

OFFERING CIRCULAR



U.S.\$150,000,000 **The City of Córdoba**

(The Capital City of the Province of Córdoba, Republic of Argentina)

7.875% Notes due 2024

The City of Córdoba, or the City, the capital city of the Province of Córdoba, Republic of Argentina, is offering U.S.\$150,000,000 aggregate principal amount of its 7.875% Notes due 2024, or the notes. Interest on the notes will accrue at a rate of 7.875% per year. The City will pay interest on the notes on March 29 and September 29 of each year, beginning on March 29, 2017. The notes will mature on September 29, 2024. The City will pay the principal of the notes in three installments of U.S.\$50,000,000 each on September 29, 2022, on September 29, 2023 and on September 29, 2024.

The notes will be direct, general, unconditional and unsubordinated Public External Indebtedness (as defined below) of the City, ranking without any preference among themselves and equally with all other unsubordinated Public External Indebtedness of the City. It is understood that this provision shall not be construed so as to require the City to make payments under the notes ratably with payments being made under any other Public External Indebtedness of the City.

Application has been made to list the notes on the Luxembourg Stock Exchange, and to have the notes admitted to trading on the Euro MTF Market of Luxembourg Stock Exchange. This offering circular constitutes a prospectus for purposes of Part IV of the Luxembourg law on prospectus securities dated July 10, 2005, as amended. To the best of our knowledge, the information contained in this Offering Circular is in accordance with the facts and contains no omissions likely to affect its import.

The notes will contain provisions, commonly known as “collective action clauses.” Under these provisions, the City may amend the payment provisions of any series of debt securities issued under the indenture (including the notes) 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 ⅔% 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 Notes—Meetings, Amendments and Waivers – Collective Action.”

Investing in the notes involves significant risks. See “Risk Factors” beginning on page 12.

The notes are being offered only outside the United States to non U.S. persons in reliance on Regulation S under U.S. Securities Act of 1933, as amended (the “Securities Act”). The notes have not been and will not be registered under the Securities Act, or registered or qualified under the securities laws of any other jurisdiction. Accordingly, unless they are registered, the notes may be offered only in transactions that are exempt from registration under the Securities Act or that are exempt from registration or qualification under the securities law of any other jurisdiction. Any offer or sale of the notes in any member state of the European Economic Area that has implemented the Prospectus Directive must be addressed to qualified investors (as defined in the Prospectus Directive). For further details about eligible offerees and resale restrictions, see “Notice to Investors.”

Price: 100.000%, plus accrued interest from September 29, 2016, if any

Sole Dealer Manager

SANTANDER

The date of this offering circular is October 11, 2016

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You should rely only on the information contained in this offering circular. The City has not, and Santander Investment Securities Inc. (the “Dealer Manager”), has not, authorized any other person to provide you with different or additional information. If anyone provides you with different, additional or inconsistent information, you should not rely on it. The City is not, and the Dealer Manager is not, making an offer to sell the notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this offering circular is accurate only as of the date on the front cover of this offering circular and may have changed since that date. Neither the delivery of this offering circular nor any sale made hereunder will under any circumstances imply that the information herein is correct as of any date subsequent to the date of the cover of this offering circular.

The City is relying on an exemption from registration under the Securities Act for offers and sales of securities that do not involve a public offering. By purchasing notes, you will be deemed to have made the acknowledgements, representations, warranties and agreements described under the heading “Notice to Investors” in this offering circular. You should understand that you will be required to bear the financial risks of your investment for an indefinite period of time.

This offering circular may only be used for the purposes for which it has been published. It may be distributed and its contents disclosed only to the prospective investors to whom it is provided. By accepting delivery of this offering circular, you agree to these restrictions.

This offering circular is based on information provided by the City and other sources that the City believes are reliable. This offering circular summarizes certain documents and other information, and the City refers you to them for a more complete understanding of what the City discusses in this offering circular. In making an investment decision, you must rely on your (and your advisor’s) own examination of the City and the terms of the offering and the notes, including the merits and risks involved.

After having made all reasonable inquiries, the City confirms that it accepts responsibility for the information it has provided in this offering circular and assumes responsibility for the correct reproduction of the information contained herein.

The City is not making any representation to any purchaser of notes regarding the legality of an investment in the notes by such purchaser under any legal investment or similar laws or regulations. You should

not consider any information in this offering circular to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the notes.

Neither the U.S. Securities and Exchange Commission, or the SEC, nor any U.S. state securities commission has approved or disapproved the notes or determined if this offering circular is truthful or complete. Any representation to the contrary is a criminal offense.

ENFORCEMENT OF CIVIL LIABILITIES

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

To the fullest extent permitted by applicable law, the City 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 Notes or the City's failure or alleged failure to perform any obligations under the Notes, and the City 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 City 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 City 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 City will, to the fullest extent permitted under applicable law, including (i) the U.S. Foreign Sovereign Immunities Act of 1976 (the "Foreign Sovereign Immunities Act"); (ii) Federal Law No. 25,973; (iii) Article 179 of the Constitution of the Province and; (iv) Article 7 of the Ordinance 12,009 (as amended) 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 City. 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 City will be subject to the applicable provisions of (i) the Federal Law No. 25,973, (ii) Article 179 of the Constitution of the Province, and (iii) Ordinance No. 12,009 (as amended).

A judgment obtained against the City in a foreign court may be enforced in the courts of Argentina. Based on existing law, the courts 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 courts 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*) with respect to personal property if such was transferred 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 Argentine Supreme Court held that the enforcement of a foreign judgment did not satisfy one of the requirements set forth above (*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 of Argentina through emergency legislation enacted in accordance with the Argentine Constitution. In addition, the Argentine Supreme Court held that such norms were part of Argentine public policy and, therefore, that the enforcement of a foreign judgment, such as the one sought by the plaintiff, could not be granted as it would be clearly contrary to such legislation.

Notwithstanding the foregoing, no attachment will be ordered by courts of Argentina with respect to property in the public domain located in Argentina that falls within the purview of Articles 234, 235 and 237 of the Argentine Civil and Commercial Code or property of the City that provides an essential public service.

Finally, pursuant to Article 806 of the Civil and Commercial Procedural Code of the Province, monetary judgments payments will be made after a four-month term if there are available funds in the City's budget for the year in which the judgment is rendered. Otherwise, the City must include the amount ordered to be paid pursuant to the relevant judgment in the following year's budget, *provided* that the judgment is notified before June 30, or in the budget corresponding to the subsequent year if the judgment is notified after such date.

DEFINED TERMS AND CONVENTIONS

Certain Defined Terms

Unless otherwise indicated, references in this offering circular to:

- “Argentina” are to the Republic of Argentina
- “Banco Nación” are to Banco de la Nación Argentina,
- the “Central Bank” are to the Banco Central de la República Argentina,
- the “City”, “we,” “our,” “ours,” and “us” are to the issuer,
- the “Federal Congress” are to the national congress of Argentina.
- the “Federal Government” are to the central government of Argentina, excluding the Central Bank, and
- the “Province” are to the Province of Córdoba,

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

- *BADLAR*: is the weighted average interest rate paid by private banks in Argentina for deposits in Argentine Pesos on amounts greater than Ps.1.0 million for periods of 30 / 35 days
- *Coeficiente de Estabilización de Referencia*, or CER, is a unit of account adopted on February 3, 2002, the value in Pesos of which is indexed to *consumer price index*, or CPI. 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.
- *Federal Fiscal Responsibility Law (Ley de Responsabilidad Fiscal)* is the federal Law No. 25,917, as amended and supplemented, which sets forth general rules of fiscal behavior and transparency for Argentina’s federal, provincial and municipal sectors.
- *Greater Córdoba* is an industrialized and heavily populated urban area comprised of the City and its surroundings. It is the second largest urban region in Argentina in terms of population and area. According to the 2010 national census, Greater Córdoba’s population was 1,329,604 inhabitants, representing 40.3% of the Province’s population at the time.
- *INDEC (Instituto Nacional de Estadística y Censos de la República Argentina)* is the technical Federal Government agency responsible for the coordination and supervision of all the public statistical activities taking place in Argentina. The INDEC has the direct responsibility for the methodological design, organization and supervision of all federal survey and census operations, as well as the elaboration and compilation of basic social and economic indicators and the production of other basic statistical information.
- *Nominal gross domestic product*, or nominal GDP, is the total value of all final goods and services produced within Argentina, the Province or the City, as the case may be, measured, unless otherwise indicated, in terms of producer prices for each reported year. By measuring nominal GDP in terms of producer prices, the effect of value-added taxes and taxes on imports is not reflected. All references to the various economic sector contributions to the total value of all final goods and services measured in terms of producer prices are referred to as output.
- The *rate of inflation or inflation rate* provides a 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 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 that same date of the preceding year. 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 that same date of the preceding year. The WPI is meant to reflect the prices that wholesalers pay to obtain products from producers. 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 wholesalers and not the end consumers. Beginning in November 2005, the Province has reported CPI within its territory. The provincial CPI has registered a rate of change substantially similar to the rate of change of the national CPI during the same period. For consistency, all references in this offering circular to CPI are to the national CPI, unless otherwise indicated.

- *Real gross domestic product*, or real GDP, is the total value of all final goods and services produced within Argentina or the Province, as the case may be, measured, unless otherwise indicated, in terms of 1993 producer prices. By measuring real GDP in terms of producer prices, the effect of value-added taxes and taxes on imports is not reflected. All references to the various economic sector contributions to the total value of all final goods and services measured in terms of 1993 producer prices are referred to as output.

EXCHANGE RATES AND EXCHANGE CONTROLS

Unless otherwise specified, references in this offering circular to “Dollars,” “U.S. dollars” and “U.S.\$” are to the currency of the United States of America and references to “Pesos” and “Ps.” are to Argentine pesos, the official currency of Argentina. The City publishes most of its economic indicators and other statistics in Pesos.

After several years of slight variations in the nominal exchange rate in comparison with inflation levels, in 2012, there was a devaluation of approximately 14% of the Peso against the U.S. dollar. This was followed by a further devaluation of the Peso against the U.S. dollar that exceeded 30% in 2013 and 2014, including a loss in the value of the Peso of approximately 24% in January 2014. In 2015, there was a further devaluation of approximately 52% of the Peso against the U.S. dollar, including a 10% devaluation from January 1, 2015 to September 30, 2015 and a 38% devaluation in the last quarter of 2015, which was mainly experienced after December 16, 2015, as a result of a significant economic reform implemented by the Macri administration. Since the devaluation in December 2015, the Federal Government’s macroeconomic policies have allowed the Peso to float, intervening the exchange market in limited opportunities in order to control volatility. See “Risk Factors”.

The table below sets forth the annual high, low, average and period-end “reference” exchange rates for the periods indicated, expressed in Pesos per U.S. dollar:

	High	Low	Average ⁽¹⁾	Period-end
Year ended December 31,				
2010.....	3.9857	3.7942	3.9127	3.9758
2011.....	4.3035	3.9715	4.1302	4.3032
2012.....	4.9173	4.3048	4.5515	4.9173
2013.....	6.5180	4.9228	5.4789	6.5180
2014.....	8.5555	6.5430	8.1188	8.5520
2015.....	13.7633	8.5537	9.2689	13.0050
2016.....				
January.....	13.9443	13.0692	13.6548	13.9040
February.....	15.5842	14.0883	14.8146	15.5842
March.....	15.9192	14.2458	14.9615	14.5817
April.....	14.7792	14.1400	14.4095	14.2582
May.....	14.0117	14.2617	14.1377	14.0127
June.....	15.0563	13.7725	14.1408	14.9200
July.....	15.1933	14.5718	14.9094	15.0447
August.....	15.0988	14.6525	14.8498	14.9008

Source: Central Bank Reference Exchange Rates (Communication A 3,500 of Central Bank).

(1) Average of daily closing quotes.

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.

On June 30, 2016, the Peso-U.S. dollar exchange rate was Ps.14.9200 to U.S.\$1.00. On September 14, 2016, the Peso-U.S. dollar exchange rate was Ps.15,0275 to U.S.\$1.00.

Exchange Controls

Due to the deterioration of the Argentine economy and financial system in 2001, the inability of Argentina to service its public external debt and the decreased level of deposits in the financial system, the Federal Government issued Decree No. 1,570/2001 on December 3, 2001, which established certain monetary and currency exchange control measures, including restrictions on the free disposition of funds deposited in banks and on the transfer of funds abroad, subject to certain exceptions.

In addition, on February 8, 2002, the Federal Government and the Central Bank established prior authorization for certain transfers of funds abroad to service principal and/or interest payments on foreign indebtedness. From 2011 until the Macri administration took office in December 2015, the Government increased controls on the sale of foreign currency and the acquisition of foreign assets by local residents, limiting the possibility of transferring funds abroad. Together with the regulations established in 2012 that subjected certain foreign exchange transactions to prior approval by Argentine tax authorities or the Central Bank, the measures taken by the prior administration led by Cristina Fernández de Kirchner significantly curtailed access to the foreign

exchange market through the *Mercado Único y Libre de Cambios* (the “MULC”). In response, an unofficial U.S. dollar trading market developed in which the Peso-U.S. dollar exchange rate differed substantially from the official Peso-U.S. dollar exchange rate.

In December 2015, in line with the economic reforms implemented by the Macri administration, the Federal Government issued regulations that eliminated a significant portion of the foreign exchange restrictions imposed by the previous administrations. Those measures, among others things, included a reduction of the mandatory, non-transferable and non-interest bearing deposit in connection with certain transactions involving foreign currency inflows from 30% to 0% of the foreign amount settled.

Current Regulations

On August 8, 2016, the Central Bank introduced material changes to the foreign exchange regime, through the approval of a new set of general rules that significantly eased access to the MULC. See “*Risk Factors—Exchange Controls and restrictions on capital inflows and outflows may limit the availability of international credit and the liquidity of the market for securities of Argentine issuers, including Argentine provinces and local governments.*”

The main current foreign exchange rules, relating to financial indebtedness, are the following:

- Argentine residents can purchase and transfer abroad foreign currency without specific allocation (*atesoramiento*) and for making investments abroad with no limitations;
- the requirement to transfer and settle the proceeds from foreign financial indebtedness incurred by the financial sector, the non-financial private sector and local governments through the MULC, was eliminated;
- there are no restrictions for prepayments of principal; and
- the mandatory minimum stay period of 120 consecutive days only applies to foreign indebtedness proceeds that were entered through the MULC.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All annual information presented in this offering circular is based upon the period from January 1 to December 31, unless otherwise indicated. Results for any interim period are not necessarily indicative of the results to be reported for the respective fiscal year. Totals in some tables in this offering circular 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 circular is preliminary in nature and reflects the most recent reliable data readily available to the City as of the date of this offering circular. The finance or economic and statistical information included in this offering circular could be revised in the future in order to show new data or more accurate information. These revisions could reveal that the City's economic and financial conditions as of any particular date are materially different from, and less favorable than, those described in this offering circular. These revisions could materially and adversely affect the market price of the notes.

Statistical information contained in this offering circular has also been extracted from publicly available sources, including industry publications, market research reports, press releases, filings under various securities laws and official data published by certain government and international agencies.

Information about the Republic of Argentina and the Province of Córdoba

Certain information presented in this offering circular relating to the economy of Argentina and/or of the Province is included only for the purpose of providing context for the information included herein and related to the economy of the City.

City Accounting Practices

The City maintains its books and records in Pesos and prepares its budgets and statements of revenues and expenditures in accordance with the City's accounting practices. These accounting practices differ in material respects from generally accepted accounting principles in Argentina ("Argentine GAAP") and from generally accepted accounting principles in other jurisdictions, including the accounting principles in United States ("U.S. GAAP"); and the International Financial Reporting Standards ("IFRS"). The primary features of the City's practices are: (i) revenues are accounted for in the City's budgets and statements of revenues and expenditures on an accrual basis and are recognized in the period in which they are received; (ii) expenditures are accounted for in the City's budgets and statements of revenues and expenditures when committed and not when paid; (iii) capital investments are carried at cost, without reduction for depreciation or amortization and, accordingly, the City does not record any charges for depreciation or amortization in its accounts; (iv) capital expenditures and investments in tangible assets are not capitalized and are expensed in the year incurred; (v) construction contracts are expensed when committed, and (vi) revenues, expenditures and public debt are not adjusted for inflation in the City's accounts.

FORWARD-LOOKING STATEMENTS

This offering circular may contain forward-looking statements. Forward-looking statements are statements that are not historical facts, including statements about the City's beliefs and expectations. These statements are based on the City's current plans, estimates and projections. Therefore, you should not rely solely on them.

Forward-looking statements speak only as of the date they are made. The City 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 circular. 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 circular 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, exchange rate volatility, lack of sufficient investment, limited access to credit and political disputes, any of which could lead to lower economic growth nationally and in the City;
- adverse external factors, such as changes in international prices (including commodity prices) for goods produced within the Province or Argentina, changes in international interest rates, recession or low economic growth in Argentina's trading partners, which could decrease the value of exports from the Province and, therefore, negatively impact the City;
- the relationship between the Federal Government, the provinces, and local governments, including the City;
- other adverse factors, such as climatic or political events, international or domestic hostilities and political uncertainty;
- exchange controls imposed by the Federal Government, which could increase the cost of foreign capital and thereby limit the City's access to liquidity; and
- the risk factors discussed under "Risk Factors."

Each of these factors could lead to lower economic growth, reduce the City's revenues (thereby affecting the City's accounts), and adversely affect its financial condition.

SUMMARY

This summary highlights selected economic and financial information about the City. It is not complete and may not contain all of the information you should consider before purchasing the notes. You should carefully read the entire listing particulars, including “Risk Factors,” before purchasing the notes.

Selected Economic Information of the City (in millions of Pesos unless otherwise indicated)⁽¹⁾

	As of and for the year ended December 31,			As of June 30,
	2013	2014	2015	2016
ECONOMY				
Real GDP (in millions of Ps, 1993 base)	14,831	14,938	n/a	n/a
Real GDP growth.....	7.0%	0.7%	n/a	n/a
City real GDP as a % of Provincial real GDP.....	41.9%	41.0%	n/a	n/a
Estimated population ⁽²⁾	1,397,130	1,405,753	1,414,201	n/a
City real GDP per capita.....	10,616	10,627	n/a	
PUBLIC SECTOR FINANCES (unconsolidated)⁽³⁾				
Total Current Revenues	4,567	6,669	8,420	n/a
Total Capital Revenues.....	—	2	—	n/a
Total Revenues	4,567	6,671	8,420	n/a
Total Revenues as a % of real GDP	30.8%	44.6%	n/a	n/a
Total Expenditures (excluding interest expense) ⁽⁴⁾	4,976	6,891	9,061	n/a
As a % of real GDP	33.5%	46.1%	n/a	n/a
Primary Fiscal Balance (excluding interest expense) ⁽⁵⁾	(386)	(175)	(607)	n/a
As a % of real GDP	2.6%	1.2%	n/a	n/a
Overall Result /(Deficit) ⁽⁶⁾	(257)	(163)	(330)	n/a
PUBLIC SECTOR DEBT				
Total Debt.....			1,001	n/a
As a % of real GDP			n/a	n/a
As a % of total revenues			11.9%	n/a
Total Debt (in millions of U.S.\$) ⁽⁷⁾			73.83	n/a

Note: In this table and other tables throughout this offering circular, the abbreviation “n/a” (not available) means the information is not available as of the date of this offering circular.

- (1) By the end of 2013, the *Dirección Nacional de Cuentas Nacionales* changed its methodology for calculating the national GDP, by changing its reference base for calculating real GDP as of 2004. The City, like the Province, however, continued to use 1993 as its reference base. As a result, the City’s GDP and the national GDP information included in this offering circular is not comparable.
 - (2) Estimated Population as of July 1 of each year. Projections of the *Dirección General de Estadísticas y Censos de la Provincia*. 2010-2025.
 - (3) General administration, excluding unconsolidated and consolidated entities.
 - (4) Including current and capital expenditures.
 - (5) Represents the primary fiscal balance minus interest payments.
 - (6) Represents total surplus/(deficit) plus net transactions in financial assets and liabilities.
 - (7) Converted into U.S. Dollars using the exchange rates published by the Central Bank in effect on such date.
- Sources: Statistical Office of the Province, Central Bank, *Ministerio de Hacienda y Finanzas Públicas* of Argentina and INDEC.

THE CITY

General

The City is the second largest in Argentina by population after the city of Buenos Aires and the largest in the Province, with a population of more than 1.3 million inhabitants, according to the 2010 national census. The City is located in the central part of the country and is the capital of the Province.

The City government is responsible for providing basic local services and consists of an executive branch and a legislative branch. The executive branch is led by a popularly elected Mayor and Deputy Mayor, as well as a number of secretariats, which together constitute the Executive Branch. The legislative branch consists of a unicameral City Council with 31 members elected by a system of proportional representation that guarantees that the party that obtains a majority of the votes cast will have a majority of its members. The Deputy Mayor is the head of the City Council. The City government has no judicial branch and the courts of the Province have jurisdiction over civil, commercial, administrative, labor, family and criminal matters within the City. In addition to the executive and legislative branches, the Organic Act of the City provides for administrative control bodies with different areas of competence, including the *Tribunal de Cuentas* (Auditors Court), which exercises the accounting, economic and legal oversight of the public expenditure of the City and the City Council; the *Tribunal Administrativo Municipal de Faltas* (Administrative Municipal Misdemeanors Court), which is responsible for the prosecution of offenses or violations of municipal, provincial and federal provisions, whose application corresponds to the City; *Tribunal Administrativo Municipal Fiscal* (Administrative Municipal Fiscal Court), which resolves challenges filed against the decisions of the municipal tax authorities, as and to the extent required by City Ordinances.

The current President of Argentina, Mauricio Macri, belongs to the *Cambiamos* political coalition. President Macri and the Governor of the Province, Juan Schiaretti, both took office on December 10, 2015. On the local level, Ramón Javier Mestre was re-elected as Mayor of the City in 2015, with 32.18% of the votes. Mayor Mestre's term ends in 2019. Additionally, the City Council members are grouped into different blocks, which constitute the representation of political parties or electoral fronts that have obtained representation in the City Council. The *Juntos por Córdoba* Party won a majority of the City Council, with 16 seats out of 31, with the remaining 15 seats shared among four other parties.

Since assuming office, President Macri's administration has implemented several significant economic and policy reforms, including (i) reforms to INDEC, (ii) changes in foreign exchange regulations, (iii) changes in foreign trade regulation that have the objective of encouraging exports by reducing export duties on agricultural products, (iv) fiscal policy reforms, (v) correction of monetary imbalances, and (vi) the declaration of a national electricity state of emergency and related reforms. In addition, on April 22, 2016 Argentina issued U.S.\$ 16.5 billion of new debt securities in the international capital markets, and applied U.S.\$ 9.3 billion therefrom to satisfy settlement payments on agreements with holders of approximately U.S.\$ 8.2 billion principal amount of defaulted notes. The United States District Court in New York ordered the vacatur of all *pari passu* injunctions upon confirmation of such payments. See "Risk Factors—Risks Relating to Argentina—The last Presidential elections and the change in the governing political party in Argentina may create uncertainties that could impact the Argentine and provincial economies."

The next presidential and provincial elections are scheduled to take place in 2019 and the terms of the current President and Governor of the Province end in December 2019.

The City's Economy

The City's economy has a broad base of activities, ranging from industrial (general manufacturing, automobiles and food) and wholesale and retail commerce to real estate and other entrepreneurial activities. It is the second largest urban center of Argentina (following the city of Buenos Aires) and represents a significant portion of the Province's economy. In 2014, the City's real GDP represented approximately 41% of the Province's real GDP.

Information related to the City's real GDP in 2015 and in the first six months of 2016 is not available as of the date hereof, but several indicators show the recovery of economic activity paralleled a broader national recovery (Argentina's real GDP increased 2.4% during the first half of 2015). According to the information provided by the Province's *Dirección General de Estadísticas y Censos*, the economic activity of the Province, measured by the Indicator of Economic Activity of Córdoba (InAEC - *Indicador de Actividad Económica de*

Córdoba), showed a moderate increase of 4.3% through the end of the third quarter of 2015 when compared to the same period of the prior year and unemployment in Greater Córdoba decreased from approximately 10.5% for the first three quarters of 2014 to approximately 9.0% in the same period of 2015.

Similar to the trends at the national and provincial levels, the City's economy has experienced volatility in its growth between 2011 and 2014. The City's real GDP increased by 8.4% in 2011, 1.4% in 2012, 7% in 2013, and 0.7% in 2014, resulting in an average annual growth rate of 3.04% during this period.

Principal Sectors of the City's Economy

The City's rate of growth has been largely a consequence of the performance of the services sector, which grew at an average annual rate of approximately 5.7% between 2011 and 2014. In 2014, the City's most significant economic sectors include Real Estate and Other Business Activities, which accounted for 19% of the city's total real GDP; Manufacturing, which accounted for 18% of the City's total real GDP; Wholesale and Retail Commerce, which accounted for 13.6% of the City's total real GDP; Financial Services, which accounted for 13.3% of the City's total real GDP; and Transportation, Warehousing and Communications, which accounted for 10.9% of the City's total real GDP.

The Real Estate and Other Business sector includes several services rendered to individuals and corporations, including real estate transactions, machinery and equipment leases, IT, research and development, as well as other commercial and professional services. Several factors have contributed to the growth of the real estate sector during recent decades, making it the largest component of the City's GDP. First, the relevance and tradition of the City as an academic center with six universities has resulted not only in the attraction of large numbers of students on a temporary basis but also many of these students become permanent residents of the City. Second, migration from other provinces and countries has increased because the City, as the second most important business center in Argentina, provides business opportunities and has a steady demand for labor. Lastly, the agricultural boom of the Province has also contributed to the growth of the real estate sector, since some of its surplus revenues are directed to investments in real estate.

The three most significant components of the Manufacturing sector include the food and beverage industry, the automotive industry and the general mechanical industry. The food and beverage industry includes facilities of major international and national corporations. The automotive sector consists not only of production operations of international automobile companies, but also includes services consisting of various medium and small-to-medium sized companies that provide parts and repair services. The integration of these companies with large automakers has resulted in the sharing of technologies and improvements in productive capacity.

In 2014, wholesale and retail commerce accounted for 13.6% of the total real GDP of the City. This sector includes a broad array of durable and non-durable products, including home appliances, clothing and food and beverages, among others. Besides numerous retail businesses, the City is home to several international and national chains of supermarkets such as Wal-Mart Argentina S.R.L., Carrefour Argentina S.A., Disco S.A., Easy S.A. and Libertad S.A. The economic growth of the City in recent years has resulted in higher levels of consumption. The availability of retail financing, personal financing and the lack of savings incentives due to negative real interest rates for time deposits, have all contributed to the increase in consumption.

The City's Economic Results

In 2011, at constant 1993 prices, the City's total GDP represented Ps.13,674 million of the Province's total GDP of Ps.32,529 million, led by manufacturing production of approximately Ps.3,042 million, real estate and other business services of approximately Ps.2,648 million and wholesale and retail commerce of approximately Ps.2,116 million. In that year, the City produced approximately 35.5% of the total goods and provided approximately 45.6% of the total services, of the Province.

In 2012, at constant 1993 prices, the City's total GDP represented Ps.13,862 million of the Province's total GDP of approximately Ps.32,592 million, led by manufacturing production of approximately Ps.2,731 million, real estate and other business services of approximately Ps.2,696 million and wholesale and retail commerce of approximately Ps.2,065 million. In that year, the City produced approximately 36% of the total goods and provided approximately 45.5% of the total services of the Province.

In 2013, at constant 1993 prices, the City's total GDP represented Ps.14,832 million of the Province's total GDP of Ps.35,437 million, led by manufacturing production of approximately Ps.3,034 million, real estate and other business services of approximately Ps.2,775 million and wholesale and retail commerce of

approximately Ps.2,162 million. In that year, the City produced approximately 34% of the goods and provided approximately 45.8% of the services of the Province.

In 2014, at constant 1993 prices, the City's total GDP represented Ps.14,939 million of the Province's total GDP of Ps.36,399 million, led by real estate and other business activities of approximately Ps.2,837 million, manufacturing production of approximately Ps.2,693 million and wholesale and retail commerce of approximately Ps.2,028 million. In that year, the City produced approximately 31.1% of the goods and provided approximately 45.8% of the services of the Province.

Public Sector Finances

In 2015, the primary balance recorded a deficit of Ps.607.1 million, compared to a deficit of Ps.174.9 million in 2014. In 2015, a financial deficit of Ps.640.1 million was recorded, as compared to a financial deficit of Ps.220.2 million in 2014.

Revenues

The City's revenues are comprised of taxes and fees collected by the City, and transfers from the federal and provincial governments.

In 2015, approximately 65% of the City's total revenues were own-collected revenues, while approximately 35% were transfers originating from federal and provincial jurisdictions.

Income Generated by the City (City Tax Revenues)

Among other sources of own revenues, the City collects taxes and fees related to:

- Real Estate Property;
- Commercial, industrial and services activities;
- Motor vehicles, Trailers and similar vehicles;
- Rights over cemeteries; and
- Rights on public shows and gambling activities.

In all, approximately 50% of the City's own revenues in 2015 originated from fees and taxes on economic activity, approximately 29% related to fees and taxes on real estate property, approximately 9% derived from fees and taxes on motor vehicles, trailers and similar vehicles and approximately 12% came from other sources.

Income Received from Other Jurisdictions

In 2015, approximately 96% of revenue that the City received from other jurisdictions, corresponded to the following sources:

- *Tax Co-Participation.* According to the Provincial Tax Co-Participation Regime between the Province and its municipalities and communes, established by Law No. 8,663, co-participation resources to municipalities and communes are composed by 20% of: (i) turnover tax or other taxes replacing it, its surcharges, actualizations, fines and other accessories, (ii) basic and added real estate tax or other taxes replacing it, its surcharges, actualizations, fines and other accessories and (iii) allocations received by the Province by means of the Federal Tax Co-Participation Regime, Law No. 23,548 of the Republic of Argentina, and its amendments, or financial agreements to be established between the Federal Government and the Province. Tax Co-Participation represents the main source of income of the City coming from other jurisdictions. In 2015, Tax Co-Participation revenues accounted for approximately 81% of total resources received from other jurisdictions.
- *Financing of Provincial Decentralization Fund (Fondo de Financiamiento de la Descentralización Provincial - FOFINDES):* FOFINDES is intended to finance the decentralization of the provincial government, such as expenses associated with transfers of work, services and functions of the provincial government to municipalities, communes or neighborhood committees.

- *Federal Solidarity Fund*: The fund aims to transfer resources to the provinces and municipalities, to be used to finance projects related to health, education, hospital, housing and road infrastructure.
- *Anti-Crisis and Municipal Sanitation Fund (Fondo Anticrisis y Saneamiento Municipal - FASAMU)*: The FASAMU is a fund used to finance various capital expenditures of the municipalities and communes.

FOFINDES, Federal Solidarity Fund and FASAMU distributions are funded with the amounts received under the co-participation mechanics described in “Tax Coparticipation Regime” and are not additional amounts.

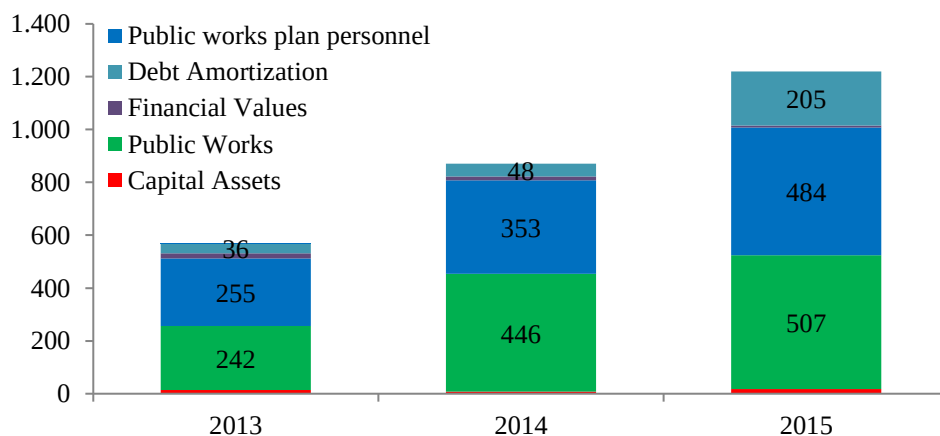
In addition, during 2016, the City has incorporated the following sources of revenue received from other jurisdictions:

- *Agreement for Fairness and Justice (Convenio de Equidad y Justicia) between the Province and the City*. Signed in May 2016, the agreement provides for the Province’s allocation to the City of an annual, non-refundable, amount to finance educational and health services related to the operation of Prince of Asturias and Children Hospitals, which is a responsibility of the Province but which services are provided by the City.
- *Federal Agreement (Acuerdo Federal)*. Signed in March 2016, the agreement provides for the financing of infrastructure by the Province. Pursuant to the Federal Agreement, the Province agreed to transfer to the City, in 2016, an amount of approximately Ps.180,000,000 (of which 75% has to be repaid by the City to the Province in 30 monthly equal installments, starting the day that is 120 days after the transfer is made). The transfer has not yet been made by the Province.

Expenditures

The City’s expenditures are classified as current and capital expenditures. Current expenditures include operating costs such as personnel costs and goods and services. Capital expenditures include direct investment in physical resources and equipment. In 2015, approximately 87% of the City’s total expenditures was comprised of current expenditures, with approximately 55% being devoted to personnel salaries and benefits, approximately 24% to public services, approximately 6% to transfers, approximately 2% to other expenditures; approximately 10.88% was committed to capital expenditures and 2.29% was committed to amortization expenditures.

In 2015, personnel and services expenses (mainly associated to urban hygiene) represented approximately 79% of the City’s total expenditures. Due to the basic and inflexible nature of personnel and services expenses it is difficult to restructure and/or reallocate these expenditures. However, in recent years capital expenditures have been increasing and have progressively accounted for a higher proportion of the City’s total expenditures.



(*) Figures are expressed in millions of Ps.

In 2015, approximately 81.2% of the City's total capital expenditures were devoted to the implementation of the City's Public Works Plan (*Plan de Trabajo Público*) (a portion of each year's budget in which the public works expected to be carried out in such year are determined), approximately 16.8% to debt amortization, approximately 1.4% to investments in capital goods and approximately 0.5% to investments in financial instruments.

In 2015, environmental, health, governmental and educational related expenditures represented approximately 61.3% of the City's total expenditures. Approximately 89% of environmental related expenditures were due to services provided by Urban Hygiene, and the remaining approximately 11% by different activities that contribute to the maintenance and improvement of the City environment, such as conservation of green spaces and enforcement of environmental regulations.

Health expenditures reflect the development, promotion and consolidation of a Municipal Health System that ensures the quality of their services and accessibility thereto. These expenditures resulted in, among other things, improved services in Hospitals, the Blood Center and Primary Health Care Centers; the provision of new services such as dental, child therapy and pharmaceutical production; and the repair and renovation of facilities for the provision of medical services.

Expenditures on education focus on the provision of a quality service, founded on the principles of equal opportunities, social justice and environmental sustainability, where the school is recognized as an area of generation of possibilities for social change. The implementation of these activities has achieved improved educational system coverage, the progressive incorporation of English as a second language, music and computing teaching, as well as the extended day in the Primary Cycle and the improvement of the assistance modality for students with special needs. It has also provided for the repair and maintenance of the infrastructure of schools and kindergartens.

Infrastructure Development Plan

One of the objectives of the City is the consolidation of the urban infrastructure to improve the access of public services. The City intends to use a portion of the proceeds from the offering of the notes to build two educational parks, renew and improve certain zones of the City, and purchase and install a new LED lightning system, among other works. See "Use of Proceeds" and "The City Economy – Infrastructure Initiatives".

The City's 2016 Budget

In the process of designing its budget for 2016, the City took into account the current macroeconomic environment and estimates concerning economic activity for the year, as well as its plans for improved management of the municipal administration, anticipated improved revenue collection and a more efficient allocation of available resources. Among other objectives, the City intends to improve its infrastructure and its provision of public services.

Revenues and Expenditures for 2013, 2014 and 2015, and budgeted for 2016

The following table shows the budgeted revenues and expenditures of the City for 2016 and the actual revenues and expenditures in 2013, 2014 and 2015:

Revenues and Expenditures Registered in 2013, 2014, and 2015, and budgeted for 2016
(Expressed in constant Pesos)

Description	Year 2013 Executed Amount in Ps.	Year 2014 Executed Amount in Ps.	Year 2015 Executed Amount in Ps.	Budgeted 2016 Amount in Ps.
I) CURRENT REVENUES.....	4,566,806,033	6,668,655,711	8,420,431,783	11,901,242,089
1) Tax Revenues.....	4,387,140,735	6,341,298,356	8,058,068,451	11,277,190,850
a) Municipal Taxes and Contributions.....	2,903,317,476	4,169,167,780	5,216,967,037	7,538,126,493
b) Municipal Co-Participation of National and Provincial Taxes	1,483,823,259	2,172,130,576	2,841,101,414	3,739,064,357
2) Non-Tax Revenues	140,785,484	216,770,627	230,184,590	355,086,780
a) Rights	65,423,713	89,824,531	118,177,328	182,486,780
Administrative Filings Fees.....	63,143,127	59,482,217	64,065,674	91,000,000
Fees for Issuance of Driving Licenses	2,272,886	29,657,994	53,876,369	91,044,000
Application fees of Bidding Processes	7,700	684,320	235,285	442,780
b) Fines	50,625,873	59,111,169	68,755,101	115,800,000

Description	Year 2013 Executed	Year 2014 Executed	Year 2015 Executed	Budgeted 2016
Various Fines.....	16,056,039	22,464,612	34,888,103	57,000,000
Transit fines.....	34,569,834	36,646,557	33,866,998	58,800,000
c) Leases				
d) Concessions.....	530,861	2,952,137	4,086,614	
Canon for Vehicles Technical Inspection .	518,261	2,939,537	4,074,014	
Canon of Zoo.....	12,600	12,600	12,600	
e) Real Estate Proceeds	17,637,575	33,523,016	24,885,619	37,000,000
Revenues for Financial Investments	17,637,575	33,523,016	24,885,619	37,000,000
f) Others	6,567,461	31,359,774	14,279,929	19,800,000
Vehicle Transport System of the City of Cordoba Improvement Fund.....	189,789	226,081	383,126	600,000
Eventual Revenues (excluding Vehicle Inspection and Zoo).....	7,905,079	31,133,693	13,896,803	19,200,000
Special Account – Transport Payment System				
Special Account – Tax DA				
Regularization Parking Expenditures General Transfers and Others	-1,527,408			
3) Sales of Assets and Services of the City	11,963,655	16,638,728	21,772,943	22,962,107
4) Operation Revenues				
5) Current Transfers	26,916,159	93,947,999	110,405,800	246,002,352
a- Non-Refundable Contributions	26,916,159	93,947,999	110,405,800	246,002,352
II) CURRENT EXPENDITURES	4,437,547,689	6,046,518,642	8,039,113,455	9,709,662,287
1) Personnel, Goods and Services	4,005,780,814	5,565,608,411	7,443,942,243	8,429,098,927
a- Personnel	2,653,371,586	3,737,347,057	5,081,247,693	5,408,564,453
b- Goods	81,582,076	118,971,100	142,721,035	273,073,695
c1- Services	1,270,827,151	1,709,290,254	2,219,973,516	2,747,460,779
2) Lease of Properties	23,121,484	45,323,940	32,969,207	65,715,785
3) Transfers for Current Expenditures.....	408,645,392	435,586,292	562,202,005	495,160,782
4)Additional Expenditure⁽¹⁾				719,686,793
III) ECONOMIC BALANCE: SURPLUS- DEFICIT (I - II)	129,258,343	622,137,069	381,318,329	2,191,579,802
IV) CAPITAL REVENUES	301,645	1,720,197		10,000,000
1) Capital Own Resources	301,645	1,720,197		10,000,000
2) Capital Transfers				
3) Investment Amortization				
V) CAPITAL EXPENDITURES	538,868,532	844,155,019	1,021,478,440	2,192,492,304
1) Direct Real Investment	511,987,450	807,560,763	1,008,105,335	2,030,351,333
2) Transfers for Capital Expenditures	7,662,332	21,219,255	6,966,855	49,640,971
3) Financial Investment	19,218,750	15,375,000	6,406,250	12,500,000
VI) TOTAL REVENUES (I + IV)	4,567,107,678	6,670,375,907	8,420,431,783	11,911,242,089
VII) TOTAL EXPENDITURES (II + V)	4,976,416,221	6,890,673,661	9,060,591,895	11,902,154,591
VIII) PRIMARY FISCAL BALANCE (VI - VII + II.2)	-386,187,059	-174,973,814	-607,190,904	74,803,283
IX) FINANCIAL BALANCE (VI - VII)	-409,308,543	-220,297,753	-640,160,111	9,087,498
X) FINANCIAL SOURCES	188,866,742	105,000,000	515,238,866	391,640,898
1) Financial decrease				
2) Public Indebtedness and Increase of Other Liabilities.....	188,866,742	105,000,000	515,238,866	391,640,898
International Bonds Issuance Pending Balance of Domestic Bonds Program				
XI) FINANCIAL APPLICATIONS	36,244,543	48,152,855	205,489,713	400,728,396
1) Financial Investment				
2) Debt Amortization and Decrease of Other Liabilities.....	36,244,543	48,152,855	205,489,713	400,728,396
XII) OVERALL RESULT	-256,686,344	-163,450,608	-330,410,959	-

(1) *Crédito Adicional*: An item with no specific allocation, to be determined by the Executive Branch.

After its approval, the 2016 budget has been updated four times for an aggregate amount of Ps.567,197,240 to include, among other, revenues derived from the Agreement for Fairness and Justice between the Province and the City.

Budgeted Revenues and Expenditures for 2016 compared to 2015 (actual)

Economic Result

The 2016 budget includes an increase of the current surplus by approximately Ps.1,810 million, or 475%, from Ps.381 million during 2015, to Ps.2,191 million budgeted for 2016, mainly as a result of an estimated increase in current revenues of Ps.3,480 million, or 41%, and an estimated increase in current expenditures of Ps.1,670 million, or 21%.

Current Revenues

The budget for 2016 anticipates an increase of 41% in current revenues with respect to the previous year. Tax and non-tax revenues are expected to increase by approximately 40% and 54%, respectively. In addition, revenues from the sale of goods and services are expected to increase by approximately 5%, and revenues from current transfers are expected to increase by approximately 123%.

Current Expenditures

The current expenditures related to personnel, goods and services are budgeted to increase by approximately 6% (although as of June 30, 2016 the City spent approximately 59% of the year's budget for staff expenditures), 91% and 24%, respectively, in 2016 as compared with such expenditures in 2015.

As of June 30, 2016, the City had spent Ps.3,207 million in personnel, Ps.107.3 million in goods, and Ps. 1,041 million in services.

In particular, expenditures in personnel increased from Ps.3,737 million in 2014 to Ps.5,081 million in 2015, while the amount budgeted for 2016 amounts to Ps.5,408 million; expenditures in goods increased from Ps.118.97 million in 2014 to Ps.142.72 million in 2015, while the amount budgeted for 2016 amounts to Ps.273 million and expenditures in services increased from Ps.1,709 million in 2014 to Ps.2,219 million in 2015, while the amount budgeted for 2016 amounts to Ps.2,747 million.

Total Revenues and Expenditures

The 2016 budget estimates an increase in total revenues of Ps.3,490 million, which represents an increase of 41% compared to those registered in 2015, totaling Ps.11,911 million. In turn, total expenditures for 2016 are estimated to increase by Ps.2,841 million, 31% more than those registered in 2015, reaching a total amount of Ps.11,902 million.

Capital Expenditures

Capital expenditures are estimated to increase by Ps.1,171 million in 2016, or 115%, compared to 2015. Within this concept, real direct investments are expected to increase by Ps.1,022 million, or 101%, compared to 2015 (real direct investments represent 93% of the City's total capital expenditures).

Public Sector Debt

Financial Plan

In 2012, the City designed a financial plan to fund its investment plan and allow the City to accurately allocate resources. The plan's objective was to gain access to the capital markets through the creation of financial instruments to cover the different financial needs of the City. The plan was designed to interface between the revenues and expenditures plans with transparency, flexibility and adaptability, allowing the reduction of total financial costs.

Since its creation, the financial plan has met several milestones allowing the City to reschedule liabilities, generate sufficient liquidity to meet key commitments, reserve resources to implement critical needs of the City's neighbors and seek better overall credit terms with longer maturities to launch major works demanded by the citizenship. Furthermore, as a consequence of the implementation of this financial plan, on May 18, 2012, the City was rated for the first time in its history as eligible for credit by Moody's Latin America.

The financial plan has two key components: the financial restructuring and the restructuring of the liquidity position.

Financial Restructuring

Under Ordinance No. 12,009, dated December 20, 2011, the City implemented a debt verification and consolidation process to restore certainty to its creditors and to improve the quality of the credits claimed. As a result, upon completion of the verification and consolidation process, more than 180 verification requests were received at the administrative level for an amount of approximately Ps.145 million.

In order to provide certainty in payment and priority order to comply with the obligations of the City's Treasury, the City issued Municipal Consolidation Securities (*TCM*) for an aggregate amount of up to Ps.200 million. The TCMs were listed on the Córdoba Stock Exchange (*MVC*) and for trading in the Córdoba Stock Market (*BCC*). The City issued three series of TCMs of which two have been paid in full and the third one is scheduled to be fully repaid by 2019.

Restructuring of the liquidity position

The City implemented a process to restructure its liquidity position by issuing treasury bills and treasury bonds.

City Treasury Bills

On November 26, 2015, the City Council passed Ordinance No. 12,480 which authorized the Municipal Executive Department to create, implement and execute a short term financing program through the issuance of *Letras de Tesorería* (the "City Treasury Bills") (for an amount not to exceed at any time Ps.450,000,000 for the fiscal period ending December 31, 2016).

As of June 30, 2016, the City had issued City Treasury Bills for an aggregate outstanding amount of Ps.449.1 million in four Series. The main terms of each of those Series are: (i) Series 19, for a total amount of Ps.109.4 million maturing on February 21, 2017 with an interest rate of BADLAR plus 650 basis points; (ii) Series 20, for a total amount of Ps.126.7 million, maturing on September 27, 2016 with an interest rate of BADLAR plus 650 basis points; (iii) Series 21 for a total amount of Ps.78.0 million, maturing on March 21, 2017 with an interest rate of BADLAR plus 600 basis points; and (iv) Series 22 for a total amount of Ps.135.0 million, maturing on March 26, 2017 with an interest rate of BADLAR plus 550 basis points.

City Treasury Bonds

In 2013, the City developed a City Treasury Bonds issuance program pursuant to Ordinance No. 12,139. As of June 30, 2016, the City had issued Treasury Bonds under this program for an aggregate outstanding amount of Ps.342.8 million.

All of the outstanding City Treasury Bills and Treasury Bonds are secured by the assignment of municipal revenues from taxes on Type 3 Large category contributors (the Commercial, Industrial and Service sectors). For more information please see "Public Sector Debt."

THE OFFERING

The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of the notes, see “Description of the Notes” in this offering circular.

Issuer	The City of Córdoba.
Notes Offered	U.S.\$150,000,000 aggregate principal amount of 7.875% notes due 2024.
Maturity	September 29, 2024.
Issue Price.....	100.000%, plus accrued interest, if any, from September 29, 2016.
Interest	The notes will accrue at a rate of 7.875% per year. Interest will accrue from September 29, 2016.
Interest Payment Dates	Interest on the notes will be payable semi-annually in arrears on March 29 and September 29 of each year, beginning on March 29, 2017.
Amortization of Principal	The City will pay the principal of the notes in three installments of U.S.\$50,000,000 each on September 29, 2022, on September 29, 2023 and the remaining principal balance on September 29, 2024.
Ranking	The notes will be direct, general, unconditional and unsubordinated Public External Indebtedness of the City. The notes rank and will rank without any preference among themselves and equally with all other unsubordinated Public External Indebtedness of the City. It is understood that this provision shall not be construed so as to require the City to make payments under the notes ratably with payments being made under any other Public External Indebtedness of the City. See “Description of the Notes—Ranking.”
Additional Amounts	The City will make payments in respect of the notes without withholding or deduction for or on account of any present or future taxes or other governmental charges assessed by Argentina, the Province or the City or any authority therein unless required by law, in which case, subject to specified exceptions, the City will pay such additional amounts as may be required so that the net amount received by the holders of the notes will be the same amount that would have been received in the absence of any such withholding or deduction. See “Description of the Notes—Additional Amounts.”
Covenants	The indenture governing the notes contains covenants that, among other things, limit the City’s ability to issue or assume any indebtedness secured by a lien on any of its property or assets unless the notes 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 Notes” in this offering circular.
Use of Proceeds	The gross proceeds from the offering of the notes, before commissions and other transaction fees and expenses payable by the City, will be U.S.\$150,000,000. The City intends to use the net proceeds from the offering of the notes, after payment of commissions and other transaction fees and expenses to: (i) improve the City’s debt profile by paying existing secured indebtedness for an amount of approximately U.S.\$50 million (including the bridge loan entered into with Banco Santander Río S.A., an affiliate of the Dealer Manager); (ii) paving and repaving works for an aggregate amount of approximately

U.S.\$45 million; (iii) purchase and install LED lights throughout the City for an aggregate amount of approximately U.S.\$25 million; (iv) add value to certain central spots of the City for an aggregate amount of approximately U.S.\$12 million; (v) construct an underground path in *Plaza España* zone for an aggregate amount of approximately U.S.\$12 million; and (vi) construct two educational parks for an aggregate amount of approximately U.S.\$6 million, as further described in “The City Economy – Infrastructure Initiatives.”

Further Issues	The City may from time to time, without notice to or consent of the holders of the notes, create and issue additional notes having the same terms and conditions (except for the issue date, issue price and, if applicable, first interest payment date on the notes) as and forming a single series with the notes initially issued in this offering, provided, however, that any additional notes subsequently issued that are not fungible with the previously outstanding notes shall have a separate ISIN or other identifying number from the previously outstanding notes.
Book-Entry System; Delivery and Form and Denomination of the Notes	The notes will be issued in the form of global notes without coupons and registered in the name of a nominee of the common depositary for Euroclear and Clearstream. The notes will be issued in minimum denominations of U.S.\$150,000 and in integral multiples of U.S.\$1,000 in excess thereof.
ISIN Number	The notes offered hereby and sold pursuant to Regulation S under the Securities Act will have the following ISIN number: XS1496112407
Listing.....	Application has been made to list the notes on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market.
Transfer Restrictions	The notes have not been registered under the Securities Act and are subject to transfer restrictions. See “Notice to Investors.”
Governing Law.....	The notes and the indenture will be governed by New York law.
Trustee, Registrar, Principal Paying Agent and Transfer Agent	The Bank of New York Mellon.
London Paying Agent.....	The Bank of New York Mellon, London Branch.
Luxembourg Paying Agent, Transfer and Listing Agent	The Bank of New York Mellon (Luxembourg) S.A.
Risk Factors.....	See “Risk Factors” and the other information in this offering circular for a discussion of factors you should carefully consider before deciding to invest in the notes.

RISK FACTORS

An investment in the notes involves a significant degree of risk. Before deciding to purchase the notes, you should read carefully all of the information contained in this offering circular, including, in particular, the following risk factors. In addition, because the City is a political subdivision of the Province of Córdoba, Republic of Argentina, the City's economic performance and public finances have been historically and will remain significantly affected by national and provincial events and conditions, and by decisions taken and policies implemented by the Federal and Provincial Governments.

Risks Relating to Argentina

Investing in a developing country like Argentina, of which the City of Córdoba is a political subdivision, entails certain inherent risks.

The City is located in the Province of Córdoba, Republic of Argentina, which is a developing economy. Investing in developing economies generally involves risks. These risks include political, social and economic events that may affect Argentina's economic results. In the past, instability in Latin America and developing countries, such as Argentina, has been caused by many different factors, including the following:

- adverse external economic factors;
- inconsistent fiscal and monetary policies;
- dependence on external financing;
- changes in governmental economic or tax policies;
- high levels of inflation;
- lack of transparency and credibility in official economic indices;
- abrupt changes in currency values;
- high interest rates;
- wage increases and price controls;
- exchange rates and capital controls;
- political and social tensions;
- fluctuations in central bank reserves; and
- trade barriers.

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 obligations.

Argentina has experienced political and social economic instability in the past and may experience further instability in the future. In 2001 and 2002, Argentina suffered a major political, economic and social crisis, which resulted in institutional instability and a severe contraction of the economy (GDP contracted 10.9% in 2002 compared to 2001) with significant increases in unemployment and poverty rates. Among other consequences, the crisis caused a large currency devaluation and led to the Government defaulting on its external debt. In response, the Government implemented a series of emergency measures, including strict foreign exchange restrictions and monthly limits on bank withdrawals, which affected public companies and other sectors of the Argentine economy.

The Argentine economy experienced a recovery following the 2001-2002 crisis. Since 2008, however, it has struggled to curb strong inflationary pressures and growth has stagnated, primarily as a result of the monetary and fiscal policies introduced by the Fernández de Kirchner administration, strict foreign exchange controls and overvalued real exchange rates that constrained foreign trade and investments and the decline in commodities prices. The Fernández de Kirchner administration's policies increasingly eroded confidence in the Argentine

economy, which resulted, among other things, in capital outflows, decreasing investment and a significant decline in the Central Bank's international 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. The City's economic conditions depend, to a large extent, on the macroeconomic and political conditions prevailing in Argentina. Worsening economic conditions in the country could have an adverse effect on the City's economy, current revenues and ability to service its debt obligations, including the notes.

The last Presidential elections and the change in the governing political party in Argentina may create uncertainties that could impact the Argentine and provincial economies.

Presidential and Congressional elections in Argentina took place on October 25, 2015, and a runoff election (*ballotage*) between the two leading Presidential candidates was held on November 22, 2015, which resulted in Mr. Mauricio Macri (from the *Cambiamos* coalition) being elected President of Argentina. The Macri administration took office on December 10, 2015.

The new administration faces challenges in respect of Argentina's economy, such as a further devaluation of the peso, reducing the rate of inflation, improving the competitiveness of the local industries and normalizing or adjusting prices of certain goods and services, such as electricity and natural gas. Some of the measures necessary to meet these objectives could be unpopular and generate political and social opposition and/or unrest. As a result, it is difficult to predict the impact of any such measures on the Argentine economy.

Since assuming office, the Macri administration has announced and executed several significant economic and policy reforms, including:

- *INDEC reforms.* On January 8, 2016, based on its determination that the INDEC had failed to produce reliable statistical information, particularly with respect to CPI, GDP, poverty and foreign trade data; the Macri administration declared a state of administrative emergency for the national statistical system and the INDEC until December 31, 2016. It is expected that the INDEC will implement certain methodological reforms and adjust certain macroeconomic statistics on the basis of these reforms. See “—The credibility of several Argentine economic indices has been called into question, which has led to a lack of confidence in the Argentine economy and could affect your evaluation of this offering and/or the market value of the notes.” The INDEC has recently begun publishing certain revised data, including foreign trade and balance of payment statistics.
- *Foreign exchange reforms.* The Macri administration eliminated almost all foreign exchange restrictions, including certain currency controls, that were imposed by the previous administrations. These reforms are expected to provide greater flexibility and easier access to the MULC.
- *Foreign trade reforms.* The Federal Government eliminated export duties on wheat, corn, beef, mining and regional products, and reduced the duty on soybean exports by 5%, from 35% to 30%. Further, a 5% export duty on most industrial exports was eliminated. With respect to payments for imports and services to be performed abroad, the Federal Government eliminated restrictions to access the MULC. In addition, importers were offered short-term debt securities issued by the Republic to be used to repay outstanding commercial debt for the import of goods.
- *Deficit reduction.* The Argentine government announced its intention to reduce its primary budget deficit from approximately 5.8% of the GDP in 2015 to 4.8% of the GDP in 2016 and to 3.3% of the GDP in 2017, in part by eliminating public services subsidies currently in effect.
- *Correction of monetary imbalances.* The Macri administration announced the adoption of an inflation targeting regime in parallel with the floating exchange rate regime and set inflation targets for the next four years. The Central Bank has increased sterilization efforts to reduce excess monetary imbalances and raised Peso interest rates to offset inflationary pressure.
- *National electricity state of emergency and reforms.* Following years of very limited investments in the energy sector, as well as the continued freeze on electricity and natural gas tariffs since the 2001-2002 economic crisis, Argentina began to experience energy shortages in 2011. In response to the growing energy crisis, the Macri administration declared a state of emergency with respect to the national electricity system, which will remain in effect until December 31, 2017. The state of emergency will

allow the Federal Government to take actions designed to ensure the supply of electricity to the country, such as instructing the National Ministry of Energy and Mining (*Ministerio de Energía y Minería de la Nación*) to design and implement, with the cooperation of all federal public entities, a coordinated program to guarantee the quality and security of the electricity system. In addition, the Macri administration announced the elimination of some energy subsidies currently in effect and a substantial increase in electricity rates. Resolution No. 6/2016 of the National Ministry of Energy and Mining established increases in seasonal reference prices for power and energy between January 1, 2016 and April 30, 2016, thereby significantly reducing existing subsidies. By correcting tariffs, modifying the regulatory framework and eliminating the Federal Government's role as an active market participant, the Macri administration aims at correcting distortions in the energy sector and promoting investments. Following the tariff increases, preliminary injunctions were requested by customers, and non-governmental organization that defend customers' rights. Argentine courts granted some of the preliminary injunctions requested. Among the different rulings in this respect, two recent judgements issued by the Federal Court of Appeals of the City of La Plata led to the suspension of the tariff increases in electricity and gas in the Province of Buenos Aires and in the whole territory of Argentina, respectively. Pursuant to those injunctions (i) the tariff increases granted as from February 1, 2016, were suspended retroactively to that date, (ii) bills sent to customers shall not include the increase, and (iii) amounts already collected as a consequence of consumption recorded before the ruling shall be reimbursed to customers. On August 18, 2016, the Argentine Supreme Court confirmed the suspension of gas tariffs increase to residential customers, arguing that tariffs increases could not be established without public hearings. Consequently, the ENARGAS scheduled a public hearing for September 16, 2016 to discuss gas tariffs increase. In addition, on September 6, 2016 the Argentine Supreme Court unanimously revoked the preliminary injunctions issued by the Federal Courts of Appeals of the City of La Plata which suspended the increase of electricity tariffs, arguing formal objections and procedural defects, thus allowing the tariff increase to be implemented.

- *Financial policy.* Soon after taking office, the Macri administration sought to settle the outstanding claims with holdout creditors of defaulted debt. In February 2016, the Macri administration announced a preliminary agreement with a group of Italian holders of defaulted debt and put forward a proposal to all other holders of defaulted debt, including those with pending claims in U.S. courts. On March 31, 2016, the federal congress approved Law No. 27,249, (*Ley de Normalización de la Deuda Pública y Acceso al Crédito*) thereby repealing the legislative obstacles to settle with holdout creditors of defaulted debt in respect of securities that were eligible for, but not tendered in, the 2005 and 2010 debt exchanges and authorizing the Federal Government to settle with certain holders. On April 19, 2016, Argentina issued the following bonds for a total principal amount of U.S.\$16.5 billion: (i) U.S.\$2.75 billion three-year bonds with a 6.25% interest rate; (ii) U.S.\$4.5 billion five-year bonds with a 6.875% interest rate; (iii) U.S.\$6.5 billion 10-year bonds with a 7.5% interest rate; and (iv) U.S.\$2.75 billion 30-year bonds with an 8.0% interest. On April 22, 2016, Argentina made settlement payments to holdout bondholders of U.S.\$9.3 billion as part of settlement agreements entered into with such holdout bondholders as of February 29, 2016.
- *Value Added Tax Reimbursement.* On June 8, 2016, the Federal Government passed Law No. 27,253 which amended the Value Added Tax regime to permit reimbursements of Value Added Tax paid on the purchase of goods by retired taxpayers that receive minimum pensions as well as beneficiaries of social programs.
- *Tax Amnesty.* Also, on June 29, 2016, the Federal Government passed Law No. 27,260, by means of which it established a tax amnesty regime, allowing taxpayers to disclose undeclared assets in Argentina and/or abroad (in the case of cash assets without the need to repatriate them to Argentina) and paying minimum taxes, which under certain circumstances may be exempted.

We cannot predict the impact that these measures taken by the new administration will have on the Argentine economy. In addition, there is uncertainty as to which measures announced during the Presidential election campaign will be implemented and the timing of such implementation. In particular, we cannot predict how the Macri administration will address certain political and economic issues that were central during the Presidential election campaign, such as the financing of public expenditures, public service subsidies and tax reforms, or the impact that any measures related to these issues that end-up being implemented by the Macri administration will have on the Argentine economy as a whole. Additionally, in the recent elections, political parties opposed to the Macri administration retained a majority of the seats in the Argentine Congress, as a consequence of which the Macri administration will need to seek political support from the opposition to implement its economic proposals. This creates further uncertainty on the ability of the Macri administration to

pass legislation and adopt the proposed measures. The inability of the Macri administration to pass legislation and/or implement desired measures as a result of the absence of sufficient political support or otherwise may adversely affect the Argentine economy and financial condition and, as a consequence, the economy and financial condition of the Province and the City.

If the current levels of inflation do not decrease, the Argentine economy and therefore the economy of its provinces and local governments could be adversely affected.

In recent years, Argentina has experienced high inflation rates. According to the INDEC inflation was 10.9% in 2010, 9.5% in 2011, 10.8% in 2012, 10.9% in 2013, and 23.9% in 2014; according to the city of Buenos Aires CPI, inflation was 26.6% in 2013, 38.0% in 2014 and 26.9% in 2015; according to the Province of San Luis CPI, inflation was 27.0% in 2010, 23.3 % in 2011, 23.0% in 2012, 31.9% in 2013, 39.0% in 2014 and 31.6% in 2015. According to calculations made by the city of Buenos Aires, in January, February, March, April, May, June and July 2016, monthly inflation was 4.1%, 4.0%, 3.3%, 6.5% 5.0%, 3.2% and 2.2%, respectively; whereas according to the Province of San Luis CPI, monthly inflation was 4.2%, 2.7%, 3.0%, 3.4% 4.2%, 1.5% and 2.3%, respectively. On June 15, 2016, the INDEC began publishing inflation rates, reporting an increase of 4.2% for May 2016, 3.1% for June 2016 and 2.0% for July 2016 using its new methodology for calculating the CPI.

In the past, inflation has materially undermined the Argentine economy and the Federal Government's ability to create adequate conditions for economic growth. Continuing high rates of inflation could also (i) undermine Argentina's competitiveness abroad by diluting the effects of a peso devaluation and (ii) negatively impact the recovery of the country's long-term credit markets.

In addition, during the Fernández de Kirchner administration, the INDEC, the Federal Government's statistical agency, the only organization with operative ability to cover large territories and broad volumes of data in Argentina, underwent a process of institutional reform. Private analysts have since 2007 cast doubt over the accuracy of the inflation figures published by the INDEC (and over other economic data affected by inflation data, such as poverty and GDP estimates). Several provinces have published inflation figures that significantly exceed the information released by INDEC. The International Monetary Fund has provided technical assistance to the Federal Government to improve the collection and calculation of inflation data.

In February 2014, the INDEC released a new inflation index, known as the IPCNu that measures prices on goods across the country and replaces the previous index that only measured inflation in the urban sprawl of the city of Buenos Aires. Even though the new methodology brought inflation statistics closer to those estimated by private sources, there are still differences between official inflation data and private estimates.

Continuing high inflation rates could negatively affect the City's economic growth and its ability to service its debt obligations, including the Notes. The City cannot assure you that inflation rates will decline or 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. Recent adjustments approved by the government in electricity and gas tariffs, as well as the increase in the price of gasoline have been passed through to prices, creating additional inflationary pressure. The factors that contribute to inflation are mainly the result of Federal Government economic policies that are not under the control of the City.

In addition, approximately 7.2% of the Federal Government's outstanding debt is adjusted by reference to the CER index, which was linked to the INDEC CPI until 2015, to the city of Buenos Aires CPI between January and March 2016 and to the Province of San Luis CPI until May 25, 2016. Therefore, any significant increase in the inflation rates could increase the federal outstanding debt and, consequently, have an adverse effect on Argentina's financial conditions and, consequently, have an adverse effect on the City's financial conditions.

The credibility of several Argentine economic indices has been called into question, which has led to a lack of confidence in the Argentine economy and could affect your evaluation of this offering and/or the market value of the notes.

During the presidency of Fernández de Kirchner, the INDEC, the Federal Government's principal statistical agency, underwent institutional and methodological reforms that gave rise to controversy regarding the reliability of the information that it produced, including inflation, GDP, unemployment and poverty data. Reports published by the International Monetary Fund ("IMF") have stated that their staff uses alternative measures of inflation for macroeconomic surveillance, including data produced by private sources, which have shown inflation rates considerably higher than those published by the INDEC between 2007 and 2015. The IMF also censured Argentina for failing to comply with its obligations with the IMF and to adopt remedial measures to address the inaccuracy of inflation and GDP data. In February 2014, the INDEC released a new inflation index, known as the

IPCNu, which was intended to measure prices on goods across the country and replaced the previous index that only measured inflation in the city of Buenos Aires and its surrounding areas. Although this new methodology brought inflation statistics closer to those estimated by private sources, differences between official inflation data and private estimates remained.

Following the 2015 presidential election, the Macri administration appointed Mr. Jorge Todesca, previously a director of a private consulting firm, as head of the INDEC. It is expected that the INDEC will implement certain methodological reforms and adjust certain macroeconomic statistics. On January 8, 2016, Decree No. 55/2016 was issued by the Argentine government declaring a state of administrative emergency on the national statistical system and on the official agency in charge of the system, the INDEC, until December 31, 2016. Following the declaration, the INDEC will not continue publishing statistical data until a reorganization of its technical and administrative structure is performed in order to supply adequate and reliable statistical information. However, during the implementation of these reforms, the INDEC will use official CPI figures and other statistics published by the Province of San Luis and the city of Buenos Aires. Despite these expected reforms, there is uncertainty as to whether official data will be sufficiently corrected, how fast and to what extent the INDEC can regain its credibility and within what time period such data will be corrected, and what effect these reforms will have on the Argentine economy.

In order to be effective, such reforms require that data be collected on a timely basis and other implementation steps that the Federal Government does not control. If these reforms cannot be successfully implemented, such failure may adversely affect the Argentine economy, in particular by undermining expectations that its performance will improve. The INDEC's past or future data may be materially revised to reveal a different economic or financial situation in Argentina, which could affect your investment decision with respect to the notes and your evaluation of the notes' market value. In addition, uncertainty with respect to the success of the measures taken to implement the expected changes may impair measures taken by the Central Bank to tackle inflation, which, in turn, could have a negative impact on the Argentina's economy and financial condition which, in turn, would adversely affect the City's economy and its ability to repay the notes. See "—If the current levels of inflation do not decrease, the Argentine economy and therefore the economy of its provinces and local governments could be adversely affected".

Measures taken by the Federal Government in the future, including in response to social and political pressures, may have a material adverse effect on Argentina and the economies of one or more provinces and local governments.

Because the City is a political subdivision of the Province of Córdoba, in turn a political subdivision of Argentina, the City'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 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 City 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 City does not take part in the formulation of such information.

During its financial crisis in 2001 and 2002, Argentina experienced social and political turmoil, including civil unrest, riots, looting, nationwide protests, strikes and street demonstrations. During such crisis, the Federal Government adopted several measures, including the devaluation of the Peso and a forced restructuring of financial liabilities within the banking system.

In November 2012 and July 2013, the Federal Congress and the executive branch set forth new rules which increased the Federal Government's power of intervention in the local capital markets, such as by empowering the Comisión Nacional de Valores (National Securities Commission or "CNV") to appoint an official to oversee, and potentially reject, decisions adopted by the executive boards of registered companies and to suspend an executive board for 180 days until any deficiencies that may be found are resolved. In November 2015, a federal court of appeals ruled against these two CNV powers in the case of Papel Prensa vs. Federal Government - CNV. There can be no assurance that such CNV powers will not be reinstated in the future.

In April 2012, the Federal Government, pursuant to Decree No. 530/2012, ordered the temporary 30-day intervention 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 claims and compensate Repsol for the expropriation. Argentina paid Repsol its compensation in May 2014.

In September 2014, the Fernández de Kirchner administration enacted Law No. 26,991 (the “Supply Law”), which amended Law No. 20,680. The Supply Law enables the Federal Government to intervene in certain markets when it considers that any participant in such market is trying to impose prices or supply restrictions in such market. The Supply Law applies to all economic processes related to goods, facilities and services which, either directly or indirectly, satisfy basic needs of the population (“Basic Needs Goods”) and grants broad powers to the relevant enforcing agency to become involved in such processes. It also empowers the enforcing agency to order the sale, production, distribution and/or delivery of Basic Needs Goods throughout the country in case of a shortage of supply.

In February 2015, the Fernández de Kirchner administration sent a bill to Congress in order to revoke certain train concessions, return the national rail network to state control and provide powers to review all concessions currently in force. The bill was enacted on May 20, 2015 as Law No. 27,132.

In addition, on May 18, 2016, the Federal Congress passed Law No. 27,251 barring companies from laying off workers for a 180-day period, which was later vetoed by President Macri. The law has returned to the federal Congress where it will need special majorities to override the veto.

Future Federal Government policies may include expropriation, nationalization, forced renegotiation or modification of existing contracts, suspension of the enforcement of creditors’ rights, new foreign exchange controls, changes in taxation and/or export duties and changes in laws and policies affecting foreign trade and investment. The implementation of any such future policies or significant protests resulting therefrom could destabilize the country and adversely and materially affect the Argentine economy, and thereby the City’s economy and financial condition and ability to pay its debt obligations, including the notes.

The Federal Government has begun to implement significant measures to solve the current energy sector crisis, but the eventual outcome of such measures is unknown.

Economic policies since the 2001-2002 crisis have had an adverse effect on Argentina’s energy sector. The failure to reverse the freeze on electricity and natural gas tariffs imposed during the 2001-2002 economic crisis created a disincentive for investments in the energy sector. Instead, the Federal Government sought to encourage investment by subsidizing energy consumption. The policy proved ineffective and operated to further discourage investment in the energy sector and caused production of oil and gas and electricity generation, transmission and distribution to stagnate while consumption continued to rise. To address energy shortages starting in 2011, the Federal Government engaged in increasing imports of energy, with adverse implications for the trade balance and the international reserves.

In response to the growing energy crisis, the Macri administration declared a state of emergency with respect to the national electricity system, which will be in effect until December 31, 2017. The state of emergency allows the Federal Government to take actions designed to stabilize the supply of electricity to the country, such as instructing the National Ministry of Energy and Mining to design and implement, with the cooperation of all federal public entities, a coordinated program to guarantee the quality and security of the electricity system. In addition, the Macri administration announced the elimination of some energy subsidies currently in effect and significant adjustments to electricity rates to reflect generation costs. Additionally, the Macri administration announced the elimination of some subsidies to natural gas and adjustment to natural gas rates. Further reductions in subsidies and increases in the price of gas came into force on April 2016.

The Macri administration has taken steps and announced measures to address the energy sector crisis while taking into consideration the implications of these price increases for the poorest segments of society, approving subsidized tariffs for qualifying users. Failing to address the negative effects on energy generation, transportation and distribution in Argentina with respect to both, the residential and industrial supply, resulting in part from the pricing policies of the prior administrations, could weaken confidence in and adversely affect the Argentine economy and financial condition, lead to social unrest and political instability, and adversely affect the City’s economy and its ability to service its debt, including the notes. There can be no assurance that the measures adopted by the Macri administration to address the energy crisis will be sufficient to restore production of energy in Argentina within the short or medium term.

Following the tariff increases, preliminary injunctions were requested by customers, and non-governmental organizations that defend customers’ rights. Argentine courts granted some of the injunction requested. Among the different rulings in this respect, two recent judgements issued by the Division II of the Federal Appellate Court of the City of La Plata led to the suspension of the tariff increases in electricity and gas in the Province of Buenos Aires and in the whole territory of Argentina, respectively. Pursuant to that injunctions (i) that the tariff increases granted as from February 1, 2016 were suspended retroactively to that date, (ii) bills

sent to customers shall not include the increase, and (iii) the amounts already collected as a consequence of consumption recorded before the ruling shall be reimbursed. On August 18, 2016, the Argentine Supreme Court confirmed the suspension of gas tariffs increase to residential customers, arguing that tariffs increase could not be established without public hearings. The ENARGAS scheduled a public hearing for September 16, 2016 to discuss gas tariffs increase.

Exchange controls and restrictions on capital inflows and outflows may limit the availability of international credit and the liquidity of the market for securities of Argentine issuers, including Argentine provinces and local governments.

In 2001 and 2002, following a run on the financial system triggered by the public's lack of confidence in the continuity of the convertibility regime that resulted in massive capital outflows, the Federal Government introduced exchange controls and restrictions on the transfer of foreign currency in an attempt to prevent capital flight and a further depreciation of the Peso. These exchange controls substantially limited the ability of issuers of debt securities, among others, to accumulate or maintain foreign currency in Argentina or make payments abroad. Although several of such exchange controls and transfer restrictions were subsequently suspended or terminated, in June 2005 the Federal Government issued a decree that established new controls on capital flows, which resulted in a decrease in the availability of international credit for Argentine companies, provinces and municipalities.

In addition, from 2011 until the Macri administration took office in December 2015, the Government increased controls on the sale of foreign currency and the acquisition of foreign assets by local residents, limiting the possibility of transferring funds abroad. Together with regulations established in 2012 that subjected certain foreign exchange transactions to prior approval by Argentine tax authorities or the Central Bank, the measures taken by the Fernández de Kirchner administration significantly curtailed access to the MULC. In response, an unofficial U.S. dollar trading market developed in which the Peso/U.S. dollar exchange rate differed substantially from the official Peso/U.S. dollar exchange rate.

The Macri administration has eliminated or relaxed almost all exchange control restrictions.

Notwithstanding the measures recently adopted by the Macri administration, if in the future the Central Bank and the Federal Government re-introduce exchange controls and impose restrictions on transfers abroad, such measures may negatively affect Argentina's international competitiveness, discouraging foreign investments and lending by foreign investors or increasing foreign capital outflows, which could have an adverse effect on economic activity in Argentina, which, in turn, could have a material adverse effect on the City's economy and its ability to make payments under the notes.

The Argentine economy could be adversely affected by economic events in other markets and is vulnerable to external "contagion" effects, which could have a material adverse effect on Argentina's economic growth and negatively impact the City's economy and financial condition, as well as the value of the notes.

The Argentine economy is influenced, to varying degrees, by economic and financial conditions in other markets. Argentina is particularly affected by events in the economies of its main regional trading partners, such as Brazil, or countries such as the United States and China, which are either trading partners or have a significant bearing on world economic cycles.

Weak, flat or negative economic growth of any of Argentina's major trading partners, such as Brazil, could adversely affect Argentina's balance of trade and, consequently, the City's economic growth. The economy of Brazil, Argentina's largest export market and the principal source of imports, is currently experiencing heightened negative pressure due to the uncertainties stemming from the ongoing political crisis, including the impeachment of Brazil's president, Ms. Dilma Rousseff, that resulted in the Senate of Brazil removing Ms. Dilma Rousseff from office for the rest of her term, on August 31, 2016. The Brazilian economy contracted by 3.8% during 2015, mainly due to a 8.3% decrease in industrial production. A further deterioration of economic conditions in Brazil may reduce demand for Argentine exports and increase demand for Brazilian imports. While the impact of Brazil's downturn on Argentina cannot be predicted, the City cannot exclude that the Brazilian political and economic crisis could have further negative impact on the Argentine economy and that of its provinces and local governments. A decline in Brazilian demand for imports could have a material adverse effect on the City's economic growth.

If interest rates increase significantly in developed countries, including the United States, Argentina and other emerging economies may find it more difficult and costly to obtain credit and refinance their current debt, which could negatively affect their economic growth. Also, if these countries fall into a recession, the Argentine

economy would be impacted by a decline in its exports, particularly of its main agricultural commodities. All these factors could have a negative impact on Argentina's economy and adversely affect the City's economic growth.

The Argentine and provincial economies may be affected by "contagion" effects. International investors' reactions to events occurring in one developing country sometimes appear to follow a "contagion" phenomenon, in which an entire region or investment class is disfavored by international investors. In the past, Argentina 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, the 2001 collapse of Turkey's fixed exchange rate regime and the global financial crisis that began in 2008.

Beginning in 2008, economic conditions in developed and, to a lesser extent, emerging economies were affected by a global economic and financial crisis. In addition, the challenges faced in 2011 and 2012 by the European Union to stabilize certain of its member economies had international implications affecting the stability of global financial market. On June 23, 2016, the United Kingdom voted in favor of the United Kingdom exiting the European Union. The actions that the United Kingdom may take to effectively exit from the European Union or the length of such process are uncertain. The results of the United Kingdom's referendum have caused, and are anticipated to continue causing, volatility in the financial markets, which may in turn have a material adverse effect on our business, financial condition, results of operations, prospects and the trading of our notes. The City cannot assure that the 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.

Argentina's ability to obtain financing from international markets is limited, which may impair its ability to implement reforms and foster economic growth.

In 2005 and 2010, Argentina conducted exchange offers to restructure part of its sovereign debt that had been in default since the end of 2001. As a result of these exchange offers, Argentina restructured over 92% of its indebtedness. In 2012, plaintiffs in New York obtained a U.S. District Court order enjoining Argentina from making interest payments in full on the bonds issued pursuant to the 2005 and 2010 exchange offers ("Exchange Bonds") unless Argentina paid the plaintiffs in full, under the theory that the former payments violated the *pari passu* clause in the 1994 Fiscal Agency Agreement (the "FAA") governing those non-performing bonds. The Second Circuit Court of Appeals affirmed the so-called *pari passu* injunctions, and on June 16, 2014, the U.S. Supreme Court denied Argentina's petition for a writ of certiorari and the stay of the *pari passu* injunctions was vacated on June 18.

In 2014, the Federal Government took a number of steps intended to continue servicing the bonds issued in the 2005 and 2010 exchange offers, which had limited success.

The Macri administration engaged in negotiations with holders of defaulted bonds in December 2015 with a view to bringing closure to fifteen years of litigation. In February 2016, the Federal Government entered into an agreement to settle with certain holders of defaulted debt and put forward a proposal to other holders of defaulted debt, including those with pending claims in U.S. courts, subject to two conditions: (i) obtaining approval by the Federal Congress and (ii) lifting of the *pari passu* injunctions. On March 2, 2016, the U.S. District Court agreed to vacate the *pari passu* injunctions, subject to two conditions: (i) repealing of all legislative obstacles to settlement with holders of defaulted debt securities issued under the FAA and (ii) full payment to holders of *pari passu* injunctions with whom the Federal Government had entered into an agreement in principle on or before February 29, 2016. The U.S. District Court's order was affirmed by the Second Circuit Court of Appeals on April 13, 2016. On March 31, 2016, the federal congress repealed the legislative obstacles to the settlement and approved the settlement proposal. On April 22, Argentina issued U.S.\$16.5 billion of new debt securities in the international capital markets and applied U.S.\$9.3 billion of these proceeds to satisfy settlement payments on agreements with holders. The U.S. District Court vacated all *pari passu* injunctions upon confirmation of such payments.

Litigation initiated by bondholders that have not accepted Argentina's settlement offer continues in several jurisdictions, although the size of the claims involved has decreased significantly.

Although the vacating of the *pari passu* injunctions removed a material obstacle to allow the Federal Government access to the international capital markets, future transactions may be affected as litigation with holdout bondholders continues, which in turn could affect the Federal Government's ability to access international credit markets and, thus, adversely affect Argentina's economy and the economies of the Province and the City.

Fluctuations in the value of the Peso could have a material adverse effect on the economies of Argentina, its provinces and local governments and their respective ability to service its debt obligations.

Fluctuations in the value of the Peso may also adversely affect the Argentine and provincial economies. The devaluation of the Peso may have a negative impact on the Federal Government's revenues (measured in U.S. Dollars), fuel inflation and significantly reduce real wages. After several years of moderate variations in the nominal exchange rate, the Peso lost more than 30% of its value with respect to the U.S. dollar in each of 2013, 2014 and 2015. Persistent high inflation during this period, with formal and "de facto" exchange controls, resulted in an increasingly overvalued official exchange rate. Compounded by the effects of foreign exchange controls and restrictions on foreign trade, these highly distorted relative prices resulted in a loss of competitiveness of Argentine production, affected investment and resulted in economic stagnation during this period.

A significant appreciation of the Peso against the U.S. Dollar also presents risks for the Argentine and provincial economies, including the possibility of a reduction in exports (as a consequence of the loss of external competitiveness). Any such appreciation could also have a negative effect on economic growth and employment and reduce tax revenues in real terms.

From time to time, the Central Bank may intervene in the foreign exchange market in order to maintain the currency exchange rate. Additional volatility, appreciations or depreciations of the Peso or reduction of the Central Bank's reserves as a result of currency intervention could adversely affect the Argentine economy and the City's ability to service its debt obligations, including the notes.

The intervention of the Central Bank in the foreign exchange market may have a negative impact on its international reserves and a material adverse effect on the Argentine and provincial economies and the City's ability to service its debt obligations, including the notes.

From time to time, the Central Bank may intervene in the foreign exchange market in order to maintain the currency exchange rate. 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 City's ability to withstand external shocks to the economy.

Additionally, the level of international reserves deposited with the Central Bank significantly decreased from U.S.\$47.4 billion as of November 1, 2011 to U.S.\$25.5 billion as of January 20, 2016, resulting in a reduced ability of the Argentine government to intervene in the foreign exchange market. The Central Bank recently took steps to increase the level of international reserves through the execution of certain agreements with several Argentine and foreign entities.

Since Argentina adopted a managed floating exchange rate regime in 2002, the Peso's value has varied over time. After several years of slight variations in the nominal exchange rate in comparison with inflation levels, in 2012, there was a devaluation of approximately 14% of the Peso against the U.S. dollar. This was followed by a further devaluation of the Peso against the U.S. dollar that exceeded 30% in 2013 and 2014, including a loss of the value of the Peso of approximately 24% in January 2014. In 2015, there was a further devaluation of approximately 52% of the Peso against the U.S. dollar, including a 10% devaluation from January 1, 2015 to September 30, 2015 and a 38% devaluation in the last quarter of 2015, which was mainly experienced after December 16, 2015, as a result of a significant economic reform implemented by the new administration. Since the devaluation on December 2015, the Federal Government's macroeconomic policies have allowed the Peso to float, intervening the exchange market in limited opportunities in order to control volatility. Since the devaluation in December 2015, the Central Bank has allowed the Peso to float with limited intervention intended to ensure the orderly operation of the foreign exchange market. The City cannot assure you that the Peso will not devalue or appreciate significantly in the future. See "Defined Terms and Conventions—Currency of Presentation and Exchange Rates"

A significant depreciation of the Peso would, among other effects, increase the cost of servicing the City's foreign-currency denominated public debt such as the notes. 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 City's ability to service its debt obligations, including the notes.

Increases in the Federal Government's public expenditures could have a material adverse effect and long-standing negative consequences on Argentina's economic prospects.

During the recent years, the Federal Government significantly increased its public expenditures. In 2015, the Federal Government registered a primary balance deficit of Ps.104.9 billion, or 2.0% of Argentina's GDP, and its public expenditures increased by 35.5% as compared to 2014, from Ps.1,035.80 billion in 2014 to Ps.1,403.40 billion in 2015. The Federal Government received financial assistance from the Central Bank and the *Administración Nacional de la Seguridad Social* (the National Social Security Administration or "ANSeS") to meet its financing needs. In 2015, the primary deficit was Ps.104.8 billion and public spending totaled Ps.1.85 trillion, a 32.6% increase compared to public spending in 2014.

The new administration has undertaken an important step to curb the fiscal deficit by reducing energy subsidies. However, changes in these policies could have a negative impact on consumer purchasing power and lead to higher inflation. Furthermore, the Federal Government's primary fiscal balance could be negatively affected if public expenditures continue to increase in the future. Weaker fiscal results of Argentina could have a material adverse effect on the Federal Government's ability to access long term financing and, in turn, limit the City's ability to access international financial markets.

Foreign shareholders of companies operating in Argentina have filed claims against the country at the International Centre for Settlement of Investment Disputes ("ICSID") and the United Nations Commission on International Trade Law ("UNCITRAL"), which have resulted and could result in arbitral awards and/or injunctions against Argentina and its assets and, in turn, limit its financial sources.

Due to emergency measures adopted by the Federal Government during or after the 2001-2002 crisis, foreign shareholders of companies operating in Argentina have commenced arbitration proceedings against Argentina before ICSID and UNCITRAL. ICSID tribunals issued three final awards against Argentina for an aggregate amount of U.S.\$427.36 million and Argentina is currently seeking the annulment of four additional awards for an aggregate amount of U.S.\$831.73 million. There are six ongoing proceedings against Argentina before ICSID with claims totaling U.S.\$2.15 billion (including two cases with claims for amounts that are currently undetermined). There are seven additional proceedings with claims totaling U.S.\$4.75 billion in which the parties agreed to suspend the proceedings pending settlement discussions.

As of June 1, 2016, there was one final outstanding UNCITRAL award against Argentina for a total of U.S.\$7.39 million and Argentina is seeking the annulment of two additional awards for an aggregate amount of U.S.\$21.05 million. As of such date, there were three ongoing cases against Argentina before UNCITRAL and International Chamber of Commerce ("ICC") tribunals with claims totaling U.S.\$625.08 million

Ongoing claims before ICSID, UNCITRAL and ICC could lead to new judgments against Argentina, which could have a material adverse effect on Argentina's economy and financial condition, and, in turn, negatively affect the City's economy and financial condition.

Risks Relating to the City of Córdoba

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

Because the City is a political subdivision of the Province, which in turn is a political subdivision of Argentina, the City's economic performance and public finances are subject to general economic conditions in the Province and in Argentina and may be significantly affected by provincial or national events, such as the 2001-2002 national economic crisis, and by decisions and measures adopted by the Provincial and Federal Governments, including those related to inflation, monetary policy and taxation. The City 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 the Province and Argentina. The City does not take part in the formulation of such information.

Moreover, the interests of the City may not always be aligned with those of the Province or the Federal Government or other Argentine provinces and, as a result, the City cannot assure that future decisions or measures adopted by the Province or the Federal Government will not have an adverse effect on the City's economy that may affect its ability to service its debt obligations, including the Notes.

A suspension, interruption or delay in the transfer of financial commitments from the Provincial Government or any modification of the Provincial Co-Participation Regime in a manner unfavorable to the City may have a material adverse effect on the City's public finances and on its ability to meet its debt service obligations, including the notes.

Provincial Law No. 8,663 establishes a co-participation regime between the Province and the municipalities of the Province (including the municipality of the City). Under this law, the Province is currently required to transfer to the municipalities of the Province (including the municipality of the City) 20% of the proceeds from (i) Turnover Tax (*Impuesto a los Ingresos Brutos*) (or such tax that may replace it in the future), (ii) Provincial Real Estate Tax (*Impuesto Inmobiliario Básico Provincial*) (or such tax that may replace it in the future) and its additional charges and accessories, and (iii) the Federal Co-Participation transfers effected from the Federal Government to the Province. A portion of the amount that represents such 20% is distributed among the municipalities equally and a portion is distributed among the municipalities based on population. In addition, the City and the Province have agreed that the Province will transfer, among others, (i) under the Fairness and Justice Agreement (*Convenio de Equidad y Justicia*) entered into in May 2016, an annual amount of Ps.570,000,000 and (ii) under the Federal Agreement (*Acuerdo Federal*) entered into in March 2016 an amount, for 2016, of approximately Ps.180,000,000 (of which 75% has to be repaid by the City to the Province in 30 monthly equal installments, starting the day that is 120 days after the transfer is made). The transfer has not yet been made by the Province. In addition, the City receives other contributions under (i) the Financing of Provincial Decentralization Fund – FOFINDES, through which it had received Ps.251,719,673, and Ps.151,060,155 for the year ended December 31, 2015 and for the six months ended June 30, 2016, respectively; and (ii) the Anti-Crisis and Municipal Sanitation Fund – FASAMU, through which it had received Ps.82,038,785 and Ps.49,162,578 for the year ended December 31, 2015 and for the six months ended June 30, 2016, respectively. See “Public Sector Finances” – “Main Sources of Revenue”.

During 2015 and 2014, transfers from the Province to the City represented approximately 35% and approximately 34%, respectively, of the City's total revenues.

The City cannot assure that the current co-participation regime or the transfers from the Province to the City will not be suspended or interrupted or that they will be modified in a way that is not unfavorable to the City. Any such event could have a material adverse effect on the City's public finances and its ability to meet its debt service obligations, including the notes.

Growth rates in developing economies tend to be very volatile. The City's economy may not continue to grow at current rates or may contract in the future, which could have a material adverse effect on the City's public finances and its ability to service its debt, including the notes.

The economy of the City, in line with the economies of the Province and 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.

Furthermore, Argentina's economy, the Province's economy and the City's economy may be adversely affected by global as well as regional and domestic developments. The City cannot predict the impact that any such developments would have on its economy, which could include a reduction in the City's revenues, a decline in provincial and federal co-participable tax revenues and an inability to obtain financing for its infrastructure projects, which may materially and adversely affect the City's economy.

The City can offer no assurances that its economy will continue to grow at current rates, or at all, 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 consumers and foreign and domestic investors and their rates of investment in the City, the willingness and ability of businesses to engage in new capital spending and a stable and relatively low inflation rate.

Furthermore, if economic conditions in Argentina were to slow down or contract, if inflation were to accelerate further, or if the Federal Government's measures to attract or retain foreign investment and international financing in the future are unsuccessful, such developments could adversely affect Argentina's economic growth and in turn affect the City's economy and financial condition. In most cases, these factors are outside the control of the City.

If the City's economic growth slows, stops or contracts, the City's revenues may decrease materially resulting in budget deficits. In such a case, the City's ability to service its public debt, including the notes, may be materially adversely affected.

The City's sources of financing may become unavailable or limited and, as a result, this may have an adverse effect on its economy and ability to service its debt obligations, including the notes.

The City's primary balance may be insufficient to meet its debt service obligations, including the notes. The City cannot assure you that investors and lenders will be willing to lend money to the City in the future, or that the City will be able or willing to access capital markets. The City also cannot assure that local sources of financings will remain available. The loss or limitation of these sources of financing or the City's inability to attract or retain investment in the future could adversely affect the City's economic growth and public finances and ability to service its debt obligations, including the Notes.

The City's manufacturing sector may be vulnerable to economic difficulties of major trading partners.

The City's economy relies significantly on exporting manufactured goods. Either a significant decline in the economic growth of any of the City's major trading partners or a decline in demand for the City's manufactured goods from such countries could adversely affect the City's economy.

The City's economy relies on the production of agricultural and agroindustrial products in the Province and a significant decrease in commodity prices could have an adverse effect on the City's economic performance and its ability to meet its debt service obligations, including the notes.

The City's economy has historically been impacted by the production of agricultural and agroindustrial products. The global market for commodities is highly competitive, subject to transportation and other costs, and sensitive to world economic cycles. Commodity prices have increased to historically high levels since 2003. However, these prices decreased in 2008 as a result of global economic conditions. Given this past volatility of commodity prices, there can be no assurance that price increases will occur in the future or that commodity prices will not decrease even more. A significant decrease in commodity prices could have an adverse effect on the City's economy and its ability to meet its debt service obligations, including the notes.

Any revisions to the City's official financial or economic data could reveal different economic or financial conditions in the City, which could affect your evaluation of the market value of the notes.

Certain financial, economic and other information presented in this offering circular may subsequently be materially revised to reflect new or more accurate data. These revisions could reveal that the City's economic and financial conditions as of any particular date are materially different from, and less favorable than, those described in this offering circular. These revisions could materially and adversely affect the market value of the notes.

The budgeted revenues and expenditures of the City's 2016 budget may differ materially from actual results.

The City's budget for 2016 is based on estimates and assumptions regarding the future economic performance of the country and the City which are subject to uncertainties, and include many factors which are beyond its control. These estimates and assumptions may be incomplete or inaccurate and unanticipated events and circumstances may occur. Accordingly, the City can provide no assurances that its budget for 2016 will be achieved. If any of the estimates and assumptions contained in the City's budget prove to be incorrect, the budgeted revenues and expenditures may differ materially and adversely from actual results.

Continued increases in total expenditures could have a material adverse effect on the City's public finances and its ability to service its debt obligations, including the notes.

Total expenditures of the City increased by 46% in 2013, 36% in 2014, and 33% in 2015, and are budgeted to increase by 33% in the current year, according to the 2016 budget, in each case as compared to the previous year. In connection with personnel expenditures, the City adopted various measures to improve, in real terms, the compensation and benefits of public employees. These improvements have had an indirect impact on private sector wages. During the year ended December 31, 2015, personnel expenditures made up for approximately 55% of the City's total expenditures. The City has limited flexibility to reduce personnel expenditures in the future because its employees are covered by statutory guarantees of employment stability. The cumulative effect of these measures has led to a substantial increase in the City's expenditures between 2013 and 2015, including a 91% nominal increase in personnel expenditures. The City cannot assure you that public employees will not request further compensation increases or that further increases will not be granted, or that additional personnel will not be hired. Increases in total expenditures could have an adverse effect on the City's public finances and its ability to service its debt obligations, including the notes.

Measures adopted by the Province and the Federal Government, and claims by workers and labor unions may exert pressure on the City to increase salaries and/or grant additional employee benefits, all of which could increase the City's expenditures.

In the past, the Province and the Federal Government have passed laws, regulations and decrees ordering private companies to maintain certain salary levels and provide certain benefits to their employees.

Additionally, both the public sector and private sector employees have in the past exerted significant pressure on their employers to increase salaries and provide more benefits. In the future, the Province and the Federal Government may adopt new measures ordering companies to increase salaries and provide additional benefits to their employees and/or employers may succumb to pressure from their employees to such ends. Any such increase may result in higher expenditures for the City, therefore reducing its financial results.

The City maintains its books and records in Pesos and prepares its budgets and statements of revenues and expenditures in accordance with reporting standards that differ from accounting principles in other jurisdictions.

The City maintains its books and records in Pesos and prepares its budgets and statements of revenues and expenditures in accordance with the City's accounting practices. These accounting practices differ in material respects from Argentine GAAP and from generally accepted accounting principles in other jurisdictions, including the U.S. GAAP and the IFRS. The primary features of the City's practices are: (i) revenues are not accounted for in the City's budgets and statements of revenues and expenditures on an accrual basis and are recognized in the period in which they are received; (ii) expenditures are accounted for in the City's budgets and statements of revenues and expenditures when committed and not when paid; (iii) capital investments are carried at cost, without reduction for depreciation or amortization and, accordingly, the City does not record any charges for depreciation or amortization in its accounts; (iv) capital expenditures and investments in tangible assets are not capitalized and are expensed in the year incurred; and (v) construction contracts are expensed when committed, and (vi) revenues, expenditures and public debt are not adjusted for inflation in the City's accounts. There can be no assurances that a reconciliation between the City's accounting practices, Argentine GAAP, U.S. GAAP and IFRS would not identify material quantitative differences between the City's budgets and statements prepared in accordance with the City's accounting practices, Argentine GAAP, U.S. GAAP and/or IFRS. In particular, the City does not adjust its revenues, expenditures or public debt information for inflation as is required, under certain circumstances, by Argentine GAAP, as Argentine GAAP are not legally mandatory applicable to the City. Financial information in this offering circular relating to historic revenues and expenditures is presented in nominal Pesos as the City believes that such presentation is likely to result in less distortion to the period-on-period comparability of such information than those which would result from presenting such analysis in reference to constant Peso figures. There can be no assurances, however, that such form of presentation will accurately reflect the trends underlying line-item variations. Furthermore, the City's accounting practices are currently being subject to review as of the date of this offering circular which might result in such accounting practices being modified.

A change in the governing political party in the City following municipal elections in 2019 may result in the implementation of different public policies that may adversely affect the economy and financial condition of the City.

Mayor and City Council elections of the City were held on September 9, 2015, resulting in Ramón Javier Mestre being re-elected as Mayor of the City in 2015, with 32.18% of the votes. Mayor Mestre's term ends in 2019. The City Council members are grouped into different political parties, which constitute the representation of different political parties or electoral fronts that have obtained representation in the City Council, Mayor Mestre's administration must seek political support from the opposition for its economic proposals. The inability of the Mestre's administration to properly implement governmental measures and or carry out necessary reforms as a result of lack of political support, the increase of opposition parties' representation or coalition pursuant to intermediate elections, or the failure of the Mayor's supporting party to retain the administration of the City upon his end of term, may adversely affect the economy and financial condition of the City and, as a result, the City's ability to make payments under the notes.

Risks Relating to the Notes

There is no established trading market for the notes, and the price at which the notes will trade in the secondary market is uncertain.

The notes will be newly issued securities with no established trading market. Application has been made to list the notes on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market.

The City does not know, however, the extent to which investor interest will lead to the development of an active trading market for the notes or how liquid that market may become. If the notes are traded after their initial issuance, they may trade at a price lower than their principal amount, depending upon prevailing interest rates, the market for similar securities and general economic conditions in the United States, Europe, Argentina, the City and elsewhere. The City cannot assure that a trading market for the notes will develop or that the price at which the notes will trade in the secondary market will be sustainable. If an active market for the notes fails to develop or continue, this failure could harm the trading price of the notes. In addition, changed circumstances, including changes in listing requirements, could cause the City to conclude that continued listing of the notes on the Luxembourg Stock Exchange, or an alternative listing, trading and/or quotation of the notes, is unduly burdensome and delist the notes from the Luxembourg Stock Exchange, or such other listing authority, stock exchange and/or quotation system. Delisting the notes may adversely affect the market value and liquidity of, and trading markets for, the notes.

The ability of holders to transfer notes in the United States and certain other jurisdictions will be limited.

The notes 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. The notes have not been qualified for sale under the applicable laws or regulations of any other jurisdiction. Accordingly, the notes may be offered and sold only (a) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act; (b) pursuant to an exemption from registration under the Securities Act; or (c) 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 “Dealer Manager” and “Notice to Investors.”

Holders of the notes may have difficulties in obtaining or enforcing judgments from courts in the United States or elsewhere against the City.

The City is a political subdivision of the Province of Córdoba, in turn a political subdivision of a foreign sovereign state. Consequently, while the City 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 notes, which are governed by the law of the State of New York, and waived immunity to the fullest extent permitted by applicable law, it may be difficult for holders of the notes or for the trustee to obtain or realize judgments from courts in the United States or foreign courts against the City. See “Enforcement of Civil Liabilities.”

In addition, the recognition and enforcement in Argentina of a foreign judgment against the City may be denied by Argentine courts. On March 6, 2014, the Argentine Supreme Court held in “Claren Corporation vs. Estado Nacional” that the enforcement of a foreign judgment sought by the holder of a defaulted bond of the Republic of Argentina did not satisfy one of the requirements of the Code of Civil and Commercial Procedures of Argentina (i.e., that a foreign judgment cannot contravene Argentine law principles of public policy). The Argentine Supreme Court concluded that enforcing the judgment obtained by the plaintiff against Argentina in New York courts would circumvent the public debt restructuring process set forth by the Federal Government through emergency legislation enacted in accordance with the Argentine Constitution. The Argentine Supreme Court held that the emergency legislation constituted 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 City cannot assure you that in the circumstances of a debt restructuring mandated by legislation considered to implement public policy you will be able to obtain or enforce judgments against the City in Argentina, including with respect to the notes.

Finally, while the recognition and enforcement in Argentina of a foreign judgment against a province, is filed directly before the Argentine Supreme Court, the recognition and enforcement in Argentina of a foreign judgment against the City shall be initially filed before a district court. No assurance can be given about the success of such claims nor with respect to the risk of proceeding delays due to further subsequent appeals to the Court of Appeals, the Supreme Court of the Province and the Argentine Supreme Court.

The notes will be effectively subordinated to the City’s indebtedness secured by assignments of the City’s Commercial, Industrial and Services Activity Tax and the City’s Contribution Over Real Estate Properties.

The notes will be the City’s senior unsecured obligations. The City has secured substantially all of its total outstanding consolidated indebtedness with the City’s revenues (i) from taxes on Type 3 Large category contributors – the Commercial, Industrial and Service sectors – as stipulated in Article 258 of the Municipal Tax

Code (Ordinance No. 12,140, as amended, the “Tax Code”) and (ii) from contributions over real estate properties, as stipulated in Article 192 of the Tax Code. As of June 30, 2016, the City had total outstanding financial indebtedness of approximately Ps.1,320 million, of which approximately Ps.1,100 million was secured indebtedness. As of June 30, 2016, all of the City’s revenues from taxes on Type 3 Large category contributors to which the City was entitled in 2015, was assigned for the benefit of its creditors and an amount of up to approximately Ps.524.5 million of the City’s revenues from contributions over real estate properties was assigned for the benefit of its creditors. Furthermore, on July 25, 2016, the City entered into a bridge loan with Banco Santander Río S.A. for an aggregate principal amount of Ps.420 million (see “Public Sector Debt - Recent Developments Relating to the City’s Indebtedness”). An amount of up to approximately Ps.750 million of the City’s revenues from contributions over real estate properties was assigned for the benefit of its creditors

The specific terms and conditions of the security interests are provided for under each debt instrument. See “Public Sector Debt.” The claims of secured creditors will have priority in right of payment to any claim of the holders of the notes with respect to the City’s Manufacture and Commerce City Tax payments assigned to such creditors as security.

The indenture governing the notes will contain covenants that, among other things, will limit the City’s ability to incur secured indebtedness or create liens on its assets. However, these covenants are subject to important exceptions and qualifications. Any future indebtedness of the City that is secured with federal co-participation payments or other assets will similarly be effectively senior to the notes to the extent of such collateral.

The City’s credit ratings may not reflect all risks of investing in the notes.

The City’s credit ratings are an assessment by rating agencies of the City’s ability to pay its debts when due. Consequently, real or anticipated changes in the City’s credit ratings will generally affect the market value of the notes. These credit ratings may not reflect the potential impact of risks relating to structure or marketing of the notes. Credit ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization. Each agency’s credit rating should be evaluated independently of any other agency’s credit rating.

The notes will contain provisions that permit the City to amend the payment terms of the notes without the consent of all holders.

The notes 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 notes may be amended, including the maturity date, interest rate and other payment terms, without your consent.

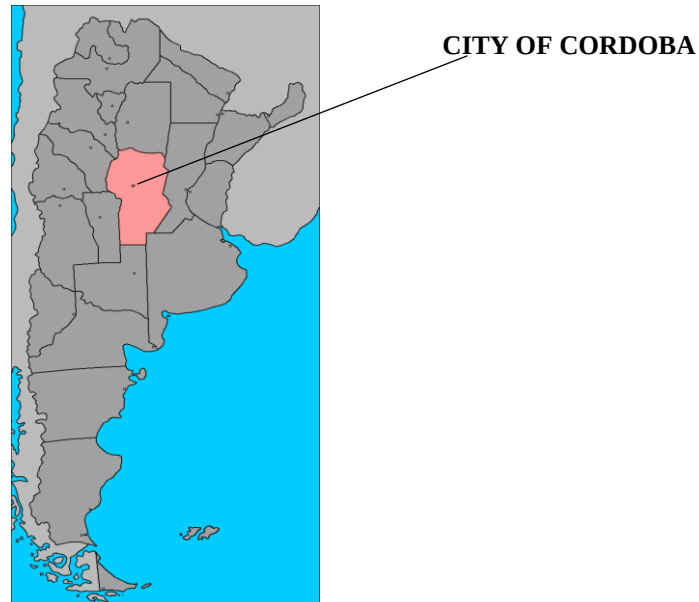
USE OF PROCEEDS

The gross proceeds from the offering of the notes, before commissions and other transaction fees and expenses payable by the City, will be U.S.\$150,000,000. Pursuant to City Ordinance No. 12,517, the City intends to use the net proceeds from the offering of the notes, after payment of commissions and other transaction fees and expenses to: (i) improve the City's debt profile by paying existing secured indebtedness for an amount of approximately U.S.\$50 million (including the bridge loan entered into with Banco Santander Río S.A., an affiliate of the Dealer Manager); (ii) paving and repaving works for an aggregate amount of approximately U.S.\$45 million; (iii) purchase and install LED lights throughout the City for an aggregate amount of approximately U.S.\$25 million; (iv) add value to certain central spots of the City for an aggregate amount of approximately U.S.\$12 million; (v) construct an underground path in *Plaza España* zone for an aggregate amount of approximately U.S.\$12 million; and (vi) construct two educational parks for an aggregate amount of approximately U.S.\$6 million, as further described in "The City Economy – Infrastructure Initiatives."

THE CITY OF CÓRDOBA

Introduction

The City of Córdoba, the capital of the Province of Córdoba, is the second largest city in Argentina (after the city of Buenos Aires) with an area of 576 square kilometers and 1,329,604 inhabitants, according to the 2010 National Census. The following map illustrates the location of the Province and the City:



History and Heritage

Before the Spanish conquest, various tribes lived in the region which now constitutes the Province, most notably the *Comechingones* and *Sanavirones*. “Córdoba de las Provincias de la Nueva Andalucía” was founded by Don Jerónimo Luis de Cabrera on July 6, 1573 on a site that had been inhabited by the *Comechingones* tribe. The new population was incorporated to the Province of Tucumán, with the mission of providing food, clothing and mules to the mining center of Potosí and being a strategic stopover point between Upper Perú and the Río de la Plata. The first urban settlement was organized within a fortification, in the heights of the neighborhood currently called “Yapeyú”.

The City grew as an important cultural center supported by the trade from Perú, which was on the route to the Río de la Plata port on the Atlantic Ocean. A driving force in the development of the Province was the settlement of several religious orders, such as the Franciscans, Dominicans and Jesuits, which made important contributions to colonial architecture and, especially, education. The Jesuits settled in the Province in 1599 and founded their seminary in 1608, the *Colegio Máximo* in 1613 and the *Colegio Convictorio de Nuestra Señora de Monserrat* in 1687. The *Colegio Máximo* was the foundation for the *Universidad Nacional de Córdoba*, which was the first university in Argentina and the fourth in the Americas. In 2000, the United Nations Educational, Scientific and Cultural Organization, or UNESCO, declared the *Manzana Jesuítica*, which includes the *Universidad Nacional de Córdoba* and the *Colegio Convictorio de Nuestra Señora de Monserrat*, a Cultural World Heritage Site.

In 1767 the Jesuits were expelled from the City. In 1783, the Borbon reforms and the establishment of the Government of Córdoba of Tucumán provided the basis of an expanding economy in the City. During the administration of the Marquis of Sobre Monte (1784-1797), several important public works were performed in the City.

Two years after the enactment of the Argentine Constitution (1853), Córdoba approved its own Constitution, establishing the municipal system in place of the councils, which disappeared during the administration of Governor Bustos (1824).

The arrival of the railway, the installation of the Astronomical Observatory, the opening of several banks and the establishment of agricultural colonies turned the City into the administrative, commercial and communications center of the region. The City started to create neighborhoods, originally called villages, in order to accommodate a growing population.

In October 1927, the establishment of the *Fábrica Militar de Aviones* (Military Aircraft Factory) marked the starting point for the industrial development of the Province. This encouraged the establishment of new centers of settlement, developing large residential sectors.

After 1950, in addition to the expansion of chemical and metallurgical industries, factories dedicated to the manufacturing of automobiles, tractors, wagons, railway equipment and large motors were built by a number of companies of American and European origin.

Currently, with a population of 1,329,604, according to the 2010 National Census, the City concentrates 40.18% of the provincial population and constitutes one of the most important social, educational and economic centers of Argentina, providing infrastructure and a wide variety of services.

Population and Education

As mentioned above, according to the 2010 National Census, the City has 1,329,604 inhabitants (634,341 of which are men and 695,263 women), representing 40.18% of the population of the Province, and 3.3% of the total population of Argentina. The City is the second largest in the country after the city of Buenos Aires, representing 7.2% of the total population of Argentina. The second largest city in the Province is Río Cuarto, which has a population of 158,298.

The population of the City has grown substantially from 28,523 inhabitants in 1869 to 509,163 inhabitants in 1960 and 993,055 inhabitants in 1980.

According to the 2010 national census, 23.6% of the population was under 15 years of age; 26.8% was between 15 and 29; 39.4% were adults between 30 and 64, and 10.2% was 65 or older.

According to information collected in 2014 by the Ministry of Education of the Province, there are 1,153 schools in the City, 711 of which are public and 442 are private. Additionally, the City has 412 pre-school establishments, 393 primary establishments, 265 secondary establishments and 83 non-university establishments of higher education, with a total of 352,606 students and 36,693 teachers.

The City has 8 universities offering 591 undergraduate, graduate and postgraduate degrees. The universities have a total student population of 152,342. The main establishment is the National University of Córdoba, with an enrollment of 106,177 students. Other important universities include the *Universidad Tecnológica de Córdoba* (Córdoba Technological University) and the *Universidad Católica de Córdoba* (Catholic University of Córdoba).

The City's economically active population amounts to 720,785 people, 91.24% of which are employed and 8.76% are unemployed. Among the employed, 84.07% work in the private sector, 15.06% in the public sector, and the remaining 0.87% under other classifications.

Geography, Climate and Tourism

The City is located on an undulating plain with natural canyons at the foot of the *Sierras Chicas* and is crossed by waterways such as River *Suquía*, *La Cañada* and *El Infiernillo*. Most of the natural vegetation and wildlife have been displaced by urbanization and dominated by species adapted to the City.

The City, like most of the Province, has a moderate climate with four seasons. The median annual temperature is 18°C. In January, the warmest month of the summer, the average maximum temperature is 31°C while the minimum is 17°C. In July, the coldest month of the year, the maximum average temperature is 19°C and the minimum is 4°C.

According to the Tourism Observatory of the City, there are 178 establishments offering accommodation, 66 of which are hotels (including 3, 4 and 5 star hotels).

In 2013, the number of tourists reached about 1,100,000 people. Domestic tourists represented 80.2% of the total, while the remaining 19.8% came from abroad, including the U.S., Canada and Europe (6.2%), Chile (4.7%) and Brazil (3.9%).

Industrialization and Infrastructure

The City is an important economic center, with the services, commercial and industrial sectors representing the engines of its economic activity. The City also stands out in the automobile manufacturing activity and has developed a strong construction industry.

The automobile sector includes not only production facilities of large international companies like Renault Argentina S.A., Volkswagen Argentina S.A., Fiat Auto Argentina S.A. and Iveco Argentina S.A., all of which are located in industrial areas of the City, but also includes many small and medium-sized suppliers of inputs, auto parts, spare parts and repair services. The integration of these smaller supply companies with major automobile manufacturers has promoted technology transfer and increased production capacity.

The services sector includes various companies and institutions, including major wholesalers and retailers, public and private universities, health services providers and an important technological center dedicated to research and development within the IT sector, which includes more than 130 companies. Both local and international tourism also play an important role in the economic activity of the City and the Province.

With regards to infrastructure, according to the 2010 national census, 95.8% of homes have piped water supply, 68.3% have access to the gas network, and 51.1% are connected to the public sewer network.

The collection, treatment and water distribution network is divided into two systems: the North System, which takes water from the hydroelectric power station of *La Calera* and feeds the water treatment plants *Suquía* and *Alto Alberdi*; and the South System, which takes water from the *Canal Los Molinos-Córdoba* and feeds the water treatment plant of *Los Molinos*. The entire system consists of 2,100 km. of pipes.

The company in charge of providing power service to the City is *Empresa Provincial de Energía Eléctrica* (Provincial Electric Power Company - EPEC).

The City has three hospitals, namely the *Hospital de Urgencias* (Emergency Hospital), *Hospital Infantil* (Children's Hospital), and *Hospital Príncipe de Asturias*. In addition, the City has a number of health care centers, and some other healthcare-related establishments.

According to the Secretary of Transport and Traffic, the number of urban buses increased from 750 units in 2012 to 820 in 2014 (the latest year for which information is available). Additionally, there are 3,880 taxis. The trolleybus network, managed by the company *T.A.M.S.E.*, consists of 14 lines. The City also has a large network of bike paths connecting different points of the City.

The City also benefits from an international airport located 11 km away from the City.

Legal Framework and Relationship between the City and the Province

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.

Additionally, the Constitution of the Province recognizes the existence of Municipalities, providing for a municipal structure based on the political, administrative, economical, financial and institutional autonomy of the individual municipality. The Constitution of the Province sets forth the general functions, powers and purposes of the municipal government, as well as the general system of criminal law, Misdemeanors Court, economic resources, and a system of municipal finance that the Organic Act of each city must contain.

It also states that every city's Organic Act must ensure the representative system of government, with direct election of its authorities, and the universal and obligatory suffrage.

The City passed its Organic Act in 1995, which provides for the election of the City's governing bodies, authorities, and the economic resources to fund its operations, among other provisions. The main sources of funding are direct taxes and fees and provincial co-participation.

City Government

Executive Branch

The Executive Branch is composed of a Mayor, elected for a four-year term, and a number of secretaries and undersecretaries of various departments. The Mayor and Deputy Mayor may be re-elected or succeed each other for one consecutive four-year term and be re-elected again after one interval term of four years. The Deputy Mayor is the head of the City Council.

The secretariats of the City are: *Secretaría General* (Secretariat General), *Secretaría de Gobierno, Participación Ciudadana y Desarrollo Social* (Secretariat of Government, Citizen Participation and Social Development), *Secretaría de Salud* (Secretariat of Public Health), *Secretaría de Educación* (Secretariat of Education), *Secretaría de Economía y Finanzas* (Secretariat of Economy and Finance), *Secretaría de Servicios Públicos* (Secretariat of Public Services), *Secretaría de Cultura* (Secretariat of Culture), *Secretaría de Planeamiento e Infraestructura* (Secretariat of Planning and Infrastructure), *Secretaría Privada* (Private Secretariat), *Secretaría de Control* (Secretariat of Control), and *Secretaría Legal y Técnica* (Legal and Technical Secretariat).

The Secretariat of Economy and Finance shall approve all expenditures to be made under “Use of Proceeds” section. In addition, the Secretariat of Planning and Infrastructure shall lead the different projects described under such section and in “The City Economy – Infrastructure Initiatives”, and shall carry out the bidding process and project control of such initiatives.

Legislative Branch

The Legislative Branch consists of the City Council, which is composed of 31 members elected through a proportional representation system ensuring the party that obtains the majority of the votes will obtain at least a majority of its members.

The members of the City Council are elected for four-year terms, and may be re-elected for a second consecutive term and may be re-elected again after one interval term of four years. The Deputy Mayor serves as the head of the City Council, with a casting vote only in case of a draw.

Judicial Branch – Other City Governmental Bodies

Although the City has no judicial branch, several courts of the Province (including trial courts, courts of appeal and the Superior Court of Justice of the Province) have their seats in the City.

In addition, the Organic Act of the City provides for the existence of administrative control bodies with different competences. Such bodies are: *Tribunal de Cuentas* (Auditors Court); *Tribunal Administrativo Municipal de Faltas* (Administrative Municipal Misdemeanors Court); *Tribunal Administrativo Municipal Fiscal* (Administrative Municipal Fiscal Court).

The Auditors Court exercises the accounting, economic and legal control of the public expenditure of the City and the City Council.

The Administrative Municipal Misdemeanors Court is responsible for the prosecution of offenses or violations to municipal, provincial and federal provisions, whose application corresponds to the City.

The Administrative Municipal Fiscal Court resolves the challenges filed against the decisions of the municipal tax authorities, in the cases and with the formalities required by the City Ordinances.

In addition, the Organic Act of the City provides for the existence of different bodies with responsibility for controlling the provision of public services under municipal jurisdiction created by the City Ordinances. The members of these bodies are appointed by the Mayor with the consent of the City Council, and shall include the participation of the users of public services.

Furthermore, the Community Participation Centers (CPC) are administrative divisions of the City. Currently, there are 12 offices. The purpose of the CPCs is to serve as local headquarters for the provision of several services, including offices of *Aguas Cordobesas* (Provincial Public Water Entity), *Banco de Córdoba* (Bank of Córdoba), *EPEC* (Provincial Electricity Entity), *Registro Civil* (Civil Registry), among others.

Political Parties

Historically, the main political parties of Argentina were the *Partido Justicialista* (Justicialist Party, or “PJ”) and the *Unión Cívica Radical* (Radical Civic Union, or “UCR”), each of which had strong support across the country. However, in 2003, a PJ faction led by former Argentine president Néstor Kirchner founded an independent political party named “*Frente para la Victoria*” (Front for Victory). Additionally, over the past decade, *Propuesta Republicana* (“PRO”) (Republican Proposal) has been asserting itself as a growing political force. Mauricio Macri, the current President of Argentina, is the leader of the PRO.

On the local level, Ramón Javier Mestre was re-elected as Mayor of the City in 2015, with 32.18% of the votes. Additionally, the city council members are grouped into different blocks, which constitute the parliamentary representation of political parties or electoral fronts that have obtained representation in the City Council.

The table below shows, by political block, the composition of the City Council as of March 31, 2016:

Block	Number of seats	%
Juntos por Córdoba.....	16	52%
Unión por Córdoba.....	5	16%
Movimiento ADN.....	4	13%
Fuerza de la Gente.....	4	13%
Frente Federal de Acción Solidaria	2	6%
Total Seats	31	100%

Source: City Council of the City of Córdoba.

THE CITY ECONOMY

Introduction

Between 2009 and 2014, the City's economy represented between approximately 40.0% and 45.0% of the Province's total GDP, while the Province's economy represented between approximately 6.0% and 9.0% of Argentina's GDP. The City's economic situation has generally paralleled that of the Province and Argentina, but with less volatility in both expansionist and recessionary periods, due to its relative diversified economy.

The Argentine Economy

On June 29, 2016, the INDEC published a revised calculation of the 2004 gross domestic product ("GDP"), which formed the basis of Argentina's real GDP calculation for every year thereafter. According to such revised GDP results, the Argentine economy grew by a total of 45.1% from 2004 to 2014.

Argentina experienced considerably high growth rates during 2011, growing at 6.1% compared to the prior year. In subsequent years, Argentina's GDP fluctuated and declined by 1.1% in 2012, increased by 2.3% in 2013, declined by 2.6% in 2014 and grew by 2.4% in 2015. According to preliminary estimates, real GDP grew by 0.49% in the first quarter of 2016 compared to the same period in 2015.

Until 2011, the Federal Government had succeeded in maintaining a primary surplus, while operating with restricted access to international credit markets and experiencing a net outflow of capital. In 2011, the primary surplus deteriorated, decreasing from Ps.25.1 billion in 2010 to Ps.4.9 billion. In 2011, Argentina's fiscal deficit reached Ps.30.7 billion, beginning a higher and continuous fiscal deficit period.

Since 2012, the acceleration of inflation, combined with exchange control policies, which were intended to use the exchange rate as a "nominal anchor", affected Argentina's competitiveness and had an adverse effect on its current account and the Central Bank's capacity to generate and maintain international reserves. Argentina's macroeconomic indicators declined as a result of a combination of adverse factors, including, among others, the exchange rate lag which generated loss of competitiveness, increased fiscal deficits and its monetization which generated inflation, and a continued lack of availability or credibility with respect to Argentina's published official rates of inflation and poverty.

The exchange rate control policy implemented by the Central Bank was based on a crawling peg regime. On December 16, 2015, the reference exchange rate published by the Central Bank reached Ps.9.82 to U.S.\$1.00, which represented a nominal depreciation of 14.9% as compared to the same day in 2014. On December 17, 2015, in an effort to improve Argentina's economic competitiveness after a change in the governing political party in Argentina, the Central Bank implemented an exchange rate correction. The Peso exchange rate reached Ps.13.76 to U.S.\$1.00, resulting in a depreciation of 40.1%.

The exchange rate lag affected Argentina's international currency reserves. The maximum level of international reserves registered by Argentina was U.S.\$52.65 billion in January 2011, followed by an increasing outflow of capital during succeeding years. As of December 2012, the level of international reserves was U.S.\$43.29 billion, and then decreased U.S.\$12.69 billion to U.S.\$30.60 billion in 2013. In 2014, Argentina's level of international reserves was U.S.\$31.44 billion. By the end of 2015, Argentina experienced its lowest level of international reserves of the past ten years. This outflow of capital sharpened the administrative controls with respect to purchases of foreign currency and transfers of foreign currency abroad. As of July 2016, the level of international reserves had partially recovered from 2014 and 2015 levels, reaching approximately U.S.\$32.51 billion.

The favorable levels of Argentina's imports and exports of goods and services that characterized previous years decreased as a result of the difficult internal economic situation, especially the continued loss of competitiveness and the deterioration of the price of Argentina's export commodities. In 2015, the Republic's trade balance registered a U.S.\$3 billion deficit.

The federal public sector has incurred an increasing primary fiscal deficit in every year since 2012, after experiencing a primary surplus in prior years. Argentina's primary fiscal deficit was Ps.4.37 billion in 2012, Ps.22.47 billion in 2013 and Ps.38.56 billion in 2014. In 2015, Argentina's primary fiscal deficit increased considerably to Ps.104.79 billion to a total deficit of Ps.225.63 billion. Finally, in the first semester of 2016, primary fiscal deficit amounted to Ps.121.20 billion and the total deficit amounted to Ps.133.22 billion.

The following table shows Argentina's macroeconomic indicators for the past three years:

Argentina's Principal Macroeconomic Indicators

	2013	2014	2015
Growth of real GDP⁽¹⁾	2.30%	-2.56%	2.37%
Primary fiscal surplus⁽²⁾	-22,479	-38,562	-104,797
Primary fiscal surplus/ nominal GDP⁽³⁾	-0.67%	-0.84%	-1.79%
Total fiscal surplus⁽²⁾	-64,477	-109,720	-225,637
Total fiscal surplus/ nominal GDP⁽³⁾	-1.92%	-2.38%	-3.86%
Commercial surplus⁽⁴⁾	1,521	3,106	-3,035
Nominal exchange rate⁽⁵⁾	6.52	8.55	13.04
International reserves⁽⁶⁾	30,599	31,443	25,563
Unemployment⁽⁷⁾	6.4%	6.9%	5.9% ⁽¹¹⁾
Inflation INDEC⁽⁸⁾	10.9%	24.0%	14.3%
Inflation city of Buenos Aires⁽⁹⁾	26.6%	38.0%	23.8%
Inflation San Luis⁽¹⁰⁾	31.9%	39.0%	23.7%

Notes:

(1) GDP at market prices, using 2004 as reference.

(2) Millions of Pesos National public sector. Source: *Oficina Nacional de Presupuesto*.

(3) Represents primary fiscal surplus /nominal GDP as of December 31 of each year.

(4) Millions of U.S. dollars. Banco Nación.

(5) Exchange rate as of December 31 of the corresponding year. Banco Nación.

(6) U.S. dollars as of December 31 of each year.

(7) Information of the last quarter of each year.

(8) CPI INDEC. Interannual variation as of December of each year. For year 2015 October was considered.

(9) CPI *Ciudad de Buenos Aires*. Interannual variation as of December of each year. For year 2015 October was considered.

(10) CPI *Provincia de San Luis*. Interannual variation as of December of each year. For year 2015 October was considered.

(11) As of September 30, 2015.

Sources: INDEC, Banco Central, Ministerio de Hacienda y Finanzas Públicas de la República Argentina.

Argentine Public Sector Debt

As of December 31, 2015, the Republic's total gross public debt was U.S.\$222.7 billion. Peso-denominated debt totaled Ps.960.1 billion (U.S.\$73.8 billion), representing 33.1% of the Republic's total gross public debt, of which 7.2% was CER-index linked debt. Foreign currency-denominated debt totaled U.S.\$148.9 billion, representing 66.9% of the Republic's total gross public debt. As of December 31, 2015, 50.8% of the foreign currency-denominated debt was held by various public sector entities.

The Republic's total gross public debt consists of foreign currency-denominated and Peso-denominated debt owed directly by the Federal Government and indirect debt consisting of Federal Government guarantees of obligations of national public institutions, the provinces (including the city of Buenos Aires) and private sector entities. It does not include direct debt of the provinces or other entities that is not guaranteed by the Federal Government.

From 2011 to 2015, the Republic had limited access to international capital markets and, as a result, most of the new debt incurred in this period represented domestic debt issued in Pesos and U.S. dollars. Moreover, during this period, a substantial portion of the domestic debt issued by the Republic was acquired by the public sector, which held 61.9% of the Republic's total debt as of December 31, 2015.

The table below provides a summary of Argentina's public sector debt for the periods indicated:

Argentina's Public Sector Debt (*) (in billions of U.S. Dollars except percentages)

	As of December 31 of		
	2013	2014	2015
Public debt	202.6	221.7	222.7
External debt	60.8	67.3	65.1 ^(**)
Foreign currency-denominated debt	125.5	143.9	148.8
% of nominal GDP⁽¹⁾			
Public Debt	39.30%	41.13%	49.74%
External debt	11.79%	12.49%	n.a
% of international reserves			
External debt	198.60%	214.00%	n.a

Argentina's Public Sector Debt (*)
(in billions of U.S. Dollars except percentages)

Foreign currency-denominated debt.....	410.20%	457.60%	582.40%
% of exports			
External debt.....	80.04%	98.49%	n.a
Foreign currency-denominated debt.....	165.21%	210.58%	262.19%
External debt (% of total).....	30.00%	30.40%	n.a

Notes: (*) Does not include debt (gross) of U.S.\$11.52 billion (including past due debt as of December 31, 2015) not presented as part of the debt restructuring subject to Executive Orders 1735/04 and 563/10.

Source: Ministry of Treasury of the Republic of Argentina.

(**) As of June 30, 2015.

(1) As of December 31, 2015.

Source: Ministry of Treasury of the Republic of Argentina.

Commencing in 2002, holdout creditors filed numerous lawsuits against Argentina in several jurisdictions, including the United States, Italy, Germany and Japan. These lawsuits generally assert that Argentina failed to make timely payments of interest and/or principal on its 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 in enforcing those judgments with a few minor exceptions.

After the successful results of 2005 and 2010 exchange offers in which more than 92% of bondholders of Argentina's external public debt participated, plaintiffs in 13 actions in New York, involving claims for U.S.\$428 million in principal plus interest, obtained a U.S. district court order in February 2012 enjoining Argentina from making interest payments on the bonds issued pursuant to the Exchange Bonds unless Argentina paid the plaintiffs in full. The order was based on the theory that the former payments violated the *pari passu* clause in the FAA governing those non-performing bonds. The U.S. district court order was stayed pending appeal. The Second Circuit Court of Appeals affirmed the so-called *pari passu* injunctions, and on June 16, 2014, the U.S. Supreme Court denied Argentina's petition for a *writ of certiorari* and the stay of the *pari passu* injunctions was vacated on June 18, 2014.

In 2014, the Federal Government took a number of steps intended to continue servicing the Exchange Bonds, which had limited success. Holdout creditors continued to litigate, expanding the scope of issues to include payment by the Federal Government on debt other than the Exchange Bonds and the separateness of the Central Bank.

In 2015, plaintiffs who had obtained *pari passu* injunctions amended their complaints to include additional claims stating that allowing Argentina to service the debt incurred under more recently issued BONAR 2024 bonds, as well as external indebtedness in general, would violate the *pari passu* injunctions. On October 30, 2015, the U.S. district court issued new *pari passu* injunctions substantially identical to the ones already in effect in 49 additional proceedings, involving claims for over U.S.\$2.1 billion under the 1994 FAA, plus pre- and post-judgment interest. Argentina appealed the decision on November 10, 2015.

The Macri administration engaged in negotiations with holders of defaulted bonds in December 2015 with a view to ending fifteen years of litigation. In February 2016, the Federal Government entered into an agreement in principle to settle with certain holders of defaulted debt and presented a proposal to other holders of defaulted debt, including those with pending claims in U.S. courts, subject to two conditions: obtaining approval thereof by the Argentine Congress and the lifting of the *pari passu* injunctions. On March 2, 2016, the U.S. district court agreed to vacate the *pari passu* injunctions, subject to two conditions: first, the repealing of all legislative obstacles to settlement with holders of defaulted debt securities issued under the FAA, and second, full payment to holders that had obtained *pari passu* injunctions, with whom the Federal Government had entered into an agreement in principle on or before February 29, 2016, in accordance with the specific terms of such agreements. The U.S. district court's order was appealed but confirmed by the Second Circuit Court of Appeals on April 13, 2016. On March 31, 2016, the Argentine Congress repealed the legislative obstacles to the settlement and approved the settlement proposal. On April 22, 2016, Argentina issued U.S.\$16.5 billion of new debt securities in the international capital markets, and applied U.S.\$9.3 billion of the proceeds to satisfy settlement payments on agreements with holders of approximately U.S.\$8.2 billion in principal amount of defaulted bonds. The district court ordered the vacatur of all *pari passu* injunctions upon confirmation of such payments. As of the date of this Offering Circular, litigation initiated by bondholders that have not accepted Argentina's settlement offer continues in several jurisdictions, although the size of the claims involved has decreased significantly.

The Provincial Economy

The Province has a diversified economy, producing a variety of primary and industrial goods, as well as providing a variety of services. This economic diversification has helped to reduce the impact of price volatility in the international commodity markets on the Province. The Province also benefits from an integrated industrial sector, which is a significant generator of employment and technological advances and is less subject to fluctuations in the prices of primary goods. The Province is a significant producer of (i) primary goods, including the production of soy, corn, wheat and peanuts; (ii) manufactured goods of agricultural origin, with an agroindustrial sector focused on the production of soy derivatives, dairy products and confectionery goods; and (iii) manufactured industrial goods, with an industrial sector focused on the production of automobiles and automobile parts, transmission systems, specialized farm equipment and machinery, and inputs for the construction sector, such as cement.

Like the Argentine economy as a whole, the economic growth of the Province experienced volatility between 2011 and 2015. The Province's real GDP increased by 7.5% in 2011, 0.2% in 2012, 8.7% in 2013, and 2.7% in 2014, resulting in an average annual growth rate of 4.8% during this period. Information related to the provincial real GDP as of 2015 is not available as of the date hereof.

The Province's economic growth has been due to the performance of the manufacturing products and services sectors. In fact, both sectors grew at an average annual rate of 6.3% between 2011 and 2015. Within the manufacturing sector, the agricultural sector grew at an average annual rate of 6.3% during the same period, which was one of the most significant economic growth sectors of the Province.

Although statistical information for the Province's GDP in 2015 is not yet available, several indicators show the recovery of economic activity in the Province, including the broader national recovery (e.g., Argentina's real GDP increased 2.4% during the first half of 2015).

The Province's most significant economic sectors in 2014 included: manufacturing, which accounted for 14% of the Province's total real GDP; wholesale and retail commerce, which accounted for 11% of the Province's total real GDP; agriculture, which accounted for 11% of the Province's total real GDP; transportation and communications, which accounted for 10.9% of the Province's total real GDP; financial intermediation, which accounted for 10.1% of the Province's total real GDP; real estate and other business activities, which accounted for 18.9% of the Province's total real GDP; and construction, which accounted for 4.6% of the Province's total real GDP.

From 2002 through 2011, the Province experienced strong growth in the value of its exports, primarily as a result of a favorable trade environment characterized by a strong global demand and a depreciated exchange rate that made the Province's exports relatively inexpensive abroad. During this period, the value of the Province's exports peaked in 2011, when it reached U.S.\$10.5 billion. In 2012, the total value of exports decreased by 3.8% as compared to 2011. In 2013, the total value of exports remained virtually unchanged from that in 2012. In 2014, the value of provincial exports decreased by 9.3% as compared to the previous year. In 2015, the value of the provincial exports reached U.S.\$ 7.86 billion, representing a decrease of slightly over 25% from the historical maximum reached in 2011.

This decrease in the value of provincial exports was consistent with the decrease in the value of national exports during the same period, albeit at a lower rate of decrease compared to that at the national level. While the value of national exports decreased by an average rate of 9.1% per year from 2012 to 2015, the value of provincial exports decreased by an average rate of 6.3% during the same period. The value of provincial exports accounted for 13.9% of Argentina's total exports in 2015.

According to the information provided by the Province's General Bureau of Statistics and Census (*Dirección General de Estadísticas y Censos*), the economic activity of the Province, measured by the InAEC, showed a moderate increase of 4.3% for the first nine months in 2015 when compared to the same period in 2014. This growth was primarily due to the performance of the agricultural sector, whose activity indicators (ISACor) showed an annual increase of 19.1% in the aggregate during the first three quarters of 2015, compared to the same period in 2014. Agricultural production, measured in tons of wheat, corn, sorghum, soy, sunflower seeds and peanuts, increased by 17.8% during the 2014/2015 harvest, as compared to the 2013/2014 harvest, according to the information provided by the Argentina's Agroindustrial Ministry (*Ministerio de Agroindustria de la Nación*).

Private construction, based on the construction permits of the three largest districts for which information is already available, increased by 11.5% for the period from January to November 2015 as compared to the same period in 2014, while levels of cement consumption increased by 7.7% in the same period. Within the commerce

sector, sales of supermarkets increased by 22.2% during the first three quarters of 2015, as compared to the same period of 2014. As a result, unemployment in Greater Córdoba decreased from 10.5% for the first three quarters of 2014 to 9.0% in the same period in 2015.

The following chart shows the Province's principal activities indicators for the periods indicated:

Province's Principal Activities Indicators

	2014	2015	Variation
InAEC (base index=2009) ⁽¹⁾	122.5	127.7	4.2%
IsaCor (base index=2009) ⁽²⁾	121.1	144.3	19.2%
Building Permits ⁽³⁾	561,260.0	514,845.0	(8.3%)
Cement Consumption (in thousands tons)	1,227.0	1,321.0	7.7%
Supermarket sales in the Province (in millions of Pesos) ⁽⁴⁾	9,233.0	11,164.0	20.9%
Unemployment Rate (Greater Córdoba) ⁽⁵⁾	10.5	9.0	(14.3%)

(1) Economic Activity of the Province. Average of each year from January through October.

(2) Agricultural Sector's Activity Indicator. Average of each year from January through September.

(3) Includes new construction and extensions. In Río Cuarto, Villa María and Carlos Paz. Information with respect to Córdoba City is not available for 2014 and 2015.

(4) Accumulated January through December of each year.

(5) Average of each year for the first three quarters.

Source: INDEC, *Dirección Nacional de Estadísticas y Censos de la Provincia y Asociación de Fabricantes de Cemento Portland*.

The following table sets forth the Province's macroeconomic indicators for the periods indicated:

Province's Principal Macroeconomic Indicators (in Ps. unless otherwise indicated)

	2013	2014	2015
Real GDP (in millions of 1993 constant Pesos)	35,437	36,399	n/a
Real GDP growth	8.7%	2.7%	n/a
Provincial real GDP/National real GDP ⁽¹⁾	7.9%	n/a	n/a
Estimated Population ⁽²⁾	3,489,669	3,528,687	3,567,654
Provincial real GDP per capita (in constant Pesos)	10,155	10,315	n/a

(1) By the end of 2013, the *Dirección Nacional de Cuentas Nacionales* changed the methodology calculation of national GDP, by changing its reference year for the calculation of the real GDP as of 2004. The provinces of Argentina however, continued to implement the methodology which uses 1993 as reference year. As a result, provincial and national GDP are not comparable since 2014. For 2013, the average of the first three quarters were considered.

(2) Estimated population as of July 1 of each year as reported by INDEC.

The City's Economy

The City's economy has a broad base of activities, ranging from industrial (general manufacturing, automobiles and food) and wholesale and retail commerce to real estate and other entrepreneurial activities. It is the second largest urban center of Argentina (following Buenos Aires) and represents a significant portion of the Province's economy. As of 2014, the City's real GDP represented 41% of the Province's real GDP.

Similar to the trends at the national and provincial level, the City's economy has experienced volatility in its growth between 2011 and 2015. The City's real GDP increased by 8.4% in 2011, 1.4% in 2012, 7% in 2013, and 0.7% in 2014, resulting in an average annual growth rate of 3.04% during this period. Information related to the City's real GDP as of 2015 is not available as of the date hereof.

The City's rate of growth has been largely due to the performance of the services sector, which grew at an average annual rate of approximately 5.7% between 2011 and 2014.

Although statistical information for the Province's GDP in 2015 is not yet available, several indicators show the recovery of economic activity in the Province, which paralleled a broader national recovery (e.g., Argentina's real GDP increased 2.4% during the first half of 2015).

According to the information provided by the Province's *Dirección General de Estadísticas y Censos*, the economic activity of the Province, measured by the InAEC, showed a moderate increase of 4.3% through the end of the third quarter of 2015 when compared to the same period of the prior year. Additionally, supermarket sales in the Province increased by 22.2% during the first three quarters of 2015, as compared to the same period of 2014. Reflecting this, unemployment in Greater Córdoba decreased from 10.5% for the first three quarters of 2014 to 9.0% with respect to the same period in 2015.

The City's most significant economic sectors include manufacturing, which accounted for 18% of the City's total real GDP; real estate and other entrepreneurial activities, which accounted for 19% of the City's total real GDP; wholesale and retail commerce, which accounted for 13.6% of the City's total real GDP; transportation, warehousing and communications, which accounted for 10.9% of the City's total real GDP; and financial services, which accounted for 13.3% of the City's total real GDP.

The following chart shows the principal macroeconomic indicators of the City from 2013 to 2015:

Principal Macroeconomic Indicators of the City
(in Ps. except percentages)

	2013	2014	2015
Real GDP (in millions of 1993 constant Pesos)	14,831	14,938	n.a.
Real GDP growth	7.0%	0.7%	n.a.
City real GDP/ Provincial real GDP	41.9%	41.0%	n.a.
Estimated Population ⁽¹⁾	1,397,130	1,405,753	1.414.201
City real GDP per capita.....	10,616	10,627	n.a.

Notes: n.a. (information not available).

(1) Estimated population as of July 1 of each year. Projections of the *Dirección General de Estadísticas y Censos de la Provincia*. 2010-2025.

Source: *Dirección de Estadísticas y Censos de la Provincia de Córdoba*.

The following chart shows the principal macroeconomic indicators of the City compared to Rosario (the third largest city of Argentina) and the city of Buenos Aires (the first largest city of Argentina):

Principal Macroeconomic Indicators Comparison

	City	Rosario	City of Buenos Aires
Real GDP (in millions of 1993 constant Ps.) ⁽¹⁾	14,938 ⁽¹⁾	n/a	148,403 ⁽²⁾
Real GDP growth ⁽³⁾	0.7%	n/a	1.5%
Real GDP City / Real GDP Province	41.0%	n/a	21.1% ⁽⁹⁾
Estimated population (millions) ⁽⁴⁾	1.40	1.19	3.08
Real Province GDP	36,399	n/a	n/a
Poverty ⁽⁵⁾	4.4%	4.2%	2.4%
Unemployment ⁽⁶⁾	9%	8.8%	3.9%
Inflation ⁽⁷⁾	17.7%	14.9%	26.6%
Exports /GDP ⁽⁸⁾	32%	48%	2.6%
Income	8,420.43	6,696.12	63,413.00
Primary fiscal balance	175	n/a	-9,517.00
Financial balance	640.16	n/a	-4,508.10 ⁽¹⁰⁾

Notes: n.a. (no available information).

(1) Corresponds to 2014.

(2) In millions of 2004 constant pesos.

(3) Based on complete 2013 information.

(4) Based on population projections 2010-2040 INDEC.

(5) Data corresponding to the first semester of 2013.

(6) Data corresponding to the third quarter of 2015.

(7) Official info as of December 2013.

(8) Information from provincial delegations of Argentine customs corresponding to 2012.

(9) Real GDP City/Real GDP Argentina.

(10) Data corresponding to 2014.

Sources: Direcciones Generales de Estadísticas y Censos Provinciales, Ministerio de Finanzas de la Provincia de Córdoba, Central Bank of Argentina, INDEC and Ministry of Treasury and Finance of the Republic of Argentina.

The following chart shows the principal fiscal indicators compared to Río Cuarto (the second largest city of the Province), and the City of Buenos Aires:

	City ⁽¹⁾	Río Cuarto ⁽²⁾	City of Buenos Aires
Tax autonomy			
Local tax revenue / total income ⁽³⁾	65%	59.7%	84.7%
Local tax revenue per inhabitant	3,923	2,341	22,382
Co-participation / total income	35%	31.3%	10.5%
Public employment spending /total spending			
Public employment spending / total spending	56.0%	45.1%	48.10%
Average monthly salary per public employee	43,076	22,026	189,317.23
Public employees	9,830	1,557	216,779
Public employees per thousand inhabitants	7.4	5.9	70.13
Public spending quality			
Real direct investment /total spending	11.1%	9.6%	13.3%
Results			
Current savings/ current spending.....	-4.11%	3.8%	-4.27%
Financial results/total spending.....	-7.07%	11.2%	-4.45%
Indebtedness			
Debt services /current income.....	2.83%	18.5%	10.2%

(1) Data corresponding to 2015.

(2) Data corresponding to 2014.

(3) Total income does not include Capital Income and Use of Credit.

Services and commerce are the main economic sectors of the City, as shown by the distribution of the City's added value. Such composition has remained constant for the past 10 years. The following chart shows the City's added value distribution for the 2013-2015 period:

Added Value Distribution in the City

	2013	2014	2015
AV of goods (in millions of constant Pesos, base 1993)	4,011	3,620	n.a.
% of City GDP	27.0%	24.2%	n.a.
AV of services (in millions of constant Pesos, base 1993).....	10,819	11,317	n.a.
% of City GDP	73.0%	75.8%	n.a.

Source: Dirección de Estadísticas y Censos de la Provincia de Córdoba.

Production of goods is mainly distributed among manufacturing and construction. Within manufacturing, the most relevant sectors are the automobile, food and beverages and metal-mechanical industries.

Services are mainly distributed among various wholesale and retail businesses, private and public universities, healthcare services and an emerging IT cluster.

Gross Domestic Product per Sector (in thousands of 1993 constant Ps.)

Sector	2013		2014		2015	
	Mill. of Ps.	%	Mill. of Ps.	%	Mill. of Ps.	%
Primary and Secondary Production:						
Agriculture, cattle and forestation.....	32,360	0.2%	29,849	0.2%	n.a.	n.a.
Mining	4,541	0.0%	4,622	0.0%	n.a.	n.a.
Manufacture.....	3,034,612	20.5%	2,693,631	18.0%	n.a.	n.a.
Electricity, gas and water	267,345	1.8%	277,920	1.9%	n.a.	n.a.
Construction.....	672,758	4.5%	614,769	4.1%	n.a.	n.a.
Total Goods	4,011,616	27.0%	3,620,791	24.2%	n.a.	n.a.
Services:						

	2013		2014		2015	
Wholesale and retail commerce	2,162,112	14.6%	2,027,953	13.6%	n.a.	n.a.
Hotels and restaurants.....	235,312	1.6%	235,975	1.6%	n.a.	n.a.
Transport, warehousing and communications.....	1,420,743	9.6%	1,634,025	10.9%	n.a.	n.a.
Financial services.....	1,654,652	11.2%	1,986,121	13.3%	n.a.	n.a.
Real estate and other entrepreneurial activities.....	2,775,785	18.7%	2,836,961	19.0%	n.a.	n.a.
Public administration, security and healthcare.....	806,574	5.4%	806,013	5.4%	n.a.	n.a.
Education.....	703,420	4.7%	732,104	4.9%	n.a.	n.a.
Social services and healthcare.....	608,520	4.1%	625,446	4.2%	n.a.	n.a.
Other activities of community services, etc.	282,317	1.9%	262,219	1.8%	n.a.	n.a.
Private homes with domestic services.....	170,496	1.1%	170,954	1.1%	n.a.	n.a.
Total Services.....	10,819,930	73.0%	11,317,771	75.8%	n.a.	n.a.
TOTAL GENERAL	14,831,546	100%	14,938,563	100%	n.a.	n.a.

Source: Dirección General de Estadísticas y Censos de la Provincia.

**Participation of City's GDP in Provincial GDP
by Sector**
(in millions of Pesos, at constant 1993 prices)

	2013			2014		
	%	City's GDP	Prov. GDP	%	City's GDP	Province's GDP
Primary production						
Agriculture, livestock, hunting and forestry	1.32%	32.36	3,688	0.88%	29.85	3,987
Mining.....	6.32%	4.54	72	6.31%	4.62	73
Manufacturing.....	5.00%	3034.61	5,447	55.71%	2693.63	5,100
Electricity, gas and water	31.49%	267.34	833	32.09%	277.92	827
Construction.....	38.94%	672.76	1,750	38.44%	614.77	1,670
Total Goods	36.06%	4012	11,790	34.03%	3621	11,660
Services:						
Wholesale and retail commerce.....	51.71%	2,162	4,190	51.60%	2,028	3,987
Hotels and restaurants	24.95%	235	944	24.93%	236	944
Transportation, storage and communications	40.80%	1,421	3,514	40.43%	1,634	3,977
Financial Services	53.87%	1,655	3,056	54.14%	1,986	3,687
Real estate and other business activities.....	41.33%	2,776	6,707	41.39%	2,837	6,887
Public administration, defense and social security	52.76%	807	1,503	53.66%	806	1,460
.....						
Education, social services and health	46.16%	1,312	2,809	46.70%	1,358	2,890
Other Services.....	48.08%	453	924	49.01%	433	900
Total Services	45.48%	10,820	23,647	45.76%	11,318	24,737
TOTAL	42.53%	14,832	35,437	41.85%	14,939	36,397

Source: Dirección General de Estadísticas y Censos de la Provincia.

Principal Sectors of the Economy

In 2014, the City's most significant economic sectors included:

- Real Estate and Other Business Activities, which accounted for 19% of the total real GDP of the City;
- Manufacturing, which accounted for 18% of the total real GDP of the City;
- Wholesale and Retail Commerce, which accounted for 13.6% of the total real GDP of the City;
- Financial Intermediation, which accounted for 13.3% of the City's total real GDP;
- Transportation and Communications, which accounted for 10.9% of the total real GDP of the City; and
- Construction, which accounted for 4.1% of the City's total real GDP.

Participation of the principal sectors of the economy in the real GDP of the City Comparison with the Province of Córdoba Year 2014

	% of GDP	Comparison Province
Manufacturing	18%	14%
Wholesale and Retail Commerce	13.6%	11%
Transportation and Communications.....	10.9%	10.9%
Real Estate and other Businesses.....	19%	18.9%
Construction	4.1%	4.6%
Financial Intermediation.....	13.3%	10.1%
Agriculture.....	0.2%	11%

Source: Dirección General de Estadísticas y Censos de la Provincia.

Manufacturing

The City's manufacturing sector is the second largest contributor to its total real GDP after the Real Estate and other Business sectors, accounting for 18% of the 2014 GDP. The most relevant components of the industrial sector are the automotive, machinery and food and beverage industries.

Revenue levels of the most relevant manufacturing industries of the City Year 2015

	Revenues
Food and Beverages	11,531,823,251
Automotive	9,251,768,727
Machinery.....	7,300,313,486
Non-iron Minerals	1,941,413,897
Chemical products.....	1,809,047,128
Plastics and Rubber	1,601,431,675

Source: City's Fiscal Registry.

The automotive industrial sector is a key contributor to the manufacturing production, which includes not only big international companies such as Renault Argentina S.A., Volkswagen Argentina S.A., Fiat Auto Argentina S.A. and Iveco Argentina S.A., but also numerous small and medium size business suppliers of automotive parts and repair services. The integration of these companies with the large automakers producers has fostered the transfer of

technology and the increase of the production capacity. In accordance with the General Bureau of Statistics and Census of the Province, one out of every three cars in Argentina is produced in the City.

The automotive industry has led to the development of satellite industries, such as the automotive parts and components industry and machinery. The commercial integration between suppliers and automobile manufacturers has led to technology transfer, which in turn has led to an increase in these companies' production efficiency. Due to such development, there is a growing fostering of innovation and development within the spare part industry. 58% of companies in this sector have their own internal design department that are closely linked to the sales and engineering departments.

Another important manufacturing sector is the food and beverage industry. Within the region, the development of mill products, bread and bakery in general, vegetable oils and other components, meat processing, dairy products (manufacturing of yogurt, cream, ice creams and similar products) and fruit based foods is particularly significant.

Argentine leading food companies are located in the City, such as Bagley (Arcor) and Helacor, as well as numerous small and medium sized food companies. Coca Cola and other local soft drink companies have bottling plants. In addition, non-carbonated drinks and alcoholic beverage production facilities are also located in the City.

Wholesale and Retail Commerce

In 2014, wholesale and retail commerce accounted for 13.6% of the total real GDP of the City. This sector includes a broad array of durable and non-durable products, including home appliances, clothing and food and beverages, among others. Besides numerous retail businesses, the City is home to several chains of supermarkets such as Wal-Mart Argentina S.R.L., Carrefour Argentina S.A., Disco S.A., Easy S.A. and Libertad S.A.

The economic growth of the City in recent years has resulted in higher levels of consumption. The availability of retail financing, personal financing and the lack of savings incentive due to negative real interest rates for time deposits, have all contributed to the increase in consumption.

Real Estate and Other Businesses

This sector includes several services rendered to individuals and corporations, including real estate transactions, machinery and equipment leases, IT, research and development, as well as other commercial and professional services.

In actual terms, the total production of this sector for the City has increase in recent years, from Ps.2,648 million in 2011, to Ps.2,836 in 2014, both in constant Pesos of 1993. This sector experienced an average estimated growth of 2% from 2011 to 2014.

Several factors have contributed to the growth of the real estate sector during recent decades, making it the largest component of the City's GDP.

First, the relevance and tradition of the City as an academic center with six universities and approximately 110,000 students has resulted in the transformation of formerly residential neighborhoods, such as Nueva Córdoba or General Paz, which have now many apartment buildings rented by students. Several of these students become permanent residents of the City, taking advantage of the opportunities provided by the City's diversified economy.

Second, migration from other provinces and countries has increased because the City, as the second most important business center in Argentina, provides business opportunities and has a steady demand for labor force in manufacturing and services industries.

Lastly, the agricultural boom of the Province has also contributed to the growth of the real estate sector, since some of its surplus revenues are directed to the investment in real estate.

The private sector related to the urban and real estate development of the City has consolidated its place as a central activity of its economy, institutionalized through the creation of the Business Chamber of Urban Developers of Córdoba (*Cámara Empresarial de Desarrollistas Urbanos de Córdoba* (CEDUC)). In particular, the difficulties of

the general population to get mortgage financing have resulted in the increased demand for the real estate trust financing that these companies provide.

Córdoba's IT sector is the fourth's largest in the nation, accounting for 5% of the total software production. This sector is basically represented by a small number of large companies, the majority of which are of foreign origin, dedicated to the commercialization of products for export and the rendering of IT services. The IT sector includes three major types of companies: (i) local representative agencies of multinational corporations with little local added value, (ii) companies producing some products and rendering some services locally and internationally, and (iii) the suppliers of consulting and/or outsourcing services for the government and for other large clients.

In Córdoba, an IT development hub called Cluster Córdoba Technology has been created with the participation of more than 130 companies, the IT, Electronic and Communications Industries Chamber of the Center of Argentina (CIECCA from its Spanish name), which concentrates nearly 70 companies, and the TIC Foundation. The multinational companies Motorola, Intel, Indra and Hewlett Packard are part of this initiative.

Construction

Although this sector grew steadily between 2004 and 2010 (at a 5.1% annual average), the rate of growth has declined sharply in recent years. Between 2011 and 2014, the construction sector's revenues decreased by an average 6% in each year, reducing its impact in the real total GDP from 5% in 2011 to 4.1% in 2014.

The most significant companies in this sector are Roggio S.A., Hormi-Block S.A. and Astori Estructuras S.A., among others. Holcim (Argentina) S.A., another company in the sector founded 85 years ago in Córdoba under the name Cementos Minetti S.A., can also be found in Malagueño, 20 km from the City, with a reinforced concrete factory within the city limits.

Services: Education, Health and Tourism

The City is home to the National University of Córdoba, founded in 1613, the first in Argentina and the fourth oldest in the Americas. This University has a student body of 110,000 coming from the Province and other parts of Argentina. Additionally, the City has five more universities, public and private, as well as representations of other local universities.

The City has private and public hospitals using state of the art technology. This public and private healthcare infrastructure attracts patients from all parts of the Province.

The flow of local and international tourism plays an important role in the economy of the City. With its important history and tradition, the City also benefits from the proximity of rivers and hills in the area, as well as a first-class accommodation and entertainment infrastructure. Geographically, Córdoba is located in central Argentina with easy access by land from many points in the country and an international airport nearby.

Agriculture

Because the territory of the City is mostly urban, the agricultural sector has limited impact on the local economy, accounting only for 0.2% of its total GDP. There is no extensive agricultural production within the City, but there are facilities for the milling of wheat and corn. There is, however, fruit and vegetable production in intensive production parcels located in the so called "green belt" around the City and in the near vicinity. This green belt covers approximately 12,500 hectares, the production of which principally satisfies the demands of the City. The production includes crops such as carrots, sweet potatoes, lettuce, spinach, pumpkins, asparagus, and sweet corn.

The City has two central markets: The *Mercado de Abasto Municipal de la Ciudad de Córdoba*, and the Cooperative Market of San Miguel (private) in Malagueño, within 20 km from the City limits. In addition, the main chains of supermarkets in Argentina (Jumbo Retail Argentina S.A., Walmart Argentina S.R.L., Libertad S.A., INC S.A. (Carrefour), Dinosaurian S.A., etc.) have local presence. Retail services also include local markets and shops, supermarkets and fairs.

Livestock and meat production, poultry products lead the meat production in the City, with the presence of slaughter houses and refrigerated houses and secondly red meat production.

Economically Active Population and Employment

The economic recovery of the Province in 2010 and 2011 following the economic crisis in 2009 resulted in a decrease in unemployment rates. In 2011, Greater Córdoba experienced the lowest unemployment rate in the last five years. In subsequent years, Argentina and the Province experienced economic stagnation as a result of the overvalued exchange rate and exchange restrictions affecting the main economic activities of the Province, such as agricultural and automotive sectors. As a result, the Province experienced an increase in the unemployment rate for Greater Córdoba from 7.2% in 2011 to 10.4% in 2014. The principal source of data relating to employment indicators consists of statistics compiled by the INDEC as part of the EPH (permanent home survey), which shows information per conglomerate.

The following table sets forth the unemployment rate in Greater Córdoba for the periods indicated:

Employment Rates in Greater Córdoba¹

	2013	2014	2015
Unemployment rates.....	9.7	10.5	9.0
Employment rates.....	43.0	43.2	43.0
Sub-employment rates.....	7	8.2	8.1

(1) Urban Area: includes the City and 14 surrounding towns.

Source: EPH – INDEC.

This situation indicates that employment grew at a rate higher than population growth. While employment increased 41.7% or an average 0.52% per period, population increased 24.8% or an average 0.33% during the same period.

In terms of the education level of the employed, 63% of workers have high school education level. This number is slightly higher than the national average, which is 61%. The gap is higher when considering those who have completed university level studies, based on the number of universities available in the Province.

The services and commerce sectors are the main employers in the City. The industrial sector represents only 11% of total employment because it is mainly located outside the City.

Currently, the Federal Government, the Provincial Government and Local Governments are implementing programs intended to alleviate labor shortages in certain vulnerable sectors. With respect to the City, this initiative includes the following programs:

- *Municipal Program of Labor Training “Si Si”*: The program is designed for residents of the City older than 16 years with no age limit thereafter. It includes a broad offer of education to facilitate access to employment.
- *Program for the Young*: Oriented to youth aged between 18 and 24 with no formal education and no regular employment. Participants in the program can profit from formal education in private and public institutions, professional formation courses, micro startups and labor training in the public or private sector.
- *Program “Provomer” (Promotion)*: Oriented to handicapped persons older than 18 and with a certification of reduced capabilities. Participants in the program can also profit from formal education in private and public institutions, professional formation courses, micro startups and labor training in the public or private sector.
- *Program for the Professional Formation*: Oriented to individuals older than 18, who can profit from free training courses with duration from 1 to 6 months.
- *Fiscal Incentives*: Business established in the jurisdiction of the City are granted fiscal incentives with respect to expenses made for the training of personnel and/or the generation of employment.

The Province also addresses unemployment by offering incentives to local firms to hire employees domiciled in the Province, and through the following programs:

- *Programa Primer Paso* (First Step Program): The program facilitates the transition to formal employment of young people, by developing the attitudes, knowledge and skills to increase their employability.
- *Becas Académicas* (Academic Scholarships): The program supports the training of graduate students of the Province's state or private schools with the highest academic performance, who are interested in pursuing careers in information technology, or who will pursue careers in the metallurgical, food, tourism or hospitality industries.
- *Programa De Contratos De Aprendizaje* (Learning Contract Program): The Learning Contract Program is an extension of the educational system and seeks to provide students opportunities to apply the skills learned in the workforce.
- *Programa "Confiamos En Vos"* ("We Trust You" Program): The program aims to reintegrate young people from lower socioeconomic backgrounds into the formal education system and to acquire the skills to enter the work force.

Similarly, the Federal Government, through the Ministry of Labor and Social Security and the National Social Security Administration, administer various employment related programs, including:

- *Programa de Empleo Comunitario (Empleo Transitorio)* (Community Employment Program) (Temporary Job): This program aims to provide temporary employment to unemployed people from lower socioeconomic backgrounds to enhance both their employability and quality of life in the community where they develop.
- *Entrenamiento para el Trabajo (Asistencia para la Inserción Laboral)* (Work Training Program) (Job Placement Assistance): This program seeks to improve the participants' employability in the public and private sector through job training.
- *Plan Jóvenes con Más y Mejor Trabajo* (Youth with More and Better Work Program): This program is aimed at the young population, between 18 and 24 years old who are unemployed and did not complete their formal education, by implementing actions that promote social and labor inclusion.
- *PROGRESAR* (Progress): This program is run by ANSES. It seeks to provide financial assistance to young people between 18 and 24 years old who are enrolled in accredited educational institutions of various academic levels in order to complete their education and enter the workforce with better skills.
- *Seguros de Desempleo* (Unemployment Insurance): This program provides insurance to unemployed workers in the private sector. Unemployed workers receive unemployment insurance in the amount of 50% of the net amount of the highest monthly regular salary the recipient received in the last six months of employment. Such payment will continue for a total of 12 months. From the fifth through eighth months, the recipient receives 85% of the total amount of unemployment insurance, and in the last three months 70% of the total amount disbursed in the first four months.

Poverty

The Province's only data source relating to poverty consists of statistics compiled by INDEC as part of the EPH. Poverty indicators are calculated on the basis of a proportion of households whose income is insufficient 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 the "poverty line."

The following chart shows the poverty and scarcity rates for the Gran Córdoba metropolitan area and is based on the most recent data available. In 2013, 4.4% of households were identified as poverty households while 1.4% of total households were considered scarcity households.

Poverty Indicators Gran Córdoba Conglomerate

	Year 2012	Year 2013*
Poverty households.....	3.9%	4.4%
Scarcity households.....	1.1%	1.4%

**Only includes 1st semester.*

Source: EPH – INDEC.

INDEC's poverty estimates are available through June 30, 2013, though the data suffers from the same lack of credibility as INDEC's estimates of market prices of the basket of goods for the last nine years, since the estimated prices of the goods which make up the basic basket are based on questionable information.

Another indicator of poverty is Unsatisfied Basic Needs (NBI), data which is provided by census. The table below shows an improvement with respect to the percentage of all households in Córdoba. In 2001, 9.6% of households were identified to have NBI, while that percentage decreased to 5.8% in 2010 according to the last national census.

Unsatisfied Basic Needs (NBI)

	National Census 2001	Provincial Census 2008	National Census 2010
Households with NBI	9,6%	6,6%	5.8%

Source: National Census

Business environment and competition

The City is an important business and industrial hub in Latin America, and is characterized by the following:

- **STRATEGIC LOCATION AND CONECTIVITY:** Located in the center of the country, within the bi-oceanic corridor (Brasil – Argentina – Chile), the City has a broad road network (composed by federal and provincial roads), a bus terminal where 3,200 buses, of 59 companies of short, medium and long distance, operate daily and an International Airport that handles approximately 1,500,000 passengers annually. Additionally, the airport has shuttle connections with the city of Buenos Aires. There are 69 hotels with a capacity of 6,900 beds, 4 fair spaces and 44 convention centers.
- **QUALIFIED PERSONNEL:** 25% of the City's active population has received education at the university level. The University of Córdoba, a public university with more than 400 years of history, along with 5 private universities and other educational institutions are located in the City contributing to the formation of qualified personnel.
- **MODERN INFRASTRUCTURE FOR THE ESTABLISHMENT OF NEW BUSINESSES:** The City is the most important industrial and development hub in the center of the country. Industrial and businesses complexes are equipped with intelligent buildings and modern infrastructure, telecommunication services, logistic services and other services for the establishment of new business.
- **INCENTIVE POLICIES FOR INVESTMENT AND NEW BUSINESSES:** The City and the Province provide fiscal incentives and other financial facilities favor new investments and the creation of new businesses by means of (i) subsidies in the salaries for the incorporation of new employees and for training expenditure, (ii) incremental use of energy subsidies (Provincial Law for the Industrial Promotion and Development of Medium and Small Size Businesses No. 9,727 – Industrial Promotion Regime Law No. 5,319 as amended by Laws No. 6,230 and 8,083), and (iii) Industrial Complexes (Law No. 7,255, Decree No. 5,283/85).
- **DIVERSITY OF PRODUCTIVE SECTORS AND ECONOMIC ACTIVITIES:** This environment favors new investors, including a diversity of multinational corporations. The most relevant consolidated sectors are: machinery, automotive and spare parts, food, chemicals, wood and furniture, software and tourism. Emerging sectors are: culture, technology, communications, health and medical equipment and urban development.
- **PLURALITY OF FINANCIAL AND BANKING ENTITIES:** The City is a financial hub with broad services of office banking and business clientele and has a consolidated capital market (Mercado de Valores de Córdoba).

- **IMPORTANT NETWORK OF INSTITUTIONS FOR THE BUSINESS SUPPORT:** The City houses entrepreneurial chambers, foundations for small and midsize companies support, professional associations, non-governmental associations, as well as custom services.
- **PIONEERING EFFORT IN THE PRIVATE-PUBLIC RELATION:** The Agency for the Economic Development of the city of Córdoba (ADEC) is comprised by both the public and private sector. This agency fosters policies and designs and executes actions for the local development and competition of businesses, with support to private entrepreneurship. It also encourages innovation and research.
- **INCREASED PARTICIPATION AND INTERACTION WITH OTHER LOCAL GOVERNMENTAL AGENCIES:** The City has strong interaction with the local Governments of Campinas, Curitiba, Florianópolis (Brazil), Córdoba (Andalucía), Marín and the Junta de Andalucía (España), Izhevsk (Russia) Łódź (Polonia), Morelia (Mexico), Santa Cruz de la Sierra (Bolivia), Valparaíso (Chile), Tampa (USA), Tiberiades (Israel), Turín (Italy). It belongs to an extensive network of other governmental agencies of which the Province is also a member, such as Atacalar, NRG4SD and Región Centro, among others.
- **RELEVANT TOURISTIC DESTINATION IN THE COUNTRY:** The city of Córdoba counts on a very active touristic life which is not restricted to the beauty of its hilly surroundings, but also enjoys a urban patrimony itself, such as the Jesuitical Quarter that is part of the Cultural Patrimony of the Humanity by UNESCO.
- **QUALITY OF LIFE:** The City offers advantages such as a moderate climate throughout the year, access to important health centers, public and private, specialized health services of high complexity, proximity to places of great natural beauty, low levels of pollution and a high density of green spaces by inhabitant (1,300 green urban spaces, including parks, squares and recreational spaces, with a total 867 hectares).

Infrastructure Initiatives

The City intends to carry out certain infrastructure initiatives, including the following:

- (i) Educational Parks: development of a total of four educational parks. One of them is already built and working and another one is under construction. The remaining two will be built with the use of proceeds from the offering of the notes. They will be located in the central area of the City and in *Villa Libertador*. The purpose of the parks is to integrate the citizenship and to develop educational, cultural and sport activities to the neighborhoods.
- (ii) Renovation and improvement of the historical center of the City, *Villa Libertador*, *Barrio Guinazú*, *San Vicente* and *Barrio Yofre*. Works will include improvements in the lightning system and general urban equipment.
- (iii) Purchase and installation of a new LED lighting system in the main avenues of the City, including *Colón*, *General Paz*, *Vélez Sarsfield* and *San Juan* Avenues.
- (iv) Paving and repaving of certain avenues and relevant streets.
- (v) Construction of an underground path in the *Plaza España* zone to improve the traffic from the south to the center of the City.

Litigation

The City is party as defendant of several lawsuits that it deems immaterial and is currently party to one material lawsuit described below: in 2010 the SP S.A. - Relevamientos Catastrales S.A. - Recovery S.A. UTE filed a claim before the Arbitral Panel of the Buenos Aires Stock Exchange demanding interest payments under the IT Provision and Technical Assistance Contract entered into by and between the City and the UTE in 2001, and which was terminated by the City in 2002. The purpose of the claim is the determination of the amount corresponding to the alleged unpaid interests and of the correct method for its calculation. The City has suffered reverse decisions both at the Arbitral Panel and Commercial Court of Appeals' levels and the Arbitral Panel decision against the City amounted to Ps.21.9 million plus interest and associated costs. However, the Argentine Supreme Court reviewed the case and,

in March 2016, rejected the existence of an obligation of payment of the claimed interest on the part of the City, after which the file was sent back to the Commercial Court of Appeals of the City of Buenos Aires for the claim to be resolved accordingly.

Unconsolidated City Entities

Services are provided directly by the City and in some cases through other entities, such as *Córdoba Recicla Sociedad del Estado (CReSE)* and *Transporte Automotor Municipal Sociedad del Estado (Tamse)*.

These entities do not consolidate their balance sheets with the City's budget due to the commercial nature of their activities.

Córdoba Recicla Sociedad del Estado (CReSE)

CReSE is a company wholly owned by the City. It was created in 2008 to operate the garbage recollection service and waste treatment in the City, replacing the services previously provided by privately-owned company CLIBA Ingeniería Urbana S.A.

CReSE implements differentiated waste recollection, progressively expanding the coverage of this service. To perform the separation and classification of municipal solid waste, "green points" were built, operated by workers of cooperatives. Beginning in 2013, the services of collection and transportation of solid waste; collection, transportation, treatment and final disposal of pathogenic waste; and the service of sweeping and cleaning of roads, are outsourced to *COTRECO* and *LUSA* for the north and south of the City, respectively, while the final disposition and the green points continue in charge of CReSE.

In 2015, the City contributed approximately Ps.24.4 million to finance the urban hygiene services provided by CReSE. As of June 30, 2016, the City had contributed approximately Ps.316 million to finance such activities.

Transporte Automotor Municipal Sociedad del Estado (Tamse)

TAMSE emerged in mid-2002, as a result of the 2001/2002 economic crisis affecting the Republic of Argentina and several economic activities. Public transport sector could not escape the turbulence, dragging different companies to financial distress, including the Joint Venture (JV) which operated several public transport corridors, with a delicate financial situation that put the employment stability of their workers at risk. In order to safeguard the public transport system from further deterioration, the City took over the management of the public transport corridors.

The City made investments over the years to expand the fleet. In 2005, TAMSE absorbed the service of electric Trolleybuses and its three lines. In 2014, the City modified its public transport system, including new routes, with four licensees, leaving TAMSE with a fleet of trolleybuses. In recent years, the City made investments in new units, as well as in vehicles for the maintenance and support of such units.

In 2015, the City contributed approximately Ps.10.5 million on a monthly basis to support current and capital expenditures of TAMSE. TAMSE also guarantees its operability with the revenues from the payment of the tickets. As of June 30, 2016, the City had contributed approximately Ps.80.1 million to fund the activities carried out by TAMSE.

CORMECOR

Corporación Intercomunal para la Gestión Sustentable de los Residuos Sólidos Urbanos del Área Metropolitana de Córdoba S.A. (CORMECOR) (Intercommunity Corporation for the Sustainable Management of Municipal Solid Waste of the Metropolitan Area of Córdoba) is a corporation incorporated by the City of Córdoba, the Municipalities of *Villa Allende*, *Estación Juárez Celman*, *Malvinas Argentinas*, *Río Ceballos*, *La Calera*, *Despeñaderos*, *Alta Gracia*, and the Communes of *Villa La Bolsa*, *Villa Los Aromos*, and the *Sindicato Único de Recolección de Residuos y Barridos de Córdoba (SURRBAC)* (Waste Collection Union). CORMECOR was established to work together with the City and these Municipalities in the treatment and final disposal of solid waste of the City and its metropolitan area. The Government of the Province has committed to acquire the necessary real estate for CORMECOR to carry out its activities.

The by-laws of CORMECOR establish a wide range of purposes to be developed in the long term, in order to comply with the purpose of minimizing the social and environmental impact in the waste management through the use of technologies, and to contribute to strengthen the compromise and environmental conscience of the community.

CORMECOR selected 272.5 hectares for the installation of the Metropolitan Area Solid Waste Treatment and Final Disposal Center. In June 2014, the results of technical studies that recommended the installation of a mechanical treatment plant for sorting and recovering recyclables and the setup of a set of plants for the treatment and recovery of differentiated waste were presented. The project includes the design of the pits and would have five plants: one for mechanical selection, one for demolition waste (possibly privately run), one for tires (possibly privately run), one in which compost would be done and finally a plant for bulky and recoverable waste.

Currently, CORMECOR is not rendering services. Consequently, it does not imply an expenditure for the City.

FIDE

Fundación Incubadora de Empresas emerges as an initiative of the City of Córdoba, the National University of Córdoba, and the Córdoba Regional Technological University. From 1997 on, it is incorporated as a civil non-profit entity, and it is independent from its founding members. It has the purpose of detecting, accompanying and linking local entrepreneurs with innovative ideas and/or ongoing projects.

FIDE gives entrepreneurs the possibility of viable projects entering their incubation system. For a period of 3 years, they have access to subsidized project-related infrastructure and technical advice, training and access to business information and participation in fairs, events and conventions, advice and support in obtaining financing.

Since its inception, FIDE has gone through more than 180 projects that were promoted and technically supported, and advised for obtaining financing.

In the last fiscal year, the City did not contribute any amounts to FIDE.

ADEC

The *Agencia para el Desarrollo Económico de la Ciudad de Córdoba* (Agency for Economic Development of the City) (ADEC) is a private non-profit organization whose mission is to coordinate public/private, public/public and private/private sectors to promote economic and social development of the City and its metropolitan area.

ADEC works to transform the environment of economic activities, implementing actions that respond to the needs of the business community, promoting the integral development and stimulating joint efforts of those involved in resolving the problems of the economic activity of the City.

The Agency is composed of 40 members including the City, private sector entities, professional colleges and universities. These organizations, through their representatives in the General Council, vote on actions, projects and strategic guidelines to promote the development of the City.

Certain programs financed by international organizations have been implemented by ADEC, for a total amount of U.S.\$4.86 million, and certain other projects financed by the Republic of Argentina were managed and executed by ADEC for a total amount of U.S.\$8.2 million. More than 11,000 companies and 14,000 people have benefited from ADEC's projects.

In 2015, the City contributed to ADEC approximately Ps.7.9 million, most of which corresponds to a surcharge the City included in the contribution on commercial, industrial and services activities, surcharge that is contributed to the Competitiveness Fund (*Fondo de Competitividad*), whose purpose is to promote the local economy and the competitiveness.

Ente de Servicios y Obras Públicas (ESyOP)

The ESyOP was incorporated on July 1, 2016 by means of Ordinance No. 12,479, and regulated by means of Decrees No. 928, 929 and 2131/2016, to partially provide the service of public urban hygiene, in particular the sweep of the City, as well as to execute certain works to be assigned by the City. The ESyOP started its activities on

July 1, 2016. Monthly contributions of the City to the ESyOP amount to Ps.79 million, of which Ps.55 million are destined to manual and mechanical sweep, and the remaining Ps.24 million for garbage burying. The City expects to benefit with financial savings through the incorporation of the ESyOP, given that such services will no longer be provided by private entities.

PUBLIC SECTOR FINANCES

Structure

The public sector of the City consists of the general administration of the City, and *sociedades del estado* (governmental companies). The general administration of the City is comprised by the executive and legislative branches, including various secretaries and under the Municipal Executive Department. See “The City of Córdoba—City Government”

Accounting and Finance Legal Framework

Acts and operations that change or alter the City public finances, are regulated within a regulatory framework comprising the Organic Act of the City, Ordinance No. 5,727 of Administration and Accounting, Ordinance No. 6,783 of Budget Execution, and Ordinance No. 12,210 of Fiscal Responsibility.

The general principles established for the economic and financial municipal system are contained in Title II, Chapter III (Articles 43 to 48) of the Organic Act of the City. In that regard, Article 46 establishes that the City may incur debt to carry out public works or to refinance existing debt, and that payment of principal and interest of the total debt shall not compromise more than 20% of the annual resources of the City, excluding the use of the credit and loan agreements.

Ordinance No. 5,727 of Administration and Accounting sets forth the rules governing all aspects inherent to the financial administration of the City, establishing, among others, the scope and methodology applicable to the accounting records of operations, and the elaboration of the General Account of the Fiscal Year.

This legal system is complemented with the regulation of budget execution set forth in Ordinance No. 6,783.

Finally, with regard to fiscal responsibility and macro-fiscal rules, Ordinance No. 12,210 establishes guidelines to be observed in areas such as public revenue, public expenditure (current and non-current), financial balance, public debt, transparency and information.

Open Government and Transparency

In its open data plan, the City includes the development of an Open Government website with the purpose of opening up communication channels to enable citizens to discuss public policy, promoting transparency, citizen participation and collaboration as principles of governance.

Currently, among the most important data the City releases are: annual budget, quarterly revenue reports, public expenditure report, list of debtors (both in administrative and judicial management), calendar of public and private bids, price tender contests, affidavits of public officials, etc. The following link contains all the relevant information: <https://gobiernoabierto.cordoba.gov.ar/>.

Transparency in governance is conceived as a fundamental pillar of any democratic system, allowing citizens to exercise control over how public resources are used, strengthening the institutions of the City. The City has mechanisms of generation and dissemination of information and accountability, including the Transparency Website, the implementation of a website of Governmental Targets Plan, an updated Municipal Statistical System, a public repository of open software for collaborative work with other organizations and municipalities, and the launch of the above mentioned Open Government website.

In addition, it is understood that an open government facilitates and promotes active and collective participation of citizens in the processes of design and implementation of management policies. For this purpose, the City facilitates the citizenship participation by creating new common spaces, rehabilitating and creating new Community Participation Centers (CPCs) and *Juntas de Participación Vecinal* (Neighborhood Participation Boards) (JPV) and Neighborhood Centers. These institutions provide important means to allow citizen participation through which the needs of each neighborhood are communicated to the City administration.

In October 2014, the Government received the UIM (*Unión Iberoamericana de Municipalistas*) (Latin American Municipal Union) - FLACMA (Latin American Federation of Cities, Municipalities and Local Government

Associations) award for “Good Practices and Experiences of Local Management” regarding the presentation of the Plan of Government Goals.

Main Sources of Revenue

As of December 31, 2015, the City had executed a total budget of Ps.8,935 million, of which approximately 94% corresponded to current income and approximately 6% to capital income, an increase of approximately 31,9% from Ps.6,775 million in 2014, of which approximately 98% corresponded to current income and approximately 2% to capital income.

In turn, approximately 65% of the total budget was represented by income generated by the City, while approximately 35% was represented by income received from other jurisdictions, of which one-fifth constituted freely available resources.

The following table sets out the City’s sources of revenues in each of the years ended December 31, 2013, 2014 and 2015 and in the first six months of 2015 and 2016.

(A) Own-Collected Revenues (in Ps.)

Resources	Accumulated as of December 31, 2013	Accumulated as of December 31, 2014	Accumulated as of December 31, 2015**	Accumulated as of June 30, 2015	Accumulated as of June 30, 2016
Contribution over Real Estate Property	786,729,777	1,255,609,696	1,583,439,027	812,106,483	1,017,990,772
Contribution over Commercial, Industrial and services activities	1,463,026,807	2,020,398,697	2,728,420,335	1,227,883,229	1,816,457,269
Contribution on Motor Vehicles, Trailers and similar vehicles	282,878,971	399,125,686	497,512,936	277,282,781	364,880,597
Contribution over Power Energy	81,271,079	250,580,403	79,801,963	46,773,647	28,537,182
Other	443,687,389	476,862,654	579,750,307	275,838,520	308,127,202
Total	3,057,594,023	4,402,577,137	5,468,924,568	2,639,884,660	3,535,993,023

** Pending Approval Process.

(B) Revenues Coming from other Jurisdictions. (in Ps.)

Resources	Accumulated as of December 31, 2013	Accumulated as of December 31, 2014	Accumulated as of December 31, 2015**	Accumulated as of June 30, 2015	Accumulated as of June 30, 2016
Provincial Co-Participation	1,263,239,681	1,855,937,207	2,384,862,343	1,081,735,541	1,333,135,192
FASAMU*	n/a	62,907,231	82,038,785	39,098,038	49,162,578
FOFINDES	142,610,150	196,920,396	251,719,673	117,387,243	151,060,155

Resources	Accumulated as of December 31, 2013	Accumulated as of December 31, 2014	Accumulated as of December 31, 2015**	Accumulated as of June 30, 2015	Accumulated as of June 30, 2016
Solidary Federal Fund (<i>Fondo Federal Solidario (Soja)</i>)	77,973,428	119,272,971	122,480,607	55,832,896	96,851,732
Other ¹	26,916,159	31,040,768	110,405,800	35,790,800	113,769,283
Total	1,510,739,418	2,266,078,573	2,951,507,208	1,329,844,518	1,743,978,939

*For 2013, FASAMU is included in Provincial Co-Participation.

(1) Including Alimentary Plan – Non Refundable National Contribution and Cordoba Educating City Fund. For 2016, it includes the Agreement for Fairness and Justice between the Province and the City (Ordinance No. 12,537).

** Pending Approval Process.

(A)+(B) Total Reported Current Revenues	Ps.4,568,333,440	Ps.6,668,655,710	Ps.8,420,431,776	Ps.3,969,729,178	Ps.5,279,971,962
GRAND TOTAL (including capital incomes and use of credit)	Ps.4,707,501,828	Ps.6,775,375,906	Ps.8,935,670,642	Ps.4,168,522,053	Ps.5,579,971,962

Note: Provisory Collection Information as of June 30, 2016.

Income Generated by the City (City Tax Revenues)

Municipal tax revenues are comprised of contributions, fees, duties, levies or taxes stipulated in the Tax Code, including taxes on: (i) assets and property improvements, (ii) commercial, industrial and other activities for profit, (iii) inspection and control of vehicles and transport companies' fees, (iv) rights over cemeteries and (v) rights on public shows and gambling activities.

The following table sets out a breakdown of the City's own-collected revenues in each of the years ended December 31, 2013, 2014 and 2015 and in the first six months of 2015 and 2016.

Resources	Accumulated as of December 31, 2013	Accumulated as of December 31, 2014	Accumulated as of December 31, 2015**	Accumulated as of June 30, 2015	Accumulated as of June 30, 2016
Contribution over Real Estate Property	786,729,777	1,255,609,696	1,583,439,027	812,106,483	1,017,990,772
Contribution over Commercial, Industrial and services activities	1,463,026,807	2,020,398,697	2,728,420,335	1,227,883,229	1,816,457,269
Contribution on Motor Vehicles, Trailers and similar vehicles	282,878,971	399,125,686	497,512,936	277,282,781	364,880,597
Contribution over Power Energy	81,271,079	250,580,403	79,801,963	46,773,647	28,537,182
Other	443,687,389	476,862,654	579,750,307	275,838,520	308,127,202
Total	3,057,594,023	4,402,577,137	5,468,924,568	2,639,884,660	3,535,993,023

** Pending Approval Process.

The main own-collected revenues are:

- *Contribution over Real Estate Properties:* According to Article 192 of the Tax Code, all properties located within the municipal territory are subject to the real estate properties tax, provided that they are in (i) any area benefited directly or indirectly by at least one of the following services: sweeping and street cleaning, collection and treatment of household waste, provision or availability of sewage systems, sanitation and preservation of parks and green spaces, inspection of public lands, conservation of public trees, land and/or numerical nomenclature, realization and maintenance of public works necessary for the provision of municipal services and complementary and related services provided to real estate, or any other service provided by the City which is not paid by a special tax or (ii) the zone of influence of schools, public libraries, community participation centers, hospitals, dispensaries, primary health care units, day care centers, neighborhood centers, parks and green spaces or any other institution or municipal institution of charity, assistance or service nature.

In 2015, this contribution amounted to Ps.1.6 billion (representing 17.72% of the City's total revenues, and 28.95% over the City's own-collected revenues) as further illustrated in the chart below. In 2014, such contribution amounted to Ps.1.3 billion (representing 18.53% of the City's total revenues, and 28.51% of the City's own collected revenues).

The amount of the contribution is based on a value per square meter that depends on the type of property and rates are based on the characterization of the zone in which the same is located; currently there are 5 areas with differentiated rates.

- *Contribution over commercial, industrial and services activities:* According to Article 258 of the Tax Code, the exercise of any commercial, industrial, service, or other activity for profit, and any action aimed to promote, disseminate, encourage or display it in any way, is levied with this contribution. The rates, are established by the Annual Tariff Ordinance and are paid in consideration for the municipal services of control, hygiene, health, social assistance and any other service not paid by a special tax, but that tends to the general welfare of the population. Moreover, this also includes all actions that the City, directly or through partnership or association with other institutions, conducts in order to promote the development of the local economy and the competitiveness of productive sectors. The Annual Tariff Ordinance sets the amounts to be paid for these services. Those activities conducted within sites of federal or provincial jurisdiction that are located within the municipal territory are levied as well.

In 2015, this contribution amounted to Ps.2.8 billion (representing 30.53% of the City's total revenues, and 49.89% of the City's own collected revenues) as further illustrated in the chart below. In 2014, such contribution amounted to Ps.2,020,398,697 (representing 29.82% of the City's total revenues, and 45.89% of the City's own collected revenues).

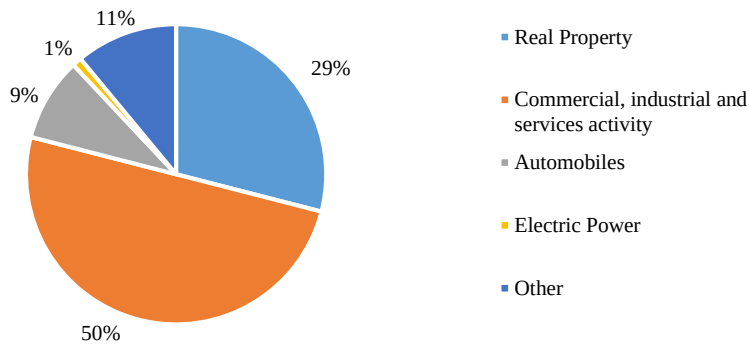
The taxable base of the contribution is the total amount of gross income earned on taxable activities in the fiscal period, while the rates, fixed amounts and monthly minimum amounts are established depending on the category of economic activity.

- *Contribution on motor vehicles, trailers and similar vehicles.* Article 378 of the Tax Code sets forth the contribution amount for vehicles located in the City (those, that are owned by a person domiciled in the City or is usually kept in the City). The contribution is paid as consideration for the conservation and maintenance of the streets, road signs, control of vehicular circulation and all other service that somehow enables, facilitates or promotes vehicular traffic, its order and safety.

In 2015, this contribution amounted to Ps.497.5 million (representing 5.57% of the City's total revenues, and 9.10% of the City's own collected revenues as further illustrated in the chart below. In 2014, such contribution amounted to Ps.399.1 million (representing 5.89% of the City's total revenues, and 9.06% of the City's own collected revenues).

The following chart shows the breakdown of the City's own-collected revenues at for the 2015 fiscal period , showing the proportion corresponding to each contribution over the total own-collected revenues.

**Breakdown of Own-Collected Revenues
Execution of Revenues as of December 31, 2015**



Income Received from Other Jurisdictions

The following table sets out the breakdown of the City's revenues received from other jurisdictions in each of the years ended December 31, 2013, 2014 and 2015 and in the first six months of 2015 and 2016.

Resources	Accumulated as of December 31, 2013	Accumulated as of December 31, 2014	Accumulated as of December 31, 2015**	Accumulated as of June 30, 2015	Accumulated as of June 30, 2016
Provincial Co-Participation	1,263,239,681	1,855,937,207	2,384,862,343	1,081,735,541	1,333,135,192
FASAMU*	n/a	62,907,231	82,038,785	39,098,038	49,162,578
FOFINDES	142,610,150	196,920,396	251,719,673	117,387,243	151,060,155
Solidary Federal Fund (Fondo Federal Solidario (Soja))	77,973,428	119,272,971	122,480,607	55,832,896	96,851,732
Other ¹	26,916,159	31,040,768	110,405,800	35,790,800	113,769,283
Total	1,510,739,418	2,266,078,573	2,951,507,208	1,329,844,518	1,743,978,939

*For 2013, FASAMU is included in Provincial Co-Participation.

¹Including Alimentary Plan – Non Refundable National Contribution and Cordoba Educating City Fund. For 2016, it includes the Agreement for Fairness and Justice between the Province and the City (Ordinance No. 12,537).

** Pending Approval Process

Income received from other jurisdictions is comprised mainly (approximately 96% in 2015) by the following sources:

Tax Co-Participation Regime. According to the Provincial Tax Co-Participation Regime between the Province and its municipalities and communes, established by Law No. 8,663, co-participation resources to municipalities and communes are composed by 20% of: (i) turnover tax or other taxes replacing it, its surcharges, actualizations, fines and other accessories, (ii) basic and added real estate tax or other taxes replacing it, its surcharges, actualizations, fines and other accessories and (iii) allocations; received by the Province by means of the Federal Tax Co-Participation Regime, Law No. 23,548 of the Republic of Argentina, and its amendments, or financial agreements to be established between the Republic of Argentina and the Province. In 2015, tax co-participation revenues accounted for approximately 81% of total resources received from other jurisdictions. In 2013, the Province filed a claim with the Argentine Supreme Court requesting the Federal Government to refund certain amounts improperly withheld from the federal co-participation regime, which represented a 15% of the total federal tax co-participation amounts, which was destined to fund the ANSES. In November 2015, the Argentine Supreme Court requested the Federal Government to return the withheld amounts to the Province. Even though the Province is currently receiving the withheld amounts from the Federal Government, it is not transferring the corresponding amounts to the City and other municipalities and communes, as mandated by Law No. 8,663. Consequently, more than 180 municipalities (including the City), have filed a formal administrative claim to the Province requesting the

payment of approximately Ps.1,600 million, Ps.400 million of which correspond to the City. On an annual basis, the total amounts which tax co-participation is being claimed is approximately Ps.4,800 million, of which approximately a third corresponds to the City. The claim filed by the municipalities will be discussed at a round table among the Province and the Municipalities. If no agreement is reached at such round table, the claim will be analyzed and decided by the Superior Court of the Province.

- *Financing of Provincial Decentralization Fund (Fondo de Financiamiento de la descentralización Provincial - FOFINDES)*: Created by Article 11 of Law No. 7,850, it is intended to finance the decentralization of government, such as those expenses associated with transfers of work, services and functions of the provincial government to municipalities, communes or neighborhood committees. In Córdoba, the Fund was established in 1996 by the then Governor Ramón Mestre. In the context of the economic crisis affecting the country, the Province transferred health centers to municipalities, but retained its responsibility for the staff. Since 2001, the FOFINDES applied exclusively to the health sector. Since then, progress was made towards decentralization and primary care was transferred to local governments. The City is entitled to a 25% of the total amounts of this fund.
- *Federal Solidarity Fund*: The fund aims to transfer resources to the provinces, the Autonomous city of Buenos Aires and municipalities, to be used to finance works of health, education, hospital, housing and road infrastructure, both in urban and rural areas. The fund is composed of national resources corresponding to 30% of the amounts collected from export duties on soybeans, including all its varieties and derivatives. The City is entitled to a 32.71% of the 96.41% received by the Province.
- *Anti-Crisis and Municipal Sanitation Fund (Fondo Anticrisis y Saneamiento Municipal - FASAMU)*: Created by subsection d) of Article 4 of Law No. 8,663, the purpose of this fund is to redeem the Titles Municipal Support (*Títulos de Apoyo Municipal - Titam*) and fund the Sanitation Agreement. Proceeds from FASAMU are used to finance various capital expenditures of the municipalities and communes. The City is entitled to a 31.53% of the total amounts of this fund.

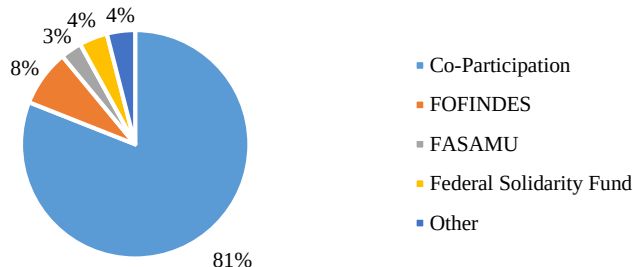
In addition, during 2016, the City has incorporated the following sources of revenues coming from other jurisdictions:

- *Agreement for Fairness and Justice between the Province and the City*. Signed in May 2016, the agreement provides for the allocation to the City of an annual, non-refundable, sum to finance educational services and health services related to the operation of Prince of Asturias and Children Hospitals, which are a responsibility of the Province but whose services are provided by the City. In 2016 the annual amount allocated for the educational service is Ps.341 million, and Ps.229 million for the health service). The resources allocated to the education system imply and adjustment and replace the Córdoba Educating City Fund, which in 2015 represented an income of Ps.76 million.
- *Federal Agreement (Acuerdo Federal)*. Signed in March 2016, the agreement provides for the financing of infrastructure by the Province. Pursuant to the Federal Agreement, the Province agreed to transfer to the City an amount of approximately Ps.180,000,000 (of which 75% has to be repaid to the Province in 30 equal installments). The City did not receive any transfers yet from the Province in connection with the Federal Agreement.

FOFINDES, Federal Solidarity Fund and FASAMU distributions are founded with the amounts received under the tax co-participation mechanics described in “*Tax Coparticipation Regime*” above and are not additional amounts. The remaining 4% is comprised of the following: the national nonrefundable contribution “Food Plan” (*Plan Alimentario*), the Single Collaboration Agreement (*Convenio Unico de Colaboración - Ordinance No. 11,603*), the “More and Better Jobs Plan” (*Plan Más y Mejor Trabajo*), and the Córdoba Educating City Fund (*Fondo Córdoba Ciudad Educadora*) which, as mentioned above, ends in 2016 and will be replaced by resources under the Agreement for Fairness and Justice between the Province and the City.

The following graph shows the breakdown of the resources received from the Federal and Provincial Governments at year-end 2015.

**Breakdown of Revenue Coming From Other Jurisdictions
Execution of Income as of December 31, 2015**



Composition of Expenditures

Municipal expenditures are classified as: (i) current expenditures, which comprise operating costs such as personnel, goods and services; and (ii) capital expenditures, primarily associated with the execution of investments in capital assets. In 2015, approximately 87% of the City's total expenditures was comprised of current expenditures, with approximately 55% being devoted to personnel salaries and benefits, approximately 24% to public services, approximately 6% to transfers, approximately 2% to other expenditures; approximately 11% was committed to capital expenditures and approximately 2% was committed to debt amortization expenditures.

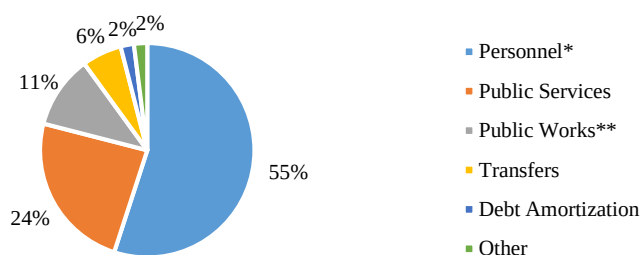
The following table sets out the expenditures of the City in each of the fiscal periods ended December 31, 2013, 2014 and 2015, the budgeted expenditures for 2016, and the preliminary expenditures during the first six months of 2016:

ITEM	Execution as of December 31, 2013	Execution as of December 31, 2014	Execution as of December 31, 2015	2016 Budget	PRELIMINARY EXPENDITURE (as of June 30, 2016) (*)
Personnel	2,653,371,586.40	3,737,347,056.94	5,081,247,692.85	5,408,964,453.22	3,207,475,282.17
Consumption					
Goods	81,582,076.29	118,971,099.56	142,721,034.57	295,642,199.00	107,336,320.70
Services	1,349,252,348.63	1,709,290,254.40	2,219,973,515.57	2,784,477,301.00	1,041,867,346.36
Debt Interest	15,079,390.70	45,323,939.81	32,969,207.11	65,715,785.00	29,066,916.29
Transfers	416,307,723.93	456,805,546.73	569,168,860.09	535,032,753.00	296,040,115.43
Additional					
Credit	0.00	0.00	0.00	658,239,167.00	0.00
Capital Assets	14,617,921.54	8,234,727.70	17,222,651.90	70,410,282.00	8,365,449.48
Public Works	241,909,449.47	446,260,637.06	506,968,415.48	1,167,312,865.00	63,355,059.83
Public works					
plan personnel	255,460,078.52	353,065,398.59	483,914,267.28	826,435,547.17	322,938,889.58
Financial					
Values	19,218,750.00	15,375,000.00	6,406,250.00	132,500,000.00	120,000,000.00
Debt					
Amortization	36,244,543.35	48,152,854.86	205,489,713.41	400,728,396.00	121,250,947.90
TOTAL	5,083,043,868.83	6,938,826,515.65	9,266,081,608.26	12,345,458,748.39	5,317,696,327.74

(*) Technical Note: "Preliminary Expenditure" represents accrued commitments of the Municipal Treasury in the period of reference. The calculation is made by adjusting the amounts of the accounting registration made as "Undertaken Commitment" considering the execution over time of such Commitment. This adjustment contributes to offset the absence of information related to the "Accrued" stage of the Municipal Expenditures, since such stage is not included in the Accounting Ordinance currently in force (Ordinance No. 5,727), nor it is included in the Financial Administration System currently in force in the City.

In addition, the following chart details the total expenditures of the City during 2015:

Breakdown of Total Expenditures Execution of Expenditures as of December 31, 2015



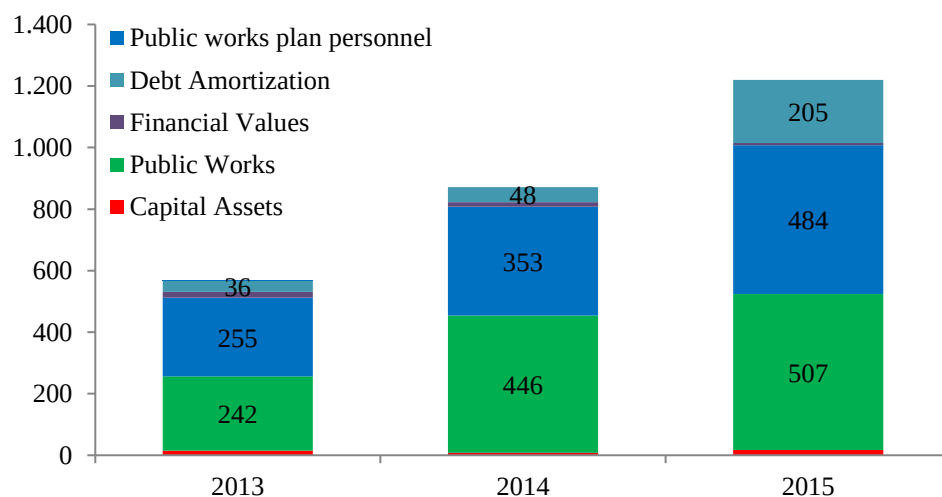
*Does not include Public Works Plan Personnel (*Personal de Plan de Trabajos Públicos*).

** Includes Public Works Plan Personnel (*Personal de Plan de Trabajos Públicos*).

In 2015, personnel and services expenses (mainly associated to urban hygiene) represented approximately 79% of the City's total expenditures. Due to the basic and inflexible nature of personnel and services expenses it is difficult to restructure and/or reallocate these expenditures. However, in recent years capital expenditures have been increasing and have progressively accounted for a higher proportion of the City's total expenditures.

The following chart sets forth the evolution of capital expenditures at year end 2013, 2014 and 2015:

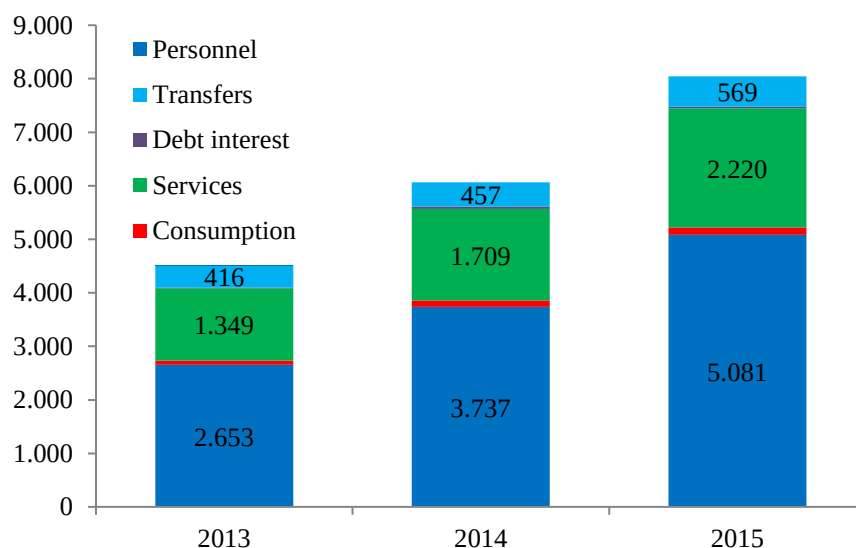
Evolution of Capital Expenditures 2013 – 2015



(*) Figures are expressed in millions of Ps.

In addition, the following chart shows the evolution of current expenditures at year end 2013, 2014 and 2015:

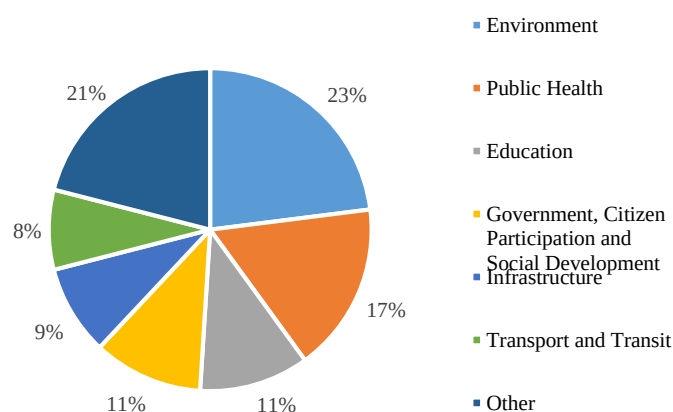
Evolution of Current Expenditures 2013 – 2015



(*) Figures are expressed in millions of Ps.

In 2015, approximately 81% of total capital expenditures corresponded to the City's Public Works Plan (a part of each year's budget in which the public works expected to be carried out in such year are determined), approximately 17% to debt amortization, approximately 1.4% to investment in capital goods, and approximately 0.5% to investment in financial instruments. For that same period, expenditures directed to environment, health, government and education areas, represented approximately 62% of total expenditures as shown in the following graph.

Distribution of Expenditures according to Institutional Classification Execution of Expenditures as of December 31, 2015



Reference is made below to the main expenditure items from an institutional perspective:

In 2015, approximately 89% of environmental related expenditures were due to services provided by Urban Hygiene, and the remaining 11% by different activities that contribute to the maintenance and improvement of the City environment, such as conservation of green spaces and enforcement of environmental regulations.

Health expenditures reflect the development promotion and consolidation of a Municipal Health System that ensures the quality of services and accessibility to all citizens and, together with the articulation of the different levels of medical complexity and development and promotion of programs and prevention, constitutes the basis for planning the activities contained in the budget bill. Expenditures directed to the health system resulted in improved service in the following institutions: Emergency, Children and South Hospitals, as well as the Blood Center, the Centers that depend on the Health Directorate of Primary Health Care, Father Lamonaca Home and the dental, pharmacy and food quality services, where new technologies for citizen care were implemented and new equipment was added; the provision of new services such as dental, child therapy and drug production; and the repair and renovation of facilities that allowed the re-functioning of neuralgic areas for the provision of medical services.

Expenditures on education focus on the provision of a quality service, founded on the principles of equal opportunities, social justice and environmental sustainability, where the school is recognized as an area of public development and generation of possibilities of social change. The implementation of the activities of the educational program has achieved tangible results, like the expansion of the system coverage, the progressive incorporation of the English language, musical expression and computing teaching in the different educational levels, as well as the extended day in the Primary Cycle and the improvement of the assistance modality for students with special needs; simultaneously, repair and maintenance of the infrastructure of schools and kindergartens has been a complementary action, which contributes transversely to the improvement of the educational conditions in the City.

Finally, expenditures on government, citizen participation and social development reflects the implementation of the Program of Administrative Decentralization through the Community Participation Centers, implementation of the participatory budget, promotion and dissemination of sports and recreational activities, as well as comprehensive protection and family development programs, integration of people with disabilities, and implementation of programs promoting the rights of children, adolescents and young people, among other actions of direct intervention with the community.

Municipal Budget 2016 - Ordinance No. 12,480

In the process of designing the budget bill, the City took into account several factors that characterize the current macroeconomic context and the estimations for the following year, together with the administrative and management aspects that will promote improved collection indicators and a more efficient allocation of expenses, with the ultimate purpose of enabling the realization of projects aimed at improving infrastructure and the provision of public services, as well as promoting the participation of the citizens in the design of public policies.

The following table shows the budgeted revenues and expenditures of the City for 2016 and the actual revenues and expenditures in 2013, 2014 and 2015:

Revenues and Expenditures Registered in 2013, 2014 and 2015, and budgeted for 2016

Description	Year 2013 Executed	Year 2014 Executed	Year 2015 Executed	Budgeted 2016
	Amount in Ps.	Amount in Ps.	Amount in Ps.	Amount in Ps.
I) CURRENT REVENUES	4,566,806,033	6,668,655,711	8,420,431,783	11,901,242,089
1) Tax Revenues	4,387,140,735	6,341,298,356	8,058,068,451	11,277,190,850
a) Municipal Taxes and Contributions	2,903,317,476	4,169,167,780	5,216,967,037	7,538,126,493
b) Municipal Co-Participation of National and Provincial Taxes	1,483,823,259	2,172,130,576	2,841,101,414	3,739,064,357
2) Non-Tax Revenues	140,785,484	216,770,627	230,184,590	355,086,780
a) Rights	65,423,713	89,824,531	118,177,328	182,486,780
Administrative Filings Fees	63,143,127	59,482,217	64,065,674	91,000,000
Fees for Issuance of Driving Licenses	2,272,886	29,657,994	53,876,369	91,044,000
Application fees of Bidding Processes	7,700	684,320	235,285	442,780
b) Fines	50,625,873	59,111,169	68,755,101	115,800,000
Various Fines	16,056,039	22,464,612	34,888,103	57,000,000
Transit fines	34,569,834	36,646,557	33,866,998	58,800,000
c) Leases				

Description	Year 2013 Executed	Year 2014 Executed	Year 2015 Executed	Budgeted 2016
d) Concessions	530,861	2,952,137	4,086,614	
Canon for Vehicles Technical Inspection	518,261	2,939,537	4,074,014	
Canon of Zoo	12,600	12,600	12,600	
e) Real Estate Proceeds	17,637,575	33,523,016	24,885,619	37,000,000
Revenues for Financial Investments	17,637,575	33,523,016	24,885,619	37,000,000
f) Others	6,567,461	31,359,774	14,279,929	19,800,000
Vehicle Transport System of the City of Cordoba Improvement Fund	189,789	226,081	383,126	600,000
Eventual Revenues (excluding Vehicle Inspection and Zoo)	7,905,079	31,133,693	13,896,803	19,200,000
Special Account – Transport Payment System				
Special Account – Tax DA				
Regularization Parking Expenditures				
General Transfers and Others	-1,527,408			
3) Sales of Assets and Services of the City	11,963,655	16,638,728	21,772,943	22,962,107
4) Operation Revenues				
5) Current Transfers	26,916,159	93,947,999	110,405,800	246,002,352
a- Non-Refundable Contributions	26,916,159	93,947,999	110,405,800	246,002,352
II) CURRENT EXPENDITURES	4,437,547,689	6,046,518,642	8,039,113,455	9,709,662,287
1) Personnel, Goods and Services	4,005,780,814	5,565,608,411	7,443,942,243	8,429,098,927
a- Personnel	2,653,371,586	3,737,347,057	5,081,247,693	5,408,564,453
b- Goods	81,582,076	118,971,100	142,721,035	273,073,695
c1- Services	1,270,827,151	1,709,290,254	2,219,973,516	2,747,460,779
2) Lease of Properties	23,121,484	45,323,940	32,969,207	65,715,785
3) Transfers for Current Expenditures	408,645,392	435,586,292	562,202,005	495,160,782
4) Additional Expenditure ⁽¹⁾				719,686,793
III) ECONOMIC BALANCE: SURPLUS- DEFICIT (I - II)	129,258,343	622,137,069	381,318,329	2,191,579,802
IV) CAPITAL REVENUES	301,645	1,720,197		10,000,000
1) Capital Own Resources	301,645	1,720,197		10,000,000
2) Capital Transfers				
3) Investment Amortization				
V) CAPITAL EXPENDITURES	538,868,532	844,155,019	1,021,478,440	2,192,492,304
1) Direct Real Investment	511,987,450	807,560,763	1,008,105,335	2,030,351,333
2) Transfers for Capital Expenditures	7,662,332	21,219,255	6,966,855	49,640,971
3) Financial Investment	19,218,750	15,375,000	6,406,250	12,500,000
VI) TOTAL REVENUES (I + IV)	4,567,107,678	6,670,375,907	8,420,431,783	11,911,242,089
VII) TOTAL EXPENDITURES (II + V)	4,976,416,221	6,890,673,661	9,060,591,895	11,902,154,591
PRIMARY FISCAL BALANCE	-386,187,059	-174,973,814	-607,190,904	74,803,283
VIII) FINANCIAL BALANCE (VI - VII)	-409,308,543	-220,297,753	-640,160,111	9,087,498
IX) FINANCIAL SOURCES	188,866,742	105,000,000	515,238,866	391,640,898
1) Financial decrease				
2) Public Indebtedness and Increase of Other Liabilities	188,866,742	105,000,000	515,238,866	391,640,898
International Bonds Issuance				
Pending Balance of Domestic Bonds Program				
X) FINANCIAL APPLICATIONS	36,244,543	48,152,855	205,489,713	400,728,396
1) Financial Investment				
2) Debt Amortization and Decrease of Other Liabilities	36,244,543	48,152,855	205,489,713	400,728,396
OVERALL RESULT	-256,686,344	-163,450,608	-330,410,959	-

(1) *Crédito Adicional*: An item with no specific allocation, to be determined by the Executive Branch.

After its approval, 2016 budget has been updated four times for an aggregate amount of Ps.567.2 million in order to include, among other, revenues coming from the Fairness and Justice Agreement between the Province and the City.

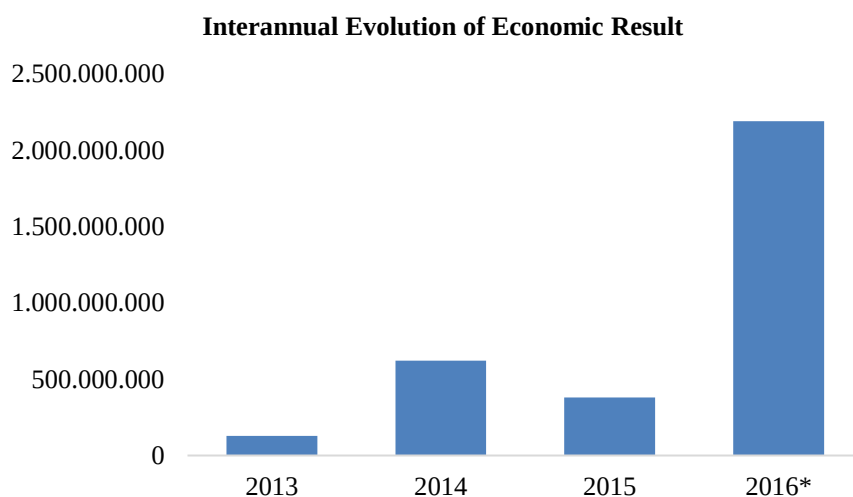
Revenues and Expenditures Registered in 2015 and Budgeted for 2016

Economic Result

The 2016 budget includes an increase of the current surplus by 475% (Ps.1.8 billion), from an amount of Ps.381 million executed during 2015, to Ps.2,191 million budgeted for 2016, mainly as a result of the estimated increase of current revenues by Ps.3.5 billion, which represent an increase of 41%, and the increase of the current expenditures by Ps.1,670 million, which represents an increase of 21%.

If we analyze the previous years, we can observe that the economic result for 2014 increased by Ps.492 million compared to 2013, representing an increase of 381%, while in 2015 the nominal variation of the economic result executed in the City was negative and amounted to Ps.240 million (a fall of 39% compared to the amounts executed in 2014).

The following graph shows the interannual evolution of the economic result of the City for year-end 2013, 2014 and 2015, and budgeted for 2016.



*Budgeted

Current Revenues

The budget for 2016 anticipate an increase of 41% in current revenues with respect to the previous year. In this regard, tax and non-tax revenues are expected to increase by 40% and 54%, respectively. In addition, revenues from the sale of goods and services are estimated to increase by approximately 5%, and current transfers in approximately 123%.

Current revenues registered successive increases in recent years: in 2014, increased by Ps.2,101 million, which represented an increase of 46% with respect to 2013; in 2015, the increase amounted to Ps.1,751 million, representing an increase of 26% with respect to 2014.

Current Expenditures

In turn, comparing the current expenditures budgeted for 2016 with those executed in 2015, the expenditures components show the following variations: personnel, goods and services expenditures are expected to increase by 6% (although as of June 30, 2016, the City spent approximately 59% of the year's budget for staff expenditures), 91% and 24%, respectively.

As of June 30, 2016, the City has spent Ps.3.2 billion in personnel, Ps.107.3 million in goods, and Ps.1 billion in services.

In particular, expenditures in personnel increased from Ps.3.7 billion in 2014 to Ps.5.1 billion in 2015, while the amount budgeted for 2016 increased to Ps.5.4 billion; expenditures in goods increased from Ps.118.9 million in 2014 to Ps.142.7 million in 2015, while the amount budgeted for 2016 increased to Ps.273 million and expenditures in services increased from Ps.1.7 billion in 2014 to Ps.2.2 billion in 2015, while the amount budgeted for 2016 increased to Ps.2.7 billion.

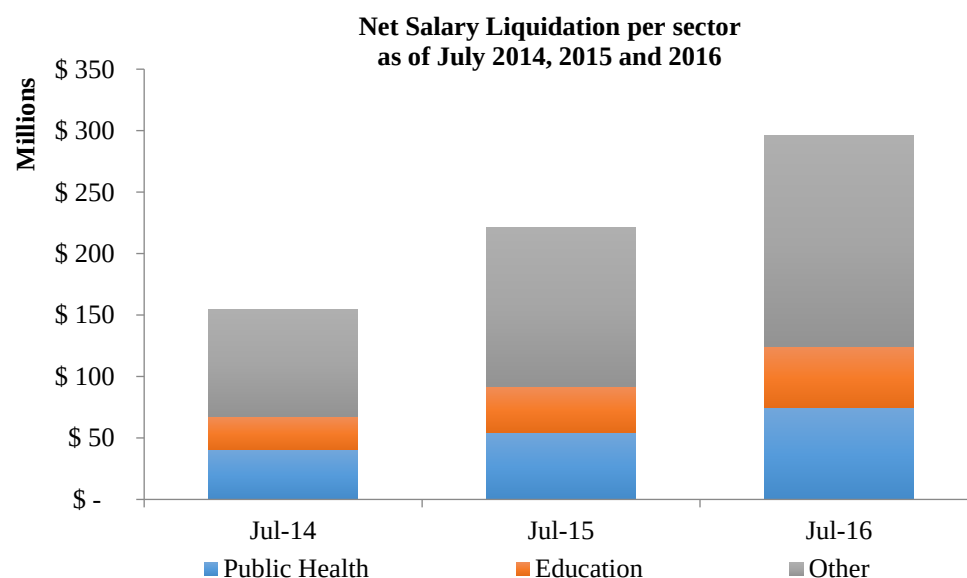
As set out in the following table, the net salaries received by the City personnel amounted to Ps.295.8 million in July, 2016. In turn, such expenditures increased to Ps.220.9 million in July, 2015 and to Ps.154.2 million in July, 2014. July figures have been chosen as they reflect a realistic and regular expenditure given that they do not include the 13th salary and payment of vacations.

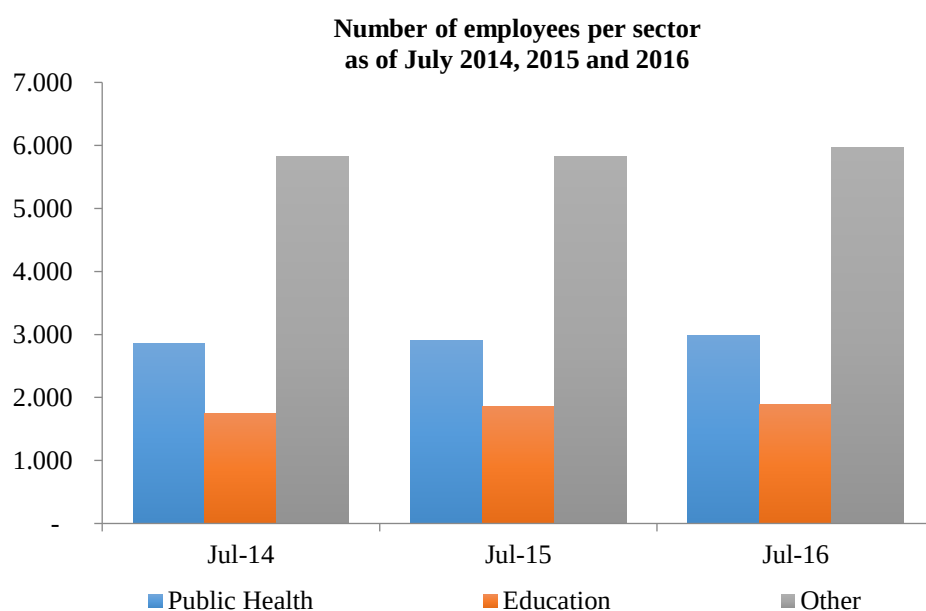
Personnel Expenditures (in Ps.)						
Sector	July, 2014		July, 2015		July, 2016	
	No. of Employees	Net Salary	No. of Employees	Net Salary	No. of Employees	Net Salary
Public Health	2,858	40,447,110	2,910	54,700,509	2,989	74,458,033
Education	1,749	27,077,971	1,856	36,827,689	1,891	49,745,250
Other*	5,825	86,718,252	5,828	129,442,041	5,968	171,665,305
Total	10,432	154,243,332	10,594	220,970,239	10,848	295,868,588

Note: Includes permanent, temporary and hired personnel. Public Officers are excluded.

* Includes: Executive Branch; Government, Citizen Participation and Social Development; Economy and Finances; Public Services; Secretariat General; Infrastructure; Auditors Court; Municipal Misdemeanors Court; City Council; Culture; Control and Fiscalization; Modernization and Strategic Development.

In addition, the following chart sets out the liquidation of net salaries and the number of employees per sector as of July 2014, 2015 and 2016.





Note: Includes permanent, temporary and hired personnel

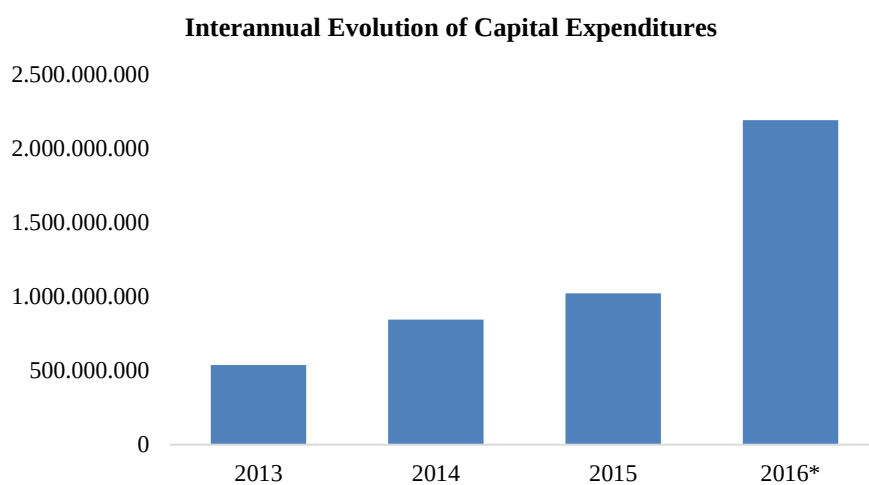
Total Revenues and Expenditures

The 2016 budget estimates an increase in total revenues of Ps.3.5 billion, which represents an increase of 41% as compared to those registered in 2015, totaling Ps.11.91 billion. Total expenditures for 2016 are estimated to increase by Ps.2.8 billion, 31% more than those registered in 2015, reaching a total amount of Ps.11.9 billion.

Capital Expenditures

Capital expenditures are estimated to increase by Ps.1.171 million in 2016, representing an 115% increase compared to 2015. Real direct investment is expected to increase by Ps.1.022 million, 101% more than the figures recorded in 2015 (this account represents 93% of the total capital expenditures).

The following chart sets forth the interannual evolution of capital expenditures for year-end 2013, 2014 and 2015, and budgeted for 2016:



*Budgeted

PUBLIC SECTOR DEBT

Background - Financial Plan

In 2012, the City designed a financial plan to fund its investment plan and allow the City to accurately allocate resources. The plan was aimed at accessing the capital markets through the creation of financial instruments to cover the different financial needs of the City. It was designed to interface between the revenues and expenditures plans with transparency, flexibility and adaptability, allowing the reduction of total financial costs.

Since its creation, the financial plan has met several milestones allowing the City to reschedule liabilities, generate sufficient liquidity to meet key commitments, reserve resources to implement critical needs of the neighbors and seek longer terms and better credit quality to launch major works demanded by the citizenship.

Furthermore, as a consequence of the implementation of this financial plan, the City was rated for the first time in its history as eligible for credit by Moody's Latin America.

The financial plan had two key components: the financial restructuring and the restructuring of the liquidity position.

Financial Restructuring

Under Ordinance No. 12,009, the City implemented a debt verification and consolidation process to restore certainty to its creditors and to improve the quality of the credits claimed. In this context, more than 180 procedures were received at the administrative level for an amount of more than Ps.160 million.

In order to provide certainty in payment and priority order to comply with the obligations of the City's Treasury, the City issued Municipal Consolidation Securities (TCM) for an aggregate amount of up to Ps.200 million. The TCMs were listed by the Córdoba Stock Exchange (MVC) and the Córdoba Stock Market (BCC). The City issued three series of TCMs of which two are already amortized and the third one is expected to amortize in 2018 and 2019.

Restructuring the liquidity position

The City implemented a process to restructure its liquidity position by issuing treasury bills and treasury bonds.

Below is a list of the treasury bonds and bills issued under the financial plan:

City Treasury Bonds

No.	Amount	Issuance Date	Term (months)	Repayment Date	Rate	Status
BAO17	U.S.\$ 23,839,784	10/16/2013	48	10/16/2017	U.S.\$ linked + 499	41.7% Outstanding
BAE17	Ps.178,723,866	07/20/2015	18	01/20/2017	BADLAR + 750	40% Outstanding
BAA17	Ps.164,015,000	10/16/2015	18	04/16/2017	BADLAR + 750	75% Outstanding

City Treasury Bills

No.	Amount	Payment Date	Term	Repayment Date	Rate	Status
Series 19	Ps.109,371,000.00	03/03/2016	355	02/21/2017	BADLAR + 650	100% Outstanding
Series 20	Ps.126,733,333.00	03/31/2016	180	09/27/2016	BADLAR + 650	100% Outstanding

No.	Amount	Payment Date	Term	Repayment Date	Rate	Status
Series 21	Ps.78,011,000.00	03/31/2016	355	03/21/2017	BADLAR + 600	100% Outstanding
Series 22	Ps.135,000,000.00	05/30/2016	300	03/26/2017	BADLAR + 550	100% Outstanding

Description of Indebtedness

As of December 31, 2015, the City had total outstanding indebtedness of approximately Ps.1.1 billion. Of such total indebtedness as of December 31, 2015, 57% was short term and the remaining 43% was long term (*i.e.* maturing in one year or more).

Approximately 72% of the total indebtedness of the City as of December 31, 2015, was capital markets indebtedness. These include short-term City Treasury Bills (17% of the total indebtedness) and three bonds (one issued in 2013 and the other two issued in 2015).

The remaining 28% of the total indebtedness of the City as of December 31, 2015 was composed of the following items:

- Debts of previous administrations consolidated under Ordinance No. 12,009/11 (representing approximately 8.6% of the City's total indebtedness as of December 31, 2015);
- Multilateral finance program of the IDB-GAU (representing approximately 8.3% of the City's total indebtedness as of December 31, 2015);
- Balance of consolidated debts refinanced under Ordinance No. 11,898 (representing approximately 5.9% of the City's total indebtedness as of December 31, 2015); and
- Agreement with the Province for advances of revenue sharing payments under Ordinance No. 12,025 (representing approximately 5.1% of the City's total indebtedness as of December 31, 2015).

The financial needs of the Municipality of the City of Córdoba were covered mostly through structured issuances (capital markets) and, to a lesser extent, by other sources.

The following table shows the Public Debt as of December 31, 2013, 2014 and 2015 and as of June 30, 2016 (1):

CONCEPT	As of December 31,			As of June 30,	
	2013	2014	2015	2016	2016
	in millions of Ps.			in millions of U.S.\$ ⁽²⁾	
Bonds					
Treasury Bills	50,000	105,000	172,500	449,115	30,102
Debt bonds 2013. Series I.....	155,459	203,864	207,288	148,287	9,939
Debt bonds 2013. Series II			178,724	71,490	4,792
Debt Bonds 2015			164,015	123,012	8,245
Debt ORD 12009/11.....	84,021	96,697	85,952	85,951	5,761
Subtotal.....	289,480	405,651	808,479	877,855	58,837
Provincial Government					
- Direct Public debt					
Consolidated Debt Balance					
Refinancing.....					
Plan ORD. 11.898	64,228	61,325	59,004	55,624	3,728
Agreement with Province of					
Córdoba ORD					
12.025	64,720	55,481	51,464	35,257	2,363
Subtotal.....	128,948	116,806	110,468	90,881	6,091

CONCEPT	As of December 31,			As of June 30,	
	2013	2014	2015	2016	2016
	in millions of Ps.			in millions of U.S.\$ ⁽²⁾	
Multilaterals					
- Direct Public debt					
BID-GAU Loan agreement					
ORD 10.208	63,974	65,247	71,073	51,842	3,475
BID-GAU Loan agreement					
ORD 10.208					
Installments not deducted					
from tax					
coparticipation			11,955		
Subtotal	63,974	65,247	83,028	51,842	3,475
Direct debt					
Syndicated Loan				300,000	20,107
Banco Nación					
Banco Ciudad	2,834				
Subtotal	2,834			300,000	20,107
Others	166,021	1,086			
Total	651,257	588,700	1,001,975	1,320,578	88,511

(1) In addition to the above described indebtedness, the City has also short term liabilities incurred with respect to employees, suppliers, contractors and others. As of December 31, 2015 the City had Ps.437 million in salaries and social security contributions, Ps.346 million in fiscal debt and Ps.1,240 million in other current debt.

(2) Exchange rate Ps.14.9200 / U.S.\$1.00.

As of June 30, 2016, the City had total outstanding indebtedness of approximately Ps.1.32 billion.

In January, 2016 the City entered into a syndicated loan with Banco Santander Río S.A., Banco Macro S.A., Banco Patagonia S.A. and Nuevo Banco de Santa Fe S.A. for an aggregate principal amount of Ps.300 million. Furthermore, in the six-month period ended June 30, 2016, the City complied with the repayment schedule corresponding to the City Treasury Bills issued in 2015, issued City Treasury Bills for an aggregate amount of Ps.449 million corresponding to the 2016 program and complied with the repayment schedule of the BID GAU Agreement.

Recent Developments relating to the City's Indebtedness

On July 18, 2016, the City (i) repaid U.S.\$1,983,192.00 (Ps.29,589,224.75 at a Ps.14.9200 / U.S.\$1.00 exchange rate) of principal and paid U.S.\$148,352.57 in interest under the 2013 Series 1 Bond; and (ii) repaid Ps.41,003,750 of principal and paid Ps.15,620,762.63 in interest under the 2015 Bond.

On July 20, 2016, the City repaid Ps.35.744.773,20 of principal and paid Ps.10,038,560.73 in interest under the 2013 Series 2 Bond.

On July 25, 2016, the City entered into a bridge loan with Banco Santander Río S.A., under which it received an aggregate principal amount of Ps.420 million. Repayment of principal and payment of interest under the bridge loan are secured by the City's contribution over real estate properties as stipulated in Section 192 of the Tax Code. The City intends to prepay the bridge loan with Banco Santander Río S.A. with a portion of the proceeds from the offering of the notes. See "Use of Proceeds".

The following table shows the debt service payment schedule (principal and interests) from September 2016 through year 2020 and after:

Debt Amortization Schedule									
	Rest of 2016	Rest of 2016	2017	2017	2018	2018 (in millions)	2019	2019	2020
	Ps.	U.S.\$	Ps.	U.S.\$	Ps.	U.S.\$	Ps.	U.S.\$	Ps.
Bonds	300,238	-	674,183	-	82,694	-	69,522	-	-
Provincial Government									
<i>Direct Public debt</i>	-	-	18,066	-	18,066	-	18,066	-	-
Multilaterals									
<i>Direct Public debt</i>	-	1,215	-	2,320	-	1,115	-	-	-
Direct debt Syndicated Loan	199,113	-	170,841	-	-	-	-	-	-
Total	499,351	1,215	863,090	2,320	100,760	1,115	87,588	-	-

Evaluation of Debt

City Treasury Bills

On November 26, 2015, the City Council passed Ordinance No. 12,480 which authorized the Municipal Executive Department to create, implement and execute a short term financing program through the issuance of *Letras de Tesorería* (the “City Treasury Bills”) (for an amount not to exceed at any time Ps.450,000,000 for the fiscal period ending December 31, 2016).

As of June 30, 2016, the City had issued City Treasury Bills for an aggregate amount of Ps.449,115,333 in four Series. The main terms of those Series are: (i) Series 19, for a total amount of Ps109,371,000, maturing on February 21, 2017 with an interest rate of BADLAR plus 650 basis points; (ii) Series 20, for a total amount of Ps.126,733,333, maturing on September 27, 2016 with an interest rate of BADLAR plus 650 basis points; (iii) Series 21 for a total amount of Ps.78,011,000, maturing on March 21, 2017 with an interest rate of BADLAR plus 600 basis points; and (iv) Series 22 for a total amount of Ps.135,000,000, maturing on March 26, 2017 with an interest rate of BADLAR plus 550 basis points.

City Treasury Bonds

In 2013, the City developed a City Treasury Bonds issuance program pursuant to Ordinance No. 12,139. As of June 30, 2016, the City has outstanding Treasury Bonds under this program for an aggregate amount of Ps.342,787,781.17.

All of the outstanding City Treasury Bills and all the Treasury Bonds are secured by the assignment of municipal revenues from taxes on Type 3 Large category contributors (the Commercial, Industrial and Service sectors).

Ordinance 12,009 Debt

Under Ordinance No. 12,009, the City implemented a debt verification and consolidation process to restore certainty to its creditors and to improve the quality of the credits claimed. See Background-Financial Plan – Financial Restructuring. As of December 31, 2015, only the Consolidation Municipal Securities Class A and B were repaid and the Class C is scheduled to be repaid on 2018 and 2019.

Refinancing Plan of consolidated debt balances (Ordinance No. 11,898)

By Ordinance No. 11,898, the Municipal Executive was authorized to restructure debt that the City had with the Province. On May 31, 2010 the City entered into a restructuring agreement with the Province for a principal amount of Ps.69,065,411.04 to be repaid in 228 equal and consecutive monthly installments of Ps.432,950.53 each.

Agreement with the Province of Córdoba (Ordinance No. 12,025)

The Municipality entered into an agreement with the Province, borrowing Ps.57,785,712.17 in exchange for early payment of authorized funds. The debt incurred as a result of this agreement will be paid in 72 equal and consecutive monthly installments of Ps.1,072,597.27 each. This amount is deducted from the co participation payments received from the Province.

Agreement under the Terms of the Inter-American Development Bank Large Urban Centers Financing Program (the “BID GAU Agreement”)

On March 16, 1998, the Republic of Argentina and The Inter-American Development Bank entered into a U.S.\$260 million financing agreement in order to contribute to the economic development of the five largest urban conglomerates of Argentina, including the City. Under the terms of the financing agreement, the Republic of Argentina entered into a loan agreement with the City pursuant to which the City received an amount of U.S.\$23,167,632.19. The loan is repaid in installments due March and September of each year, the last of which falls in March 1, 2018.

DESCRIPTION OF THE NOTES

This section of this offering circular is only an overview of the material provisions of the notes and the Indenture. The City urges you to read the Indenture for a complete description of the City's obligations and your rights as a holder of the notes. The City has filed, or will file, copies of the Indenture at the offices of the trustee where you may request a copy in writing.

The notes will be issued pursuant to the indenture dated as of September 29, 2016 and entered into by and among the City, The Bank of New York Mellon, as trustee, registrar, principal paying agent and transfer agent and The Bank of New York Mellon (Luxembourg) S.A., as the Luxembourg paying agent and Luxembourg transfer agent, The Bank of New York Mellon, London Branch, as London paying agent (the "Indenture"). The notes will constitute a single series of debt securities issued under the Indenture, which provides for the issuance of other series of debt securities thereunder. Copies of the Indenture are available free of charge at the offices of the trustee and, for so long as the notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market, at the offices of the paying agent in Luxembourg. Investors are urged to read the Indenture.

General

Basic Terms

The notes will:

- be direct, general, unconditional and unsubordinated obligations of the City;
- be initially issued in an aggregate principal amount of U.S.\$150,000,000;
- be payable in three installments of U.S.\$50,000,000 each on September 29, 2022, on September 29, 2023, and the remaining principal balance on September 29, 2024;
- not be redeemable at the option of the City or repayable at the option of the holders before maturity, except as described under "— Redemption." The City may at any time, however, repurchase notes and hold or resell them or surrender them to the trustee for cancellation;
- be issued in denominations of U.S.\$150,000 and in integral multiples of U.S.\$1,000 in excess thereof;
- pay all amounts due in respect of principal and interest in U.S. dollars;
- be represented by one or more registered notes in global form; and
- have a redemption price at final maturity at 100% of their outstanding principal amount plus accrued and unpaid interest to such redemption date.

Interest on the notes will:

- accrue at the rate of 7.875% per annum;
- accrue from September 29, 2016 or the most recent interest payment date;
- be payable semi-annually in arrears on March 29 and September 29 of each year, beginning March 29, 2017; and
- be computed on the basis of a 360-day year comprised of twelve 30-day months.

Further Issuances

The City may from time to time, without notice to or consent of the holders of the notes, create and issue additional notes having the same terms and conditions (except for the issue date, issue price and, if applicable, first interest payment date on the notes) as and forming a single series with the notes initially issued in this offering, provided, however, that any additional notes subsequently issued that are not fungible with the previously outstanding notes shall have a separate ISIN or other identifying number from the previously outstanding notes.

Payment

The City, through the principal paying agent, will make payments to persons in whose names the notes are registered at the close of business on the fifteenth calendar day preceding the corresponding payment date. Payment will be made by wire transfer to the registered holder's account. However, the final payment on any note will be made only upon presentation and surrender of such note at the applicable office of the paying agents on the payment date.

While the notes are held in global form, holders of beneficial interests in the notes will be paid in accordance with the procedures of the relevant clearing system and its direct participants, if applicable. Neither the City nor the trustee or any of their respective agents shall have any responsibility or liability for any aspect of the records of, or payments made by, the relevant clearing system, the common depositary or its nominee or participants in the clearing systems, or any failure on the part of the relevant clearing system or its participants in making payments to holders of the notes from the funds they receive.

If any date for an interest or principal payment is not a business day, the City 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 notes 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 the city of New York, London or the city of Buenos Aires or the City of Córdoba.

If any money that the City pays to the trustee or any paying agent to make payments on any notes 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 City upon receipt of the City's written request. The City will hold such unclaimed money in trust for the relevant holders of those notes until such time as the claims against the City for payment of such amounts shall have been prescribed. After any such repayment, neither the trustee nor any paying agent will be liable for the payment. However, the City's obligations to make payments on the notes as they become due will not be affected until the expiration of the prescription period specified in the notes. To the extent permitted by law, claims against the City for the payment of principal or premium, if any, or interest or other amounts due on, the notes (including Additional Amounts) will become void unless made within two years with respect to interest, premium or other amounts due on the notes and five years with respect to principal, in each case as of the date on which that payment first became due.

The City agrees that Section 765 of the Argentine Civil and Commercial Code is not applicable to the payment of amounts due on the notes.

Paying Agents and Transfer Agents

The City will maintain a principal paying agent, a transfer agent and a registrar in the City of New York, a paying agent in the city of London and, for so long as the notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market, a paying agent and a transfer agent in Luxembourg. The City will give prompt notice to all holders of notes of any future appointment or any resignation or removal of any paying agent, transfer agent, registrar or co-registrar or of any change by any paying agent, transfer agent, registrar or co-registrar in any of its specified offices. Notwithstanding the foregoing, all such paying agents and transfer agents will be agents solely of the City.

Ranking

The notes will be direct, general, unconditional and unsubordinated Public External Indebtedness of the City. The notes rank and will rank without any preference among themselves and equally with all other unsubordinated Public External Indebtedness of the City. It is understood that this provision shall not be construed so as to require the City to make payments under the notes ratably with payments being made under any other Public External Indebtedness of the City.

For purposes of the preceding paragraph, (A) "Public External Indebtedness" means any External Indebtedness of, or guaranteed by, the City 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.

Additional Amounts

The City will make payments in respect of the notes without withholding or deduction for or on account of any present or future taxes, duties, levies, or other governmental charges imposed or assessed by Argentina, the Province or the City or, in each case, any authority therein (each such jurisdiction a “Relevant Jurisdiction” and such taxes, “Relevant Taxes”) unless the withholding or deduction is required by law. If the City is required to make any withholding or deduction of this nature, it will pay holders the additional amounts necessary to ensure that they receive the same amount as they would have received without this withholding or deduction (including in respect of any withholding or deduction attributable to any additional amount payable hereunder).

The City will not, however, pay any additional amounts with respect to any note in connection with any tax, duty, levy, or other governmental charge that is imposed:

- (1) because the holder (or a third party on behalf of the holder) has some connection with the Relevant Jurisdiction other than merely holding the note, the receipt of payments on the note or enforcing rights under the notes;
- (2) because the holder has failed to present the note for payment (where presentation is required by the terms of the notes) within 30 days from when holders receive notice in accordance with the Indenture that the payment is available (except to the extent that the holder would have been entitled to additional amounts had the note been presented on the last day of such 30-day period);
- (3) in respect of any estate, inheritance, gift, sales, transfer, value added, personal property tax or similar tax, assessment or other governmental charge;
- (4) where such holder of the note (or a third party on behalf of a holder) 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 Jurisdiction if such holder of the note is eligible to make such declaration or other claim and, after having been requested to make such a declaration or claim by the City at least 60 days prior to the relevant payment date, such holder of the note fails to timely do so. 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;
- (5) in respect of Relevant Taxes payable otherwise than by withholding from payment of principal of or interest or premium, if any, on the notes; or
- (6) any combination of the foregoing.

The City will pay when due any present or future stamp, transfer, court or documentary taxes or any other excise tax or property taxes, charges or similar levies imposed by a Relevant Jurisdiction with respect to the initial execution, delivery or registration of the notes or any other document or instrument relating thereto.

All references in this offering circular to principal of or interest or premium, if any, on the notes will include any additional amounts payable by the City in respect of such principal, interest or premium.

Redemption

Except as set forth below, the notes will not be redeemable before maturity at the option of the City. The notes will not be repayable before maturity at the option of holders. The notes will not benefit from any sinking fund. The City may at any time, however, purchase notes from the holders thereof and hold or resell them or surrender them to the trustee for cancellation.

Make-Whole Redemption

The City may redeem the notes at any time, in whole but not in part, at the greater of (i) 100% of their outstanding principal amount and (ii) the Make-Whole Amount, in each case plus accrued and unpaid interest to the redemption date.

“Make-Whole Amount” means the sum of the present values of each remaining scheduled payment of principal and interest on the notes to the maturity date (not including any portion of such payments of interest accrued to the redemption date), discounted to the redemption date on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months at the Treasury Rate plus 0.50%.

“Comparable Treasury Issue” means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the notes to the maturity date or that would be utilized, at the time of selection, and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of the notes.

“Comparable Treasury Price” means, with respect to any redemption date (i) the average, as determined by an Independent Investment Banker, of the Reference Treasury Dealer Quotations for such redemption date after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (ii) if fewer than four such Reference Treasury Dealer Quotations are obtained, the average, as determined by such Independent Investment Banker, of all such quotations.

“Independent Investment Banker” means one of the Reference Treasury Dealers.

“Reference Treasury Dealer” means any four primary United States government securities dealers (each, a “Primary Treasury Dealer”) reasonably designated by the City.

“Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by an Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to such Independent Investment Banker by such Reference Treasury Dealer at or about 3:30 p.m. (New York City time) on the third Business Day preceding such redemption date.

“Treasury Rate” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

Tax Redemption

The notes will be redeemable, at the option of the City, in whole but not in part, at 100% of their outstanding principal amount, plus accrued and unpaid interest to the redemption date and any additional amounts payable with respect thereto to the redemption date, if (i) the City has or on the next payment date will become obligated to pay additional amounts with respect to such notes as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction or governmental authority thereof or therein having power to tax (other than the City itself) or any change in the application or official interpretation of such laws or regulations, which change or amendment occurs after the date of the Indenture and (ii) such obligation cannot be avoided by the City taking reasonable measures available to it. No such notice of redemption will be given earlier than 90 days prior to the earliest date on which the City would be obligated to pay such additional amounts if a payment in respect of such notes were then due. Prior to the publication or delivery of any notice of redemption of the notes to the holders, the City must deliver to the trustee (a) an opinion of counsel of recognized standing stating that such additional amounts are payable due to a change in, or amendment to, the laws or regulations of a Relevant Jurisdiction or governmental authority thereof or therein having power to tax (other than the City itself) or any change in the application or official interpretation of such laws or regulations and (b) an officer’s certificate to the effect that the City’s obligation to pay additional amounts cannot be avoided by the City taking reasonable measures available to it and that all governmental approvals necessary for the City to effect such redemption have been obtained and are in full force and effect or specifying any necessary approvals that have not been obtained.

Optional Redemption Procedures

Notice of any redemption will be given at least 30 but not more than 60 days before the redemption date to holders of notes to be redeemed as described in “—Notices” below.

Notes called for redemption will become due on the date fixed for redemption. The City will pay the redemption price for any note to but excluding the date of redemption. On and after the redemption date, interest will cease to accrue on the notes as long as the City has deposited with the London paying agent funds in satisfaction of the applicable redemption price pursuant to the Indenture. Upon redemption of notes by the City, the redeemed notes will be cancelled.

Covenants

Payment of Principal and Interest

The City will duly and punctually pay the principal of and interest, premium, if any, and additional amounts, if any, on the notes in accordance with the terms of the notes and the Indenture.

Negative Pledge

For so long as any note remains outstanding or any amount payable by the City under the notes or the Indenture remains unpaid, the City will not, directly or indirectly, subject to the exceptions described below, create, incur or assume any Lien upon any of its present or future property, assets or revenues to secure or otherwise provide for the payment of any Indebtedness of the City unless, at the same time or prior thereto, the obligations of the City under the notes are secured equally and ratably with the obligations of the City with respect to such Indebtedness.

The City may, however, create, incur or assume:

- (a) any Lien in existence on the date of the Indenture, including, but not limited to, Liens securing outstanding Indebtedness consisting of City Treasury Bills for an aggregate amount of Ps.449,115,333 (equivalent to U.S.\$30.1 million as of June 30, 2016), *provided, however*, that any Lien securing Indebtedness to be repaid, prepaid and/or redeemed with the proceeds from the offering of the notes shall not be deemed in existence on the date of the Indenture for purposes of this clause (a);
- (b) any Lien existing on any property at the time of its acquisition to secure Indebtedness of the City;
- (c) any Lien securing Indebtedness incurred for the purpose of financing all or part of the costs of the acquisition, construction or development of property or 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;
- (d) any replacement, renewal or extension of any Lien permitted by clauses (a) through (c) 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 City will not be permitted to replace, renew or extend any Lien in respect of Indebtedness to the Federal Government or the Province of Córdoba unless the Federal Government or the Province of Córdoba, as applicable, remains the creditor;
- (e) any Lien to secure public or statutory obligations or otherwise arising by law to secure claims other than for borrowed money;
- (f) judgment Liens not giving rise to an Event of Default, *provided* that such judgment is being contested in good faith; or
- (g) other Liens securing Indebtedness of the City in an outstanding aggregate principal amount not exceeding at any time 15% of the City's Total Revenues for the period of the four most recent consecutive fiscal quarters ending prior to the date of determination.

Maintenance of Ranking

The City will ensure that its obligations under the notes will at all times rank without any preference among themselves and equally with all other present and future, general, unconditional and unsubordinated Public External Indebtedness of the City.

Government Approvals

The City will take all necessary action to ensure that all governmental approvals, consents or licenses that are necessary under the laws of Argentina, the Province of Córdoba and the City of Córdoba for the performance of the obligations of the City under the notes and the Indenture by the City or for the validity or enforceability thereof are duly obtained and are in full force and effect.

Provision for Payments in Annual Budget

The City will take all necessary and appropriate action to provide for the inclusion in its annual budget, approved by the City Council of the City of Córdoba, of all amounts reasonably expected by the City to become due and payable under any notes during the time period covered by such budget; provided that (A) any payments, (i) made with respect to any notes during any fiscal year prior to the adoption of the budget for such fiscal year by the City Council of the City of Córdoba or (ii) made with respect to any notes during any fiscal year for which provision is not made in the budget and approved or proposed for such fiscal year, will be validly made under the laws of Argentina, the Province of Córdoba and the City of Córdoba, (B) the failure of the City to have made the necessary and appropriate provisions in its annual budget for the payment of such amounts will not constitute a defense to the legality or validity of any documents, order or decrees related thereto, and (C) the covenant described in this paragraph will not be considered to impose any deadline for the submission of the proposed budget to the City Council of the City of Córdoba or for the approval of the budget by the City Council of the City of Córdoba.

Notice of Default

The City will notify the trustee in writing, promptly after any of the City Principal Officers becomes aware of the occurrence of any Event of Default, setting forth the details of such Event of Default and stating what action the City proposes to take with respect thereto.

Notification of Events or Conditions Under Other Indebtedness

The City will promptly:

- notify the trustee in writing of any written communication (including but not limited to electronic communications) received from any creditor under any instrument or agreement evidencing Indebtedness in an aggregate principal amount greater than or equal to U.S.\$10,000,000 of the City regarding any default in the payment of principal of, or interest on, any such Indebtedness; and
- deliver to the trustee a copy of any written notice sent or received by the City to or from any creditor which describes any default in the payment of principal of, or interest on, any such Indebtedness.

Further Actions

The City will use reasonable efforts to take any action, satisfy any condition or do anything (including the obtaining or effecting of any necessary consent, approval, authorization, exemption, filing, license, order, recording or registration) at any time required, in accordance with the applicable laws and regulations to be taken, fulfilled or done in order to (a) enable it lawfully to enter into, exercise its rights and perform and comply with its payment obligations under the notes and the Indenture, as the case may be, (b) ensure that those obligations are legally binding and enforceable, and (c) make the notes and the Indenture admissible in evidence in the courts of Argentina.

Certain Definitions

The following is a summary of certain defined terms used in the Indenture:

“City” means the City of Córdoba and, for the purpose of the “Description of the Notes” only, the *Administración Pública No Financiera*, or the Non-Financial Public Administration, as defined in Article 2 of Decree 1731/2004 under the Fiscal Responsibility Law. The Non-Financial Public Administration includes organisms and entities, both centralized and decentralized of a non-commercial nature, designated accounts, trust accounts, fiduciary accounts and the social security institutions.

“City Principal Officers” means the Major (*Intendente*), the Secretary of Economy and Finance (*Secretario de Economía y Finanzas*) and the City Legal Counsel (*Asesor Letrado*).

“federal government” means the federal government of the Republic of Argentina and, unless the context otherwise requires, each ministry, department, agency or regulatory authority thereof, excluding, for the purpose of the “Description of the Notes” only, unless the context otherwise requires, any corporation, trust, financial institution or other entity controlled by the federal government (e.g., the *Administración Nacional de la Seguridad Social*, or ANSES).

“guarantee” means, with respect to any person, any guarantee, endorsement (*avales*) or similar obligation, direct or indirect, contingent or otherwise, of such person in respect of, and any obligation, direct or indirect, contingent or otherwise, of such person to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, Indebtedness or other obligation of any other person. The term “guarantee” used as a verb has a corresponding meaning.

“Indebtedness” means, with respect to any person, whether outstanding on the date of the issuance of the notes or at any time thereafter: (i) all indebtedness of such person for borrowed money; (ii) all obligations of such person, contingent or otherwise, under or in respect of letters of credit, banker’s acceptances or similar instruments of such person, including reimbursement obligations; (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 bonds, debentures, notes or similar instruments; (v) all obligations of such person under any lease that are required to be classified and accounted for as capital lease obligations; (vi) all obligations of such person issued or assumed as the deferred purchase price of property or services, all conditional sale obligations and obligations under any title retention agreement (excluding accounts payable in the ordinary course); (vii) all guarantees of such person of any indebtedness or obligation of any other person specified in any clause above; and (viii) all indebtedness or obligations of any other person specified in any clause above which is secured by a Lien on any property or assets of such person, whether or not such person has assumed or become liable for the payment of such indebtedness or obligation. For the avoidance of doubt, the term “Indebtedness” will include any adjustments thereon for inflation, including, without limitation, CER and currency fluctuations.

“Lien” means any lien, pledge, mortgage, security interest, deed of trust, charge or other encumbrance on or with respect to, or any assignment or preferential arrangement which has the practical effect of constituting a security interest with respect to the payment of any obligation with or from the proceeds of, any currently existing or future property, assets or revenues of any kind.

“Total Revenues” means the cash receipts by the City, on a consolidated basis, from taxes levied by the City, from transfers from the federal government and the Province of Córdoba and from fees, licenses and other non-tax sources of income of the City.

Events of Default

Each of the following is an “Event of Default” under the notes:

- (a) the City fails to pay any principal due on the notes when due and payable for 10 days after the applicable payment date, upon its stated maturity, redemption or otherwise; or
- (b) the City fails to pay any interest or additional amounts due on the notes when due and payable for 30 days after the applicable payment date; or
- (c) the City fails to duly perform or observe any other term or obligation contained in the notes or the Indenture, which failure continues unremedied for 60 days after written notice thereof has been given to the City by the trustee or to the City and the trustee by the holders of not less than 25% of the aggregate principal amount of the notes then outstanding; or
- (d) the City fails to make any payment when due, after any applicable grace periods, on any of its Indebtedness having an aggregate principal amount greater than or equal to U.S.\$10,000,000 (or its equivalent in other currencies); or
- (e) any Indebtedness of the City having an aggregate principal amount greater than or equal to U.S.\$10,000,000 (or its equivalent in other currencies) is accelerated due to an event of default, unless the acceleration is rescinded or annulled; or

- (f) the City fails generally to pay its Indebtedness as it becomes due, or a moratorium is declared in respect of or affecting all or any part of the Indebtedness of the City; or
- (g) there has been entered against the City or an agency of the City 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 U.S.\$10,000,000 (or the equivalent thereof in other currencies) 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 any material provision of the notes or the Indenture is contested by the City; or
- (i) (A) any federal, provincial or municipal constitutional provision, law, regulation, ordinance or decree necessary to enable the City to perform its obligations under the notes or the Indenture, or for the validity or enforceability of any material provision thereof, expires, 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 notes, or (B) any final decision by any court in Argentina having jurisdiction from which no appeal may be or is taken which purports to render any material provision of the notes or the Indenture invalid or unenforceable or purports to prevent or delay the performance or observance by the City of its obligations under any material provision of the notes or the Indenture, and, in each case, such expiration, withholding, revocation, termination, cessation, invalidity, unenforceability or delay continues in effect for a period of 90 days.

If any Event of Default described above occurs and is continuing, the trustee or the holders of not less than 25% of the aggregate principal amount of the notes then outstanding may declare all of the notes then outstanding to be immediately due and payable by a notice in writing to the City (and to the trustee if given by the holders). Upon any declaration of acceleration, the principal of, together with accrued interest (including any additional amounts) to the payment date, the notes will become immediately due and payable, without any further action or notice of any kind, unless prior to the date of delivery of such notice all Events of Default in respect of the notes have been cured.

If, at any time after the Notes shall have been declared due and payable, the City shall pay or shall deposit (or cause to be paid or deposited) with the trustee a sum sufficient to pay all installments of interest and principal due upon all the notes (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 note, 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 notes, other than the non-payment of principal on the notes which shall have become due solely by declaration of acceleration, shall have been cured, waived or otherwise remedied, then, and in every such case, the holders of more than 50% in aggregate principal amount of the notes then outstanding, by written notice to the City and to the trustee, may, on behalf of the holders of all of the notes, 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.

Meetings, Amendments and Waivers – Collective Action

The City, or the trustee in its discretion, may call a meeting of the holders of debt securities (including the notes) at any time and from time to time regarding the debt securities or the Indenture. The City will determine the time and place of the meeting. The City will notify the trustee and the trustee will notify the holders of the time, place, purpose and requirements to attend the meeting not fewer than 30 days and not more than 60 days prior to the date fixed for the meeting. In addition, the City or the trustee will call a meeting of the holders of debt securities if the holders of not less than 10% of the aggregate principal amount of the outstanding debt securities of such series have delivered a written request to the City or the trustee setting out the purpose of the meeting. The City shall notify the trustee, and the trustee shall notify the holders of the notes 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 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 City will set out the procedures governing the conduct of the meeting and if additional procedures are required, the City will consult with the trustee to establish such procedures as are customary in the market.

Modifications may also be approved by holders of the notes pursuant to a written action consented to by holders of the requisite percentage of the notes. If a proposed modification is to be approved by a written action,

the City shall solicit the consent of the relevant holders of the notes to the proposed modification not less than ten, nor more than 30, days prior to the expiration date for the receipt of such consents specified by the City.

The holders of the outstanding notes may generally approve any proposal by the City to modify or take action with respect to the Indenture or the terms of the notes 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 notes. However, holders of any series of debt securities (including the notes) issued under the Indenture may approve, by vote or consent through one of three modification methods set forth below, any modification, amendment, supplement or waiver proposed by the City that would do any of the following (such subjects referred to as “reserve matters”) with respect to such series of debt securities:

- change the date on which any amount is payable;
- reduce the principal amount (other than in accordance with the express terms of the debt securities and the Indenture);
- reduce the interest rate;
- change the method used to calculate any amount payable (other than in accordance with the express terms of the debt securities and the Indenture);
- change the currency of any amount payable;
- modify the City’s obligation to make any payments (including any redemption price therefor);
- change the identity of the obligor;
- 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 City 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 notes), 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:

- in the case of a proposed modification to the notes only, the holders of more than 75% of the aggregate principal amount of that series;
- where such proposed modification would affect the outstanding debt securities of any two or more series of debt securities (including the notes) issued under the Indenture, the holders of more than 75% of the aggregate principal amount of the outstanding debt securities of all the series affected by the proposed modification, taken in the aggregate, if certain “uniformly applicable” requirements are met; or
- where such proposed modification would affect the outstanding debt securities of any two or more series of notes (including the notes) 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 outstanding debt securities of all the series (including the notes) affected by the proposed modification, taken in the aggregate, and the holders of more than 50% of the aggregate principal amount of the 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 City 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.

Before soliciting any consent or vote of any holder of the debt securities (including the notes) for any change to a reserve matter, the City 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 City’s economic and financial circumstances that are in the City’s opinion relevant to the request for the proposed modification, a description of the City’s existing debts and description of its broad policy reform program and provisional and municipal macroeconomic outlook;
- if the City 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 City’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 City 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 notes or any series of debt securities has approved any amendment, modification or change to, or waiver of, the notes, 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 City or by a public sector instrumentality, or by a corporation, trust or other legal entity that is controlled by the City or a public sector instrumentality, except that (x) debt securities held by the City or any public sector instrumentality of the City or by a corporation, trust or other legal entity that is controlled by the City 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 City, or a public sector instrumentality, or a corporation, trust or other legal entity that

is controlled by the City 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 City, 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 City and the trustee may, without the vote or consent of any holder of the debt securities (including the notes), modify, amend or supplement the indenture or the debt securities of that series or for any of the following purposes:

- adding to the City’s covenants for the benefit of the holders of debt securities of that series;
- surrendering any of the City’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 any series of debt securities (including the notes) or the Indenture in any manner that the City and the trustee may determine, including amending the denomination of the debt securities (including the notes), and that does not materially adversely affect the interests of any holders of the debt securities of that series;
- correcting a manifest error of a formal, minor or technical nature; or
- conforming the Indenture or the debt securities of that series to the terms described in this Description of the Notes.

Notices

The City will mail notices to holders of certificated, non-global notes at their registered addresses as reflected in the books and records of the registrar. The City will consider any mailed notice to have been given five Business Days after it has been sent.

The City will give notices to the holders of a global security in accordance with the procedures and practices of the relevant clearing system and such notices shall be deemed given upon actual receipt thereof by the relevant clearing system.

All notices regarding the notes will also be given by the City by publication at least once (i) in an authorized newspaper in the English language in the City of London, (ii) in an authorized newspaper in the Spanish language in Argentina and (iii) if the notes are listed on the Luxembourg Stock Exchange to trading on the Euro MTF Market and the rules of the exchange so require, in an authorized newspaper in Luxembourg, or, alternatively, on the website of the Luxembourg Stock Exchange at www.bourse.lu. The term “authorized newspaper” as used herein means a newspaper of general circulation customarily published on each business day, whether or not it shall be published in Saturday, Sunday or holiday editions; *La Nación* or *Ambito Financiero* in the city of Buenos Aires, *The Financial Times* in the City of London and the *Luxemburger Wort* in Luxembourg are deemed to be authorized newspapers. If, by reason of the suspension of publication of any newspaper or by reason of any other cause, it is impracticable to give notice to the holders in the manner prescribed herein, then such notification in lieu thereof as will be made by the City or by the trustee, at the City’s expenses and on behalf of and at the instruction of the City will constitute sufficient provision of such notice, if such notification will, so far as may be practicable, approximate the terms and conditions of the publication in lieu of which it is given.

Neither the failure to give notice nor any defect in any notice to any particular holder will affect the sufficiency of any notice with respect to other notes. Any notice will be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made.

Payment Procedure in the Event of Foreign Exchange Restrictions in Argentina

The City has agreed that Section 765 of the Argentine Civil and Commercial Code is not applicable to the payment of amounts due on the notes and, in the event of any kind of foreign exchange limitation, restriction or prohibition in Argentina, such that the City is unable to obtain the full amount of the specified currency or transfer such amounts outside of Argentina, in any date of payment in respect of the notes, to the extent permitted by such restriction or prohibition, the City will pay all such amounts then due in the specified currency 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 Pesos, and transferring and selling such instruments outside Argentina for the specified currency or (ii) 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 City.

Luxembourg Listing

The City has applied to list the notes on the Luxembourg Stock Exchange for trading on the Euro MTF Market. Changed circumstances, including changes in listing requirements, could cause the City to conclude that continued listing of the notes on the Luxembourg Stock Exchange is unduly burdensome. If the City delists the notes from the Luxembourg Stock Exchange, the City may seek an alternative listing, trading and/or quotation of the notes by another listing authority, stock exchange and/or quotation system. If such an alternative listing, trading and/or quotation of the notes is not available to the City or is, in its commercially reasonable judgment, unduly burdensome, an alternative listing, trading and/or quotation of the notes may not be obtained. Delisting the notes may adversely affect the holders' ability to resell the notes in the secondary market.

Limitations on Suits by Holders

If an Event of Default for the notes 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 the absolute right to receive payment of the principal of and interest on the notes on the stated maturity date therefor (as that date may be amended or modified pursuant to the terms of the notes, but without giving effect to any acceleration), a holder has no right to bring a suit, action or proceeding with respect to the Indenture or notes of a series unless: (1) such holder has given written notice to the trustee that a default with respect to such series of notes has occurred and is continuing; (2) holders of not less than 25% of the aggregate principal amount outstanding of such series of debt securities have instructed the trustee by specific written request to institute an action, suit or proceeding and provided an indemnity or other security satisfactory to the trustee; and (3) 60 days have passed since the trustee received the notice, request and provision of indemnity or other security, the trustee has failed to institute an action, suit 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 such series of debt securities. Moreover, any such action commenced by a holder must be for the equal, ratable and common benefit of all holders of such series of debt securities.

Governing Law

The Indenture is, and the notes will be, governed by and construed in accordance with the laws of the State of New York, except with respect to the authorization and execution of the notes and the indenture by and on behalf of the City, which shall be governed by the laws of Argentina, the Province and the City.

Submission to Jurisdiction

Under U.S. law, the City is a political subdivision of a sovereign state. Consequently, it may be difficult for holders of notes to obtain or realize judgments from courts in the United States or elsewhere against the City. Attachment prior to judgment or attachment in aid of execution will not be ordered by courts of Argentina or the City with respect to public property if such property is located in Argentina and is included within the provisions of Articles 234, 235 and 237 of the Argentine Civil and Commercial Code, Article 179 of the Constitution of the Province of Cordoba, Ordinance 12,009 (as amended) 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 City.

In connection with any legal action or proceeding arising out of or relating to the Indenture or the notes (subject to the exceptions described below), the City has agreed:

- to submit to the non-exclusive jurisdiction of any New York State or U.S. federal court sitting in the City of New York 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 City will waive, to the fullest extent permitted by law, 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, United States of America.

The process agent will receive, on behalf of the City 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 the City of New York in the Borough of Manhattan. Service may be made by mailing or delivering a copy of such process to the City 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 City.

In addition to the foregoing, holders of notes 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 City or its property in other courts where jurisdiction is independently established.

To the extent that the City has or hereafter may acquire any immunity (sovereign or otherwise) in respect of its obligations under the notes 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 considered of the public domain or dedicated to the purpose of an essential public service under applicable Argentine and provincial law), the City hereby irrevocably waives such immunity in respect of its obligations under the Indenture and with respect to the notes, and, without limiting the generality of the foregoing, the City agrees that the waivers set forth in the Indenture will 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 City reserves the right to plead sovereign immunity under 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 City's appointment of a process agent is not intended to extend 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 notes filed in those courts.

A judgment obtained against the City in a foreign court may be enforced in Argentine Courts. Based on current law, the Argentine Courts 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 Argentine Courts 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 a court in Argentina.

Judgment currency

The City agrees that, if a judgment or order given or made by any court for the payment of any amount in respect of the Indenture to the trustee or any note to the holders thereof is expressed in a currency (the “judgment currency”) other than the specified currency, the City will indemnify the trustee and the relevant holders, as applicable, against any deficiency arising or resulting from any variation in rates of exchange between the date as of which the specified currency is notionally converted into the judgment currency for the purposes of such judgment or order and the date actual payment thereof is received (or could have been received) by converting the amount in the judgment currency into the specified currency promptly after receipt thereof at the prevailing rate of exchange in a foreign exchange market reasonably selected by the trustee or such holders, as applicable. This indemnity will constitute a separate and independent obligation from the other obligations contained in the Indenture and the notes and will give rise to a separate and independent cause of action.

Concerning the trustee

The Bank of New York Mellon is the trustee under the Indenture and has been appointed by the City as registrar and initial principal paying agent and transfer agent with regard to the notes. The Bank of New York Mellon, in each of its capacities, including without limitation as trustee, registrar, principal paying agent and transfer agent, assumes no responsibility for the accuracy or completeness of the information contained in this offering circular or the related documents or for any failure by us or any other party to disclose events that may have occurred and may affect the significance or accuracy of such information.

The Indenture contains provisions relating to the obligations and duties of the trustee, to the indemnification of the trustee and to the liability and responsibility, including limitations, for actions that the trustee takes. The trustee is entitled to enter into business transactions with the City or any of its affiliates without accounting for any profit resulting from such transactions.

BOOK ENTRY DELIVERY & FORM

Notes sold in offshore transactions in reliance on Regulation S will be represented by a permanent global note in fully registered form without interest coupons (the “Global Note”) and will be registered in the name of a nominee of a common depository for Euroclear and Clearstream and deposited with a common depository for Euroclear or Clearstream. The notes are not issuable in bearer form.

The notes will be subject to certain restrictions on transfer as described in “Notice to Investors.”

Global Note

Upon the issuance of the Global Note, Euroclear or Clearstream will credit, on its internal system, the respective principal amount of the individual beneficial interests represented by such Global Notes to the accounts of persons who have accounts with Euroclear or Clearstream. Ownership of beneficial interests in the Global Note will be limited to persons who have accounts with Euroclear or Clearstream (“Clearing System Participants”) or persons who hold interests through Clearing System Participants. Ownership of beneficial interests in the Global Note will be shown on, and the transfer of that ownership will be effected only through, records maintained by Euroclear or Clearstream or its nominee (with respect to interests of Clearing System Participants) and the records of Clearing System Participants (with respect to interests of persons other than Clearing System Participants).

So long as Euroclear or Clearstream, or its nominee, is the registered owner or holder of a Global Note, Euroclear or Clearstream or the common depository, as the case may be, will be considered the sole owner or holder of the notes represented by such Global Note for all purposes under the Indenture and the notes. Except in the limited circumstances described below under “—Individual Definitive Notes,” owners of beneficial interests in a Global Note will not be entitled to have any portions of such Global Note registered in their names, will not receive or be entitled to receive physical delivery of notes in individual definitive form and will not be considered the owners or holders of the Global Note (or any notes represented thereby) under the Indenture or the notes. In addition, no beneficial owner of an interest in a Global Note will be able to transfer that interest except in accordance with Euroclear or Clearstream’s applicable procedures (in addition to those under the Indenture).

Payments of the principal of and interest on the Global Note will be made to Euroclear or Clearstream or its nominee as the registered owner thereof. None of us, the trustee, any of our respective agents or the initial purchasers will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

We anticipate that Euroclear or Clearstream or the common depository, upon receipt of any payment of principal or interest in respect of a Global Note representing any notes held by the common depository, will immediately credit Clearing System Participants’ accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Note as shown on the records of Euroclear or Clearstream or the common depository. We also expect that payments by Clearing System Participants to owners of beneficial interests in the Global Note held through such Clearing System Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such Clearing System Participants.

Transfers between Clearing System Participants will be effected in accordance with Euroclear or Clearstream’s procedures, and will be settled in same-day funds. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in a Global Note to such persons may be limited. Because Euroclear or Clearstream can only act on behalf of Clearing System Participants, who in turn act on behalf of indirect participants and certain banks, the ability of a person having a beneficial interest in a Global Note to pledge such interest to persons or entities that do not participate in the Euroclear or Clearstream system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical individual definitive certificate in respect of such interest. Transfers between accountholders in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Euroclear and Clearstream have advised that they will take any action permitted to be taken by a holder of notes only at the direction of one or more Clearing System Participants to whose account or accounts with Euroclear or Clearstream interests in a Global Note are credited and only in respect of such portion of the aggregate principal amount of the notes as to which such Clearing System Participant(s) has or have given such direction. However, in the limited circumstances described below, Euroclear or Clearstream will exchange the Global Note

for individual definitive notes bearing a restrictive legend, which will be distributed to its participants. Holders of indirect interests in the global notes through Clearing System Participants have no direct rights to enforce such interests while the notes are in global form.

The giving of notices and other communications by Euroclear or Clearstream to Clearing System Participants, by Clearing System Participants to persons who hold accounts with them and by such persons to holders of beneficial interests in a Global Note will be governed by arrangements between them, subject to any statutory or regulatory requirements as may exist from time to time.

None of us, the placement agents or the trustee will have any responsibility for the performance of Euroclear or Clearstream or their respective participants, indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

Individual Definitive Notes

If (1) Euroclear or Clearstream or any successor to Euroclear or Clearstream notifies us in writing that it is unwilling or unable to continue as a depository for a Global Note, or ceases to be a “clearing agency” registered under the Securities Exchange Act of 1934, as amended, or if any time it is no longer eligible to act as such, and a successor depository is not appointed by us within 90 days or (2) the trustee has instituted or has been directed to institute any judicial proceeding in a court to enforce the rights of the noteholders under the notes and the trustee has been advised by counsel that in connection with such proceeding it is necessary or appropriate for the trustee to obtain possession of the notes, we will issue individual definitive notes in registered form in exchange for the Global Note. Upon receipt of such notice from Euroclear or Clearstream, we will use our reasonable best efforts to make arrangements with Euroclear or Clearstream, as the case may be, for the exchange of interests in the Global Note for individual definitive notes and cause the requested individual definitive notes to be executed and delivered to the registrar in sufficient quantities and authenticated by the registrar for delivery to holders. Persons exchanging interests in a Global Note for individual definitive notes will be required to provide the registrar with written instruction and other information required by us and the registrar to complete, execute and deliver such individual definitive notes. Individual definitive notes delivered in exchange for the Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by Euroclear or Clearstream.

Before any individual definitive note may be transferred to a person who takes delivery in the form of an interest in any Global Note, the transferor will be required to provide the trustee with written instrument of transfer as provided in the form attached to the Indenture, duly executed by the individual or his duly authorized attorney in writing.

Individual definitive notes will not be eligible for clearing and settlement through Euroclear or Clearstream.

NOTICE TO INVESTORS

The notes have not been registered under the Securities Act 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. Accordingly, the notes are being offered and sold only outside the United States to persons other than U.S. persons, which term shall include dealers or other professional fiduciaries in the United States acting on a discretionary basis for foreign beneficial owners (other than an estate or trust), in reliance upon Regulation S under the Securities Act. Each purchaser of the notes, by its acceptance thereof, will be deemed to have acknowledged, represented and warranted to, and agreed with the City and each placement agent that it:

- (1) represents that it is purchasing the notes for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a foreign purchaser that is outside the United States (or a foreign purchaser that is a dealer or other fiduciary as referred to above);
- (2) acknowledges that the notes have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- (3) agrees that it will deliver to each person to whom it transfers notes notice of any restriction on transfer of such notes;
- (4) (a) understands that the notes will be represented by a Regulation S global note and that transfers are restricted as described below and (b) represents and agrees that it will not sell short or otherwise sell, transfer or dispose of the economic risk of the notes into the United States or to a U.S. person, except as set forth below;
- (5) understands and acknowledges that the notes will not be registered under the Securities Act, and that the notes (other than those issued to foreign purchasers or in substitution or exchange therefor) will bear a legend to the following effect unless otherwise agreed by the City and the holder thereof:

This Note has not been registered under the Securities Act of 1933, as amended (the “Securities Act”), and may not be offered, sold, pledged or otherwise transferred except in accordance with the following sentence. By its acquisition hereof or of a beneficial interest herein, the acquirer

- (1) **represents that it is not a U.S. person (within the meaning of Regulation S under the Securities Act) and**
- (2) **agrees for the benefit of the Issuer that it will not offer, sell, pledge or otherwise transfer this note or any beneficial interest herein, except in accordance with the Securities Act and any applicable securities laws of any state of the United States and only**
 - (A) **to the Issuer,**
 - (B) **pursuant to a registration statement which has become effective under the Securities Act, or**
 - (C) **in an offshore transaction in compliance with Rule 904 of Regulation S under the Securities Act.**

Prior to the registration of any transfer in accordance with the above, the Issuer reserves the right to require the delivery of such legal opinions, certifications or other evidence as may reasonably be required in order to determine that the proposed transfer is being made in compliance with the Securities Act and applicable state securities laws; and

- (6) acknowledges that the City and the placement agents will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements, and agrees that if any of the acknowledgements, representations or warranties deemed to have been made by it by its purchase of notes are no longer accurate, it shall promptly notify us and the placement agents; and if it is acquiring notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

Notes sold to persons other than U.S. persons, will be freely transferable to persons other than U.S. persons in offshore transactions (as described in Regulation S).

TAXATION

The following discussion summarizes certain Argentine, provincial, and U.S. federal income tax considerations that may be relevant to you if you purchase own or sell the Notes. This summary is based on laws, regulations, rulings and decisions now in effect in each of these jurisdictions, including any relevant tax treaties. Any change could apply retroactively and could affect the continued validity of this summary.

This summary does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules.

You should consult your tax advisor about the tax consequences of the acquisition, ownership and disposition of the Notes, including the relevance to your particular situation of the considerations discussed below, as well as of any foreign, state, local or other tax laws.

The following discussion does not address tax consequences applicable to holders of the Notes in particular jurisdictions that may be relevant to such holder. Holders of the Notes are urged to consult their own tax advisors as to the overall tax consequences of the acquisition, ownership and disposition of the Notes in relevant jurisdictions.

Argentine Tax Consequences

General

The following is a general summary of certain Argentine tax consequences resulting from the beneficial ownership of the Notes by certain holders. While this description is considered to be a correct interpretation of Argentine laws and regulations in force as of the date of this offering circular, no assurance can be given that the courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes to such laws will not occur, which may also have retroactive effects.

Income Tax

Interest

Unless otherwise stated hereinafter, interest on the Notes will be exempt from Argentine Income Tax (IT) according to article 36 bis of Law 23,576, the Negotiable Obligations Law.

Decree No. 1076/92, as amended by Decree No. 1157/92, ratified by Law No. 24,307 (the Decree), however, eliminated the above exemption for holders who are subject to Title VI of the Argentine Income Tax Act (in general, entities organized or incorporated under Argentine law, Argentine branches of foreign entities, sole proprietorships and individuals who conduct certain business in Argentina (hereinafter referred to as the Argentine Entities)). Consequently, interest paid to Argentine Entities is subject to the IT as provided for by applicable Argentine tax law and regulations at a rate of 35%.

The exemption from Argentine income tax to interest payments on the Notes, as described above, will continue to be applicable in Argentina to revenues received by foreign beneficiaries abroad (i.e. individuals, undivided states or entities which are foreign fiscal residents that obtain income from an Argentine source) even if such revenues are taxable by a foreign tax authority.

In the event of any withholding or deduction of any Relevant Taxes by a Relevant Jurisdiction, the City has undertaken to make payments of additional amounts, subject to certain limitations, as will result in receipt by the Holders of the amounts that would otherwise have been receivable by them in respect of payments of such Notes in the absence of such withholdings or deduction. See “Description of the Notes—Additional Amounts.”

Capital Gains

According to Article 36 bis of the Negotiable Obligations Law, individuals, either resident in Argentina or not, and foreign entities without a permanent establishment in Argentina, will not be subject to the payment of IT on income derived from the sale, change, conversion or other disposition of the Notes provided that the Notes are placed through a public offering. The City expects that the issuance of the Notes will satisfy the conditions of Article 36 of the Negotiable Obligations Law.

Argentine law provides generally that tax exemptions do not apply when, as a result of the application of an exemption, revenue that would have been collected by the Argentine tax authority would be collected instead

by a foreign tax authority (Articles 21 of the Income Tax Law and 106 of the Tax Proceedings Law). This principle, however, does not apply to holders who are foreign beneficiaries.

Argentine Entities are subject to the payment of IT at a rate of 35% on income derived from the sale, change, conversion or other disposition of the Notes.

In the event of the imposition over local and foreign individuals or foreign entities of any deduction or withholding for or on account of Income Tax, the City has undertaken to make payments of additional amounts, subject to certain limitations, as will result in receipt by the Holders of the amounts that would otherwise have been receivable by them in respect of payments of such Notes in the absence of such withholdings or deduction. See “Description of the Notes—Additional Amounts.”

Value Added Tax (VAT)

Any financial transaction and operation related to the issuance, placement, purchase, transfer, payment of principal and/or interest or redemption of the Notes will be exempt from VAT provided that the conditions of Article 36 of the Negotiable Obligations Law are fulfilled. The City expects that the issuance of the Notes will satisfy the conditions of Article 36 of the Negotiable Obligations Law.

Personal Assets Tax

Under Law No. 23,966 and its amendments regarding personal assets tax (PAT), individuals and undivided estates domiciled in Argentina are subject to PAT on all property situated in the country and abroad existing as of December 31 of each year. Non-Argentine domiciled individuals and undivided estates are subject to PAT on all property situated in Argentina existing as of December 31 of each year.

Pursuant to the amendments of Law No. 27,260, published in the Official Gazette on 22nd of July 2016 and in force from the following day of its publication, PAT non-taxable minimum threshold and tax rates applicable to Argentine domiciled individuals and undivided estates vary according to the fiscal period. Please note that if the aggregate value of assets of the Argentine domiciled taxpayer exceeds the non-taxable minimum threshold, only the exceeding amount will be subject to taxation.

The following PAT rates apply:

Fiscal year	Excess over non-taxable minimum threshold	Tax Rate
2016	Value of taxable assets exceeding Ps.800.000	0,75%
2017	Value of taxable assets exceeding Ps.950.000	0,50%
2018 and subsequent periods	Value of taxable assets exceeding Ps.1.050.000	0,25%

Foreign domiciled individuals and undivided estates located abroad shall only be subject to taxation over the assets located in Argentina (including the Notes). The applicable rate payable by these taxpayers is 0,75% for tax period 2016, 0,50% for 2017 and 0,25% for 2018 and the following years. The tax shall not be paid if the amount to be remitted is equal to or lower than Ps.255.75.

However, individuals and undivided estates (regardless of their domicile and location) are exempt from PAT on their holdings of any bond or security issued either by the Federal Government, an Argentine Province, the city of Buenos Aires, or a Municipality, such as the Notes.

In certain cases, assets held by companies or other entities domiciled or settled abroad (offshore entities) are presumed to be owned by individuals or undivided estates domiciled or settled in Argentina and, consequently, are subject to the PAT. In the event a presumption of this kind is applicable, the relevant tax rate will increase to 100% for those securities alleged to be owned by individuals or undivided states domiciled and located in Argentina. However, this presumption is not applicable when the assets are Notes or securities issued either by the Federal Government, an Argentine Province or a Municipality, as is the case with the notes.

Presumed Minimum Income Tax

The tax on presumed minimum income (the PMIT) is levied on the value of the assets held by, in general, Argentine corporate entities at the end of the relevant tax period. Companies domiciled in Argentina, as well as

the branches and permanent establishments in Argentina of companies or other entities incorporated abroad, among others, are subject to the tax at the rate of 1.0% (0.2% in the case of financial entities subject to Law No. 21,526) if the value of their assets exceeds ARS 200,000 at the end of a given economic period. If the value of the assets exceeds ARS 200,000, the total assets of the entity that are subject to taxation shall be taxable.

This tax will only be paid if the IT determined for any fiscal year does not equal or exceed the amount owed under the PMIT. On the other hand, if the PMIT exceeds the IT owed in the same fiscal year, only the difference shall be paid as PMIT. Any PMIT paid will be applied as a credit toward IT owed in the immediately following ten fiscal years.

Law 27,260, published in the National Official Gazette on July 22, 2016, abrogates this tax for periods beginning as of January 1, 2019.

Tax on Debits and Credits on Bank Accounts

Law No. 25,413, as amended and regulated, establishes, with certain exceptions, a tax levied on debits from and credits to bank accounts maintained at financial institutions located in Argentina and on other transactions that are used as a substitute for the use of bank checking accounts. The general tax rate is 0.6% for each debit and credit; however increased tax rates of 1.2% and reduced rates of 0.075% may apply in certain cases.

In the case of holders of bank accounts subject to the general 0.6% rate, 34% of the tax assessed and received by the tax collection agent in connection with the amounts credited in said accounts, may be accounted for as payment on account of the Income Tax and/or the PMIT. In the case of taxpayers subject to the 1.2% rate, 17% of the amounts paid as Tax on Debits and Credits on Bank Accounts may be accounted for as payment on account of the Income Tax and/or the PMIT.

This tax has certain exemptions; recorded movements in special checking accounts (Communication “A” 3250 of the Central Bank) are exempted from this tax if the accounts are held by foreign legal entities and if they are exclusively used for financial investments in the country.

To the extent that holders of the Notes receive payments by utilizing local bank checking accounts, such tax may apply.

Court Tax

In the event that it becomes necessary to institute enforcement proceedings in relation with the Notes (i) in the federal courts of Argentina or the courts sitting in the city of Buenos Aires, a court tax (currently at a rate of 3.0%) will be imposed on the amount of any claim brought before such courts; or (ii) in the courts of the Province, certain court and other taxes will be imposed on the amount of any claim brought before such courts.

Provincial Tax Consequences

Turnover Tax

Turnover tax is a local tax levied on habitual activities for profit carried out in a provincial jurisdiction and/or in the city of Buenos Aires. The taxable base is the gross amounts invoiced for the business conducted in the relevant jurisdiction.

There is a system of collection over credits on bank accounts known as SIRCREB that enables the observance of the turnover tax collection’s regimes, applicable over the amounts credited in bank accounts. The regimes vary according to the specific laws of each Argentine province. Some jurisdictions (e.g., Province of Buenos Aires, Córdoba, city of Buenos Aires, etc.) have excluded the application of these turnover tax collection regimes for transactions involving notes issued by the Federal Government, the Argentine Provinces and Argentine municipalities. Prospective investors should consider the potential incidence of these collection regimes depending on the jurisdiction/s involved.

Potential investors should consider the possibility that the Turnover Tax may apply under the provincial laws applicable to their specific case.

Stamp Tax

The Stamp Tax is levied on instruments executed in a provincial jurisdiction or the city of Buenos Aires or on instruments having effects within such jurisdictions. Usually, Argentine provinces and the city of Buenos

Aires establish exemptions on acts, contracts and operations, related to notes issued by an Argentine Municipality, such as the notes.

Prospective investors should consider the stamp tax consequences of the jurisdictions involved in their specific case.

Tax on Gratuitous Transfer of Assets

The Province of Buenos Aires passed Law No. 14,044, approved on September 23, 2009 and published in the Official Gazette on October 16, 2009, whereby it imposed a Tax on Gratuitous Transfer of Assets (TGTA), effective as of January 1, 2010.

Subsequently, Law No. 14,044 was amended pursuant to Law No. 14,200 (approved on December 2, 2010 and published in the Official Gazette on December 24, 2010), by Law No. 14,808 (published in the Official Gazette of the Province of Buenos Aires dated January 22, 2016) and regulated by Resolution 91/2010 Buenos Aires Revenue Agency (published in the Official Gazette of Buenos Aires dated February 7, 2011). The basic aspects of the TGTA are:

- The TGTA is applicable to any enrichment resulting from gratuitous transfers, including: inheritances, legacies, donations, anticipated inheritances or any other event that implies a gratuitous monetary enrichment.
- The tax is payable by individuals and legal entities that are beneficiaries of a gratuitous transfer of assets.
- For taxpayers domiciled in the Province of Buenos Aires, the tax is levied on the total amount of the gratuitous enrichment, in respect of property situated both in and outside of the Province of Buenos Aires. Instead, for taxpayers domiciled outside the Province of Buenos Aires, the tax is levied only on the gratuitous enrichment resulting from the transmission of assets located within the Province of Buenos Aires.

The following types of property, which may be freely transferred, are deemed situated in the Province of Buenos Aires (i) securities and shares of stock, notes, membership or equity interests and other negotiable instruments representing capital stock, issued by governmental or private entities and companies domiciled in the Province of Buenos Aires; (ii) securities, shares of stock and other negotiable instruments issued by private entities or companies domiciled in a different jurisdiction that were physically situated in the Province of Buenos Aires at the time of their transmission; and (iii) securities, shares of stock and other negotiable instruments representing capital stock or its equivalent issued by entities or companies domiciled in another jurisdiction which are also physically situated in another jurisdiction, in proportion to the issuer's assets situated in the Province of Buenos Aires.

- The gratuitous transfer of assets is exempt from tax when their aggregate value, excluding deductions, exemptions and exclusions, is equal to or lower than Ps.78,000 and it rises to Ps.325,000 when the transfer is done between parents, children and spouses.
- Step-up rates from 4% to 21.925% have been established, based on the degree of kinship and taxable base involved.

The gratuitous transfer of notes could be levied by the TGTA if the aggregate value -without considering tax benefits, exemptions or exclusions- is equal or less than Ps.78,000, or Ps.325,000 if the transfer were done between parents, sons or spouses.

The Province of Entre Ríos, by virtue of Law No. 10,197, implemented this tax on a provincial level that may apply if the beneficiaries are domiciled in Entre Rios or if the transferred assets are located within said jurisdiction. The taxable event and the applicable rates are similar to the ones described for the Province of Buenos Aires.

Pursuant to Decree 2554/2014 (published in the Official Gazette of Entre Rios dated October 24, 2014) the gratuitous transfer of assets shall not pay the TGTA if the aggregate value is equal or less than Ps.60,000, or Ps.250,000 if the transfer were done between parents, sons or spouses.

As for the existence of the TGTA in other provinces, potential investors must analyze the tax consequences according to the jurisdictions involved in their specific case.

DEALER MANAGER

Subject to the terms and conditions set forth in a dealer manager agreement among the City and the Dealer Manager, the City has agreed to offer and sell the notes solely to persons other than U.S. persons pursuant to offers and sales that occur outside the United States within the meaning of Regulation S (such persons, the “Eligible Purchasers”) in transactions that will not require qualification or filing under the laws of any jurisdiction, and the Dealer Manager has agreed to use its commercially reasonable efforts to assist the City in the offer and sale of the notes by the City to Eligible Purchasers.

The notes 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 (as defined in Regulation S). The notes will be offered and sold by the City to Eligible Purchasers only outside the United States in offshore transactions in reliance on Regulation S. See “Notice to Investors.”

We have agreed to indemnify the Dealer Manager against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the Dealer Manager may be required to make in respect of any of these liabilities.

The City has agreed that, during the period commencing on the date of this offering circular through and including the date that is 30 days after the date of this offering circular, it will not, without the prior written consent of the Dealer Manager, offer, sell, contract to sell or otherwise dispose of, directly or indirectly, any debt securities issued or guaranteed by the City and having a tenor of more than one year in the international capital markets.

New Issue of Securities

There is no established trading market for the notes. Application has been made to have the notes listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market. However, neither the City nor the Dealer Manager can assure you that the prices at which the notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the notes will develop and continue after this offering. The Dealer Manager has advised the City that it currently intends to make a market in the notes. However, the Dealer Manager is not obligated to do so and it may discontinue any market-making activities with respect to the notes at any time without notice. In addition, market making activity will be subject to the limits imposed by the Securities Act and the Exchange Act. Accordingly, we cannot assure you as to the liquidity of the trading market for the notes.

Relationships with the Dealer Manager

The Dealer Manager has, directly or indirectly, performed investment and/or commercial banking or financial advisory services for the City, for which it has received customary fees and commissions, and it expects to provide these services to the City in the future, for which it also expects to receive customary fees and commissions. On July 25, 2016, the City entered into a bridge loan with Banco Santander Río S.A., an affiliate of the Dealer Manager, under which the City received an aggregate principal amount of Ps.420 million. Repayment of principal and payment of interest under the bridge loan are secured by the City’s contribution over real estate properties as stipulated in Section 192 of the Tax Code. The City intends to prepay the bridge loan with Banco Santander Río S.A. with a portion of the proceeds from the offering of the notes. See “Use of Proceeds”.

In addition, in the ordinary course of its business activities, the Dealer Manager and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the City or its affiliates.

The Dealer Manager and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Settlement

Delivery of the notes is expected on or about September 29, 2016, which will be the fifth business day following the date of pricing of the notes. Trades in the secondary market generally settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the notes

initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to trade the notes on the pricing date or the next succeeding business day should consult their own advisor.

Sales Outside the United States

Neither the City nor the Dealer Manager are making an offer to sell, or seeking offers to buy, the notes in any jurisdiction where the offer and sale is not permitted. You must comply with all applicable laws and regulations in force in any jurisdiction in which you purchase, offer or sell the notes or possess or distribute this offering circular, and you must obtain any consent, approval or permission required for your purchase, offer or sale of the notes under the laws and regulations in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. Neither the City nor the Dealer Manager will have any responsibility therefor.

European Economic Area

This offering circular has been prepared on the basis that any offer of notes in any Member State of the European Economic Area will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of notes.

The expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Relevant Member State.

Canada

The notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws. Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s City or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s City or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.4 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the Dealer Manager is not required to comply with the disclosure requirements of NI 33-105 regarding dealer manager conflicts of interest in connection with this offering.

United Kingdom

This offering circular are for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Financial Promotion Order”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This offering circular are directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering circular relate is available only to relevant persons and will be engaged in only with relevant persons.

Switzerland

This offering circular is not intended to constitute an offer or solicitation to purchase or invest in the notes described herein. The notes may not publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this offering circular nor any other offering or marketing material relating to the notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss

Code of Obligations, and neither this offering circular nor any other offering or marketing material relating to the notes may be publicly distributed or otherwise made publicly available in Switzerland.

Japan

The notes offered in this offering circular have not been and will not be registered under the Securities and Exchange Law of Japan. The notes have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Securities and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

Hong Kong

This offering circular has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. The notes will not be offered or sold in Hong Kong other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (winding up and Miscellaneous provisions) (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) has been issued or will be issued in Hong Kong or elsewhere other than with respect to securities which are or are intended to be disposed of only to persons outside of Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Singapore

This offering circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering circular and any other document or material in connection with the offering may not be circulated or distributed, nor may the notes be offered, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (Chapter 289) (the “SFA”), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where the notes are subscribed for under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, then securities, debentures and units of securities and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the notes under Section 275 except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA; (ii) where no consideration is given for the transfer; or (iii) by operation of law.

Argentina

Pursuant to Section 83 of Argentine Law No. 26,831, as amended and/or supplemented (*Ley de Mercado de Capitales*), there are no restrictions on the offer and sale of the notes in Argentina or to Argentine persons, except that the notes may only be publicly offered or sold in Argentina through the City or through persons or entities duly authorized to offer securities in Argentina.

Uruguay

This offering of the notes is neither authorized for public offering in Uruguay nor registered with the Uruguayan Central Bank. The notes may not be sold publicly under Uruguayan Securities Law 18.627 unless they are registered according to the terms and conditions established therein. The notes may be offered privately and may not be offered directly to natural persons or determined legal entities and shall neither be offered on the Uruguayan Stock Exchange nor be advertised by any means.

OFFICIAL STATEMENTS

Information in this offering circular that is identified as being derived from a publication of Argentina, the Province, the City or one of their respective agencies or instrumentalities relies on the authority of such publication as a public official document of Argentina, the Province, or the City, as the case may be. The City has not independently verified the information in this offering circular that is identified as being derived from a publication of Argentina or the Province and makes no representation as to its accuracy or completeness.

VALIDITY OF THE NOTES

The validity of the notes will be passed upon for the City by DLA Piper LLP (US), United States counsel to the City, and by Córdoba Francos Abogados, Argentine counsel to the City, and for the Dealer Manager by Skadden, Arps, Slate, Meagher & Flom LLP, United States counsel to the Dealer Manager, and Bruchou, Fernández Madero & Lombardi, Argentine counsel to the Dealer Manager.

As to all matters of Argentine federal and provincial law, DLA Piper LLP (US) may rely on the opinion of Córdoba Francos Abogados, and Skadden, Arps, Slate, Meagher & Flom LLP may rely upon the opinion of Bruchou, Fernández Madero & Lombardi. As to all matters of United States federal and New York State law, Córdoba Francos Abogados may rely on the opinion of DLA Piper LLP (US), and Bruchou, Fernández Madero & Lombardi may rely on the opinion of Skadden, Arps, Slate, Meagher & Flom LLP.

GENERAL INFORMATION

The City

The City has authorized the creation and issuance of the notes pursuant to Ordinance No. 12,517, Decree No. 3,162, dated September 12, 2016, and Resolution of the Secretariat of Economy and Finance of the City No. 617/16, dated September 13, 2016. In addition, the issuance of the notes will be approved through a Decree to be issued on or before the issue date of the Notes.

Except as disclosed in this offering circular, since June 30, 2016, there has been no material adverse change in the revenues or expenditures, or financial position, of the City or any material litigation or arbitration proceedings against or affecting the City.

Listing and Listing Agent

Application has been made to list the notes on the Official List of the Luxembourg Stock Exchange and for the notes to trade on the Euro MTF Market of the Luxembourg Stock Exchange. The Luxembourg paying, transfer and listing agent is The Bank of New York Mellon (Luxembourg) S.A.

Documents Relating to the Notes

Copies of the indenture and the forms of the notes 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 listing agent in Luxembourg, as long as the notes are listed on the Luxembourg Stock Exchange.

Notices

For so long as any of the notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, all notices to holders of the notes shall be published either in a newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) 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.

Securities Identifiers

Securities Identifiers for the notes are:

ISIN: XS1496112407

Common Code: 149611240

ISSUER

The City of Córdoba
Marcelo T. de Alvear 120
X5000KGQ – Córdoba, Argentina

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TRUSTEE, PRINCIPAL PAYING AGENT, TRANSFER AGENT AND REGISTRAR

The Bank of New York Mellon

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United States of America

LONDON PAYING AGENT

The Bank of New York Mellon, London Branch

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England

**LUXEMBOURG
PAYING AGENT
AND LUXEMBOURG TRANSFER
AGENT**

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**LUXEMBOURG
LISTING AGENT**

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U.S.\$150,000,000

The City of Córdoba

7.875% Notes due 2024

OFFERING CIRCULAR

October 11, 2016

Sole Dealer Manager

SANTANDER
