



República Oriental del Uruguay

IMPLEMENTING GOVERNMENT DEBT MANAGEMENT STRATEGIES

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Washington, DC

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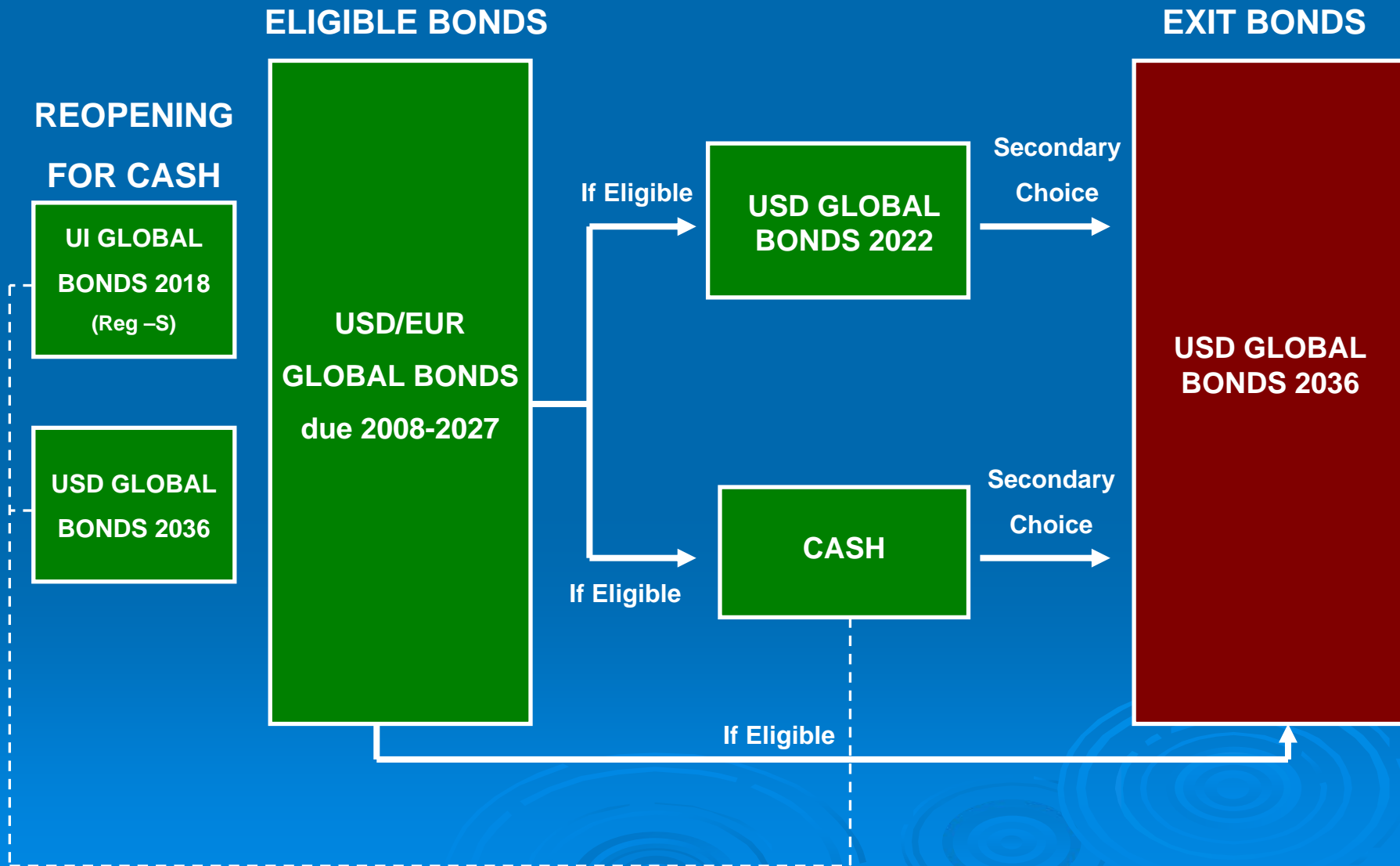
EXTERNAL EXCHANGE

October 2006

OBJECTIVES

- *To extend the Central Government Debt Maturity Profile.*
- *To create long-term liquid benchmark bonds.*
- *To narrow the Redemption Profile for any year.*
- *To advance in the development of an Indexed Unit curve.*

CASH TENDER OFFER & EXCHANGE OFFER



PRICING MECHANISM

CASH TENDER OFFER & EXCHANGE OFFER

- *The amount accepted of each Eligible Bonds in the Cash Tender Offer and the Exchange Offer, as well as the prices at which the Eligible Bonds were repurchased, was determined by several and concurrent Modified Dutch Auctions.*
 - *The final price at which the bonds were accepted was determined by mentioned auction.*
 - *The final price was not less than the minimum price originally announced (Minimum Clearing Price).*
- *Investors who wanted to offer their bonds for cash only could submitted non-competitive bids.*
- *Bondholders wishing to participate in the auction could submit competitive or non-competitive tenders.*

PRICING MECHANISM

CASH TENDER OFFER & EXCHANGE OFFER

- *The Offers were subject to proration regarding the money and the USD Bonds due in 2022.*
- *The USD Global Bonds 2022 was issued with a maximum principal amount of USD 600 million (the total size, including the actual amount was restricted to USD 1.8 billion). There was not a cap for amount of the USD Global Bonds 2036 to be issued in the Exchange Offer.*
- *Uruguay reserved the right not to accept one or more series of the Eligible Bonds that were tendered for the Cash Tender Offer or the Exchange Offer.*
- *Investors that were subject to proration if the New Bonds chosen (or the money in the case of the Cash Tender Offer) reached their limit, could choose that their Eligible Bonds were exchanged for the USD Global Bond 2036 (and were accepted in their entirety). If this option was not chosen, their Eligible Bonds were returned.*
- *Exit bonds prices were set one day before expiration of the offer.*

CONCURRENT OFFER TIMETABLES

October 19, 2006	<ul style="list-style-type: none"> • Reopening announcement and listing of UI 2018 (Reg-S) and USD Global Bonds 2036. • Announcement of the Exchange Offer and the Cash Tender Offer. Uruguay specify a "Minimum Clearing Price" for each Eligible Bonds
October 19, 2006 October 27, 2006	<ul style="list-style-type: none"> • Calls with Investors and Bloomberg Roadshow available.
October 19, 2006 October 27, 2006 (up to 16:30 NY Time)	<ul style="list-style-type: none"> • The Cash Tender Offer and the Exchange Offer were opened, the bondholders could submit their Offers.
October 20, 2006 10:00 NY Time	<ul style="list-style-type: none"> • Announcement of the Tender Limit (cash on hand for the Cash Tender Offer)
October 26, 2006 16:00 NY Time	<ul style="list-style-type: none"> • Pricing of the New Bonds. The price at which the New Bonds were offered was set.
October 27, 2006 16:00 NY Time	<ul style="list-style-type: none"> • "Deadline". The invitation expired unless Uruguay extends it or finish it early. Holders may not withdraw their tenders after that.
October 30, 2006 12:00 NY Time	<ul style="list-style-type: none"> • Announcement of the Clearing Price, the face amount of the Eligible Bonds of each series (which could be zero) to be acquired and the nominal amount of the New Bonds of each series to be issued.
November 14, 2006	<ul style="list-style-type: none"> • Closing Day.

RESULTS OF THE EXCHANGE

- *Investors tendered approximately \$1.15 billion in principal amount into the exchange (approximately \$1.17 billion USD equivalent in principal amount)*
 - *Non-competitive offers totaled \$1.12 billion (approximately \$1.14 billion USD equivalent, or 97.5% of tenders)*
 - *Cash tenders totaled \$258.3 million (approximately \$274.8 million USD equivalent)*
 - *Tenders in exchange for 2022 bonds totaled \$636.8 million (approximately \$637.8 million USD equivalent)*
 - *Tenders in exchange for 2036 bonds totaled \$257.2 million (approximately \$260.3 million USD equivalent)*
- *All tenders at non-competitive levels were accepted.*
- *Non-competitive offers for exchange resulted in new issuances equivalent to \$879.7 million USD equivalent*
 - *2022 USD bonds: \$602.4 million USD equivalent issued to repurchase non-competitive offers*
 - *2036 USD bonds: \$277.3 million USD equivalent issued to repurchase non-competitive offers*
- *Cash tenders accepted in the non-competitive offers resulted in a cash outlay of \$295.4 million USD equivalent*
 - *Tender cap of \$400 million USD equivalent was not reached*

HIGHLIGHTS OF THE OPERATION

- *Uruguay extended over \$1.1 billion USD equivalent through the exchange*
- *The Average Time to Maturity of the existing bonds exchanged went from 6.8 years to 14.6 years, an increase of 7.9 years.*
- *The Average Duration went from 5.1 years to 7.7 years, an increase of 2.7 years.*
- *For the total portfolio, the average maturity was extended from 14.7 to 17.0 years, a 2.4 year increase. Duration extension for the total portfolio was 0.8 years.*

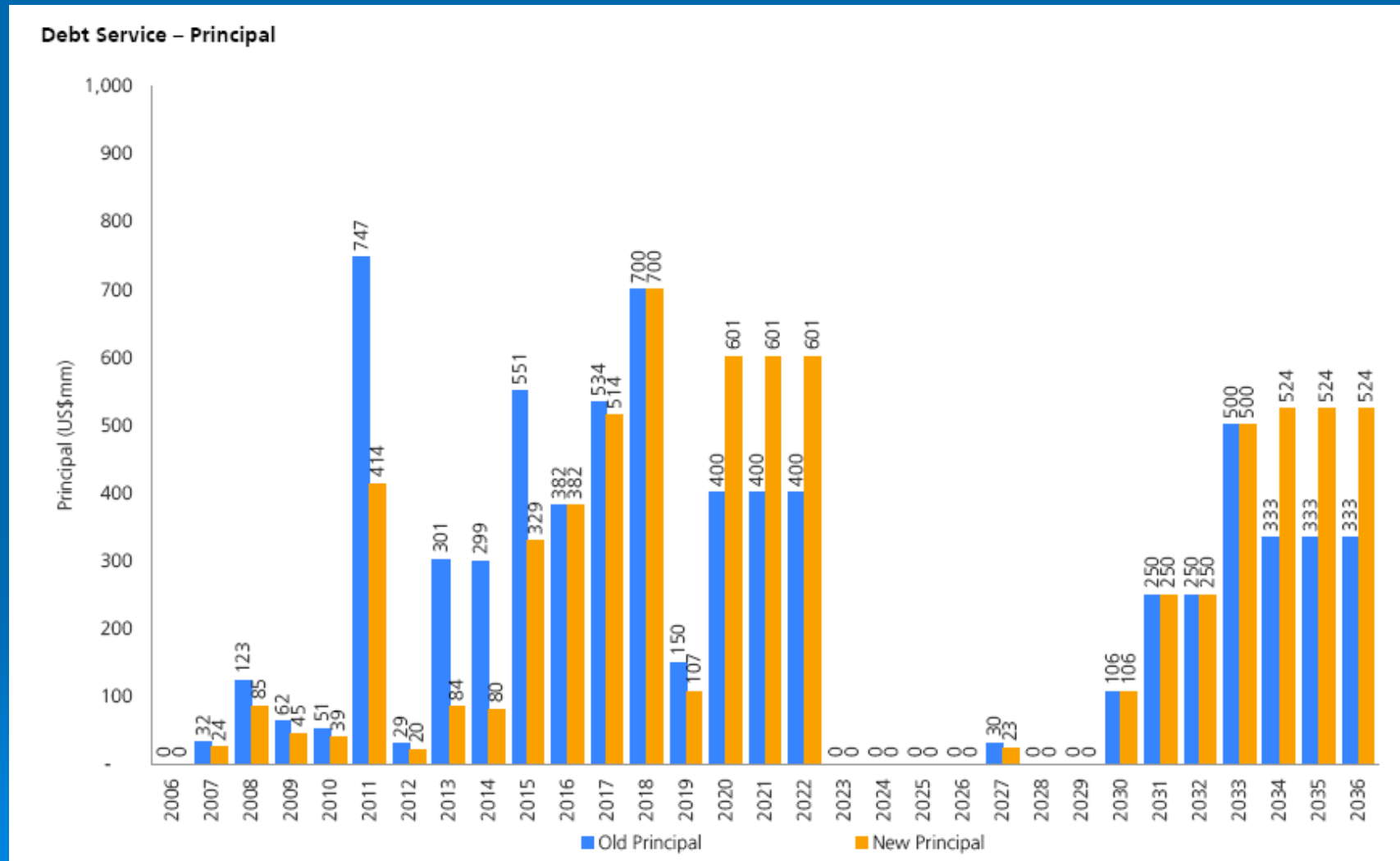
Total Portfolio – Pre and Post Exchange

	Old Bonds (\$mm)	New Bonds (\$mm)	Total (\$mm)	Average Coupon (%)	Average Maturity (yrs)	Duration (yrs)
Old Portfolio	2,213.6	5,083.7	7,297.3	7.59%	14.65	7.82
New Portfolio	1,070.2	6,258.8	7,329.0	7.65%	17.02	8.62
Change	(1,143.4)	1,175.1	31.7	0.06%	2.38	0.80

- *Transaction ended with two liquid benchmarks in long part of the curve: UI 2018 with 1,8 bn USD and USD 2036 with 1,6 bn USD.*

AMORTIZATION PROFILE

Uruguay significantly reduced principal amortization over the next 10 years by US\$1.05 billion.



LOCAL & EXTERNAL EXCHANGE

June 2008

OBJECTIVES

- *Increase the Average Time to Maturity of the Central Government Debt, smoothing the Amortization Profile*
- *To continue the de-dollarization process by increasing the percentage of debt denominated in local currency.*
- *To create and provide more liquid benchmarks to investors to achieve a more dynamic domestic market.*

CASH TENDER OFFER & EXCHANGE OFFER

On June 24, 2008 Uruguay announced 3 concurrent exchange offers for over US\$2.9 billion of bonds.

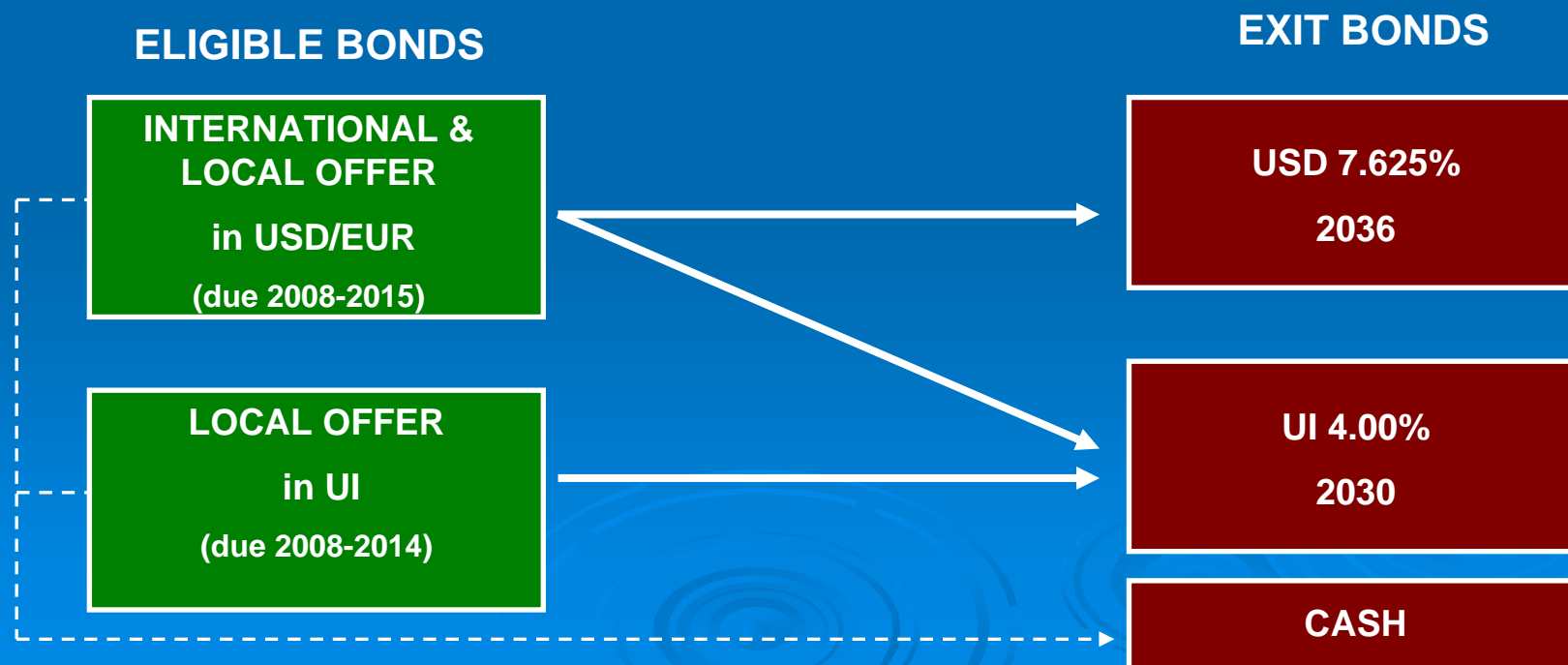
Exchange Eligible Bonds:

- International Offer: US\$ 802 million maturing 2008 – 2015 (US\$ 671 million - €85 million).
- Local Offer: \$556 million local law bonds in USD & \$1.54 billion inflation-linked (UI) bonds maturing 2008 – 2014.

Total of Eligible Bonds: US\$ 2,909 million

Exchange Exit Bonds:

- New UI-linked 4% due 2030 –
- US 7.625% due 2036 –



CONCURRENT EXCHANGE OFFERS

- Offer #1: U.S. Offer.

Exchange of Eligible Bonds into USD reopening 2036 only

- Offer #2: REG S Offer.

Exchange of Eligible Bonds into 2036 reopening or new 2030 UI bond

- Offer #3: Local Exchange.

Exchange of Eligible UI bonds for the New UI 2030, exchange of local USD denominated bonds for either the USD 2036 or New UI 2030.

PRICING MECHANISM

CASH TENDER OFFER & EXCHANGE OFFER

- *UI fixed repurchase prices set close to domestic central bank daily marking rate.*
- *USD & Euro repurchase prices set as fixed spread to swaps (or fixed price for FRNs).*
- *All prices & spreads for bonds repurchased (for cash or exchange) set on launch*
- *Exit bonds prices set 1 day before expiration*

CONCURRENT OFFER TIMETABLES

Date	Local Exchange Offer	US Investor Eligible Offer	REG S International Offer
June 24	Launch Exchange Offer	Launch Exchange Offer	Launch Exchange Offer
June 25	Announced 2036 Reopening Spread and UI 2030 Coupon Fix UYU / USD rate	Announce 2036 Global reopening spread	Announce 2036 Reopening Spread and UI 2030 Coupon Fix UYU / USD rate
June 26	Institutional Expiration	Expiration	Expiration
June 27	Fix reference rates Preliminary Results	Fix Reference rates Preliminary Results	Fix Reference rate and USD / Euro rate Preliminary Results
July 2	Retail Investor Expiration Date Set initial UI Rate		Set Initial UI Rate
July 8	Announce Final Results	Announce Final Results	Announce Final Results
July 10	Settlement	Settlement	Settlement

RESULTS OF THE OPERATION

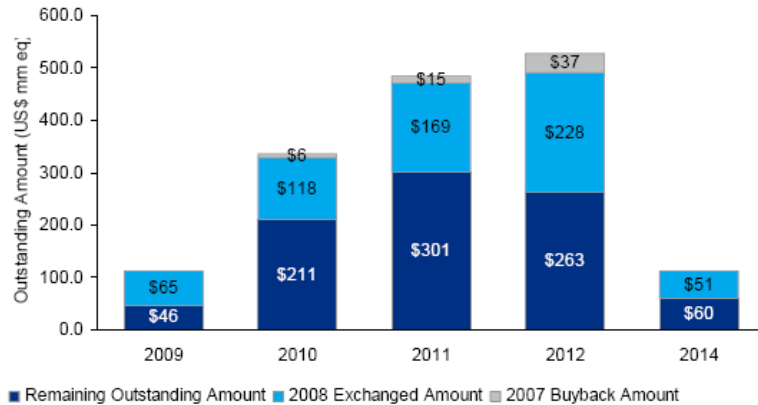
- *New 2030 UI Linked Benchmark Ps. 14.650 BLN (equivalent to USD 750 million) with a fixed coupon of 4.00% .*
- *Global USD 2036 reopened in USD135 million*
- *A 40% success rate for UI eligible bonds, held primarily by local pension funds, showing strong support for new benchmark, achieving approximately 19 years extension of maturity for these bonds.*
- *Total Bonds exchanged totaled USD 813 million.*
- *Uruguay achieved a very high success rate of 26% on the key target 2015 USD international bond, while modest success rates on several series of eligible bonds that were subject to tender and exchange offers in the last 2 years. The average success rate was 16% across all series.*
- *Only USD 11 million were tendered for cash, but the bonds repurchases had been executed in a public offer to buyback bonds in December 2007 and in private buybacks since then up to the transaction, for a total of USD 342 million*

HIGHLIGHTS OF THE TRANSACTION (12/2007 & 07/2008)

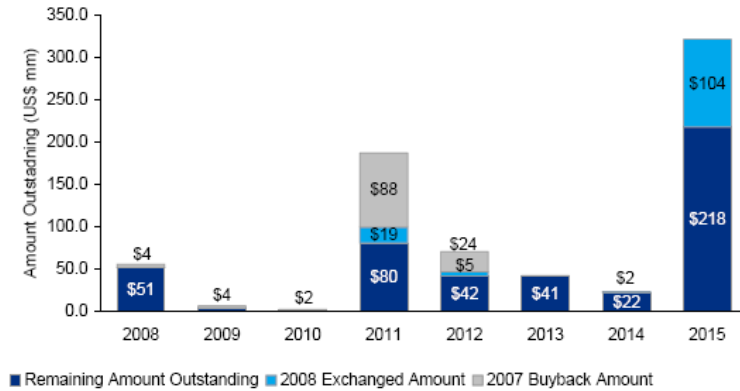
- *The Average Time to Maturity of the existing bonds exchanged went from 3.8 years to 9 years, an increase of 7.9 years.*
- *A new liquid UI Bond was created (USD 750 million), further enhancing Uruguay's UI Curve.*
- *Smoother debt profile, with significant reduction in annual amortizations in next years.*
- *Progress done in de-dollarization of the debt as consequence of new issuance in UI and of USD 50 million who exchange foreign denominated debt into UI bond.*

HIGHLIGHTS OF THE TRANSACTION (12/2007 & 07/2008)

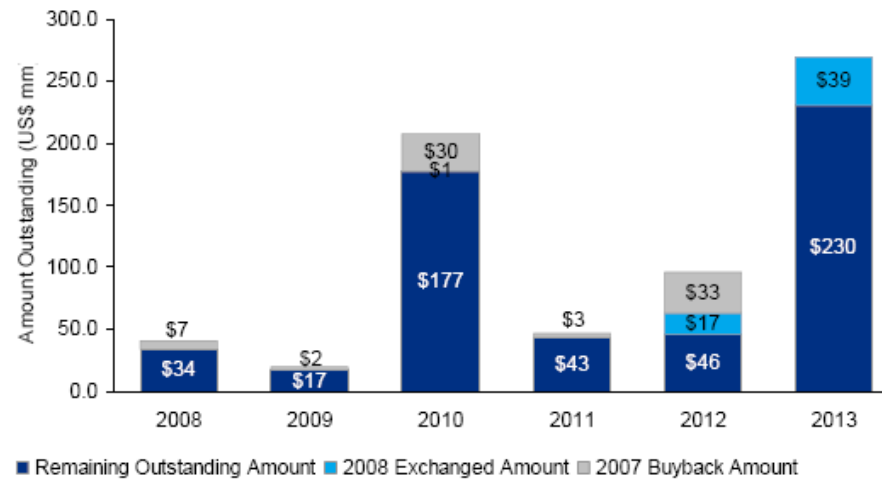
Results of Local Repurchase and Exchange Offers:
UI-Denominated Local Law Bonds



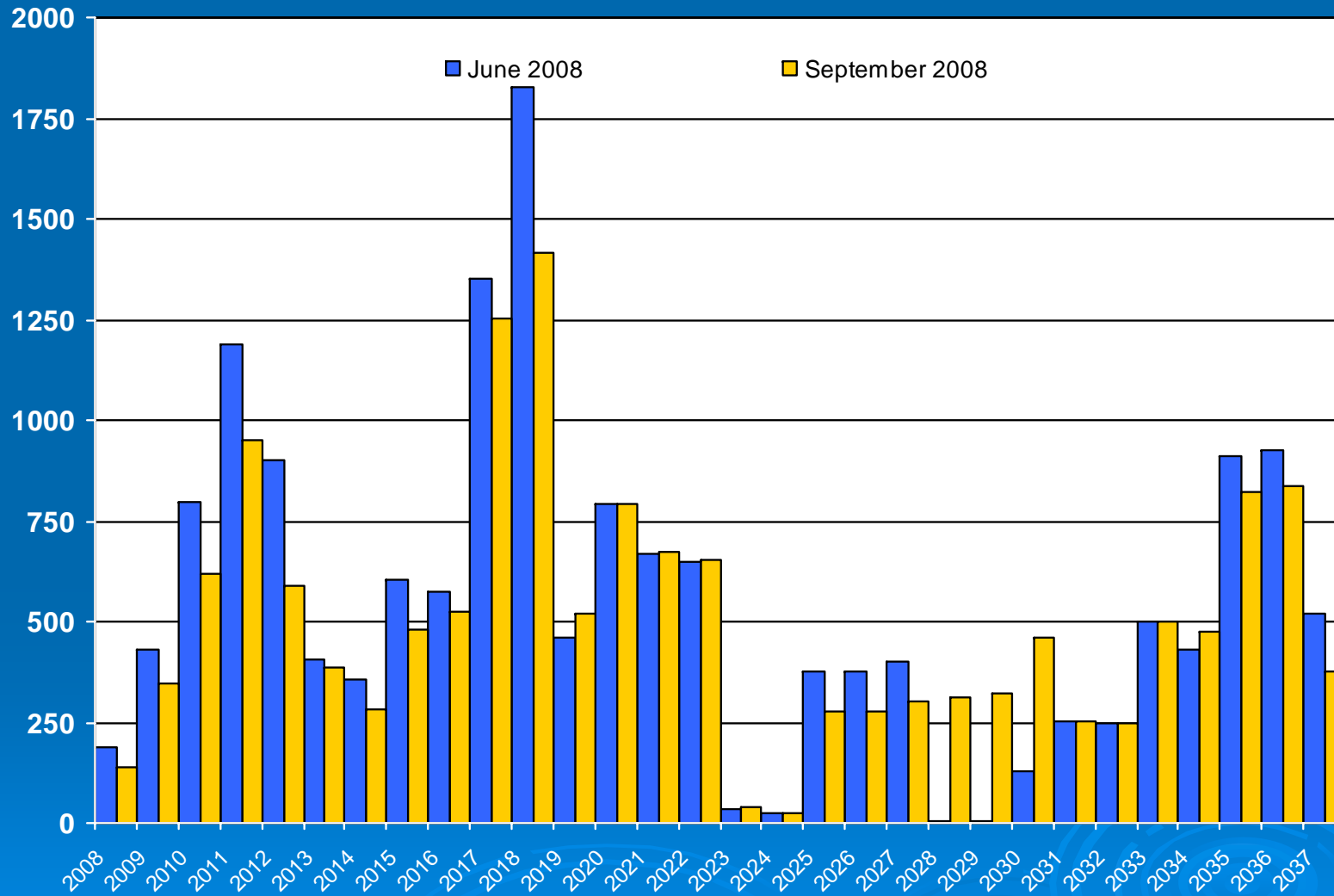
Results of International Repurchase and Exchange Offers:
USD and Euro Global Bonds



Results of Local Repurchase and Exchange Offers:
USD-Denominated Local Law Bonds




AMORTIZATION PROFILE



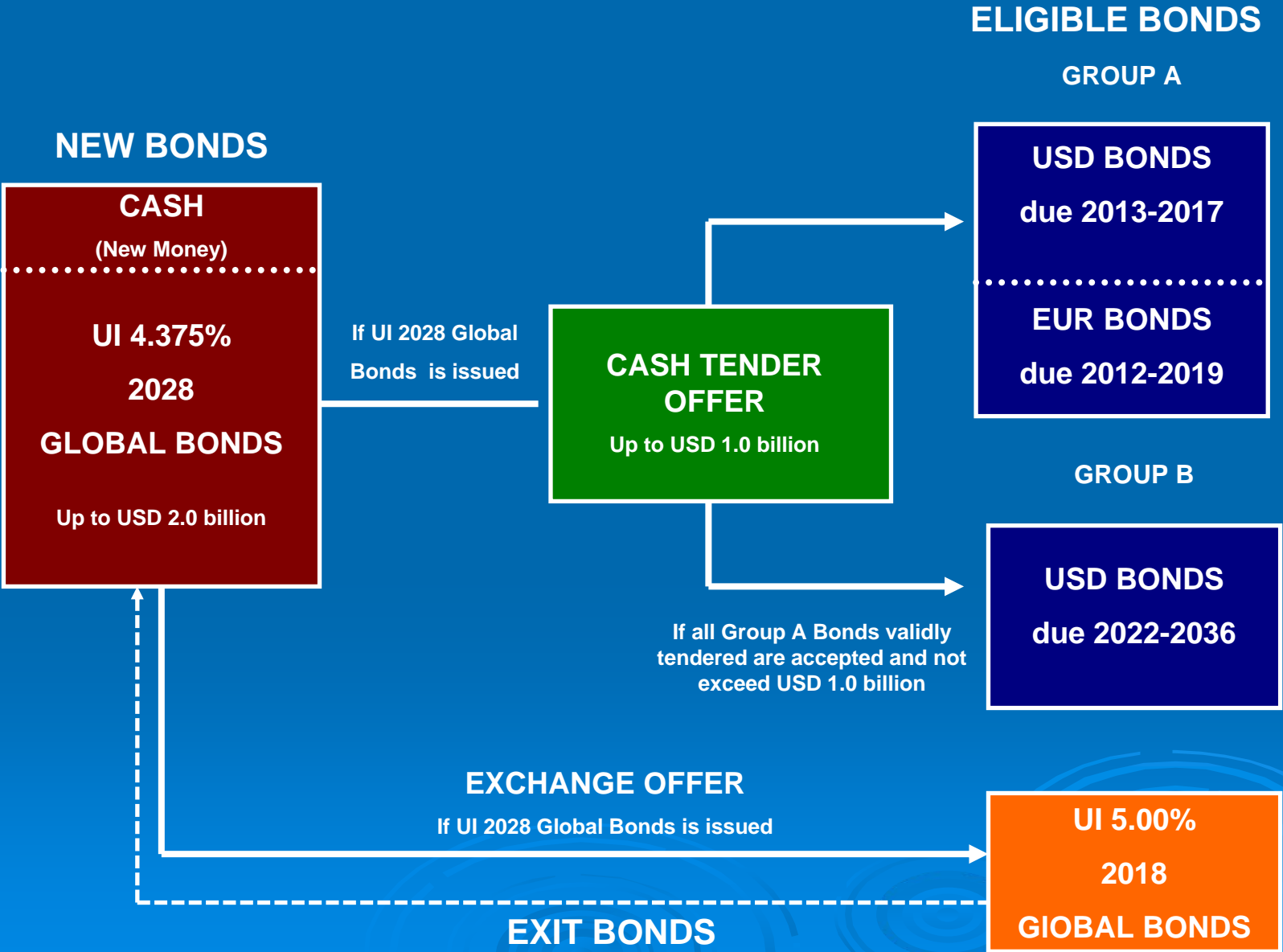
CASH TENDER OFFER AND EXCHANGE OFFER

December 2011

OBJECTIVES

- *Deepen the de-dollarization path of the Central Government Debt.*
 - *To create a New UI Benchmark*
 - *Continue working to achieve a more smooth profile of amortizations over time, extending the Average Time to Maturity.*
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CASH TENDER OFFER & EXCHANGE OFFER



CASH TENDER OFFER & EXCHANGE OFFER

- **Cash Tender Offer**

- *The Cash Tender Offer was conditioned to the issuance of the UI 2028 Global Bonds. The total price payable by Uruguay (excluding interest accrued and unpaid on the Bonds) for all Bonds accepted for purchase will not exceed USD 1.0 billion.*

- *No Offers for Group B Bonds were accepted unless all Group A Bonds validly tendered were accepted.*

- *For all the Group A and B bonds the Republic operate with full discretion in the determination of which bonds are accepted, the amount that is accepted and any proration.*

- **Exchange Offer**

- *The Exchange Offer was subject to the consummation of the issuance of UI 2028 Global Bonds offered for cash.*

- *The aggregate principal amount of the UI 2028 Global Bonds to be issued by Uruguay (including UI 2028 Global Bonds offered for cash) will not exceed the equivalent of USD 2.0 billion.*

PRICING MECHANISM

CASH TENDER OFFER & EXCHANGE OFFER

- *The Cash Tender Offer consideration for Group A and Group B notes was set on a fixed price basis from the beginning of the Invitation.*
- *Exit bond price was fixed on day 1, when the bond was issued.*

CONCURRENT OFFER TIMETABLES

December 5, 2011	<ul style="list-style-type: none">• Issuance of UI 2028 Global Bonds and the announcement of the intention to conduct a Cash Tender Offer & an Exchange Offer.
December 6, 2011 December 8, 2011	<ul style="list-style-type: none">• Marketing of the Cash Tender Offers & Exchange Offers.
December 9, 2011	<ul style="list-style-type: none">• Expiration of Cash Tender Offer & the Exchange Offers.
December 12, 2011	<ul style="list-style-type: none">• Announcement of the results.
December 15, 2011	<ul style="list-style-type: none">• Settlement of the New Issue (UI 2028 Global Bonds) and the Exchange Offers.
December 16, 2011	<ul style="list-style-type: none">• Settlement of the Cash Tender Offer.

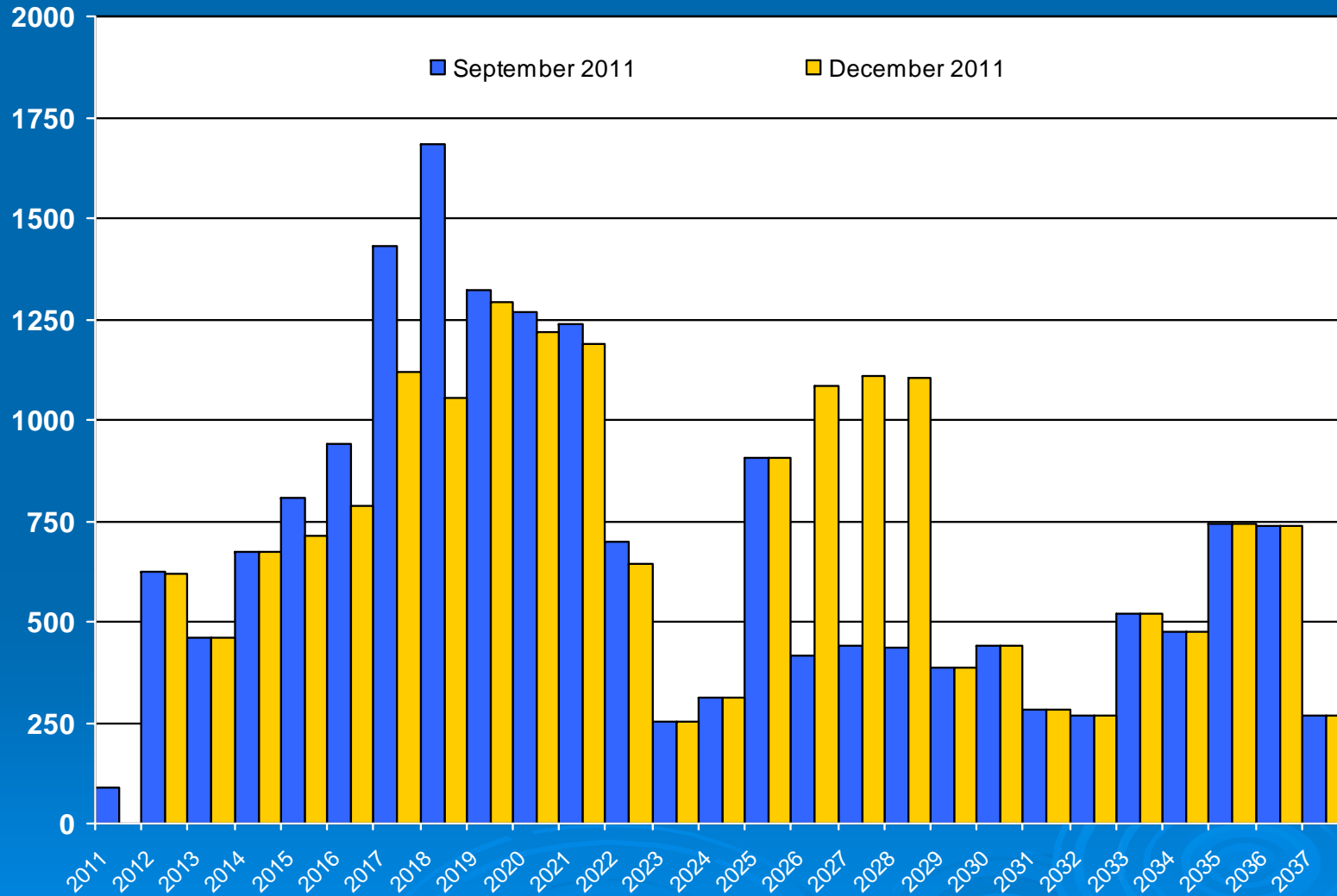
RESULTS OF THE OPERATION

- A new Global UI 2028 bond of USD 2 billion was created, of which USD 1275 million was new money. The new money tranche is among the top five international issuance in local currency in the history of Latin America and is the largest in the region in relation to the GDP of the respective issuer. Also, the transaction is the first local currency operation announced in Latin America since late 2010.
- More than USD 750 million (nominal value) equivalent to nearly USD 1000 million in aggregate repurchase price of short and medium debt denominated in dollars and euro were repurchased with the funds raised through the issuance of the UI 2028 Global Bonds. Thus, debt denominated in foreign currency was replaced by debt denominated in local currency.
- High participation in the UI 2018 exchange was obtained (53%). This reduces significantly the amortizations due in that year.

HIGHLIGHTS OF THE OPERATION

- *This transaction allows a significant progress in terms of increasing the percentage of the Central Government debt denominated in local currency. The share of debt denominated in local currency will enhance from 34% at the end of 2010 to 47% after this operation. The Budget Law indicates that, up to the extent that market conditions allows, the government seeks to increase the percentage of debt in local currency from 30% at the end of 2009 to 45% at the end of 2014.*
- *The Exchange Offer of the UI 2018 Global Bonds for the new UI 2028 Global Bonds, accepted by more than 53% of UI 2018 bondholders, and the repurchase of the Global Bonds in foreign currency through the new issue, allows to extend even further the Average Time to Maturity of the Central Government debt from 11.7 years at 09/2011 to 12.2 years.*
- *Beyond addressing several key government objectives and the deepening of the curve of the Republic in local currency, the transaction as a whole largely ratified the confidence of foreign and local investors in Uruguay, achieving a successful operation in such a complex international context.*

AMORTIZATION PROFILE



SOME POINTS TO CONSIDER:

- *Auction vs Fixed Prices.*
 - *Exchange vs New Issue and Tender.*
 - *When to set the relative price of Bond Issued and Bond Tendered.*
- 