seeking to enforce the guarantee must exhaust all legal remedies against Banco Provincia before requesting payment from the Province under the guarantee.

Banco Provincia is one of the largest providers of general, commercial and retail banking services in Argentina, with corporate offices in the cities of La Plata and Buenos Aires and a local retail network of 346 branch offices located throughout the provincial territory and in the City of Buenos Aires. Banco Provincia also offers trade finance and international products through its network of foreign offices in Brazil, Uruguay, Panama, Chile and Spain, and, until the winding-down process is completed, the Cayman Islands, in cooperation with approximately 150 correspondent banks around the world. At December 31, 2014, Banco Provincia had 10,510 employees.

Banco Provincia's activities are mainly focused on individuals and small and mid-sized enterprises, but it also offers a wide variety of products to large companies in the agricultural, industrial, commercial and services sectors. It offers traditional credit services to businesses, including foreign trade, project and commercial financing, as well as consumer and mortgage loans and a broad range of other products and services to individuals, including credit and debit cards and ATM and other cash dispenser facilities. Through Grupo Bapro S.A. and its subsidiaries, Banco Provincia also offers a range of other financial and investment products and services, such as insurance, leasing, securities investments and mutual funds.

Regulatory Framework

Banco Provincia is exempt from compliance with Argentine financial and banking regulations under an agreement entered into by the Province and the federal government in 1859. However, Banco Provincia voluntarily adheres to the regulatory framework of the Argentine financial sector and therefore complies with the banking regulations and rules adopted by the Central Bank, including regulations and rules relating to minimum capital, solvency and liquidity requirements and the supervisory powers of the Central Bank. Because of its special status as a provincial self-administered public institution, Banco Provincia is not subject to any federal income or other tax liability.

Law No. 24,485, as amended by Law No. 25,089 and Decree No. 540/95, enacted on April 12, 1995, created the *Sistema de Seguro de Depósitos* (Bank Deposit Insurance System, or "SSGD"), which is overseen by the Central Bank. The SSGD was implemented by the *Fondo de Garantía para los Depósitos* (Deposit Insurance Fund, or "FGD") and is managed by the private company *Seguros de Depósitos S.A.* (Deposit Insurance Company, or "SEDESA"). The shareholders of SEDESA are the federal government (through the Central Bank) and a trust established by the financial institutions that participate in the system. These entities are required to pay monthly contributions to FGD as determined pursuant to Central Bank rules. The SSGD is financed through regular and supplemental contributions by the participating financial institutions.

The SSGD covers all peso and foreign currency deposits held in accounts with the participating financial institutions, including demand deposit accounts, savings accounts and time deposits, limited to ARS 350,000 per depositor, and subject to various other limitations and exceptions. Banco Provincia has been a voluntary participant in the SSGD since 1997.

The capital ratio for Banco Provincia as of December 31, 2014 was 7.95%. The capital ratio represents the quotient of regulatory capital over risk-weighted assets, determined in accordance with the regulations of the Central Bank. Banco Provincia has submitted a new plan, currently under consideration by the Central Bank, oriented to remedy the deficiency in its capitalization ratio by December 31, 2018.

Selected Financial Information

The following selected financial information has been derived from Banco Provincia's audited financial statements for the periods indicated below.

	At and for the year ended December 31,				
	2010	**2011**	**2012**	**2013**	**2014**
Balance sheet Data			(in millions of pesos)		
Assets					
Cash and due from banks	6,571	7,923	10,205	13,289	14,557
Government and corporate securities	14,415	9,987	11,115	11,735	19,009
Net loans	12,278	21,426	29,252	42,833	59,178
Other receivables from financial Brokerage activities	3,386	2,755	2,117	6,020	8,994
Property, equipment and miscellaneous assets	711	756	824	871	1,008
Other assets [(1)]	1,576	1,986	2,581	3,000	4,585
Total assets	**ARS 38,937**	**ARS 44,833**	**ARS 56,094**	**ARS 77,748**	**ARS 107,330**
Liabilities					
Deposits	32,613	38,394	49,405	68,690	90,985
Liabilities from financial brokerage activities[(1)]	3,699	3,188	2,393	2,378	6,985
Miscellaneous liabilities	182	160	240	355	496
Provisions	251	308	607	1,428	942
Items for which classification is pending	29	19	26	24	31
Total Liabilities	**36,774**	**42,069**	**52,671**	**72,875**	**99,439**
Total Net Equity	**2,163**	**2,765**	**3,423**	**4,873**	**7,891**
Total Net Equity and Liabilities	**ARS 38,937**	**ARS 44,834**	**ARS 56,094**	**ARS 77,748**	**ARS 107,330**
Income Statement Data					
Financial Income	3,520	ARS 4,481	6,524	10,397	17,256
Financial Expenditure	(1,459)	(1,849)	(2,926)	(4,656)	(8,739)
Provision for loan losses	(230)	(201)	(340)	(400)	(678)
Net income from services	1,036	1,404	1,840	2,419	2,996
Monetary gain (loss) on financial Brokerage activities	–	–	–	–	–
Administrative Expenses	(2,585)	(3,244)	(4,358)	(5,610)	(7,748)
Monetary gain (loss) on administrative expenses	–	–	–	–	
Net income (loss) on financial Brokerage activities	282	591	740	2150	3,087
Net miscellaneous income	257	9	(80)	(707)	(45)
Monetary gain (loss) on other operations	–	–	–	–	–
Net income (loss)	**ARS 539**	**ARS 600**	**ARS 660**	**ARS 1,443**	**ARS 3,042**

(1) Includes intangible assets, investments in other entities, various other loans and asset items for which classification is pending.
Source: Banco Provincia.

Consolidated Assets

Public Sector Exposure

As of December 31, 2014, Banco Provincia had a public sector exposure in Argentina of approximately ARS 26.4 billion, which represented 24.6% of its assets. This significant public sector exposure was primarily a result of the debt restructuring by the federal government and compensation for the effects of the devaluation of the peso and asymmetric pesification. (See "Bogar and Boden").

The following table shows the total exposure of Banco Provincia to the Argentine public sector, both national and provincial, at the dates indicated:

Public Sector Exposure of Banco Provincia

	At and for the year ended December 31,				
	2010	**2011**	**2012**	**2013**	**2014**
	(in millions of pesos)				
Government Securities					
Bogar 2018	9,319	8,101	9,050	8,653	8,572
Boden2012	224	–	–	–	–
Boden 2015	–	–	8	1,561	–
Argentina Dollar-denominated Discount Bonds(1)	4	5	7	12	–
Argentina Dollar-denominated Discount Bonds (2)	9	–	–	–	–
Argentina Euro-denominated Discount Bonds (3)	18	–	–	–	–
Argentina Peso-denominated Discount Bonds (1)	15	–	–	–	–
Bono Banco Municipal de La Plata	12	4	1	–	–
Provincia de Buenos Aires Bonds	645	734	821	460	–
Provincia de Buenos Aires 9.375% Bonds due 2018	22	–	–	–	–
Bonar Pesos 2016	–	–	–	–	278
Bonar Pesos 2017	–	–	–	–	186
Bonar Pesos 2019	–	–	–	–	93
Bonad Dólar Linked 2016	–	–	–	–	210
Bonar Dólar 2017	–	–	–	–	106
Bonar Dólar 2024	–	–	–	–	203
Others	238	668	584	491	79
Total Government Securities	**10,506**	**9,512**	**10,471**	**11,177**	**9,726**
Public Sector Loans	**785**	**2,173**	**2,963**	**5,204**	**8,707**
Other receivables from financial brokerage activities				**3,786**	**3,786**
Others Assets					
Bogar 2018(5)	–	29	–	271	–
Bogar 2018(5)	–	729	–	–	–
Boden 2012(6)	215	237	–	–	–
Discount USD(6)	273	149	–	–	–
Bogar 2018(6)	328	403	224	–	–
Global 2017(6)	–	–	354	–	–
Boden 2015(6)	–	–	223	–	–
Bogar 2018(7)	–	125	255	347	445
Titulos Vinculados al PBI en dolares	–	–	46	–	–
Treasury Bonds	–	–	62	–	–
Caja de Jubliaciones BPBA	209	7	646	1,606	3,773
Total Others Assets	**1,025**	**1,650**	**1,810**	**2,224**	**4,218**
Total	**ARS 12,316**	**ARS 13,335**	**ARS 15,244**	**ARS 22,391**	**ARS 26,438**

(1) Issued under Argentine Law.
(2) Issued under New York Law
(3) Issued under English law.
(4) Bonds applied in repurchase transactions ("Repos") with local banks.

(5) Bonds applied in repurchase transactions ("Repos") with foreign banks.
(6) Bonds applied as a collateral in transaction with the Central Bank under *Programa Bicentenario*.
Source: Banco Provincia.

Bogar and Boden

In February 2002, the federal government ordered the mandatory conversion of dollar-denominated deposits to CER-adjusted pesos deposits at a rate of ARS 1.40 per USD 1.00. This measure was known as the "pesification". As a result of the pesification of deposits and loans at different rates (known as "asymmetric pesification"), Argentine banks, including Banco Provincia, recorded losses reflecting the difference between their pesified assets and their pesified liabilities. To compensate banks for these losses, the federal government issued to these banks a new type of financial instrument, known as the *Boden Compensation* ("Boden 2007"). In addition, in May 2002, the federal government issued a new type of bond, known as the *Boden Coverage* ("Boden 2012"), to compensate banks for losses incurred, based on their balance sheets at December 31, 2001, reflecting any amounts by which their remaining foreign-currency denominated liabilities not subject to pesification exceeded their remaining foreign-currency denominated assets not subject to pesification.

In 2004, pursuant a request by the federal Ministry of Economy and Public Finance under the terms of Decree No. 905/02, Banco Provincia delivered Guaranteed Bonds ("Bogar 2018") in exchange for Boden 2012, and agreed to exchange any Boden 2007 it received for such Bogar 2018. On July 31, 2006, Banco Provincia confirmed to the Central Bank that it agreed with the quantities of Boden 2007 and Boden 2012 owed to Banco Provincia pursuant to Articles 28 and 29 of Decree No. 905/02 as determined by the *Superintendencia de Entidades Financieras y Cambiarias* (the Superintendency of Financial Institutions and Exchanges or "SEFyC"). On October 3, 2006, as a result of its confirmation to the SEFyC regarding the quantities of Boden 2007, Banco Provincia agreed with the federal Ministry of Economy and Public Finance to execute the exchange of Boden 2007 for Bogar 2018. On October 13, 2006, the federal Ministry of Economy and Public Finance delivered to Banco Provincia Bogar 2018 with a face value of ARS 136.0 million.

Bogar 2018 are recorded at their technical value in Banco Provincia's financial statements, which is calculated as the outstanding principal amount of the bond plus accrued interest. In September 2004, the Province established the *Fondo de Sostén del Valor de los Bonos Garantizados (Bogar)* (Fund to Support the Value of the Guaranteed Bonds (*Bogar*), or the "Fund") to assure that the present value of the Bogar, discounted at the rates established by the Central Bank, would be equal to its technical value. The Fund receives cash flows financed with the revenues of the Province and transferred to Banco Provincia as capital. In accordance with provincial Law No. 13,225, modified by provincial Law No. 13,238, the Province had to transfer to the Fund ARS 50 million in 2004, ARS 168 million in 2007, ARS 156 million in 2008, ARS 144 million in each of 2009 and 2010, and has to transfer ARS 144 million per year from 2011 through 2015 and ARS 120 million in 2016. In addition, Banco Provincia has to transfer to the Province a portion of its net income in an amount equal to the cash flows provided by the Fund. Bogar 2018 represented 8.4 % of Banco Provincia's assets at December 31, 2014, and accrued interest at CER plus 2.0%.

Province of Buenos Aires Bonds

In 2009, Banco Provincia purchased bonds of the Province, which it records under the line item "Government securities" at purchase price plus yield for a nominal value of USD 225.1 million. According to the Central Bank Resolution No.92/11, at June 30, 2014 and December 31, 2013, such securities were recorded at their market quotation at September 30, 2010 plus the internal rate of return. The current professional accounting standards applicable in Argentina state that such assets shall be valued at their purchase price plus accrual at the internal rate of return. As of December 2014, Banco Provincia had sold all the bonds of the Province of Buenos Aires that it held.

Other

Banco Provincia also has small investments in debt instruments issued by the federal government and Banco Municipal de La Plata, which Banco Provincia acquired in 2004.

Loan Portfolio

The following table shows Banco Provincia's loan portfolio by type of client at December 31 from 2010 to 2014.

Evolution of Loans of Banco Provincia

	At and for the year ended December 31,				
	2010	**2011**	**2012**	**2013**	**2014**
			(in millions of pesos)		
Public[(1)]	785	2,173	2,963	5,204	8,706
Financial	0	4	4	0	0
Private	12,045	19,831	27,146	38,736	52,062
Total	**12,830**	**22,008**	**30,113**	**43,940**	**60,768**
Allowances	(552)	(582)	(862)	(1,107)	(1,590)
Total Net Loans	**ARS 2,278**	**ARS 21,426**	**ARS 29,252**	**ARS 42,833**	**ARS 59,178**

(1) Reflects the transfer of loans made by the provincial public sector to the federal government in exchange for *Bogar* as part of the provincial debt exchange process in 2003.

Source: Banco Provincia.

In 2010, the portfolio of total loans increased by 22.3% as compared to 2009, primarily due to a 28.4% increase in private sector loans.

At December 31, 2011, the total loan portfolio grew by 74.5% as compared to the level attained at December 31, 2010, mainly due to the 176.8% increase in loans to the public sector and a 64.6% increase in loans to the private sector.

At December 31, 2012, the portfolio of total loans increased by 36.5% as compared to 2011, mainly as a result of a 36.9% growth in private sector loans.

At December 31, 2013, total lending amounts to ARS 42,833 million, which represented a 46.4% increase as compared to December 31, 2012, mainly due to a 42.7% increase in private loans and a 75.6% increase in public sector loans.

At December 31, 2014, total lending amounts to ARS 59,178 which represented a 38.15% increase as compared to December 31, 2013, mainly due to a 34.4% increase in private sector loans and a 67.2% increase in public sector loans.

Loan Loss Rates

The following table shows the loan loss rates for loans in Banco Provincia's portfolio from 2010 to 2014.

	As of December 31,				
	2010	**2011**	**2012**	**2013**	**2014**
			(in percentages)		
Loan Loss rates	2.2%	1.3%	1.8%	1.9%	1.9%

Source: Banco Provincia.

During the period 2010-2014, loan loss rates decreased from 2.2% to 1.9%.

At December 31, 2014, the loan loss rate remained unchanged as compared to 2013 and recorded a value of 1.9%.

Visa Inc. Restructuring

Pursuant to the corporate restructuring under which Visa International, Visa USA and Visa Canada became subsidiaries of Visa Inc., Banco Provincia, as a member of Visa International entitled to voting rights, received 456,660 shares of Visa Inc. On April 29, 2008, Visa Inc. paid Banco Provincia USD 11.0 million in respect of a mandatory redemption of 256,577 shares. On May 16, 2008, Banco Provincia received a stock certificate representing the remaining 200,083 shares of Visa Inc.

On September 17, 2009, Banco Provincia entered into an agreement with Citigroup Global Markets Inc., as purchaser, for the sale of the 200,083 Class "C" shares of Visa Inc. As of December 31, 2009 all of the Class "C" shares had been transferred to Citigroup. In 2009 Banco Provincia registered a ARS 346 million loss in "Net Miscellaneous Income", mainly as a reduction in revenues from the participations of Banco Provincia on Grupo Banco Provincia as well as a result of the sale of its Visa Inc. participation.

Sources of Funds

Banco Provincia's main source of funds has been deposits, particularly from the private sector. At December 31, 2014, deposits represented 91.5% of its total liabilities.

Deposits

The table below shows the evolution, by sector, of Banco Provincia's total deposits from 2010 to December 31, 2014.

Evolution of Deposits of Banco Provincia

	At and for the year ended December 31,				
	2010	**2011**	**2012**	**2013**	**2014**
	(in millions of pesos)				
Non-Financial Public Sector	9,853	8,975	10,189	17,970	23,481
Financial Sector	129	117	190	123	193
Non-Financial Private Sector	22,631	29,301	39,026	50,597	67,311
Checking Accounts	4,569	5,812	7,531	8,844	11,616
Savings Accounts	7,109	9,434	12,084	15,092	20,478
Fixed Term Deposits	10,336	13,070	18,082	24,892	32,954
Others	534	846	1,110	1,396	1,650
Accrued Interest, adjustments and quotation differences payable [3]	83	139	219	373	613
	ARS 32,613	ARS 38,393	ARS 49,405	ARS 68,690	ARS 90,985

(1) Non-interest bearing accounts.
Source: Banco Provincia.

At December 31, 2010, deposits totaled ARS 32.6 billion, which represented an increase of 27.9% as compared to 2009. This increase was mainly due to an increase of 33% and 26% in public sector and private sector deposits, respectively, which is explained by the growth of the Argentine financial sector led by Argentina´s macroeconomic performance. At December 31, 2010, deposits in Banco Provincia represented 8.7% of the total deposits in the Argentine banking system.

At December 31, 2011, deposits grew by 17.7% as compared to the previous year, amounting to ARS 38,393 million. This increase was mainly due to a ARS 6,670 million increase in non-financial private sector deposits.

At December 31, 2012, deposits totaled ARS 49,405 million, which represented a 28.7% increase as compared to 2011. This increase was mainly due to rises in deposits from the non-financial private sector (33.2%) and the non-financial public sector (13.5%).

At December 31, 2013, deposits totaled ARS 68,690 million, which represented an increase of 39% as compared to 2012. This increase was mainly due to a 76.4% increase in non-financial public sector deposits and a 29.6% increase in private sector deposits.

At December 31, 2014, deposits totaled ARS 90,985 million, which represented an increase of 32.46% as compared to December 31, 2013. This increase was mainly due to a 30.66% increase in non-financial public sector deposits and a 33.03% increase in private sector deposits.

Judicial Decisions (Amparos)

As Argentina's economic crisis deepened and speculation of a potential devaluation mounted in 2001, confidence in the banking sector began to erode, triggering a significant run on deposits during that year. By December 31, 2001, Banco Provincia's total deposits (peso and foreign currency) had declined 35.8% from December 31, 2000 levels. To reduce the threat of a collapse of the banking sector, in December 2001 and February 2002 the federal government imposed strict limits on bank withdrawals. As the demand for pesos recovered in the fall of 2002, easing the pressure of capital flight from the Argentine economy and its banking system, the federal government was able to lift all restrictions on withdrawals of demand deposits in November 2002. Similarly, in April 2003, depositors were permitted to withdraw their term deposits. As a result of Decree No. 739/2003, restrictions on withdrawals are no longer in effect. The decree allowed depositors to withdraw their deposits at a rate of ARS 1.4 per USD 1.00, adjusted for CER, and to be compensated for the difference between that rate and the then current exchange rate by receiving bonds denominated in U.S. dollars (*Boden 2013* or *Boden 2006*). However, some depositors chose not to withdraw their deposits in order to preserve the original value of the account in its original currency in hopes of pursuing a lawsuit against the federal government and the financial institutions.

At December 31, 2014, Banco Provincia had refunded ARS 2.6 billion to depositors seeking the original value of their deposits from their financial institutions pursuant to judicial orders finding that the restrictions on bank withdrawals were unconstitutional. Since Banco Provincia was required to return these deposits using currency exchange rates in effect on the date of refund, in accordance with Central Bank rules, Banco Provincia recorded in aggregate ARS 999 million as "Intangible assets" for the difference between the refund amounts stated in the judicial orders and the deposit balance booked at the conversion rate of USD 1 to ARS 1.40, adjusted for CER. This amount is amortized over a 60-month period and, at December 31, 2014, the outstanding balance of these intangible assets amounted to ARS 31.2 million. As of December 31, 2014, Banco Provincia recorded a provision of ARS 40.8 million for judicial deposits, reflecting the difference between the book value of the deposits considered in their original currency and the current peso value of those deposits.

Financing from the Central Bank

During the 2001 economic crisis, the Central Bank used its power to provide temporary financial assistance to Argentine financial institutions to address the liquidity shortages of these institutions resulting from the run and subsequent freeze on deposits and the asymmetric pesification of financial assets and liabilities. Banco Provincia is required to repay the amount of any temporary financial assistance from the Central Bank received on or before March 28, 2003 in 70 monthly installments in CER-adjusted pesos. This amount was initially ARS 4.4 billion. The principal amount, which is adjusted by the CER index, accrues interest at a yearly rate of 3.5% and is secured by an aggregate amount of guaranteed loans received under the federal debt exchange program and Bogar equal to 125.0% of the outstanding amount.

The Central Bank is entitled to extend this repayment schedule to up to 120 months with the consent of a new committee appointed by the federal government in 2003 to oversee the complete restructuring of the financial system. The repayment schedule, however, cannot exceed the average useful life of the assets securing repayment. In June 2003, Banco Provincia requested an extension of the repayment schedule of its temporary financial assistance obligations to 120 months. As of the date of this offering memorandum, no extension has been approved and, as a result, since March 2004, Banco Provincia has been making installment payments of principal and interest on its temporary financial assistance obligations in accordance with the initial 70-month schedule.

On June 2, 2007, Banco Provincia made an extraordinary payment of ARS 800 million to prepay the temporary financial assistance. The Central Bank allocated the entire amount to principal under the CER-adjusted debt. On July 3, 2007, Banco Provincia made another advance payment of ARS 800 million. The Central Bank allocated ARS 724 million of this amount to principal and ARS 76 million to interest under the CER-adjusted debt.

At December 31, 2008, the outstanding principal amount under this program was ARS 852 million. On December 31, 2009, Banco Provincia paid the last installment and completely cancelled its debt with the Central Bank under the temporary financial assistance program.

External Indebtedness

The table below shows, by source, the amounts of foreign currency financing provided by financial institutions outside of Argentina to Banco Provincia for the periods specified below.

Foreign Currency Financing Provided to Banco Provincia

	At December 31,				
	2010	2011	2012	2013	2014
	(in millions of USD)				
Overnight and short-term funds	-	-	-	-	-
Certificates of deposit (short-term)	-	-	-	-	-
Trade finance (short-term)	-	17	13	9	13
Interbank lines (medium-term)	-	-	-	-	-
Secured financing (short-term)	120	131	135	9	3
Secured financing (medium-term)	-	-	-	-	-
Floating rate interest bonds (long-term)	-	-	-	-	-
U.S. Commercial Paper	-	-	-	-	-
Medium-Term Financing	55	39	24	8	-
Total	**175**	**187**	**172**	**26**	**16**

Source: Banco Provincia.

Banco Provincia's external indebtedness decreased by approximately 90.85% between December 2010 and December 2014. This indebtedness fell around 38,46% from 2013 to 2014 mainly due to the amortization payment under the Debt Refinancing Agreement entered into with Commodity Credit Corporation.

Other Liabilities

Litigation. At December 31, 2014, the most significant legal actions pending against Banco Provincia amounted to almost ARS 308 million; this figure includes an estimate of ARS 33 million on account of legal costs. The class action lawsuit filed by *Union de Usuarios* (Users Union) related to charges for ATM robbery insurance, is currently in the execution stage. As of December 31, 2014, according to internal estimates of Banco Provincia, an aggregate amount of ARS 29 million has already been credited to affected customers holding accounts with Banco Provincia, while ARS 30 million is still pending to be credited to certain other former customers.

Liquidity and Financial Position

The table below shows Banco Provincia's liquidity ratios for the periods specified below.

Liquidity Ratios

	At and for the year ended December 31,				
	2010	2011	2012	2013	2014
	(In percentages)				
Cash and cash equivalents/Deposits	20.2%	20.6%	20.7%	19.4%	16.0%
Net Loans/Assets	31.5%	47.8%	52.2%	55.1%	55.1%

Source: Banco Provincia.

The table below shows Banco Provincia's solvency ratios for the periods specified below.

Solvency Ratios

	At and for the year ended December 31,				
	2010	2011	2012	2013	2014
	(in percentages)				
Net Equity/Assets	5.55%	6,2%	6.1%	6.3%	7.4%
Net Equity/Loans	17.62%	12,9%	11.7%	11.4%	13.3%

Source: Derived from the audited financial statements of Banco Provincia.

Net Income

Banco Provincia recorded net income of ARS 5 million in 2009, ARS 539 million in 2010, ARS 600 million in 2011, ARS 660 million in 2012, ARS 1,443 million in 2013 and 3,042 million in 2014.

Branches Abroad

On February 14, 2007, by Resolution No. 203/07, Banco Provincia's board of directors decided to close the bank's New York Agency. As of December 2009, after several months of winding down operations, the New York Agency closed.

On March 19, 2009, by Resolution No. 324/09, Banco Provincia's board of directors decided to close the bank's Grand Cayman branch and sent the pertinent communication to the Grand Cayman Island Regulatory Authority. The Grand Cayman branch is currently winding down operations.

DESCRIPTION OF NEW BONDS

This section of this offering memorandum is only an overview of the material provisions of the New Bonds and the Indenture. The Province urges you to read the Indenture for a complete description of the Province's obligations and your rights as a holder of the New Bonds. Copies of the Indenture are available free of charge at the offices of the trustee and the Luxembourg listing agent.

The New Bonds will be issued pursuant to the trust indenture between the Province and U.S. Bank National Association as trustee to be dated as of June 9, 2015 (the "Indenture").

General Terms of the New Bonds

Basic Terms

The New Bonds will:

- have the same terms and conditions as the New Bonds issued pursuant to the Concurrent Offer, and any and all New Bonds issued in the Exchange Offer will constitute a single series of debt securities with, have the same terms and conditions as, be assigned the same ISIN numbers and Common Codes as, and trade fungibly with, the New Bonds issued pursuant to the Concurrent Offer;
- be direct, general, unconditional and unsubordinated obligations of the Province;
- pay principal in two installments:
    - 50% of the outstanding principal amount on June 9, 2020; and
    - the remaining outstanding principal amount on June 9, 2021;
- mature on June 9, 2021;
- not be redeemable before maturity at the option of the Province or repayable at the option of the holder and not be entitled to the benefit of any sinking fund. The Province may at any time, however, purchase New Bonds and hold or resell them or surrender them to the trustee for cancellation;
- be represented by one or more registered notes in global form (see "Registration and Book-Entry System");
- be eligible for settlement in Euroclear and Clearstream;
- be issued in denominations of USD 150,000 and in integral multiples of USD 1.00 in excess thereof; and
- represent a claim to the full principal due on each amortizing date (plus any accrued and unpaid interest due at such time) or upon earlier acceleration in accordance with their terms.

Interest on the New Bonds will:

- accrue at the rate of 9.95% per annum;
- accrue from June 9, 2015 or the most recent interest payment date;
- be payable semi-annually in arrears on June 9 and December 9 of each year, beginning on December 9, 2015, to persons in whose names the New Bonds are registered at the close of business on the business day preceding the corresponding payment date; and

- be computed on the basis of a 360-day year comprised of twelve 30-day months.

Status

The New Bonds will be direct, general, unconditional and unsubordinated Public External Indebtedness of the Province. The New Bonds rank and will rank without any preference among themselves and equally with all other unsubordinated Public External Indebtedness of the Province. It is understood that this provision shall not be construed so as to require the Province to make payments under the New Bonds ratably with payments being made under any other Public External Indebtedness of the Province.

For purposes of the preceding paragraph, (A) "Public External Indebtedness" means any External Indebtedness of, or guaranteed by, the Province which (i) is publicly offered or privately placed in securities markets, (ii) is in the form of, or represented by, bonds, notes or other securities or any guarantees thereof and (iii) is, or was intended at the time of issue to be, quoted, listed or traded on any stock exchange, automated trading system or over-the-counter securities market (including securities eligible for sale pursuant to Rule 144A under the Securities Act, as amended (or any successor law or regulation of similar effect)), and (B) "External Indebtedness" means obligations for borrowed money or evidenced by securities, debentures, notes or other similar instruments denominated and payable, or which at the option of the holder thereof may be payable, in a currency other than the lawful currency of Argentina, regardless of whether that obligation is incurred or entered into within or outside Argentina.

Payment of Principal and Interest

The trustee will make payments to the registered holders of the New Bonds.

While the New Bonds are held in global form, holders of beneficial interests in the New Bonds will be paid in accordance with the procedures of the relevant clearing system and its direct participants, if applicable. Neither the Province nor the trustee shall have any responsibility or liability for any aspect of the records of, or payments made by, the relevant clearing system or its nominee or direct participants, or any failure on the part of the relevant clearing system or its direct participants in making payments to holders of the New Bonds from the funds they receive.

If any date for payments of interest, principal or other amounts contemplated herein is not a business day, the Province will make the payment on the next business day. Such payments will be deemed to have been made on the due date, and no interest on the New Bonds will accrue as a result of the delay in payment. As used herein, "business day" means any day that is not a Saturday or Sunday, and that is not a day on which banking or trust institutions are authorized generally or obligated by law, regulation or executive order to close in New York City or in the City of Buenos Aires (or in the city where the relevant paying or transfer agent is located).

If any money that the Province pays to the trustee or any paying agent to make payments on any New Bond is not claimed at the end of two years after the applicable payment was due and payable, then the money will be repaid to the Province on the Province's written request. The Province will hold such unclaimed money in trust for the relevant holders of those New Bonds. After any such repayment, neither the trustee nor any paying agent will be liable for the payment. However, the Province's obligations to make payments on the New Bonds as they become due will not be affected until the expiration of the prescription period specified in the New Bonds. To the extent permitted by law, claims against the Province for the payment of principal of, premium, if any, or interest or other amounts due on, the New Bonds (including Additional Amounts) will become void unless made within four years of the date on which that payment first became due.

Registration and Book-Entry System

The New Bonds will be issued in fully registered form, without interest coupons attached, to, and registered in global form in the name of, a nominee of a common depositary of Euroclear and Clearstream, Luxembourg. Financial institutions, acting as direct and indirect participants in either Euroclear or Clearstream, Luxembourg, will represent your beneficial interests in the global security. These financial institutions will record the ownership and transfer of your beneficial interests through book-entry accounts, eliminating the need for physical movement of securities.

If you wish to hold securities through the Euroclear or the Clearstream, Luxembourg system, you must either be a direct participant in Euroclear or Clearstream, Luxembourg or hold securities through a direct participant in Euroclear or Clearstream, Luxembourg. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations that have accounts with Euroclear or Clearstream, Luxembourg. Indirect participants are securities brokers and dealers, banks, trust companies and trustees that do not have an account with Euroclear or Clearstream, Luxembourg, but that clear through or maintain a custodial relationship with a direct participant. Thus, indirect participants have access to the Euroclear or Clearstream, Luxembourg system through direct participants.

The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Such laws may impair the ability to transfer beneficial interests in these New Bonds to such persons.

As an owner of a beneficial interest in the global securities, you will generally not be considered the holder of any New Bonds under the Indenture.

Certificated Securities

The Province will issue securities in certificated form in exchange for interests in a global security only if:

- the depositary notifies the Province that it is unwilling or unable to continue as depositary, is ineligible to act as depositary or ceases to be a clearing agency registered under any applicable statute or regulation and the Province does not appoint a successor depositary or clearing agency within 90 days;
- at any time the Province decides it no longer wishes to have all or part of such notes represented by global securities; or
- the trustee determines, upon the advice of counsel, that it is necessary to obtain possession of such notes in certificated form in connection with any proceedings to enforce the rights of holders of such notes.

In connection with the exchange of interests in a global security for securities in certificated form under any of the conditions described above, such global security will be deemed to be surrendered to the trustee for cancellation, and the Province will execute, and will instruct the trustee to authenticate and deliver, to each beneficial owner identified by the relevant clearing system, in exchange for its beneficial interest in such global security, an equal aggregate principal amount of certificated securities.

If the Province issues certificated securities, they will have the same terms and authorized denominations as the New Bonds. You will receive payment of principal, interest and premiums, if any, in respect of certificated securities at the offices of the trustee in New York City and, if applicable, at the offices of any paying agent. You may present certificated securities for transfer or exchange according to the procedures in the Indenture at the corporate trust office of the trustee in New York City and, if applicable, at the offices of any other transfer agent appointed by the Province.

The Luxembourg Stock Exchange will be informed before the Province issues certificated securities in exchange for the global security held by the common depositary or its nominee. If the Province issues such certificated securities, it will publish notices in a newspaper with general circulation in Luxembourg (which the Province expects to be Luxemburger Wort), and on the website of the Luxembourg Stock Exchange at http://www.bourse.lu, announcing procedures for payments of principal, interest and premiums, if any, in respect of or transfer of certificated securities in Luxembourg. If publication in a leading newspaper in Luxembourg is not practicable, the Province will publish such notices in a leading English language daily newspaper with general circulation in Europe. The Province will consider any published notice to be given on the date of its first publication.

You may be charged for any stamp duty, tax or other governmental charge that must be paid in connection with the transfer, exchange or registration of transfer of New Bonds and any other expenses (including the fees and expenses of the trustee) connected with the preparation and issuance of the substitute Note. The Province, the trustee and any agent appointed by Province may treat the person in whose name any Note is registered as the owner of such Note for all purposes.

If any Note becomes mutilated, destroyed, stolen or lost, you can replace it by delivering the New Bond or evidence of its loss, theft or destruction to the trustee. The Province and the trustee may require you to provide an indemnity satisfactory to the Province and the trustee under which you agree to pay the Province, the trustee or any agent appointed by the Province for any losses they may suffer relating to the New Bond that was mutilated, destroyed, stolen or lost. The Province and the trustee may also require you to present other documents or proof. After you deliver these documents, if neither the Province nor the trustee has notice that a bona fide purchaser has acquired the New Bond that you are exchanging, the Province will execute, and the trustee will authenticate and deliver to you, a substitute note with the same terms as the New Bond you are exchanging. You will be required to pay all expenses and reasonable charges associated with the replacement of this certificated security.

Further Issuances

Under the terms of the Indenture, the Province may from time to time, without the consent of the holders of the New Bonds, create and issue additional notes having terms and conditions which are the same as those of the New Bonds in all respects, except for the issue date, issue price and first payment of interest on the New Bonds; provided, however, that any additional notes subsequently issued that are not fungible with the previously outstanding New Bonds for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number from the previously outstanding New Bonds. Additional notes issued in a qualified reopening for U.S. federal income tax purposes will be consolidated with and will form a single series with the previously outstanding New Bonds.

Additional Amounts

All payments by the Province in respect of the New Bonds will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Argentina or the Province or any political subdivision or taxing authority or agency therein or thereof having the power to tax (for purposes of this paragraph, a "Relevant Tax"), unless the withholding or deduction of such Relevant Tax is required by law. In that event, the Province will pay such additional amounts ("Additional Amounts") as may be necessary to ensure that the amounts received by the holders after such withholding or deduction will equal the respective amounts of principal and interest that would have been receivable in respect of the New Bonds in the absence of such withholding or deduction; except that no such Additional Amounts will be payable with respect to any Note:

(1) to a holder (or to a third party on behalf of a holder) where such holder is liable for such Relevant Taxes in respect of a Note by reason of his having some connection with the Province or Argentina other than the mere holding of such Note, the receipt of principal, premium or interest in respect thereof, or the enforcement of rights thereunder; or

(2) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC (as amended from time to time) or any law implementing or complying with, or introduced to conform to, such Directive; or

(3) presented for payment by or on behalf of a holder who would have been able to avoid the withholding or deduction by presenting the relevant Note to another paying agent in a member state of the European Union; or

(4) presented for payment more than 30 days after the Relevant Date, as defined herein, except to the extent that the holder thereof would have been entitled to Additional Amounts on presenting the same for payment on the last day of such period of 30 days; or

(5) to a holder of the New Bond (or a third party on behalf of a holder) where such holder of the New Bond would not be liable for or subject to such deduction or withholding by making a declaration

of non-residence or other claim for exemption or reduction to the relevant tax authorities if such holder of the New Bond is eligible to make such declaration or other claim and, after having been requested to make such a declaration or claim, such holder of the New Bond fails to timely do so, provided that (x) the Province has provided the holder with at least 60 days' prior written notice (in accordance with the terms of the New Bonds) of an opportunity to satisfy such a requirement or make such a declaration or claim, and (y) in no event shall such holder's obligation to satisfy such a requirement or to make such a declaration or claim require such holder to provide any materially more onerous information, documents or other evidence than would be required to be provided had such holder been required to file IRS Forms W-8BEN, W-8BEN-E, W-8ECI, W-8EXP and/or W-8IMY.

As used in the preceding paragraph, "Relevant Date" in respect of a Note means the date on which payment in respect thereof becomes due or (if the full amount of the money payable on such date has not been received by the trustee on or prior to such due date) the date on which notice is duly given to the holders that such moneys have been so received and are available for payment.

All references in this offering memorandum to principal of or interest on the New Bonds will include any Additional Amounts payable by the Province in respect of such principal or interest.

Negative Pledge Covenant

The Province has agreed that it will not, for so long as any Note remains outstanding create or permit to subsist any Lien, other than a Permitted Lien, upon the whole or any part of its property or assets to secure any Indebtedness of the Province unless the New Bonds are secured equally and ratably with such Indebtedness.

As used herein, the term "Indebtedness" means, with respect to any person, whether outstanding on the original issuance date of a series of debt securities or at any time thereafter: (i) all indebtedness of such person for borrowed money; (ii) all reimbursement obligations of such person (to the extent no longer contingent) under or in respect of letters of credit or bankers' acceptances; (iii) all obligations of such person to repay deposits with or advances to such person; (iv) all obligations of such person (other than those specified in clauses (i) and (ii) above) evidenced by securities, debentures, notes or similar instruments; and (v) to the extent no longer contingent, all direct guarantees, endorsements, *avales* or similar obligations of such person in respect of, and all direct obligations of such person to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of any other person specified in clause (i), (ii), (iii) or (iv) above.

As used herein, the term "Lien" means any lien, pledge, mortgage, security interest, deed of trust, charge or other encumbrance on or with respect to, any currently existing or future asset or revenues of any kind under the laws of Argentina.

As used herein, the term "Permitted Lien" means:

(a) any Lien in existence on the date of the Indenture;

(b) any Lien upon bank accounts, deposits or proceeds thereof (or arising from the existence of rights of set-off against such accounts, deposits or proceeds) securing Indebtedness of the Province incurred in connection with letters of credit issued by, or trade finance transactions with, a bank to which such Lien is granted or holding such rights, and which Indebtedness has a final maturity of not greater than 365 days from the date on which payment under such letter of credit or in connection with such trade finance transactions is due and payable;

(c) any Lien upon any property to secure Indebtedness of the Province incurred specifically for the purpose of financing the acquisition of the property subject to such Lien;

(d) any Lien existing on any property at the time of its acquisition to secure Indebtedness of the Province;

(e) any Lien securing Indebtedness incurred for the purpose of financing all or part of the costs of the acquisition, construction or development of a project, provided that the property over which such Lien is granted consists solely of the assets and revenues of such project or the ownership interest therein;

(f) any Lien securing Indebtedness incurred for the purpose of financing all or part of the cost of personal property sold or services provided to the Province;

(g) any replacement, renewal or extension of any Lien permitted by clauses (a) through (f) above upon the same property theretofore subject to such Lien, including any replacement, renewal or extension of such Lien resulting from the refinancing (without increase in the principal amount) of the Indebtedness secured by such Lien; provided that the Province shall not be permitted to replace, renew or extend any Lien in respect of Indebtedness to the federal government unless the federal government remains the creditor;

(h) any Lien to secure public or statutory obligations or otherwise arising by law to secure claims other than for borrowed money;

(i) any Lien securing Indebtedness of the Province to the Federal government encumbering the right of the Province to receive Co-Participation Payments, provided that the incurrence of such Indebtedness so secured will not cause the Co-Participation Secured Indebtedness Ratio to exceed 50.0% in the period that includes the most recent four consecutive fiscal quarters ending prior to the date of calculation;

(j) any Lien to secure any indebtedness with the financial public sector of the Province; and

(k) any other Liens different from those permitted by clauses (a) through (j) above, securing Indebtedness of the Province in an outstanding aggregate principal amount not exceeding at any time 10% of the Province's annual revenues for the period that includes the most recent four consecutive fiscal quarters ending prior to the incurrence of such Lien.

As used herein, the term "Co-Participation Payments" means any transfers made by the federal government to the Province pursuant to the Federal Tax Co-Participation Law, as amended or replaced from time to time and any other law, decree or regulation governing the obligation of the federal government to distribute taxes collected by it to the Argentine provinces.

As used herein, the term "Co-Participation Secured Indebtedness Ratio" is the percentage that is equal to (A) for the period that includes the most recent four consecutive fiscal quarters ending prior to the date of calculation, the aggregate amount of payments of principal and interest that became due in such periods (after giving pro forma effect to the incurrence of Indebtedness secured by a Lien on the Province's right to receive Co-Participation Payments), in respect of Indebtedness that is secured by a Lien on the Province's right to receive Co-Participation Payments, divided by (B) the aggregate amount of Co-Participation Payments actually received by the Province during such period, (C) multiplied by 100.

Events of Default and Acceleration of Maturity

Each of the following is an event of default with respect to the New Bonds:

(a) The Province fails to pay any principal due on the New Bonds when due and payable for 10 days after the applicable payment date; or

(b) The Province fails to pay any interest or Additional Amounts due on the New Bonds when due and payable for 30 days after the applicable payment date; or

(c) The Province fails to duly perform or observe any term or obligation contained in the New Bonds or the Indenture, which failure continues unremedied for 60 days after written notice thereof has been given to the Province by the trustee; or

(d) The Province fails to make any payment when due, after any applicable grace periods, on any of its Indebtedness (other than Excluded Indebtedness) having an aggregate principal amount greater than or equal to USD 15,000,000 (or its equivalent in other currencies); or

(e) Any Indebtedness of the Province (other than Excluded Indebtedness) having an aggregate principal amount greater than or equal to USD 15,000,000 (or its equivalent in other currencies) is accelerated due to an event of default, unless the acceleration is rescinded or annulled; or

(f) The Province declares a moratorium of payment of its Indebtedness (other than Excluded Indebtedness); or

(g) There has been entered against the Province or a provincial agency a final judgment, decree or order by a court of competent jurisdiction from which no appeal may be or is taken for the payment of money in excess of USD 15,000,000 (or the equivalent thereof in another currency or currencies) (other than a final judgment, decree or order in respect of any Excluded Indebtedness) and 90 days shall have passed since the entry of such final judgment, decree or order without it having been satisfied or stayed; or

(h) The validity of the New Bonds or the Indenture is contested by the Province; or

(i) (A) Any constitutional provision, law, regulation, ordinance or decree necessary to enable the Province to perform its obligations under the New Bonds or the Indenture, or for the validity or enforceability thereof, shall expire, is withheld, revoked or terminated or otherwise ceases to remain in full force and effect, or is modified in a manner which materially adversely affects, or may reasonably be expected to materially adversely affect, any rights or claims of any of the holders of the New Bonds, or (B) any final decision by any court in Argentina having jurisdiction from which no appeal may be or is taken shall purport to render any material provision of the New Bonds or any material provision of the Indenture invalid or unenforceable or purport to prevent or delay the performance or observance by the Province of its obligations under the New Bonds or under the Indenture, and, in each case, such expiration, withholding, revocation, termination, cessation, invalidity, unenforceability or delay shall continue in effect for a period of 90 days.

If any of the events of default described above occurs and is continuing, holders of at least 25.0% of the aggregate principal amount of the New Bonds then outstanding may declare all of the New Bonds then outstanding to be immediately due and payable by giving written notice to the Province, with a copy to the trustee.

If, at any time after New Bonds shall have been declared due and payable, the Province shall pay or shall deposit (or cause to be paid or deposited) with the trustee a sum sufficient to pay all amounts of interest and principal due upon all the New Bonds (with interest on overdue amounts of interest, to the extent permitted by law, and on such principal of each Note at the rate of interest specified in the New Bond, to the date of such payment) and such amount as shall be sufficient to cover the reasonable fees and expenses of the trustee, including, without limitation, the fees and expenses of its counsel, and if any and all events of default under the New Bonds, other than the non-payment of principal on the New Bonds which shall have become due solely by declaration of acceleration, shall have been remedied, then, and in every such case, the holders of at least 50% in principal amount of the New Bonds then outstanding, by written notice to the Province and to the trustee, may, on behalf of the holders of all of the New Bonds, waive all defaults and rescind and annul such declaration and its consequences; but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent on any subsequent default.

As used herein, “Excluded Indebtedness” means (i) any series of Existing Bonds and (ii) any indebtedness incurred prior to the issue date of the New Bonds under credit facilities extended or guaranteed by member states of the OECD or any agency or instrumentality thereof.

As used herein, "Existing Bonds" means (a) USD Zero Coupon Notes due 2002, (b) USD 12.50% Notes due 2002, (c) Euro 7.875% Notes due 2002, (d) Euro 9% Notes due 2002, (e) Euro 10.25% Notes due 2003, (f) USD 12.75% Notes due 2003, (g) SFr 7.75% Notes due 2003, (h) Euro 10.375% Notes due 2004, (i) Euro 9.75% Notes due 2004, (j) Euro 10% Notes due 2004, (k) Euro 10.75% Notes due 2005, (l) USD FRNs Notes due 2006, (m) USD 13.75% Notes due 2007 and (n) USD 13.25% Notes due 2010.

Suits for Enforcement and Limitations on Suits by Holders

If an event of default for the New Bonds has occurred and is continuing, the trustee may, in its discretion, institute judicial action to enforce the rights of the holders. With the exception of a suit brought by a holder on or after the stated maturity date to enforce its absolute right to receive payment of the principal of and interest on the New Bonds on the stated maturity date therefor (as that date may be amended or modified pursuant to the terms of the New Bonds, but without giving effect to any acceleration), a holder has no right to bring a suit, action or proceeding with respect to the New Bonds unless: (1) such holder has given written notice to the trustee that a default with respect to the New Bonds has occurred and is continuing; (2) holders of at least 25% of the aggregate principal amount outstanding of the New Bonds have instructed the trustee by specific written request to institute an action or proceeding and provided an indemnity satisfactory to the trustee; and (3) 60 days have passed since the trustee received the instruction, the trustee has failed to institute an action or proceeding as directed, and no direction inconsistent with such written request shall have been given to the trustee by a majority of holders of the New Bonds. Moreover, any such action commenced by a holder must be for the equal, ratable and common benefit of all holders of the New Bonds.

Meetings, Amendments and Waivers – Collective Action

The Province, in its discretion, may call a meeting of the holders of debt securities (including the New Bonds) at any time and from time to time regarding the debt securities or the Indenture. The Province will determine the time and place of the meeting and will notify the holders of the time, place and purpose of the meeting not fewer than 30 days and not more than 60 days prior to the date fixed for the meeting.

In addition, the Province or the trustee will call a meeting of the holders of a series of debt securities if the holders of not less than 10.0% of the aggregate principal amount of such series have delivered a written request to the Province or the trustee setting out the purpose of the meeting. The Issuer shall notify the trustee, and the trustee shall notify the holders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place not less than 30 and not more than 60 days after the date on which such notification is given.

Only holders of debt securities and their proxies are entitled to vote at a meeting of holders. The Province will set out the procedures governing the conduct of the meeting and if additional procedures are required, the Province will consult with the trustee to establish such procedures as are customary in the market.

Modifications may also be approved by holders of the New Bonds pursuant to a written action consented to by holders of the requisite percentage of the New Bonds. If a proposed modification is to be approved by a written action, the Province shall solicit the consent of the relevant holders of the New Bonds to the proposed modification not less than 10, nor more than 30, days prior to the expiration date for the receipt of such consents specified by the Province.

The holders of the outstanding New Bonds may generally approve any proposal by the Province to modify or take action with respect to the Indenture or the terms of the New Bonds with the affirmative vote (if approved at a meeting of the holders) or consent (if approved by written action) of holders of more than 50% of the outstanding principal amount of the New Bonds.

However, holders of any series of debt securities (including the New Bonds) may approve, by vote or consent through one of three modification methods, any modification, amendment, supplement or waiver proposed by the Province that would do any of the following (such subjects referred to as "reserve matters"):

- change the date on which any amount is payable on the debt securities;

- reduce the principal amount of the debt securities (other than in accordance with the express terms of the debt securities and the Indenture);
- reduce the interest rate on the debt securities;
- change the method used to calculate any amount payable on the debt securities (other than in accordance with the express terms of the debt securities and the Indenture);
- change the currency of any amount payable on the debt securities;
- modify the Province's obligation to make any payments on the debt securities (including any redemption price therefor);
- change the identity of the obligor under the New Bonds;
- change the definition of "outstanding" debt securities or the percentage of affirmative votes or written consents, as the case may be, required to make a "reserve matter modification";
- change the definition of "uniformly applicable" or "reserve matter modification";
- authorize the trustee, on behalf of all holders of the debt securities, to exchange or substitute all the debt securities for, or convert all the debt securities into, other obligations or securities of the Province or any other person;
- change the legal ranking, governing law, submission to jurisdiction or waiver of immunities provisions of the terms of the debt securities; or
- change the place of payment to the bondholders.

A change to a reserve matter, including the payment terms of any series of debt securities (including the New Bonds), can be made without your consent, as long as the change is approved, pursuant to one of the three following modification methods, by vote or consent by:

- the holders of more than 75% of the aggregate principal amount of the outstanding New Bonds insofar as the change affects the New Bonds (but does not modify the terms of any other debt securities issued under the Indenture);
- where such proposed modification would affect the outstanding New Bonds and at least one other series of debt securities issued under the Indenture, the holders of more than 75% of the aggregate principal amount of the then outstanding debt securities of all of the series affected by the proposed modification, taken in the aggregate, if certain "uniformly applicable" requirements are met (defined in the Indenture as "cross-series modification with single aggregated voting"); or
- where such proposed modification would affect the outstanding New Bonds and at least one other series of debt securities issued under the Indenture, whether or not the "uniformly applicable" requirements are met, the holders of more than 66 $^{2}/_{3}$% of the aggregate principal amount of the then outstanding debt securities of all of the series affected by the proposed modification, taken in the aggregate, *and* the holders of more than 50% of the aggregate principal amount of the then outstanding debt securities of each series affected by the modification, taken individually.

"Uniformly applicable," as used herein, means a modification by which holders of debt securities of all series affected by that modification are invited to exchange, convert or substitute their debt securities on the same terms for (x) the same new instruments or other consideration or (y) new instruments or other consideration from an identical menu of instruments or other consideration. It is understood that a modification will not be considered to be uniformly applicable if each exchanging, converting or substituting holder of debt securities of any series affected by that modification is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting or substituting holder of debt securities of any series affected by that modification (or, where a menu of instruments or other consideration is offered, each exchanging, converting or substituting holder of debt securities of any series affected by that modification is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting or substituting holder of debt securities of any series affected by that modification electing the same option under such menu of instruments).

Any modification consented to or approved by the holders of debt securities pursuant to the above provisions will be conclusive and binding on all holders of the relevant series of debt securities or all holders of all series of debt securities affected by a cross-series modification, as the case may be, whether or not they have given such consent, and on all future holders of those debt securities whether or not notation of such modification is made upon the debt securities. Any instrument given by or on behalf of any holder of a debt security in connection with any consent to or approval of any such modification will be conclusive and binding on all subsequent holders of that debt security.

The Province may select, in its discretion, any modification method for a reserve matter modification in accordance with the Indenture and to designate which series of debt securities will be included for approval in the aggregate of modifications affecting two or more series of debt securities. Any selection of a modification method or designation of series to be included will be final for the purpose of that vote or consent solicitation.

For so long as any series of debt securities issued under the indenture dated as of January 12, 2006 between the Province of Buenos Aires and The Bank of New York Mellon, as trustee (the "2006 indenture") ("2006 debt securities") are outstanding, if the Province certifies to the trustee and to the trustee under the 2006 indenture that a cross-series modification is being sought simultaneously with a "2006 indenture reserve matter modification", the 2006 debt securities affected by such 2006 indenture reserve matter modification shall be treated as "series affected by that proposed modification" as that phrase is used in the Indenture; provided, that if the Province seeks a cross-series modification with single aggregated voting, in determining whether such modification will be considered uniformly applicable, the holders of any series of 2006 debt securities affected by the 2006 indenture reserve matter modification shall be deemed "holders of debt securities of all series affected by that modification," for the purpose of the uniformly applicable definition. It is the intention that in such circumstances, the votes of the holders of the affected 2006 debt securities be counted for purposes of the voting thresholds specified in the Indenture for the applicable cross-series modification as though those 2006 debt securities had been affected by that cross-series modification although the effectiveness of any modification, as it relates to the 2006 debt securities, shall be governed exclusively by the terms and conditions of those 2006 debt securities and by the 2006 indenture; provided, however, that no such modification as to the New Bonds will be effective unless such modification shall have also been adopted by the holders of the 2006 debt securities pursuant to the amendment and modification provisions of such 2006 debt securities.

"2006 indenture reserve matter modification" means any modification to a reserve matter affecting the terms and conditions of one or more series of the 2006 debt securities, pursuant to the 2006 indenture.

Before soliciting any consent or vote of any holder of the debt securities (including the New Bonds) for any change to a reserve matter, the Province will provide the following information to the trustee for distribution to the holders of debt securities of any series that would be affected by the proposed modification:

- a description of the Province's economic and financial circumstances that are in the Province's opinion relevant to the request for the proposed modification, a description of the Province's existing debts and description of its broad policy reform program and provisional macroeconomic outlook;

- if the Province shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, (x) a description of any such arrangement or agreement and (y) where permitted under the information disclosure policies of the multilateral or other creditors, as applicable, a copy of the arrangement or agreement;

- a description of the Province's proposed treatment of external debt instruments that are not affected by the proposed modification and its intentions with respect to any other major creditor groups; and
- if the Province is then seeking any reserved matter modification affecting any other series of debt securities, a description of that proposed modification.

For purposes of determining whether the required percentage of holders of the New Bonds or any series of debt securities has approved any amendment, modification or change to, or waiver of, the New Bonds, such other series of debt securities or the Indenture, or whether the required percentage of holders has delivered a notice of acceleration of the debt securities of that series, debt securities will be disregarded and deemed not to be outstanding and may not be counted in a vote or consent solicitation for or against a proposed modification if on the record date for the proposed modification or other action or instruction hereunder, the debt security is held by the Province or by a public sector instrumentality, or by a corporation, trust or other legal entity that is controlled by the Province or a public sector instrumentality, except that (x) debt securities held by the Province or any public sector instrumentality of the Province or by a corporation, trust or other legal entity that is controlled by the Province or a public sector instrumentality which have been pledged in good faith may be regarded as outstanding if the pledgee establishes, to the satisfaction of the trustee, the pledgee's right so to act with respect to such debt securities and that the pledgee is not the Province, or a public sector instrumentality, or a corporation, trust or other legal entity that is controlled by the Province or a public sector instrumentality, and in case of a dispute concerning such right, the advice of counsel shall be full protection in respect of any decision made by the trustee in accordance with such advice and any certificate, statement or opinion of counsel may be based, insofar as it relates to factual matters or information which is in the possession of the trustee, upon the certificate, statement or opinion of or representations by the trustee; and (y) in determining whether the trustee will be protected in relying upon any such action or instructions hereunder, or any notice from holders, only debt securities that a responsible officer of the trustee knows to be so owned or controlled will be so disregarded.

As used in the preceding paragraph, "public sector instrumentality" means any department, secretary, ministry or agency of the Province, and "control" means the power, directly or indirectly, through the ownership of voting securities or other ownership interests, by contract or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of that legal entity.

Other Amendments

The Province and the trustee may, without the vote or consent of any holder of debt securities (including the New Bonds) of a series, amend the Indenture or the debt securities of that series for the purpose of:

- adding to the Province's covenants for the benefit of the holders;
- surrendering any of the Province's rights or powers with respect to the debt securities of that series;
- securing the debt securities of that series;
- curing any ambiguity or curing, correcting or supplementing any defective provision in the debt securities of that series or the Indenture;

- amending the debt securities of that series or the Indenture in any manner that the Province and the trustee may determine and that does not materially adversely affect the interests of any holders of the debt securities of that series; or

- correcting a manifest error of a formal, minor or technical nature.

Notices

The Province will mail notices to holders of certificated securities at their registered addresses as reflected in the books and records of the trustee. The Province will consider any mailed notice to have been given five business days after it has been sent. The Province will give notices to the holders of a global security in accordance with the procedures and practices of the depositary and such notices shall be deemed given upon actual receipt thereof by the depositary.

The Province will also publish notices to the holders (a) in a leading newspaper having general circulation in Buenos Aires, New York City and London (which is expected to be *La Nación* or *Ambito Financiero*, The Wall Street Journal and the Financial Times, respectively) and (b) if and so long as the New Bonds are listed on the Euro MTF market of the Luxembourg Stock Exchange and the rules of the exchange so require, in a leading newspaper having general circulation in Luxembourg (which is expected to be Luxemburger Wort) and on the website of the Luxembourg Stock Exchange at http://www.bourse.lu. If publication in a leading newspaper in Luxembourg is not practicable, the Province will publish such notices in a leading English language daily newspaper with general circulation in Europe. The Province will consider any published notice to be given on the date of its first publication.

Payment Procedure in the Event of Foreign Exchange Restrictions in Argentina

The Province has agreed that, if it is unable to obtain the full amount of the specified currency or to transfer such amounts outside of Argentina in order to make a scheduled payment of principal or interest on the New Bonds due to a restriction or prohibition on access to the foreign exchange market in Argentina, to the extent permitted by such restriction or prohibition, the Province will pay all such amounts then due in U.S. dollars by means of (i) purchasing U.S. dollar-denominated Argentine government bonds traded outside of Argentina or any other securities or public or private bonds issued in Argentina, with Argentine Pesos, and transferring and selling such instruments outside Argentina for the specified currency or (ii) of any other legal mechanism for the acquisition of the specified currency in any foreign exchange market. All costs, including any taxes, relative to such operations to obtain the specified currency will be borne by the Province.

Governing Law

The Indenture is, and the New Bonds will be, governed by and construed in accordance with the law of the State of New York.

Submission to Jurisdiction

Under U.S. law, the Province is a political subdivision of a sovereign state. Consequently, it may be difficult for holders of New Bonds to obtain or realize judgments from courts in the United States or elsewhere against the Province. Attachment prior to judgment or attachment in aid of execution will not be ordered by courts of Argentina or the Province with respect to public property if such property is located in Argentina and is included within the provisions of Articles 2,337 to 2,340 of the Argentine Civil Code or directly provides an essential public service. Furthermore, it may be difficult for the trustee or holders to enforce, in the United States or elsewhere, the judgments of U.S. or foreign courts against the Province.

In connection with any legal action or proceeding arising out of or relating to the New Bonds (subject to the exceptions described below), the Province has agreed:

- to submit to the jurisdiction of any New York State and/or U.S. federal court sitting in New York City in the Borough of Manhattan and any appellate court of either thereof;

- that all claims in respect of such legal action or proceeding may be heard and determined in such New York State or U.S. federal court and the Province will waive, to the fullest extent permitted by law, any objection to venue or the defense of an inconvenient forum to the maintenance of such action or proceeding; and

- to appoint Corporation Service Company as its authorized agent, which is presently located at 1133 Avenue of the Americas, Suite 3100, New York, New York, 10036, United States of America.

The process agent will receive, on behalf of the Province and its property, service of copies of any summons and complaint and any other process that may be served in any such legal action or proceeding brought in such New York State or U.S. federal court sitting in New York City in the Borough of Manhattan. Service may be made by mailing or delivering a copy of such process to the Province at the address specified above for the process agent.

A final non-appealable judgment in any of the above legal actions or proceedings will be conclusive and may be enforced by a suit upon such judgment in any other courts that may have jurisdiction over the Province.

In addition to the foregoing, holders of New Bonds may serve legal process in any other manner permitted by applicable law. The above provisions do not limit the right of any holder to bring any action or proceeding against the Province or its property in other courts where jurisdiction is independently established.

To the extent that the Province has or hereafter may acquire any immunity (sovereign or otherwise) in respect of its obligations under the New Bonds or the Indenture from jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property (except for property of the public domain located in the Province or dedicated to the purpose of an essential public service), the Province hereby irrevocably waives such immunity in respect of its obligations under the Indenture, and, without limiting the generality of the foregoing, the Province agrees that the waivers set forth in the Indenture shall have the fullest scope permitted under the Foreign Sovereign Immunities Act of 1976 of the United States, as amended, and are intended to be irrevocable for purposes of such Act. Notwithstanding the foregoing, the Province reserves the right to plead sovereign immunity under the U.S. Foreign Sovereign Immunities Act of 1976 with respect to actions or proceedings brought against it under U.S. federal securities laws or any state securities laws, and the Province’s appointment of a process agent is not intended to extend to such actions or proceedings.

Holders may be required to post a bond or other security with the Argentine courts as a condition to the institution, prosecution or completion of any action or proceeding (including appeals) arising out of or relating to the New Bonds filed in those courts.

A judgment obtained against the Province in a foreign court may be enforced in the Supreme Court of the Republic of Argentina. Based on current law, the Supreme Court of the Republic of Argentina will enforce such a judgment in accordance with the terms and conditions of the treaties entered into between Argentina and the country in which the judgment was issued. In the event there are no such treaties, the Supreme Court of the Republic of Argentina will enforce the judgment if it:

- complies with all formalities required for the enforceability thereof under the laws of the country in which it was issued;

- has been translated into Spanish, together with all related documents, and it satisfies the authentication requirements of the laws of Argentina;

- was issued by a competent court, according to Argentine principles of international law, as a consequence of a personal action (action *in personam*) or a real action (action *in rem*) over a movable property if it has been moved to Argentina during or after the time the trial was held before a foreign court;

- was issued after serving due notice and giving an opportunity to the defendant to present its case;

- is not subject to further appeal;
- is not against Argentine public policy; and
- is not incompatible with another judgment previously or simultaneously issued by an Argentine Court.

Currency Indemnity

The obligation of the Province to any holder under the New Bonds that has obtained a court judgment affecting those New Bonds will be discharged only to the extent that the holder may purchase U.S. dollars, referred to as the "agreement currency," with any other currency paid to that holder in accordance with the judgment currency. If the holder cannot purchase the agreement currency in the amount originally to be paid, the Province agrees to pay the difference. The holder, however, agrees that, if the amount of the agreement currency purchased exceeds the amount originally to be paid to such holder, the holder will reimburse the excess to the Province. The holder, however, will not be obligated to make this reimbursement if the Province is in default of its obligations under the New Bonds.

Concerning the Trustee

The Indenture contains provisions relating to the obligations, rights, duties and protections of the trustee, to the indemnification of the trustee and the liability and responsibility, including limitations, for actions that the trustee takes. The trustee is entitled to enter into business transactions with the Province or any of its affiliates without accounting for any profit resulting from such transactions.

Paying Agents; Transfer Agents; Registrar

The Province will maintain a principal paying agent, a transfer agent and a registrar in New York City and a paying agent and a transfer agent in Western Europe (which, so long as the New Bonds are listed on the Euro MTF market of the Luxembourg Stock Exchange and the rules of the Exchange so require, will be in Luxembourg). The Province will maintain a paying agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC (as amended from time to time) or any law implementing or complying with, or introduced in order to conform to, such Directive. The Province will give prompt notice to all holders of New Bonds of any future appointment or any resignation or removal of any paying agent, transfer agent or registrar or of any change by any paying agent, transfer agent or registrar in any of its specified offices.

TRANSFER RESTRICTIONS

The distribution of this offering memorandum is restricted by law in certain jurisdictions. Persons into whose possession this offering memorandum comes are required by the Province to inform themselves of and to observe any of these restrictions.

This offering memorandum does not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which an offer or solicitation is not authorized or in which the person making an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make an offer or solicitation. Neither the Province nor the dealer managers accept any responsibility for any violation by any person of the restrictions applicable in any jurisdiction.

The New Bonds will be subject to the following restrictions on transfer. Holders of New Bonds are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of their New Bonds. By acquiring New Bonds, holders will be deemed to have made the following acknowledgements, representations to and agreements with the Province and the dealer managers:

(1) You acknowledge that:

- the New Bonds have not been registered under the Securities Act or the securities laws of any other jurisdiction and are being offered for resale in transactions that do not require registration under the Securities Act or the securities laws of any other jurisdiction; and
- unless so registered, the New Bonds may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and in each case in compliance with the conditions for transfer set forth below;

(2) You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of the Province and you are not acting on behalf of the Province and that either:

- you are a qualified institutional buyer (as defined in Rule 144A under the Securities Act) and are acquiring the New Bonds for your own account or for the account of another qualified institutional buyer, and you are aware that the dealer managers are selling the New Bonds to you in reliance on Rule 144A under the Securities Act; or
- you are acquiring the New Bonds in an offshore transaction in accordance with Regulation S under the Securities Act;

(3) You agree on your own behalf and on behalf of any investor account for which you are acquiring New Bonds, and each subsequent holder of New Bonds by its acceptance of the New Bonds will agree, that the New Bonds may be offered, sold or otherwise transferred only:

- to the Province;
- inside the United States to a qualified institutional buyer (as defined in Rule 144A) in compliance with Rule 144A under the Securities Act;
- outside the United States in compliance with Rule 903 or 904 under the Securities Act;
- pursuant to a registration statement that has been declared effective under the Securities Act; or
- in any other jurisdiction in compliance with local securities laws;

(4) You acknowledge that the Province and the trustee reserves the right to require, in connection with any offer, sale or other transfer of New Bonds, the delivery of written certifications and/or other

information satisfactory to the Province and the trustee as to compliance with the transfer restrictions referred to above;

(5) You agree to deliver to each person to whom you transfer New Bonds, notice of any restrictions on transfer of such New Bonds;

(6) You acknowledge that each Rule 144A global note will bear a legend to the following effect:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE RESOLD, PLEDGED, OR OTHERWISE TRANSFERRED EXCEPT AS PERMITTED BY THE FOLLOWING SENTENCES. THE HOLDER HEREOF, BY ITS ACCEPTANCE OF THIS NOTE, REPRESENTS, ACKNOWLEDGES AND AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES THAT IT WILL NOT RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO THE ISSUER, (B) IN COMPLIANCE WITH RULE 144A, UNDER THE SECURITIES ACT, TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER, (C) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (D) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF THE UNITED STATES OR OF ANY STATE THEREIN.

THIS LEGEND MAY ONLY BE REMOVED WITH THE CONSENT OF THE ISSUER."

You acknowledge that the Province, dealer managers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements. You agree that if any of the acknowledgments, representations or warranties deemed to have been made by your purchase of New Bonds is no longer accurate, you shall promptly notify the Province and the dealer managers. If you are acquiring any New Bonds as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the foregoing acknowledgments, representations, warranties and agreements on behalf of each account.

TAXATION

U.S. Federal Income Tax Consequences

The following discussion summarizes certain U.S. federal income tax consequences of the Exchange Offer that may be material to you if you are a "United States person." You are a "United States person" if you are a beneficial owner of Existing Bonds or New Bonds that is a citizen or resident of the United States or a domestic corporation or otherwise subject to U.S. federal income tax on a net income basis in respect of your investment in the Existing Bonds or New Bonds. This summary does not purport to be a comprehensive description of all of the tax consequences that may be relevant to your decision to participate in the Exchange Offer, including tax consequences that arise from rules of general application to all taxpayers or to certain classes of taxpayers or that are generally assumed to be known by investors. This summary also does not address the tax consequences to persons that may be subject to special treatment under U.S. federal income tax law, such as banks, insurance companies, thrift institutions, regulated investment companies, real estate investment trusts, tax-exempt organizations, entities or arrangements classified as partnerships and partners therein, traders in securities that elect to mark-to-market and dealers in securities or currencies, persons that hold Existing Bonds or will hold New Bonds as part of a position in a "straddle" or as part of a "hedging," "conversion" or other integrated investment transaction for U.S. federal income tax purposes, persons whose functional currency is not the U.S. dollar, persons that do not hold Existing Bonds or will not hold New Bonds as capital assets, or persons that do not acquire New Bonds pursuant to the Exchange Offer.

This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), Treasury regulations promulgated thereunder, and administrative and judicial interpretations thereof, as of the date hereof, all of which are subject to change, possibly on a retroactive basis.

The Province has not sought any ruling from the Internal Revenue Service (the "IRS") with respect to the statements made and the conclusions reached in this discussion, and there can be no assurance that the IRS will agree with all of such statements and conclusions. In addition, the discussion does not address the alternative minimum tax, the Medicare tax on net investment income or other aspects of U.S. federal income or state and local taxation, or any tax consequences arising out of the laws of any non-U.S. jurisdiction, that may be relevant to a United States person.

It is anticipated and the following discussion assumes that the New Bonds will not be issued with more than a *de minimis* amount of original issue discount ("OID"). If the issue price of a New Bond is less than its stated redemption price at maturity (generally, its principal amount) by more than a *de minimis* amount, United States persons will be subject to special U.S. federal income tax rules with respect to this OID. OID will be considered *de minimis* if it is less than 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity. United States persons will be required to include any OID in income for U.S. federal tax purposes as it accrues in accordance with a constant yield method based on a compounding of interest, even though the cash attributable to this income will not be received until a New Bond is sold, exchanged, redeemed or otherwise disposed.

Taxable Exchange

Under general principles of U.S. federal income tax law, a modification of the terms of a debt instrument (including an exchange of one debt instrument for another debt instrument having different terms) creates a deemed exchange upon which gain or loss is realized if the modified debt instrument differs materially either in kind or in extent from the original debt instrument (a "significant modification"). A modification of a debt instrument that is not a significant modification does not create a deemed exchange. Under applicable regulations, the modification of a debt instrument is a significant modification if, based on all the facts and circumstances and taking into account all modifications of the debt instrument collectively (other than modifications that are subject to special rules), the legal rights or obligations that are altered and the degree to which they are altered is "economically significant." The applicable regulations also provide specific rules to determine whether certain modifications, such as a change in the timing of payments, are significant.

Under applicable regulations, the exchange of Existing Bonds for New Bonds should be considered a deemed exchange, because the changes in the timing of the payments on the New Bonds resulting from the exchange should constitute a significant modification to the terms of the Existing Bonds. Accordingly, subject to the discussion of market discount below, you will generally recognize capital gain or loss in the exchange in an amount equal to the difference between the amount that you realize in the exchange and your adjusted tax basis in the Existing Bonds that you tender at the time of the consummation of the Exchange Offer. Your adjusted tax basis in an Existing Bond generally will equal the amount paid therefor (increased by the amount of any market discount you have previously taken into account and reduced by the amount of any amortizable bond premium previously amortized with respect to the Existing Bond). The amount that you realize in the exchange should generally be equal to the issue price of the New Bonds that you receive (determined for each New Bond as described below under "—Issue Price of the New Bonds"). Any such capital gain or loss generally will be U.S. source income or loss and will be long-term capital gain or loss if your holding period for the Existing Bonds on the date of exchange is more than one year. Long-term capital gains of non-corporate United States persons are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

If you acquired the Existing Bonds with "market discount," any gain you realize pursuant to the exchange of Existing Bonds for New Bonds will be treated as ordinary income to the extent of the portion of the accrued market discount that has not previously been included in income. You will be treated as having acquired an Existing Bond at a "market discount" if your initial tax basis in the Existing Bond was less than its principal amount, unless this difference was less than a specified *de minimis* amount.

Accrued but unpaid interest on your Existing Bonds up to the Settlement Date will be paid to you as an additional amount of New Bonds that you will receive in exchange for Existing Bonds. As a result, this portion of the New Bonds that you receive will be treated as received in payment of such accrued but unpaid interest for U.S. federal income tax purposes and will be taxable to you as foreign source interest income, to the extent you have not previously included such amounts in income. Except with respect to New Bonds that you receive in exchange for accrued but unpaid interest, the discussion below assumes that any New Bonds that you receive will be treated as received in exchange for the Existing Bonds, not for accrued but unpaid interest.

Your initial tax basis in the New Bonds will be equal to their issue price (determined as described below under "—Issue Price of the New Bonds"). Your holding period with respect to such New Bonds will begin the day following the consummation of the Exchange Offer.

Issue Price of the New Bonds

As discussed above under "—Taxable Exchange," the amount you realize with respect to your tender of Existing Bonds will be equal to the issue price of the New Bonds received in the exchange. Your initial tax basis in such New Bonds also will be equal to their issue price.

The issue price of a New Bond generally will be equal to the first price at which a substantial amount of the New Bonds are sold for money in the Concurrent Offer.

Consequences of Holding the New Bonds

If you are a United States person, the interest you receive on the New Bonds will generally be subject to U.S. federal income taxation and will be considered ordinary interest income on which you will be taxed in accordance with the method of accounting that you generally use for tax purposes. A United States person will also be required to include in gross income as interest any withholding tax paid (if any) and additional amounts paid (if any) with respect to withholding tax on the New Bonds (as described under "Taxation"), including foreign withholding tax on payments of such additional amounts. When you sell, exchange or otherwise dispose of the New Bonds, you generally will recognize gain or loss equal to the difference between an amount you realize on the transaction and your adjusted tax basis in the New Bonds (except that any amount attributable to accrued and unpaid interest will be treated as a payment of interest for U.S. federal income tax purposes). Your adjusted tax basis in a New Bond generally will equal the issue price of the New Bond (as described above under "—Issue Price of the New Bonds"), reduced by payments of principal previously received in respect of such New Bond. If you are a United States person who is an individual, estate or trust and the New Bond being sold, exchanged or otherwise disposed of is a capital asset held by you for more than one year, you may be eligible for reduced rates of taxation on any capital gain realized. Your ability to deduct capital losses is subject to limitations.

Interest received or accrued on the New Bonds will constitute foreign source "passive category income" to most United States persons for U.S. foreign tax credit purposes. If Argentine or other foreign withholding taxes are imposed, United States persons will be treated as having actually received an amount equal to the amount of such taxes and as having paid such amount to the relevant taxing authority. As a result, the amount of interest income included in gross income by a United States person would be greater than the amount of cash actually received by the United States person in such instance. A United States person may be able, subject to certain generally applicable limitations, to claim a foreign tax credit (or, alternatively, a deduction if the United States person has elected to deduct all foreign income taxes for that taxable year) for foreign withholding taxes imposed on payments of interest (including any additional amounts, as described under "Taxation"). The calculation of U.S. foreign tax credits and, in the case of a United States person that elects to deduct foreign income taxes, the availability of deductions involves the application of complex rules that depend on a United States person's particular circumstances. United States persons should, therefore, consult their own tax advisors regarding the application of the U.S. foreign tax credit rules to interest income (including additional amounts) on the New Bonds.

Gain or loss recognized by a United States person on the sale, redemption, retirement or other taxable disposition of a New Bond will generally be U.S. source gain or loss. Accordingly, if Argentine or other withholding tax is imposed on the sale or disposition of the New Bonds, a United States person may not be able to fully utilize its U.S. foreign tax credits in respect of such withholding tax unless such United States person has other foreign source income. Prospective investors should consult their own tax advisors as to the U.S. tax and foreign tax credit implications of such sale, redemption, retirement or other taxable disposition of a New Bond.

The paying agents will be required to file information returns with the U.S. Internal Revenue Service with respect to payments made to certain United States persons on the New Bonds. In addition, certain United States persons may be subject to U.S. backup withholding tax in respect of such payments if they do not provide their taxpayer identification numbers to the relevant paying agent, and may also be subject to information reporting and backup withholding requirements with respect to proceeds from a sale of the New Bonds. Any amounts withheld under the backup withholding tax rules will be allowed as a refund or credit against your U.S. federal income tax liability, provided that you furnish the required information to the IRS.

Individual U.S. persons that own "specified foreign financial assets" with an aggregate value in excess of $50,000 are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which would include the New Bonds) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations have been proposed that would extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. persons who fail to report the required information could be subject to substantial penalties. Prospective investors should consult their own tax advisors concerning the application of these rules to their investment in the New Bonds, including the application of the rules to their particular circumstances.

JURISDICTIONAL RESTRICTIONS

The distribution of the offering memorandum is restricted by law in certain jurisdictions. Persons into whose possession this offering memorandum comes are required by the Province to inform themselves of and to observe any of these restrictions.

This offering memorandum does not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which an offer or solicitation is not authorized or in which the person making an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make an offer or solicitation. Neither the Province nor the dealer manager accepts any responsibility for any violation by any person of the restrictions applicable in any jurisdiction.

In any jurisdiction in which the Exchange Offer is required to be made by a licensed broker or dealer and in which the dealer managers or any of its affiliates is so licensed, it shall be deemed to be made by such dealer manager or such affiliate on behalf of the Province.

Argentina

No restrictions apply to the Exchange Offer.

Belgium

The Exchange Offer is not being made, directly or indirectly, to the public in Belgium. Neither the Exchange Offer nor this offering memorandum has been notified to the Belgian Financial Services and Markets Authority pursuant to Article 32 of the Belgian law of 16 June 2006 on public offering of securities and admission of securities to trading on regulated markets (the "Law on Public Offerings") and Article 19 of the Law of 1 April 2007 on public acquisition offers ("Law on Public Acquisition Offers") nor has this offering memorandum or any other information circular, brochure or similar document relating to the Exchange Offer been, nor will it be, approved by the Belgian Financial Services and Markets Authority pursuant to Article 23 of the Law on Public Offerings and Article 18 of the Law on Public Acquisition Offers. Accordingly, the Exchange Offer may not be advertised and both this offering memorandum and any other information circular, brochure or similar document relating to the Exchange Offer may be distributed, directly or indirectly, in Belgium only to qualified investors referred to in Article 10 of the Law on Public Offerings and Article 6, paragraph 3 of the Law of 1 April 2007 on Public Acquisition Offers, acting for their own account.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), an offer to the public of any New Bonds may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State may be made at any time with effect from and including the Relevant Implementation Date under the following exemptions under the Prospectus Directive:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant dealer manager or dealer managers nominated by the Province for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of New Bonds shall require the Province or any dealer manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any New Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Exchange Offer and the New Bonds to be offered so as to enable an investor to decide to purchase or subscribe the New Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (as amended by Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant Member State.

This EEA selling restriction is in addition to any other selling restrictions set out in this offering memorandum.

France

No prospectus has been prepared in connection with the offering of the New Bonds that has been approved by the *Autorité des marchés financiers* (the “AMF”) or by the competent authority of another Member State of the European Economic Area and notified to the AMF and to the Province; no New Bonds have been offered or sold nor will be offered or sold, directly or indirectly, to the public in France; this Private Placement Memorandum or any other offering materials relating to the New Bonds have not been distributed or caused to be distributed and will not be distributed or caused to be distributed to the public in France; such offers, sales and distributions have been and shall only be made in France to persons licensed to provide the investment service of portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*), and/or qualified investors (*investisseurs qualifiés*) investing for their own account, other than individuals, all as defined in, and in accordance with, Articles L.411-2 and D.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and applicable regulations thereunder. The direct or indirect distribution to the public in France of any so acquired New Bonds may be made only as provided by Articles L.411-1 to L.411-4, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code (*Code monétaire et financier*) and applicable regulations thereunder.

Luxembourg

In relation to the Grand Duchy of Luxembourg (“Luxembourg”), no offer of New Bonds to the public will be made pursuant to this Private Placement Memorandum, except that an offer of New Bonds to the public in Luxembourg may be made at any time:

(a) to any person or legal entity which is a qualified investor as defined in the Prospectus Law; or

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Law); or

(c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 5 of the Prospectus Law.

For the purposes of this provision, the expression “offer of New Bonds to the public” in relation to any New Bonds in Luxembourg means the communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the New Bonds to be offered so as to enable an investor to decide to purchase or subscribe the New Bonds and the expression “Prospectus Law” means the law of 10 July 2005 *relative aux prospectus pour valeurs mobilières*, as amended.

Switzerland

This offering memorandum does not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations and the New Bonds will not be listed on the SIX Swiss Exchange. Therefore, this offering memorandum may not comply with the disclosure standards of the listing rules (including any additional listing rules or prospectus schemes) of the SIX Swiss Exchange. Accordingly, the New Bonds may not be offered for exchange to the public in or from Switzerland, but only to a selected and limited circle of investors who do not subscribe to the New Bonds with a view to distribution. Any such investors will be individually approached by the dealer managers from time to time.

United Kingdom

Each dealer manager has represented, warranted and agreed that:

(a) (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any New Bonds which are the subject of the offering contemplated by this offering memorandum other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the New Bonds would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Province;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any New Bonds which are the subject of the offering contemplated by this offering memorandum in circumstances in which Section 21(1) of the FSMA does not apply to the Province; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the New Bonds in, from or otherwise involving the United Kingdom.

This offering memorandum is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The New Bonds are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such New Bonds will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

OFFICIAL STATEMENTS

Information in this offering memorandum that is identified as being derived from a publication of Argentina, the Province or one of their respective agencies or instrumentalities relies on the authority of such publication as a public official document of Argentina or the Province, as the case may be. The Province has not independently verified the information in this offering memorandum that is identified as being derived from a publication of Argentina and makes no representation as to its accuracy and completeness. All other information and statements set forth herein relating to the Province are included as public official statements made on the authority of the Province.

VALIDITY OF THE BONDS

The validity of the New Bonds will be passed upon for the Province by Cleary Gottlieb Steen & Hamilton LLP, United States counsel to the Province, by the *Asesor General del Gobierno* (General Legal Advisor to the Executive Branch) of the Province, and by Cabanellas, Etchebarne, & Kelly, Argentine counsel to the Province; and for the dealer managers by Shearman & Sterling LLP, United States counsel to the dealer managers, and Bruchou, Fernández Madero & Lombardi, Argentine counsel to the dealer managers.

As to all matters of Argentine and provincial law, Cleary Gottlieb Steen & Hamilton LLP may rely on the opinion of the *Asesor General del Gobierno* (General Legal Advisor to the Executive Branch) of the Province and of Cabanellas, Etchebarne & Kelly, and Shearman & Sterling LLP may rely upon the opinion of Bruchou, Fernández Madero & Lombardi. As to all matters of United States law, the *Asesor General del Gobierno* (General Legal Advisor to the Executive Branch) of the Province may rely on the opinion of Cleary Gottlieb Steen & Hamilton LLP, and Bruchou, Fernández Madero & Lombardi may rely on the opinion of Shearman & Sterling LLP.

GENERAL INFORMATION

The Province

The Province has authorized the creation and issue of the New Bonds pursuant to the Financial Administration Law, 2015 Budget Law, Decree No. 59/15 dated February 25, 2015 and Resolution of the Ministry of Economy No. 106/15 dated June 2, 2015. A Resolution from the Ministry of Economy to be dated no more than three business days following the Expiration Time will approve, among other things, the issuance of a principal amount of New Bonds necessary for the Province to comply with its obligations under the Exchange Offer.

Except as disclosed in this offering memorandum, since December 31, 2014 (the end of the most recent fiscal period for which financial statements have been prepared) there has been no material adverse change in the revenues or expenditures, or financial position, of the Province.

Listing and Listing Agent; Exchange Agent

Application will be made to list the New Bonds on the Luxembourg Stock Exchange and for the New Bonds to trade on the Euro MTF Market of the Luxembourg Stock Exchange. Application will be made to list the New Bonds on the *Mercado de Valores de Buenos Aires S.A.* and on the *Mercado Abierto Electrónico S.A.* The Luxembourg listing agent is Société General Bank & Trust.

In connection with the Exchange Offer, the Province has appointed Global Bondholder Services Corporation as exchange agent and Global Bondholder Services Corporation as information agent. You may obtain copies of this offering memorandum free of charge by contacting the information agent at the address indicated on the back cover page of this offering memorandum. For any tenders submitted in Luxembourg, please contact the information agent.

Documents Relating to the New Bonds

Copies of the forms of the indenture, this offering memorandum and forms of the New Bonds may be inspected free of charge during normal business hours on any day, except Saturdays, Sundays and public holidays in Luxembourg, at the offices of the Luxembourg paying agent in Luxemburg, as long as the New Bonds are listed on the Luxembourg Stock Exchange.

Notices

For so long as the New Bonds are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange shall so require, all notices to holders of such bonds shall be published either in a newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort* or the *Tageblatt*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu) or otherwise in compliance with the relevant listing rules of the Luxembourg Stock Exchange.

Clearing

The New Bonds are expected to clear through the Euroclear and Clearstream clearance systems.

THE GOVERNMENT OF
THE PROVINCE OF BUENOS AIRES
Calle 8 entre 45 y 46, P.B. Of .14
La Plata, Buenos Aires 1900

EXCHANGE AGENT AND INFORMATION AGENT
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New York, New York 10006
Email: info@gbsc-usa.com
Telephone: (866)-470-4200 (toll free)
Facsimile: 212-430-3775
To Confirm: (212)-430-3774 (collect)
Attention: Corporate Actions

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