



República Oriental del Uruguay

Ps. 31,603,000,000 8.500% Bonds due March 2028

Payable in United States dollars

The Republic of Uruguay (“Uruguay”) issued its Ps. 31,603,000,000 8.500% Bonds due March 2028 (the “Bonds”) under an indenture dated as of October 27, 2015 (the “Indenture”). Interest on the Bonds will be payable on March 15 and September 15 of each year, commencing on March 15, 2018. The Bonds will mature and pay principal on March 15, 2028. Principal and interest on the Bonds will be converted from Uruguayan pesos into and paid in United States dollars at the Average Transfer Exchange Rate (as defined below).

The Bonds constitute direct, general, unconditional and unsubordinated foreign debt (as defined below) of Uruguay for which the full faith and credit of Uruguay is pledged and do not have the benefit of any separate undertaking of other governmental entities (including Banco Central del Uruguay). The Bonds rank and will rank equal without any preferences among themselves and equally with all other unsubordinated foreign debt of Uruguay. It is understood that this provision will not be construed so as to require Uruguay to make payments under the Bonds ratably with payments being made under any other foreign debt.

The Bonds contain “collective action clauses” under which Uruguay may amend certain key terms of the Bonds, including the maturity date, interest rate and other terms, with the consent of less than all of the holder of the Bonds. See “Description of the Bonds—Meetings, Amendments and Waivers—Collective Action” in the accompanying Prospectus.

The information set forth in this offering memorandum must be read together with the information contained in the 2016 Annual Report (as defined below), as amended by Amendment No. 1 (as defined below) and Amendment No. 2 (as defined below), and the accompanying Prospectus.

Investing in the Bonds involves risks. See “Risk Factors” beginning on page 6.

The Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any other jurisdiction. The Bonds were offered only to qualified institutional buyers in the United States in reliance on Rule 144A under the Securities Act, and to non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act. See “*Transfer Restrictions*.”

Application has been made to list the Bonds on the Luxembourg Stock Exchange and to have the Bonds admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange.

	Per Bond	Per Bond in Ps.	Per Bond in U.S. dollars⁽¹⁾	Total Gross Proceeds in Ps.	Total Gross Proceeds in U.S.\$⁽¹⁾
Issue Price ⁽²⁾	99.148%	Ps. 991.48	U.S.\$ 34.510	Ps. 31,333,742,440	U.S.\$1,090,628,000

(1) Payment of the offering price in U.S. dollars was made at an exchange rate of Ps. 28.730 per U.S.\$1.00.

(2) Plus accrued interest, if any, from September 15, 2017.

The Bonds were delivered to investors in book-entry form through the facilities of The Depository Trust Company (“DTC”), for the accounts of its direct and indirect participants, including Euroclear Bank S.A./N.V. (“Euroclear”), as operator of the Euroclear System and Clearstream Banking, *société anonyme* on September 15, 2017.

This offering memorandum constitutes a prospectus for purposes of Part IV of the Luxembourg law on prospectus for securities dated July 10, 2005, as amended

Joint Bookrunners

Deutsche Bank Securities

HSBC

Santander

The date of this offering memorandum is September 18, 2017.

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ABOUT THIS OFFERING MEMORANDUM

This offering memorandum must be read together with the information contained in the 2016 Annual Report, as amended by Amendment No. 1 and Amendment No. 2, which is incorporated by reference herein and the accompanying Prospectus. The accompanying Prospectus provides you with a general description of debt securities that Uruguay may offer and the 2016 Annual Report, as amended, contains information regarding Uruguay. This offering memorandum contains specific information about the terms of the Bonds and may add or change information provided in the accompanying Prospectus. If any information in this offering memorandum differs from the accompanying Prospectus or the 2016 Annual Report, as amended, you should rely on the information in this offering memorandum. You can inspect the 2016 Annual Report, as amended, at the office of the SEC listed in this offering memorandum under “General Information—Where You Can Find More Information.”

You should rely only on the information contained in this offering memorandum, the documents incorporated by reference herein and the accompanying Prospectus. Uruguay has not authorized anyone to provide you with different information. None of Uruguay or the Initial Purchasers is making an offer of the Bonds in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this offering memorandum is accurate as of any date other than the date on the front of this offering memorandum.

This offering memorandum does not constitute an offer of, or an invitation by or on behalf of Uruguay to subscribe for or purchase, any of the Bonds in any jurisdiction where it is not lawful to do so. The distribution of this offering memorandum and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this offering memorandum comes are required by Uruguay and the Initial Purchasers, as defined below in “Plan of Distribution,” to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of the Bonds and distribution of this offering memorandum, see “Plan of Distribution” and “Transfer Restrictions.”

This offering is made in the United States and elsewhere outside Uruguay solely on the basis of the information contained in this offering memorandum.

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

This offering memorandum has been prepared by Uruguay solely for use in connection with the proposed offering of the Bonds. This offering memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Bonds. Distribution of this offering memorandum to any person other than the offeree and any person retained to advise such offeree with respect to its purchase is unauthorized, and any disclosure of any of its contents, without the prior written consent of Uruguay, is prohibited.

The Initial Purchasers make no representation or warranty, express or implied, as to the accuracy or the completeness of the information contained in this offering memorandum. Nothing in this offering memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchasers as to the past or future. Uruguay has furnished and accepts responsibility for the information contained in this offering memorandum. To the best of the knowledge and belief of Uruguay (who has taken all reasonable care to ensure that such is the case), the information contained in this offering memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorized to give any information or to make any representations other than those contained in this offering memorandum; if given or made, such information or representations must not be relied upon as having been authorized. This offering memorandum does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds to which it relates, or any offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this offering memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Uruguay since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

In making an investment decision, prospective investors must rely on their own examination of Uruguay and the terms of the offering, including the merits and risks involved. Prospective investors should not construe anything in this offering memorandum as legal, business or tax advice. Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the Bonds under applicable legal investment or similar laws or regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

This offering memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such references.

INCORPORATION BY REFERENCE

The following documents, which Uruguay has filed with the SEC, are considered part of and incorporated by reference in this offering memorandum with the exception of documents incorporated therein:

- Uruguay’s annual report on Form 18-K for the year ended December 31, 2016, filed with the SEC on May 24, 2017 (File No. 333-07128) (the “2016 Annual Report”);
- Uruguay’s amendment No. 1 to Form 18-K, filed with the SEC on June 12, 2017 (“Amendment No. 1”), which includes recent developments as of May 31, 2017;
- Uruguay’s amendment No. 2 to Form 18-K, filed with the SEC on September 6, 2017 (“Amendment No. 2”), which includes recent developments as of September 5, 2017; and
- each subsequent report on Form 18-K and any amendment on Form 18-K/A filed after September 7 and prior to the closing date.

The Bonds offered hereby are not being and will not be registered with the SEC. Nothing included in the accompanying Prospectus should be read to infer that these Bonds will be registered.

Any statement contained in any document incorporated by reference into this offering memorandum, shall be considered to be modified or superseded for purposes of this offering memorandum to the extent that a statement contained in this offering memorandum or the other report incorporated by reference herein modifies or supersedes such statement. Any statement that is modified or superseded shall not, except as so modified or superseded, constitute a part of this offering memorandum.

We have included in this offering memorandum Uruguay’s prospectus filed with the SEC on October 19, 2015 (File No. 333-189896) pursuant to Rule 424(b)(2) (the “Prospectus”), as Annex A.

Any person receiving a copy of this offering memorandum may obtain, without charge and upon request, a copy of any of the above documents (including only the exhibits that are specifically incorporated by reference in them). Requests for such documents should be directed to:

República Oriental del Uruguay
c/o Ministry of Economy and Finance
Colonia 1089 – Third Floor
11.100 Montevideo
República Oriental del Uruguay
Fax No: +598-2-1712-2688
Tel. No: +598-2-1712-2785
Email: debtinfo@mef.gub.uy
Attention: Debt Management Unit

ENFORCEMENT OF CIVIL LIABILITIES

A judgment obtained against Uruguay in a foreign court can be enforced in the courts of Uruguay, if such judgment is ratified by the Uruguayan Supreme Court. Based on existing law, the Uruguayan Supreme Court will ratify such a judgment:

(a) if there exists a treaty with the country where such judgment was issued (no such treaty exists at the present time between Uruguay and the United States); or

(b) if such judgment:

- complies with all formalities required for the enforceability thereof under the laws of the country where it was issued;
- has been translated into Spanish, together with related documents, and satisfies the authentication requirements of Uruguayan law;
- was issued by a competent court after valid service of process upon the parties to the action;
- was issued after an opportunity was given to the defendant to present its defense;
- is not subject to further appeal; and
- is not against Uruguayan public policy.

As of the date of this Offering memorandum, Congress is debating a draft bill containing the annual report on the execution of the 2015-2019 budget for fiscal year 2016, which also includes a provision that expressly enables the Executive Power to either use available operating or investment expenses to pay judgments rendered against Uruguay for amounts in excess of 75,000,000 UIs (approximately U.S.\$ 9,527,690) although the budget in effect at the time the judgment becomes enforceable may not include a specific expense allocation for that purpose or, alternatively, include a specific budgetary allocation in the budget submitted to Congress for the following fiscal year. Upon approval of the budget law including such allocation, payment shall be made within the following year.

SCHEDULED DATA DISSEMINATION

On February 18, 2004, Uruguay became the 56th subscriber to the International Monetary Fund's Special Data Dissemination Standard or SDDS, which is designed to improve the timeliness and quality of information of subscribing member countries. The SDDS requires subscribing member countries to provide schedules indicating, in advance, the date on which data will be released or the so-called "Advance Release Calendar." For Uruguay, precise dates or "no-later-than-dates" for the release of data under the SDDS are disseminated in advance through the Advance Release Calendar, which is published on the Internet under the International Monetary Fund's Dissemination Standards Bulletin Board. Summary methodologies of all metadata to enhance transparency of statistical compilation are also provided on the Internet under the International Monetary Fund's Dissemination Standards Bulletin Board. The Internet website is located at <http://dsbb.imf.org/Pages/SDDS/CtyCtgList.aspx?ctycode=URY>. Neither the government nor any Initial Purchaser acting on behalf of Uruguay in connection with this offering memorandum accept any responsibility for information included on that website, and its contents are not intended to be incorporated by reference into this offering memorandum.

DEFINED TERMS AND CONVENTIONS

Terms such as "we," "us" and "our" generally refer to Uruguay, unless the context otherwise requires. All references in this document to the "government" are to the government of Uruguay and references to the "central government" are to the central government of Uruguay (which includes governmental agencies and subdivisions and excludes financial and non-financial public sector institutions).

References herein to "US\$", "\$," "U.S. dollars" or "dollars" are to United States dollars. References herein to "Uruguayan pesos," "pesos," or "Ps." are to the lawful currency of Uruguay. Unless otherwise stated, Uruguay has converted historical amounts translated into U.S. dollars or pesos at historical annual average exchange rates. Translations of pesos to dollars have been made 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 dollars at any particular rate or at all. References herein to "UIs" are to Unidades Indexadas. UIs are inflation-indexed monetary units. The UI is calculated by the National Institute of Statistics (*Instituto Nacional de Estadística* or INE) as provided and published monthly in advance for each day from the 6th day of each month to the 5th day of the following month by INE and Banco Central del Uruguay. The UI changes on a daily basis to reflect changes in the consumer price index (Indice de Precios al Consumo or IPC), which is measured by the INE. The UI for each day is set in advance based on changes in previous months' inflation.

Uruguayan Peso Information

Principal and interest payments in respect of the Bonds will be in U.S. dollars converted from Uruguayan pesos based upon the Average Transfer Exchange Rate at the time the relevant payment amount is determined. The Average Transfer Exchange Rate is the average, for the period of twenty business days ending two business days prior to any interest or principal payment date, of the bid-side interbank exchange rate for the conversion of Uruguayan pesos into U.S. dollars as published by Banco Central del Uruguay ("Banco Central") and which is available on Bloomberg by typing "USDUYU CBUY <Curncy> HP <GO>", or, in the absence of the availability of such information, the rate at which Uruguayan pesos can be converted into U.S. dollars as determined by polling certain banks located in Montevideo, Uruguay. See "Description of the Bonds."

On September 6, 2017 Banco Central's published peso/U.S. dollar bid-side exchange rate was Ps.28.795 per US\$1.00.

The following table shows the high, low, average and period-end peso/U.S. dollar exchange rates for each period indicated.

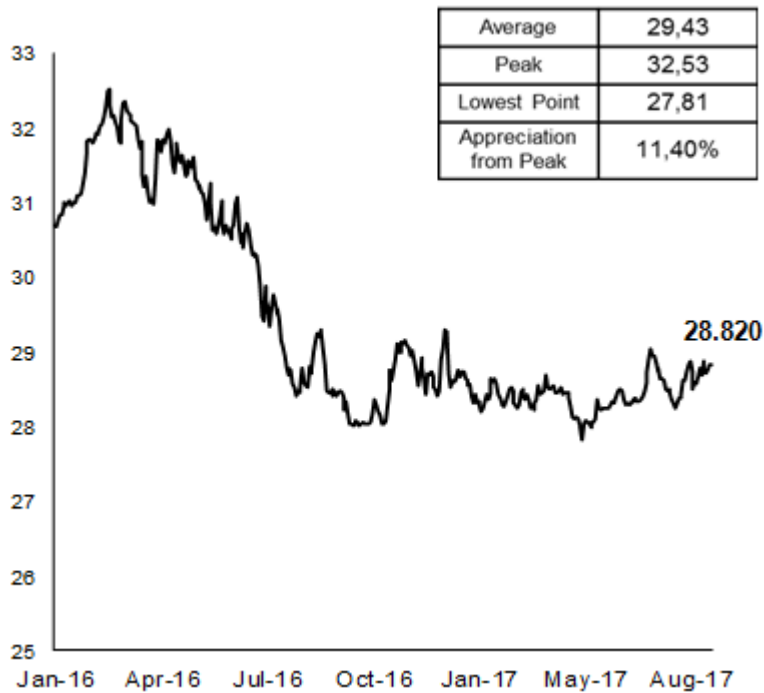
Exchange Rates⁽¹⁾
(pesos per US\$)

	High	Low	Average	Period-End
2011	20.426	18.300	19.300	19.898
2012	22.099	19.111	20.321	19.399
2013	22.646	18.858	20.496	21.389
2014	24.742	21.268	23.225	24.333
2015	29.873	24.075	27.318	29.873
2016	32.530	28.003	30.084	29.256
January 2017	28.749	28.185	28.531	28.185
February 2017	28.643	28.236	28.422	28.523
March 2017	28.690	28.215	28.401	28.523
April 2017	28.539	28.100	28.388	28.109
May 2017	28.345	27.809	28.117	28.278
June 2017	28.504	28.272	28.364	28.481
July 2017	29.043	28.244	28.636	28.244
August 2017	28.878	28.297	28.651	28.820

⁽¹⁾ Daily interbank end-of-day bid rates.
Source: Banco Central.

The chart below sets forth the evolution of the peso/U.S. dollar exchange rate for the periods described.

Exchange Rate Evolution U.S. dollar/Uruguayan Peso
(Jan 2016 – August 2017)



Source: Banco Central

FORWARD-LOOKING STATEMENTS

This offering memorandum and the documents incorporated by reference herein may contain forward-looking statements.

Forward-looking statements are statements that are not historical facts, including statements about Uruguay's beliefs and expectations. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made. Uruguay undertakes no obligation to update any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. Uruguay cautions you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to:

- adverse external factors, such as changes in international prices, high international interest rates and recession or low economic growth in Uruguay's trading partners. Changes in international prices and high international interest rates could increase Uruguay's current account deficit and budgetary expenditures. Recession or low economic growth in Uruguay's trading partners could decrease exports (including manufactured goods) from Uruguay, reduce tourism to Uruguay, induce a contraction of the Uruguayan economy and, indirectly, reduce tax revenues and other public sector revenues and adversely affect the country's fiscal accounts;
- adverse domestic factors, such as a decline in foreign direct and portfolio investment, increases in domestic inflation, high domestic interest rates and exchange rate volatility and a further deterioration in the health of the domestic banking system. These factors could lead to lower economic growth or a decrease in Uruguay's international reserves; and
- other adverse factors, such as climatic or political events and international hostilities.

THE OFFERING

The information below presents a summary of certain terms of the Bonds. This summary must be read as an introduction to this offering memorandum and the accompanying Prospectus and any decision to invest in the Bonds should be based on a consideration of this offering memorandum and the accompanying Prospectus as a whole, including the documents incorporated by reference. This summary does not contain all of the information that may be important to you as a potential investor in the Bonds. You should read the indenture before making your investment decision. Uruguay has filed the form of indenture with the SEC and copies of the indenture are available at the offices of the trustee.

Issuer	The Republic of Uruguay.
Indenture	The Bonds were issued under an indenture dated as of October 27, 2015.
Principal Amount	Ps. 31,603,000,000.
Issue Price	99.148% of the principal amount, plus interest accrued from September 15, 2017. You will make the payment of the offering price in U.S. dollars at an exchange rate of Ps. 28.730 per US\$1.00 which represents the average, interbank exchange rate for the conversion of Uruguayan pesos into U.S. dollars as published by Banco Central and which is available on Bloomberg by typing “USDUYU CBUY <Curncy> HP <GO>” as the bid-side rate for the period of twenty business days ending one business day prior to September 6, 2017.
Maturity	March 15, 2028.
Payment of Principal	Principal will be repaid on March 15, 2028.
Payment of Interest	Amounts due in respect of interest accrue and are semi-annually in arrears on March 15 and September 15 of each year commencing on March 15, 2018. Interest on the Bonds is calculated on the basis of a 360-day year of twelve 30-day months.
Conversion of the payment amounts	All amounts due in respect of principal or interest is paid in U.S. dollars, calculated by the calculation agent by exchanging the Uruguayan peso amounts into U.S. dollars at the Average Transfer Exchange Rate on the applicable Rate Calculation Date (as defined below).
Form and Settlement	Uruguay will issue the Bonds in the form of one or more fully registered global securities, without interest coupons.
Denominations	Uruguay will issue the Bonds only in minimum denominations of Ps. 1,000 and integral multiples in excess thereof.
Withholding Tax and Additional Amounts	All payments by Uruguay in respect of the Bonds will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of Uruguay or any political subdivision or taxing authority or agency therein or thereof having the power to tax (for purposes of this paragraph, a “relevant tax”) except as set forth in “Description of the Debt Securities—Additional Amounts” in the accompanying Prospectus.
Further Issues	Uruguay may from time to time, without the consent of holders of the Bonds, create and issue additional debt securities having the same terms and conditions as the Bonds of such series in all respects, except for issue date, issue price and the first payment on the debt securities; provided, however, that any additional debt securities subsequently issued shall be issued, for U.S. federal income tax

purposes, either (a) as part of the "same issue" as the Bonds, (b) in a "qualified reopening" of the Bonds; or (c) with no greater amount of original issue discount than the previously outstanding Bonds as of the date of the issue of such additional debt securities, unless such additional debt securities have a separate CUSIP, ISIN or other identifying number from the previously outstanding Bonds. Such additional debt securities will be consolidated with and will form a single series with the previously outstanding Bonds.

Governing Law and Jurisdiction

New York.

Settlement Date

September 15, 2017.

Listing

Application has been made to list the Bonds on the Luxembourg Stock Exchange and to have the Bonds admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange.

Taxation

For a discussion of U.S. federal tax consequences associated with the Bonds, see "Taxation—United States Federal Income Tax Considerations for United States Persons" in this offering memorandum. For a discussion of Uruguayan tax consequences associated with the Bonds, see "Taxation—Uruguayan Tax Considerations" in this offering memorandum and "Taxation" in the accompanying Prospectus. You should consult your own tax advisors regarding the possible tax consequences under the laws of jurisdictions that apply to you and to your ownership and disposition of the Bonds.

Trustee, Registrar, Transfer Agent and Paying Agent

The Bank of New York Mellon.

Calculation Agent

The Bank of New York Mellon.

Luxembourg Listing Agent, Luxembourg Transfer Agent and Luxembourg Paying Agent

The Bank of New York Mellon SA/NV, Luxembourg Branch.

RECENT DEVELOPMENTS AND INVESTMENT CONSIDERATIONS

The information contained in this section supplements the information about Uruguay contained elsewhere in the documents incorporated by reference herein. Investors are urged to read carefully the entirety of the offering memorandum together with the documents incorporated by reference herein.

Foreign Merchandise Trade

The following table sets forth the geographical distribution of exports in each of the years indicated.

EXPORTS (FOB)	Exports ⁽¹⁾	
	(In millions of US\$ and % of total exports)	
	2001 ⁽²⁾	2016 ⁽³⁾
Africa.....	2.0%	1.8%
Argentina.....	15.0	5.2
Asia ⁽⁴⁾	5.0	5.2
Brazil.....	21.9	16.1
China.....	5.1	22.1
Germany.....	4.7	4.1
Italy.....	3.5	2.9
Mexico.....	n.a.	3.5
Middle East.....	3.8	2.6
Netherlands.....	n.a.	6.7
Peru.....	n.a.	1.8
Turkey.....	n.a.	3.2
United Kingdom.....	3.2	0.7
United States.....	8.2	6.1
Other.....	27.6	17.9
Total.....	100%	100%

n.a. = not available.

⁽¹⁾ Includes exports from free trade zones within its Uruguay's territory.

⁽²⁾ Desegregated information for Mexico, Netherlands, Peru and Turkey is not available for the year ended 2001.

⁽³⁾ Preliminary data.

⁽⁴⁾ Excluding China and the Middle East.

Source: Uruguay XXI.

Monetary Policy and Inflation

Inflation

The following chart shows changes in the CPI and the inflation target band set by the Banco Central for the periods indicated.

	CPI ⁽¹⁾	Banco Central Target Band
September 2014.....	8.36%	3.0-7.0%
December 2014.....	8.26%	3.0-7.0%
March 2015.....	7.55%	3.0-7.0%
June 2015.....	8.53%	3.0-7.0%
September 2015.....	9.14%	3.0-7.0%
December 2015.....	9.44%	3.0-7.0%
March 2016.....	10.60%	3.0-7.0%
June 2016.....	10.94%	3.0-7.0%
September 2016.....	8.90%	3.0-7.0%
December 2016.....	8.10%	3.0-7.0%
March 2017.....	6.71%	3.0-7.0%
June 2017.....	5.31%	3.0-7.0%

⁽¹⁾ Last 12 months.

Source: National Statistics Institute and Banco Central.

The following chart shows CPI expectations for 2017, according to a survey conducted by the Banco Central.

	<u>CPI for 2017⁽¹⁾</u>
January 2016	8.88%
February 2016	8.72%
March 2016	8.87%
April 2016	9.14%
May 2016	9.20%
June 2016	9.25%
July 2016	9.26%
August 2016	9.20%
September 2016	8.80%
October 2016	8.70%
November 2016	8.80%
December 2016	8.90%
January 2017	8.50%
February 2017	8.43%
March 2017	7.81%
April 2017	7.85%
May 2017	7.15%
June 2017	6.70%
July 2017	6.24%
August 2017	5.95%

⁽¹⁾ Year-end.

Source: Banco Central.

Foreign Exchange

Since January 1, 2016 through August 31, 2017, the average peso/U.S. dollar exchange rate was Ps. 29.434 per U.S.\$1.00, the highest exchange rate was Ps. 32.530 per U.S.\$1.00, the lowest exchange rate was Ps. 27.809 per U.S.\$1.00 and the appreciation of the peso compared to the highest exchange rate represented 11.4%. See “Defined Terms and Conventions— Uruguayan Peso Information.”

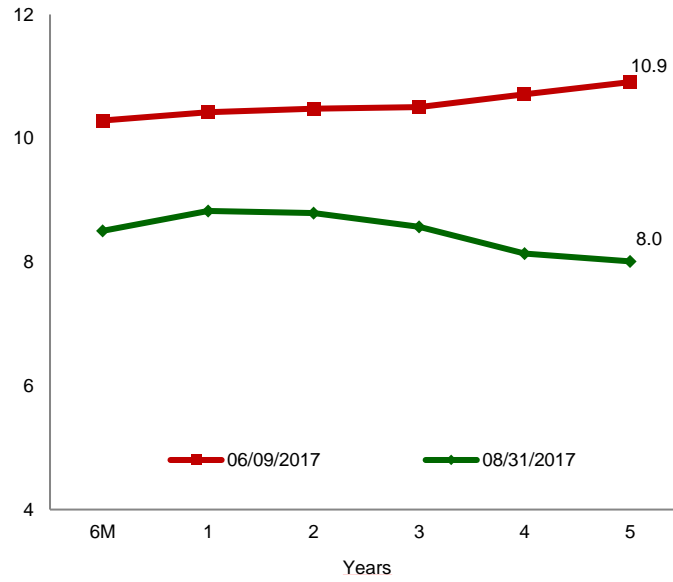
Public Sector Debt

The following table sets forth the distribution by currency of the total gross debt of the central government and the average maturity as of the dates indicated.

	<u>As of December 31,</u> <u>2005</u>	<u>As of June 30,</u> <u>2017</u>
In foreign currency	88%	51%
In Uruguayan pesos	12%	49%
Average maturity in years.....	7.9	13.8

The graph below presents the Uruguay’s nominal peso par yield curve (expressed as a percentage) for the periods indicated:

Nominal Peso Yield Curve



Source: Bolsa Electronica de Valores del Uruguay (BEVSA)

RISK FACTORS

An investment in the Bonds involves a significant degree of risk. Investors are urged to read carefully the entirety of the offering memorandum and to note, in particular, the following risk factors.

Risk Factors Relating to the Bonds

The Bonds are subject to restrictions on resales and transfers.

The Bonds have not been registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Bonds may be offered and sold only (a) to “Qualified Institutional Buyers” (as defined in Rule 144A under the Securities Act) in compliance with Rule 144A; (b) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act; 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 “Plan of Distribution” and “Transfer Restrictions.”

Enforcement of Civil Liabilities; Waiver of Sovereign Immunity.

Uruguay is a foreign sovereign state. Consequently, it may be difficult for you or the trustee to obtain or enforce judgments of courts in the United States or elsewhere against Uruguay. See “Enforcement of Civil Liabilities.”

A depreciation in the value of the peso will adversely affect the value in U.S. dollars of the payments of principal of and interest on the Bonds and may reduce the market value and liquidity of the Bonds.

Uruguay will make payments of principal of and interest on the Bonds in U.S. dollars converted from Uruguayan pesos at the Average Transfer Exchange Rate. Currency exchange rates between the peso and the U.S. dollar can be volatile and unpredictable.

If the Uruguayan peso depreciates against the U.S. dollar, the effective yield on the Bonds, measured in U.S. dollars, will be less than the interest rate on the Bonds, and the amount payable on the Bonds at maturity may be less than your investment in U.S. dollar terms, resulting in a loss to you. Depreciation of the Uruguayan peso against the U.S. dollar could also adversely affect the market value and liquidity of the Bonds.

The market for the Bonds may not be liquid, and market conditions could affect the price at which the Bonds trade. In addition, listing of the Bonds on a securities exchange cannot be guaranteed.

Uruguay cannot provide assurances that a market for the Bonds outside Uruguay will be liquid or will exist. Prevailing interest rates, exchange rates, economic conditions in Uruguay and general market conditions could affect the price of the Bonds. This could cause the Bonds to trade at prices that may be lower than their principal amount or their initial offering price.

Although application has been made to list the Bonds on the Luxembourg Stock Exchange and to have them admitted for trading on the Euro MTF Market, the Bonds issued hereby may not be so listed and traded. Moreover, even if the Bonds are so listed and traded at the time of issuance, the Republic may decide to delist the Bonds and/or seek an alternative listing for the Bonds on another stock exchange, although there can be no assurance that such alternative listing will be obtained.

Risk Factors Relating to Uruguay

Uruguay’s economy remains vulnerable to external shocks that could be caused by significant economic difficulties of Uruguay’s major trading partners, particularly Brazil, Argentina and China or by more general “contagion” effects, including those precipitated by the United Kingdom’s impending departure from the European Union. Such external shocks and “contagion” effects could have a material adverse effect on Uruguay’s economic growth and its ability to rely on the international capital markets as a source of financing.

Weak, flat or negative economic growth of any of Uruguay's major trading partners, such as Brazil, Argentina and China could adversely affect Uruguay's balance of payments and, consequently, economic growth.

The economy of Brazil, one of Uruguay's largest export markets and one of the main sources of imports, is currently experiencing heightened negative pressure due to the uncertainties stemming from the ongoing political crisis, including the impeachment of Brazil's former president, that resulted in the Senate of Brazil removing Ms. Dilma Rousseff from office for the rest of her term. Further, on May 18, 2017, the Federal Supreme Court of Brazil began investigating Mr. Michel Temer, the current President of Brazil, who was acting vice-president and replaced Ms. Rousseff following her impeachment, for corruption and obstruction of justice charges. On August 1, 2017, the Brazilian Congress voted to hold the Federal Supreme Court investigation until the end of his term in December 2018. Further institutional instability in Brazil may slow Brazil's economic recovery and adversely affect the neighboring countries' economies, including Uruguay's. The Brazilian economy contracted by 3.8% in 2015 and contracted by an additional 3.6% in 2016. In addition, the Brazilian real devalued against the U.S. dollar by approximately 49.1% from January 2015 to February 2016, the steepest depreciation in over a decade, in its attempt to increase exports. A further deterioration of economic conditions in Brazil may reduce demand for Uruguay exports. While the impact of Brazil's downturn on Uruguay cannot be predicted, there can be no assurance that the Brazilian political and economic crisis could have further negative impact on Uruguay's economy.

Uruguay's economy may be affected by "contagion" effects. International investors' reactions to events occurring in one developing country sometimes appear to follow a "contagion" pattern, in which an entire region or investment class is disfavored by international investors.

Uruguay's economy may also be affected by conditions in developed economies, such as the United States, that are significant trading partners of Uruguay or have influence over world economic cycles. For example, if interest rates increase significantly in developed economies, including the United States and Europe, Uruguay and its developing economy trading partners, such as Brazil and Argentina could find it more difficult and expensive to borrow capital and refinance existing debt, which could adversely affect economic growth in those countries.

On June 23, 2016, the United Kingdom held a referendum in which a majority voted for the United Kingdom's withdrawal from the European Union (the "Brexit"). On March 29, 2017, Article 50 of the Lisbon Treaty was triggered, which provides for a mechanism for the voluntary and unilateral withdrawal of a country from the European Union. The triggering of Article 50 initiates a two-year period of negotiation for the United Kingdom to leave the European Union. This period can only be extended by the European Council, in agreement with the United Kingdom. This negotiation will determine the future terms of the United Kingdom's relationship with the European Union. Depending on the terms of Brexit, the United Kingdom could lose access to the single European Union market and to the global trade deals negotiated by the European Union on behalf of its members. The effects of the Brexit vote and the perceptions as to the impact of the withdrawal of the United Kingdom from the European Union may adversely affect business activity and economic and market conditions in the United Kingdom, the Eurozone and globally, and could contribute to instability in global financial and foreign exchange markets. In addition, Brexit could lead to additional political, legal and economic instability in the European Union.

Decreased growth on the part of Uruguay's trading partners could have a material adverse effect on the markets for Uruguay's exports and, in turn, adversely affect economic growth.

Domestic factors could lead to a reduced growth and decrease of foreign investment in Uruguay.

Adverse domestic factors, such as domestic inflation, high domestic interest rates, exchange rate volatility and political uncertainty could lead to lower growth in Uruguay, declines in foreign direct and portfolio investment and potentially lower international reserves. In addition, any of these factors may adversely affect the liquidity of, and trading markets for, Uruguay's bonds.

There can be no assurances that Uruguay's credit rating will improve, remain stable, not be downgraded, suspended or cancelled by the rating agencies.

Uruguay's current long-term debt credit ratings are investment grade. They indicate that such debt securities are judged to be subject to moderate credit risk.

On April 7, 2017, Fitch affirmed Uruguay's long-term foreign- and local-currency issuer default ratings at BBB- with a stable outlook.

On May 30, 2017, S&P raised its outlook on Uruguay to stable from negative and also affirmed its long-term foreign and local currency sovereign credit ratings at BBB.

On July 13, 2017, Moody's raised its outlook on Uruguay to stable from negative and also affirmed the government's Baa2 issuer and government bond rating.

Ratings address the creditworthiness of Uruguay and the likelihood of timely payment of Uruguay's long-term bonds. Uruguay's credit ratings may not continue to improve and adversely affect the trading price of Uruguay's debt securities (including the Bonds), which could potentially affect Uruguay's cost of funds in the international capital markets and the liquidity of and demand for Uruguay's debt securities.

Ratings are not a recommendation to purchase, hold or sell securities and may be changed, suspended or withdrawn at any time. Uruguay's current ratings and the rating outlooks currently assigned to it are dependent upon economic conditions and other factors affecting credit risk that are outside the control of Uruguay. There can be no assurances that such credit ratings will be maintained for a certain period of time or that such credit rating will not be downgraded, suspended or cancelled upon the credit ratings agencies' consideration or if circumstances will so require. Each rating should be evaluated independently of the others. Detailed explanations of the ratings may be obtained from the rating agencies.

Any credit rating downgrade, suspension, or cancellation may have an adverse effect on the market price and the negotiation of the Bonds.

TABLE OF REFERENCES

The following table refers to certain information incorporated by reference from Uruguay's 2016 Annual Report.

<u>Chapters of Schedule D of Rules and Regulations of the Luxembourg Stock Exchange</u>	<u>2016 Annual Report</u>
<p>Chapter 3:</p> <ul style="list-style-type: none"> - Organisation and Administration 	<ul style="list-style-type: none"> - "República Oriental del Uruguay" on pages D-6 to D-10 of Exhibit D
<p>Chapter 4 A:</p> <ul style="list-style-type: none"> - 1. General information. - 2. Gross national product by economic sector for the past two years. - 3. Production trends in the various economic sectors; breakdown by principal production branches. - 4. Price, wage and employment trends over the past two years. - 5. Export and import trends by economic sector and country over the past two years. - 6. Balance of international payments. - 7. Gold and currency reserves. 	<ul style="list-style-type: none"> - "The Economy" on pages D-11 to D-16 of Exhibit D. - "Gross Domestic Product and Structure of the Economy" on pages D-17 to D-29 of Exhibit D. - "Gross Domestic Product and Structure of the Economy" on pages D-17 to D-29 of Exhibit D. - "Gross Domestic Product and Structure of the Economy" on pages D-17 to D-29 and "Monetary Policy and Inflation" on pages D-40 to D-44 of Exhibit D. - "Foreign Merchandise Trade", "Foreign Trade on Services" and "Balance of Payments" on pages D-30 to D-39 of Exhibit D. - "Balance of Payments" on pages D-36 to D-39 of Exhibit D. - "Balance of Payments" on pages D-36 to D-39 of Exhibit D.
<p>Chapter 5:</p> <ul style="list-style-type: none"> - 1. Income and expenditure for the past two years and budgetary forecasts for the current year. - 2. Public debt for the past two years. 	<ul style="list-style-type: none"> - "Public Sector Finances" and "Fiscal Policy" on pages D-54 to D-61 of Exhibit D. - "Public Sector Debt" on pages D-62 to D-81 of Exhibit D.

USE OF PROCEEDS

The net proceeds to Uruguay from the sale of the Bonds was approximately Ps. 31,035,319,604, after deduction of the Initial Purchasers' discount and of certain expenses payable by Uruguay. Uruguay intends to use the net proceeds of the sale of the Bonds for general purposes of the government, including financial investment and the refinancing, repurchase or retiring of domestic and external indebtedness and intends to use a portion of such net proceeds for liability management transactions, which includes payment of the purchase price for certain outstanding bonds of Uruguay.

DESCRIPTION OF THE BONDS

Uruguay is issuing the Bonds under an indenture dated as of October 27, 2015, between Uruguay, and The Bank of New York Mellon, as trustee. The information contained in this section and in the accompanying Prospectus summarizes some of the terms of the Bonds and the indenture. You should read the information set forth below together with the section “Description of the Securities” in the accompanying Prospectus, which summarizes the general terms of the Bonds and the indenture. You should read the indenture before making your investment decision. Uruguay has filed the form of indenture with the SEC and copies of the indenture are available at the offices of the trustee.

The accompanying Prospectus sets forth the general terms of the Bonds. This offering memorandum describes the terms of the Bonds in greater detail than the accompanying Prospectus and may provide information that differs from the accompanying Prospectus. If the information in this offering memorandum differs from the accompanying Prospectus, you should rely on the information in this offering memorandum.

The 8.500% Bonds due March 2028:

- are represented by at least two global securities in fully registered form only, without coupons, as more fully described under “Registration and Book-Entry System” below only in minimum denominations of Ps. 1,000 and integral multiples in excess thereof;
- are available in certificated form only under certain limited circumstances;
- constitute direct, general, unconditional and unsubordinated foreign debt of Uruguay;
- rank without any preference among themselves and equally with all other unsubordinated foreign debt of Uruguay. It is understood that this provision will not be construed so as to require Uruguay to make payments under the Bonds ratably with payments being made under any other foreign debt. For this purpose, “foreign debt” means obligations of or guaranteed (whether by contract, statute or otherwise) by Uruguay for borrowed money or evidenced by bonds, debentures, notes or other similar instruments denominated or payable, or which at the option of the holder thereof may be payable, in a currency other than the local currency of Uruguay;
- were issued in an aggregate principal amount of Ps. 31,603,000,000;
- mature on March 15, 2028;
- pay principal on March 15, 2028;
- accrue and pay interest semi-annually in arrears on March 15 and September 15 of each year commencing on March 15, 2018. Interest on the Bonds will be calculated on the basis of a 360-day year of twelve 30-day months;
- pay all amounts due in respect of principal or interest in U.S. dollars, calculated by the calculation agent by exchanging the Uruguayan peso amounts into U.S. dollars at the Average Transfer Exchange Rate on the applicable Rate Calculation Date; and
- contain “collective action clauses” under which Uruguay may amend certain key terms of the Bonds, including the maturity date, interest rate and other terms, with the consent of less than all of the holder of the Bonds.

For purposes of all payments of interest, principal or other amounts contemplated herein:

“Average Transfer Exchange Rate” shall mean the average, for the period of twenty Business Days ending two Business Days prior to any interest or principal payment date (the “Rate Calculation Date”), of the bid-side interbank exchange rate for the conversion of Uruguayan pesos into U.S. dollars as published by Banco Central and

which is available on Bloomberg by typing “USDUYU CBUY <Currency> HP <GO>”. If such exchange rate is not reported by Banco Central, then the Average Transfer Exchange Rate shall be determined by the calculation agent by calculating the average of the Alternative Rate for the twenty Business Days prior to any Rate Calculation Date. The Alternative Rate shall be calculated by polling Citibank N.A., Uruguay Branch, Banco Itaú Uruguay S.A., Banco Santander Uruguay and HSBC Bank (Uruguay) S.A., each located in Montevideo, Uruguay (collectively, the “Reference Banks”) at 16:00 Montevideo time, at the exchange rate for the professional market, by taking the arithmetic mean of the polled exchange rates. In the event that any of the Reference Banks cease to operate in Uruguay, they shall be replaced by Uruguay, for the purpose of determining the Alternative Rate, with subsidiaries or branches of other foreign banks having similar characteristics.

“Business Day” means a day, other than a Saturday or Sunday, on which commercial banks and foreign exchange markets are open, or not authorized to close, in The City of New York (or in the city where the relevant paying or transfer agent is located); provided that solely for the purposes of determining the Average Transfer Exchange Rate, “Business Day” means a day, other than a Saturday or Sunday, on which commercial banks and foreign exchange markets are open, or not authorized to close, in Montevideo, Uruguay.

Payment of Principal and Interest

If any date for an interest or principal payment on a Bond is not a Business Day, Uruguay will make the payment on the next Business Day. No interest on the Bonds will accrue as a result of any such delay in payment.

If any money that Uruguay pays to the trustee or to any paying agent to make payments on any Bonds is not claimed at the end of two years after the applicable payment was due and payable, then the money will be repaid to Uruguay upon Uruguay’s written request. After any such repayment, neither the trustee nor any paying agent will be liable for that payment to the relevant holders. Uruguay will hold the unclaimed money in trust for the relevant holders until four years from the date on which the payment first became due.

Global Bonds

Payments of principal, interest and additional amounts, if any, in respect of the Bonds will be made to DTC or its nominee, as the registered holder of those global securities. Uruguay expects that the holders will be paid in accordance with the procedures of DTC and its participants. Neither Uruguay nor the trustee, which will act as Uruguay’s principal paying agent, shall have any responsibility or liability for any aspect of the records of, or payments made by, DTC or its nominee, or any failure on the part of DTC in making payments to holders of the Bonds from the funds it receives.

Certificated Bonds

Uruguay will arrange for payments to be made on any Bonds in certificated form to the person in whose name the certificated Bonds are registered, by wire transfer or by check mailed to the holder’s registered address.

Further Issues of Bonds

Uruguay may from time to time, without the consent of holders of the Bonds of a series, create and issue additional debt securities having the same terms and conditions as the Bonds in all respects, except for issue date, issue price and the first payment on the debt securities; provided, however, that any additional debt securities subsequently issued shall be issued, for U.S. federal income tax purposes, either (a) as part of the “same issue” as the Bonds, (b) in a “qualified reopening” of the Bonds; or (c) with no greater amount of original issue discount than the previously outstanding Bonds as of the date of the issue of such additional debt securities, unless such additional debt securities have a separate CUSIP, ISIN or other identifying number from the previously outstanding Bonds. Such additional debt securities will be consolidated with and will form a single series with the previously outstanding debt securities.

Limitation on Time for Claims

Claims against Uruguay for the payment of principal or interest on the Bonds (including additional amounts) must be made within four years after the date on which such payment first became due, or a shorter period if provided by law.

Paying Agents and Transfer Agent

So long as any Bonds remain outstanding, Uruguay will maintain a paying agent, a transfer agent, a registrar in New York City and a paying agent in a member state of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC (as amended from time to time) or any law implementing or complying with, or introduced in order to conform to, such directive.

Uruguay will give prompt notice to all holders of securities of any future appointment or any resignation or removal of any paying agent, transfer agent or registrar or of any change by any paying agent, transfer agent or registrar in any of its specified offices.

Notices

Uruguay will mail notices to holders of certificated securities at their registered addresses as reflected in the books and records of the registrar. Uruguay will consider any mailed notice to have been given five business days after it has been sent. Uruguay will give notices to the holders of a global security in accordance with the procedures and practices of the depositary and such notices shall be deemed given upon actual receipt thereof by the depositary.

Uruguay will also publish notices to the holders (a) in a leading newspaper having general circulation in New York City and London (which is expected to be The Wall Street Journal and the Financial Times, respectively) and (b) if and so long as the securities are listed on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of the exchange so require, in a leading newspaper having general circulation in Luxembourg (which is expected to be Luxemburger Wort) and on the website of the Luxembourg Stock Exchange at <http://www.bourse.lu>. If publication in a leading newspaper in Luxembourg is not practicable, Uruguay will publish such notices in a leading English language daily newspaper with general circulation in Europe. Uruguay will consider any published notice to be given on the date of its first publication.

So long as a clearing system, or its nominee or common custodian, is the registered holder of a Bond represented by a global security or securities, each person owning a beneficial interest in a global security must rely on the procedures of that clearing system to receive notices provided to it. Each person owning a beneficial interest in a global security who is not a participant in a clearing system must rely on the procedures of the participant through which the person owns its interest in the global security to receive notices provided to the clearing system.

Registration and Book-Entry System

Global Bonds

The Bonds are represented by interests in one or more permanent global securities in definitive fully registered form, without interest coupons attached, which are registered in the name of a nominee for DTC and which were deposited on the settlement date with a custodian for DTC. Financial institutions, acting as direct and indirect participants in DTC, will represent the holders' beneficial interests in the global security. These financial institutions will record the ownership and transfer of the holders' beneficial interests through book-entry accounts, eliminating the need for physical movement of securities.

If holders wish to hold securities through the DTC system, holders must either be a direct participant in DTC or hold through a direct participant in DTC. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations that have accounts with DTC. Euroclear and Clearstream participate in DTC through their New York depositaries. Indirect participants are securities brokers and dealers, banks and trust companies that do not have an account with DTC, but that clear through or maintain a custodial relationship with a direct participant. Thus, indirect participants have access to the DTC system through direct participants.

If holders so choose, holders may hold their beneficial interests in the global security through Euroclear or Clearstream, or indirectly through organizations that are participants in such systems. Euroclear and Clearstream will hold their participants' beneficial interests in the global security in their customers' securities accounts with their depositories. These depositories of Euroclear and Clearstream, Luxembourg in turn will hold such interests in their customers' securities accounts with DTC.

In sum, holders may elect to hold their beneficial interests in a global bond:

- in the United States, through DTC;
- outside the United States, through Euroclear or Clearstream, Luxembourg; or
- through organizations that participate in such systems.

DTC may grant proxies or authorize its participants (or persons holding beneficial interests in the global securities through these participants) to exercise any rights of a holder or take any other actions that a holder is entitled to take under the indenture or the Bonds. The ability of Euroclear or Clearstream, Luxembourg to take actions as a holder under the Bonds or the indenture will be limited by the ability of their respective depositories to carry out such actions for them through DTC. Euroclear and Clearstream will take such actions only in accordance with their respective rules and procedures.

Owners of a beneficial interest in the global securities will generally not be considered holders of any Bonds under the indenture for the Bonds.

The laws of some jurisdictions require that certain persons take physical delivery of securities in certificated form. Consequently, a holders' ability to transfer beneficial interests in a global security may be limited.

Certificated Securities

Uruguay will issue securities in certificated form in exchange for interests in a global security only if:

- the depository notifies Uruguay that it is unwilling or unable to continue as depository, is ineligible to act as depository and Uruguay does not appoint a successor depository or clearing agency within 90 days;
- Uruguay decides it no longer wishes to have all or part of the Bonds represented by global securities; or
- the trustee has instituted or been directed to institute any judicial proceeding to enforce the rights of the holders under the Bonds and has been advised by its legal counsel that it should obtain possession of the securities for the proceeding.

If a physical or certificated security becomes mutilated, defaced, destroyed, lost or stolen, Uruguay may execute, and the trustee shall authenticate and deliver, a substitute security in replacement. In each case, the affected holder will be required to furnish to Uruguay and to the trustee an indemnity under which it will agree to pay Uruguay, the trustee and any of their respective agents for any losses they may suffer relating to the security that was mutilated, defaced, destroyed, lost or stolen. Uruguay and the trustee may also require that the affected holder present other documents or proof. The affected holder may be required to pay all taxes, expenses and reasonable charges associated with the replacement of the mutilated, defaced, destroyed, lost or stolen security.

If Uruguay issues certificated securities, a holder of certificated securities may exchange them for securities of a different authorized denomination by submitting the certificated securities, together with a written request for an exchange, at the office of the trustee in New York City as specified in the indenture, or at the office of any paying agent. In addition, the holder of any certificated security may transfer it in whole or in part by surrendering it at any of such offices together with an executed instrument of transfer.

Uruguay will not charge the holders for the costs and expenses associated with the exchange, transfer or registration of transfer of certificated securities. Uruguay may, however, charge the holders for certain delivery expenses as well as any applicable stamp duty, tax or other governmental or insurance charges. The trustee may reject any request for an exchange or registration of transfer of any security made within 15 days of the date for any payment of principal of a premium or interest on the securities.

CLEARANCE AND SETTLEMENT

The information in this section concerning Euroclear, Clearstream, Luxembourg and DTC, and their book-entry systems has been obtained from sources Uruguay believes to be reliable. These systems could change their rules and procedures at any time, and Uruguay takes no responsibility for their actions. Euroclear, Clearstream, Luxembourg and DTC are under no obligation to perform or continue to perform the procedures described below, and they may modify or discontinue them at any time. Neither Uruguay nor the trustee will be responsible for Euroclear's, Clearstream, Luxembourg's or DTC's performance of its obligations under its rules and procedures, or for the performance by direct or indirect participants of its obligations under the rules and procedures of the clearing systems.

Arrangements have been made with each of DTC, Euroclear and Clearstream, Luxembourg to facilitate initial issuance of the Bonds. Transfers within Euroclear, Clearstream, Luxembourg, and DTC will be in accordance with the usual rules and operating procedures of the relevant system. Cross-market transfers between investors who hold or who will hold the Bonds through DTC and investors who hold or will hold the Bonds through Euroclear or Clearstream, Luxembourg will be effected in DTC through the respective depositaries of Euroclear and Clearstream, Luxembourg.

The Clearing Systems

DTC

DTC is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the U.S. Securities Exchange Act of 1934 (the “Exchange Act”).

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of transactions between its participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Persons who have accounts with DTC (“DTC Participants”) include the Joint Bookrunners, the U.S. depositaries, the fiscal agent, securities brokers and dealers, banks, trust companies and clearing corporations and may in the future include certain other organizations. Indirect access to the DTC system is also available to others that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly.

Transfers of ownership or other interests in Bonds in DTC may be made only through DTC participants. In addition, beneficial holders of Bonds in DTC will receive all distributions of principal of and interest on the Bonds from the trustee through such DTC participant.

Euroclear

Euroclear was created in 1968 to hold securities for its participants and to clear and settle transactions between its participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash.

Euroclear provides various other services, including securities lending and borrowing, and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V. (the “Euroclear Operator”) under contract with EuroClear Clearance Systems, S.C., a Belgian cooperative corporation (the “Cooperative”). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks (including central banks), Deutsche Bank Securities Inc., HSBC Securities (USA) Inc. and Santander Investment Securities Inc., securities brokers and dealers and other professional financial intermediaries. Indirect access to Euroclear is also available to others that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

Because the Euroclear Operator is a Belgian banking corporation, Euroclear is regulated and examined by the Belgian Banking Commission.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law, which are referred to as the “Terms and Conditions.” The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear participants, and has no record of or relationship with persons holding through Euroclear participants.

Distributions with respect to Bonds held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Terms and Conditions, to the extent received by the depository for Euroclear.

Clearstream, Luxembourg

Clearstream, Luxembourg is incorporated under the laws of Luxembourg as a professional depository.

Clearstream, Luxembourg holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions between its participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Clearstream, Luxembourg provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing.

Clearstream, Luxembourg interfaces with domestic markets in several countries. As a professional depository, Clearstream, Luxembourg is subject to regulation by the Luxembourg Monetary Institute. Clearstream, Luxembourg participants are financial institutions around the world, including the Joint Bookrunners, other securities brokers and dealers, banks, trust companies and clearing corporations and certain other organizations. Indirect access to Clearstream, Luxembourg is also available to others that clear through or maintain a custodial relationship with a Clearstream, Luxembourg participant either directly or indirectly.

Distributions with respect to Bonds held beneficially through Clearstream, Luxembourg will be credited to cash accounts of Clearstream, Luxembourg participants in accordance with its rules and procedures to the extent received by the depository for Clearstream, Luxembourg.

Initial Settlement

Upon the issuance of the Bonds, DTC or its custodian will credit on its internal system the respective principal amounts of the individual beneficial interests represented by the Bonds to the accounts of DTC participants. Ownership of beneficial interests in the Bonds will be limited to persons who have accounts with DTC Participants, including the respective depositories for Euroclear and Clearstream, Luxembourg or indirect DTC Participants. Ownership of beneficial interests in the Bonds will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee, with respect to interests of DTC Participants, and the records of DTC Participants, with respect to interests of indirect DTC Participants.

Euroclear and Clearstream, Luxembourg will hold omnibus positions on behalf of their participants through customers’ securities accounts for Euroclear and Clearstream, Luxembourg on the books of their respective depositories, which in turn will hold positions in customers’ securities accounts in the depositories’ names on the books of DTC.

Secondary Market Trading

Since the purchaser determines the place of delivery, it is important for holders to establish at the time of a secondary market trade the location of both the purchaser’s and holder’s accounts to ensure that settlement can be on the desired value date. Although Euroclear, Clearstream, Luxembourg and DTC have agreed to the following

procedures in order to facilitate transfers of interests in the Bonds among participants of Euroclear, Clearstream, Luxembourg and DTC, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither Uruguay nor any paying agent or the registrar will have any responsibility for the performance by Euroclear, Clearstream, Luxembourg, or DTC or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Trading Between DTC Accountholders

Secondary market trading of Bonds represented by the book-entry security between DTC accountholders will trade in DTC's settlement system and will therefore settle in same-day funds.

Trading Between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market trading between Clearstream, Luxembourg participants and/or Euroclear participants will be settled using the procedures applicable to conventional Eurobonds in same-day funds.

Trading Between DTC Seller and Clearstream, Luxembourg, or Euroclear Purchaser

When interests in the Bonds are to be transferred from the account of a DTC accountholder to the account of a Clearstream, Luxembourg participant or a Euroclear participant, the purchaser will send instructions to Clearstream, Luxembourg or Euroclear through a Clearstream, Luxembourg or Euroclear participant at least one business day prior to settlement. Clearstream, Luxembourg or Euroclear will instruct its respective depository to receive the beneficial interest against payment. Payment will include interest accrued on the beneficial interest in the Bonds from and including the last interest payment date to and excluding the settlement date. Payment will then be made by the depository to the DTC participant through which the seller holds its Bonds, which will make payment to the seller, and the Bonds will be credited to the depository's account. After settlement has been completed, Euroclear or Clearstream, Luxembourg will credit the interest in the Bonds to the account of the participant through which the purchaser is acting. This interest in the Bonds will appear the next day, European time, after the settlement date, but will be back-valued to and the interest of the applicable Bonds will accrue from the value date, which will be the preceding day when settlement occurs in New York. If settlement is not completed on the intended value date, the securities credit and cash debit will be valued instead as of the actual settlement date.

A participant in Euroclear or Clearstream, Luxembourg, acting for the account of a purchaser of Bonds, will need to make funds available to Euroclear or Clearstream, Luxembourg in order to pay for the Bonds on the value date. The most direct way of doing this is for the participant to preposition funds (i.e., have funds in place at Euroclear or Clearstream, Luxembourg before the value date), either from cash on hand or existing lines of credit. The participant may require the purchaser to follow these same procedures.

As an alternative, if Clearstream, Luxembourg or Euroclear has extended a line of credit to a Clearstream, Luxembourg or Euroclear participant, the participant may elect not to preposition funds and allow that credit line to be drawn upon to finance settlement. Under this procedure, Clearstream, Luxembourg participants or Euroclear participants purchasing interests in the Bonds would incur overdraft charges for one day, assuming they cleared the overdraft when the beneficial interests in such Bonds were credited to their accounts. However, interest on the book-entry security would accrue from the value date. Therefore, in many cases the investment income on the beneficial interest in the Bonds earned during that one-day period may substantially reduce or offset the amount of the overdraft charges, although this result will depend on each participant's particular cost of funds.

Since the settlement is taking place during New York business hours, DTC accountholders can employ their usual procedures for transferring Bonds to the respective depositories of Clearstream, Luxembourg or Euroclear for the benefit of Clearstream, Luxembourg participants or Euroclear participants. The sale proceeds will be available to the DTC seller on the settlement date. Thus, to DTC accountholders, a cross-market sale transaction will settle no differently from a trade between two DTC accountholders.

Finally, day traders that use Clearstream, Luxembourg or Euroclear to purchase interests in the Bonds from DTC accountholders for delivery to Clearstream, Luxembourg participants or Euroclear participants should note that these trades will automatically fail on the sale side unless affirmative action is taken. At least three techniques should be readily available to eliminate this potential problem:

- borrowing through Clearstream, Luxembourg or Euroclear for one day, until the purchase side of the day trade is reflected in their Clearstream, Luxembourg or Euroclear accounts, in accordance with the clearing system's customary procedures,
- borrowing the interests in the United States from a DTC accountholder no later than one day prior to settlement, which would give the interests sufficient time to be reflected in their Clearstream, Luxembourg or Euroclear account in order to settle the sale side of the trade, or
- staggering the value date for the buy and sell sides of the trade so that the value date for the purchase from the DTC accountholder is at least one day prior to the value date for the sale to the Clearstream, Luxembourg participant or Euroclear participant.

Trading Between Euroclear or Clearstream, Luxembourg Seller and DTC Purchaser

When book-entry securities are to be transferred from a Euroclear or Clearstream, Luxembourg seller to a DTC purchaser, the seller must first send instructions to and preposition the securities with Euroclear or Clearstream, Luxembourg through a participant, at least one business day prior to settlement. Clearstream, Luxembourg or Euroclear will instruct its depository to credit the interest in the Bonds to the account of the DTC participant through which the purchaser is acting and to receive payment in exchange. Payment will include interest accrued on the beneficial interest in the Bonds from and including the last interest payment date to and excluding the settlement date. The payment will then be credited to the account of the Clearstream, Luxembourg participant or Euroclear participant through which the seller is acting on the following day, but the receipt of the cash proceeds will be back-valued to the value date, which will be the preceding day, when settlement occurs in New York. If settlement is not completed on the intended value date the receipt of the cash proceeds and securities debit would instead be valued as of the actual settlement date.

Exchanges Between Global Bonds

Beneficial interests in one global security may generally be exchanged for interests in another global security. The trustee may require the transferor to provide certain written certifications in a form that is satisfactory to the trustee. Any beneficial interest in a global security that is transferred to a person who takes delivery through another global security will, upon transfer, become subject to any transfer restrictions and other procedures applicable to beneficial interests in the other global security.

TAXATION

Uruguayan Tax Considerations

The following discussion summarizes certain aspects of Uruguayan income taxation that may be relevant to you if you are a Non-Resident Holder of Bonds. For the purposes of this summary, you are a “Non-Resident Holder” if you are a holder of Bonds who is an individual that is a non-resident of Uruguay or a legal entity that is neither organized in, nor maintains a permanent establishment in Uruguay. This summary may also be relevant to you if you are a Non-Resident Holder of Bonds in connection with the holding and disposition of the Bonds. The summary is based on Uruguayan laws, rules and regulations now in effect, all of which may change. This summary is not intended to constitute a complete analysis of the income tax consequences under Uruguayan law of the receipt, ownership or disposition of the Bonds, in each case if you are a non-resident of Uruguay, nor to describe any of the tax consequences that may be applicable to you if you are a resident of Uruguay.

Under Uruguayan law, as currently in effect, if you are a Non-Resident Holder of Bonds, interest and principal payments on the Bonds will not be subject to Uruguayan income or withholding tax. If you are a Non-Resident Holder and you obtain capital gains resulting from any trades of Bonds effected between or in respect of accounts maintained by or on behalf of you, you will not be subject to Uruguayan income or other Uruguayan taxes where you have no connection with Uruguay other than as a holder of an interest in Bonds. If you are a Non-Resident Holder, payments of interest and principal on Bonds to you, and any gain realized upon the disposition of Bonds by you, will not be subject to Uruguayan taxes.

United States Federal Income Tax Considerations for United States Persons

The following is a summary of certain U.S. federal income tax considerations that may be relevant to a holder of a Bond. This summary is based on provisions of the Internal Revenue Code of 1986, as amended, applicable Treasury regulations, laws, rulings and decisions now in effect, all of which are subject to change, possibly with retroactive effect. This summary deals only with beneficial owners of Bonds that will hold Bonds as capital assets, and does not address particular tax considerations that may be applicable to investors that are subject to special tax rules, such as banks, tax-exempt entities, insurance companies, regulated investment companies, dealers in securities or currencies, traders in securities electing to mark to market, persons that will hold Bonds as a position in a “straddle” or conversion transaction, or as part of a “synthetic security” or other integrated financial transaction, entities or arrangements taxed as partnerships or the partners therein, persons subject to the alternative minimum tax, individuals present in the United States for more than 182 days in a taxable year, U.S. expatriates or persons that have a “functional currency” other than the U.S. dollar.

This summary addresses only U.S. federal income tax consequences, and does not address consequences arising under state, local, or foreign tax laws or the Medicare tax on net investment income. Investors should consult their own tax advisors in determining the tax consequences to them of holding Bonds under such tax laws, as well as the application to their particular situation of the U.S. federal income tax considerations discussed below.

As used herein, a “U.S. holder” is a beneficial owner of a Bond that is a citizen or resident of the United States or a U.S. domestic corporation or that otherwise will be subject to U.S. federal income taxation on a net income basis in respect of the Bond. A “non-U.S. holder” is a beneficial owner of a Bond that is an individual, corporation, foreign estate, or foreign trust, that is not a U.S. holder.

U.S. Holders

Payments of Interest. Payments of stated interest will be taxable to a U.S. holder as ordinary interest income at the time it accrues or is actually or constructively received, in accordance with the holder’s method of accounting for U.S. federal income tax purposes. It is expected, and this discussion assumes, that the Bonds will not be issued with more than a *de minimis* amount of original issue discount (“OID”). In general, however, if the Bonds are issued with more than *de minimis* OID, a U.S. holder will be required include that OID in gross income, as ordinary income by determining the amount of OID that accrues in pesos under a “constant-yield method” before the receipt of cash attributable to such income, regardless of the U.S. holder’s regular method of accounting for U.S. federal income tax purposes and then translating the amount of accrued OID into U.S. dollars under rules similar to

those discussed below for the accrual of interest. Interest income (including any additional amounts) on a Note will generally be considered foreign source income and, for purposes of the United States foreign tax credit, will generally be considered passive category income.

Because the Bonds are not denominated in U.S. dollars, a U.S. holder that uses the accrual method of accounting for tax purposes will accrue interest income on the Bonds in pesos and translate the amount accrued into U.S. dollars based on the average exchange rate in effect during the interest accrual period (or portion thereof within the U.S. holder's taxable year), or, at the accrual basis U.S. holder's election, at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year), or at the spot rate of exchange on the date of receipt, if this date is within five business days of the last day of the accrual period. A U.S. holder that makes this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the Internal Revenue Service (the "IRS"). A U.S. holder will recognize net foreign currency gain or loss, as the case may be, on the receipt of an interest payment made with respect to a Bond if the amount of U.S. dollars received differs from the amount the holder accrued with respect to such payment (or, in the case of a cash method taxpayer or an accrual method taxpayer that has made the election discussed above, if the amount of U.S. dollars received differs from the value of the interest payment in pesos translated into U.S. dollars at the spot rate of exchange on the relevant interest payment date). This foreign currency gain or loss will be treated as ordinary income or loss but generally will not be treated as an adjustment to interest income received on the Bond.

Sale, Exchange and Retirement of Bonds. Upon the sale, exchange or retirement of a Bond, a U.S. holder generally will recognize gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (less any accrued interest, which will be taxable as such) and the U.S. holder's tax basis in the Bond. A U.S. holder's tax basis in a Bond will generally equal the cost of the Bond to the holder. The cost of the Bond to a U.S. holder will be the U.S. dollar amount paid by the holder to purchase the Bond.

Except as discussed below with respect to foreign currency gain or loss, gain or loss recognized by a U.S. holder generally will be long-term capital gain or loss if the U.S. holder has held the Bond for more than one year at the time of disposition. Long-term capital gains recognized by an individual holder generally are subject to tax at a lower rate than short-term capital gains or ordinary income. The deduction of capital losses is subject to limitations. Gain or loss recognized by a U.S. holder will generally be treated as United States source gain or loss.

Gain or loss recognized by a U.S. holder on the sale, exchange or retirement of a Bond generally will be treated as ordinary income or loss to the extent that the gain or loss is attributable to changes in exchange rates during the period in which the holder held the Bond. This foreign currency gain or loss will not be treated as an adjustment to interest income received on the Bonds.

Foreign Currency Bonds and Reportable Transactions. A U.S. holder that participates in a "reportable transaction" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. holder may be required to treat a foreign currency exchange loss relating to a Bond as a reportable transaction if the loss exceeds \$50,000 in a single taxable year if the U.S. holder is an individual or trust, or higher amounts for other U.S. holders. In the event the acquisition, ownership or disposition of a Bond constitutes participation in a "reportable transaction" for purposes of these rules, a U.S. holder will be required to disclose its investment to the IRS, currently on Form 8886. Prospective purchasers should consult their tax advisors regarding the application of these rules to the acquisition, ownership or disposition of a Bond.

Specified Foreign Financial Assets. Certain U.S. Holders that own "specified foreign financial assets" with an aggregate value in excess of USD \$50,000 are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which would include the Bonds) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. Holders who fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. Prospective investors should consult their own tax advisors concerning the

application of these rules to their investment in the Bonds, including the application of the rules to their particular circumstances.

Non-U.S. Holders

Payments of Interest. Subject to the discussions below under “Information Reporting and Backup Withholding,” payments of interest on the Bonds to a Non-U.S. holder generally will be exempt from U.S. federal income taxes, including withholding tax. However, to receive this exemption a Non-U.S. holder may be required to satisfy certification requirements, described below under “Information Reporting and Backup Withholding,” to establish that it is not a U.S. holder.

Purchase, Sale and Retirement of Notes. Subject to the discussions below under “Information Reporting and Backup Withholding,” a Non-U.S. holder generally will not be subject to U.S. federal income tax on gain recognized on a sale, exchange, or other disposition of Bonds.

Information Reporting and Backup Withholding

Information returns will be filed with the IRS in connection with payments on the Bonds made to, and the proceeds of dispositions of Bonds effected by, certain U.S. holders. In addition, certain U.S. holders may be subject to backup withholding in respect of such amounts if they do not provide their taxpayer identification numbers to the person from whom they receive payments. Non-U.S. holders may be required to comply with applicable certification procedures to establish that they are not U.S. holders in order to avoid the application of such information reporting requirements and backup withholding. The amount of any backup withholding from a payment to a U.S. or non-U.S. holder will be allowed as a credit against the holder’s U.S. federal income tax liability and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS.

TRANSFER RESTRICTIONS

The distribution of this offering memorandum is restricted by law in certain jurisdictions. Persons into whose possession this offering memorandum comes are required by Uruguay to inform themselves of and to observe any of these restrictions.

This offering memorandum does not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which an offer or solicitation is not authorized or in which the person making an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make an offer or solicitation. Neither Uruguay nor the Initial Purchasers accept any responsibility for any violation by any person of the restrictions applicable in any jurisdiction.

The Bonds are subject to the following restrictions on transfer. Holders of Bonds are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of their Bonds. By acquiring Bonds, holders are deemed to have made the following acknowledgements, representations to and agreements with Uruguay and the initial purchasers:

- (1) You acknowledge that:
 - the Bonds have not been registered under the Securities Act or the securities laws of any other jurisdiction and are being offered for resale in transactions that do not require registration under the Securities Act or the securities laws of any other jurisdiction; and
 - unless so registered, the Bonds may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and in each case in compliance with the conditions for transfer set forth below;
- (2) You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of Uruguay and you are not acting on behalf of Uruguay and that either:
 - you are a QIB (as defined in Rule 144A under the Securities Act) and are acquiring the Bonds for your own account or for the account of another QIB, and you are aware that the Initial Purchasers are selling the Bonds to you in reliance on Rule 144A under the Securities Act; or
 - you are purchasing the Bonds in an offshore transaction in accordance with Regulation S under the Securities Act;
- (3) You agree on your own behalf and on behalf of any investor account for which you are purchasing Bonds, and each subsequent holder of Bonds by its acceptance of the Bonds will agree, that the Bonds may be offered, sold or otherwise transferred only:
 - to Uruguay;
 - inside the United States to a QIB (as defined in Rule 144A) in compliance with Rule 144A under the Securities Act;
 - outside the United States in compliance with Rule 903 or 904 of Regulation S under the Securities Act;
 - pursuant to a registration statement that has been declared effective under the Securities Act; or
 - in any other jurisdiction in compliance with local securities laws;

- (4) You acknowledge that Uruguay and the trustee reserves the right to require, in connection with any offer, sale or other transfer of Bonds, the delivery of written certifications and/or other information satisfactory to Uruguay and the trustee as to compliance with the transfer restrictions referred to above;
- (5) You agree to deliver to each person to whom you transfer Bonds, notice of any restrictions on transfer of such Bonds; and
- (6) You acknowledge that each Rule 144A global bond bears a legend to the following effect:

“THIS BOND HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND MAY NOT BE RESOLD, PLEDGED, OR OTHERWISE TRANSFERRED EXCEPT AS PERMITTED BY THE FOLLOWING SENTENCES. THE HOLDER HEREOF, BY ITS ACCEPTANCE OF THIS BOND, REPRESENTS, ACKNOWLEDGES AND AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES THAT IT WILL NOT RESELL, PLEDGE OR OTHERWISE TRANSFER THIS BOND EXCEPT (A) TO THE ISSUER, (B) IN COMPLIANCE WITH RULE 144A, UNDER THE SECURITIES ACT, TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER, (C) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR 904 OF REGULATIONS UNDER THE SECURITIES ACT OR (D) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF THE UNITED STATES OR OF ANY STATE THEREIN.

THIS LEGEND MAY ONLY BE REMOVED WITH THE CONSENT OF THE ISSUER.”

You acknowledge that Uruguay, the Initial Purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements. You agree that if any of the acknowledgments, representations or warranties deemed to have been made by your purchase of Bonds is no longer accurate, you shall promptly notify Uruguay and the initial purchasers. If you are acquiring any Bonds as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the foregoing acknowledgments, representations, warranties and agreements on behalf of each account.

Notice to Prospective Investors in Canada

The Bonds 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 Bonds must be in made 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 prospectus supplement (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 or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (“NI33-105”), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in the European Economic Area

This offering memorandum has been prepared on the basis that any offer of Bonds 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 Bonds.

Accordingly any person making or intending to make an offer in that Member State of Bonds which are the subject of the offering contemplated in this offering memorandum may only do so in circumstances in which no obligation arises for Uruguay or any of the Initial Purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither Uruguay nor the Initial Purchasers have authorized, nor do they authorize, the making of any offer of Bonds in circumstances in which an obligation arises for Uruguay or the Initial Purchasers to publish a prospectus for such offer. Neither Uruguay nor the Initial Purchasers have authorized, nor do they authorize, the making of any offer of Bonds through any financial intermediary, other than offers made by the initial purchasers, which constitute the final placement of the Bonds contemplated in this offering memorandum.

The expression “Prospectus Directive” means Directive 2003/71/EC (as amended), and includes any relevant implementing measure in the Relevant Member State concerned.

Each person in a Member State of the European Economic Area who receives any communication in respect of, or who acquires any Bonds under, the offers to the public contemplated in this offering memorandum will be deemed to have represented, warranted and agreed to and with each Initial Purchaser that:

(a) it is a qualified investor within the meaning of the law in that Member State implementing Article 2(1)(e) of the Prospectus Directive; and

(b) in the case of any Bonds acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Bonds acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Initial Purchasers has been given to the offer or resale; or (ii) where Bonds have been acquired by it on behalf of persons in any Member State other than qualified investors, the offer of those Bonds to it is not treated under the Prospectus Directive as having been made to such persons.

Notice to Prospective Investors in Hong Kong

This offering memorandum 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 Bonds 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 (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 bonds 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.

Notice to Prospective Investors in Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offering may not be circulated or distributed, nor may the Bonds 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 Bonds 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 Bonds 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.

Notice to Prospective Investors in the United Kingdom

This offering memorandum has not been approved by an authorized person for the purposes of section 21 of the UK Financial Services and Markets Act 2000. This offering memorandum is 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 ("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 memorandum is 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 memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

Each Initial Purchaser has represented and agreed that: (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of FSMA does not apply to Uruguay; and (b) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

Notice to Prospective Investors in Switzerland

The offering memorandum does not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations and the Bonds will not be listed on the SIX Swiss Exchange. Therefore, the offering memorandum may not comply with the disclosure standards of the listing rules (including any additional listing rules or prospectus schemes) of the SIX Swiss Exchange. Accordingly, the Bonds may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors who do not subscribe to the Bonds with a view to distribution. Any such investors will be individually approached by the Initial Purchasers from time to time.

Notice to Prospective Investors in the Netherlands

The Bonds may not be offered or sold, directly or indirectly, other than to qualified investors (*gekwalificeerde beleggers*) within the meaning of Article 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

Notice to Prospective Investors in the Dubai International Financial Centre

The offering memorandum relates to an exempt offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). The offering memorandum is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with exempt offers. The DFSA has not approved the offering memorandum nor taken steps to verify the information set forth herein and has no responsibility for the offering memorandum. The Bonds to which the offering memorandum

relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Bonds offered should conduct their own due diligence on the Bonds. If you do not understand the contents of the offering memorandum you should consult an authorized financial advisor.

Notice to Prospective Investors in Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any Bonds, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice to Prospective Investors in Chile

Pursuant to Law No. 18,045 of Chile (the securities market law of Chile) and Rule (*Norma de Carácter General*) No. 336, dated June 27, 2012, issued by the SVS, the Bonds may be privately offered in Chile to certain “qualified investors” identified as such by Rule 336 (which in turn are further described in Rule No. 216, dated June 12, 2008, of the SVS). Rule 336 requires the following information to be provided to prospective investors in Chile:

1. Date of commencement of the offer: September 7, 2017. The offer of the Bonds is subject to Rule (Norma de Carácter General) No. 336, dated June 27, 2012, issued by the Superintendency of Securities and Insurance of Chile (*Superintendencia de Valores y Seguros de Chile* or “SVS”);
2. The subject matter of this offer are securities not registered with the Securities Registry (*Registro de Valores*) of the SVS, nor with the foreign securities registry (*Registro de Valores Extranjeros*) of the SVS, due to the Bonds not being subject to the oversight of the SVS;
3. Since the Bonds are not registered in Chile there is no obligation by the Republic to make publicly available information about the Bonds in Chile; and
4. The Bonds shall not be subject to public offering in Chile unless registered with the relevant Securities Registry of the SVS.

Información a los Inversionistas Chilenos

De conformidad con la ley N° 18.045, de mercado de valores y la Norma de Carácter General N° 336 (la “NCG 336”), de 27 de junio de 2012, de la Superintendencia de Valores y Seguros de Chile (la “SVS”), los bonos pueden ser ofrecidos privadamente a ciertos “inversionistas calificados”, a los que se refiere la NCG 336 y que se definen como tales en la Norma de Carácter General N° 216, de 12 de junio de 2008, de la SVS. La siguiente información se proporciona a potenciales inversionistas de conformidad con la NCG 336:

1. *La oferta de los bonos comienza el 7 de septiembre, 2017 y se encuentra acogida a la Norma de Carácter General N° 336, de fecha 27 de junio de 2012, de la SVS;*
2. *La oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la SVS, por lo que tales valores no están sujetos a la fiscalización de esa Superintendencia;*
3. *Por tratarse de valores no inscritos en Chile no existe la obligación por parte del emisor de entregar en Chile información pública sobre los mismos; y*
4. *Estos valores no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el Registro de Valores correspondiente.*

PLAN OF DISTRIBUTION

Deutsche Bank Securities Inc., HSBC Securities (USA) Inc. and Santander Investment Securities Inc. are acting as the Initial Purchasers of the offering. Subject to the terms and conditions set forth in a purchase agreement among us and the initial purchasers, we have agreed to sell to the initial purchasers, and each of the Initial Purchasers has agreed, severally and not jointly, to purchase from us, the principal amount of Bonds set forth opposite its name below.

<u>Initial purchaser</u>	<u>Principal Amount of Bonds</u>
Deutsche Bank Securities Inc.....	Ps. 10,534,000,000
HSBC Securities (USA) Inc.	10,534,000,000
Santander Investment Securities Inc.	10,535,000,000
Total	Ps. 31,603,000,000

Subject to the terms and conditions set forth in the purchase agreement, the Initial Purchasers have agreed, severally and not jointly, to purchase all of the Bonds sold under the purchase agreement if any of these Bonds are purchased. If an Initial Purchasers defaults, the purchase agreement provides that the purchase commitments of the non-defaulting Initial Purchasers may be increased or the purchase agreement may be terminated.

The Initial Purchasers are offering the Bonds, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Bonds, and other conditions contained in the purchase agreement, such as the receipt by the Initial Purchasers of officer’s certificates and legal opinions. The Initial Purchasers reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part. The price at which the Bonds are offered may be changed at any time without notice.

The Bonds have not been and will not be registered under the Securities Act or any state securities laws and are being offered and sold only (a) to QIBs in compliance with Rule 144A and (b) outside the United States to certain non-U.S. persons in accordance with Regulation S. See “Transfer Restrictions.”

Accordingly, in connection with sales outside the United States, the Initial Purchasers have agreed that, except as permitted by the purchase agreement and set forth in “Transfer Restrictions”, they will not offer or sell the Bonds within the United States or to, or for the account or benefit of, U.S. persons (i) as part of the distribution at any time or (ii) otherwise until 40 days after the later of the commencement of this offering and the closing date, and they will have sent to each dealer to which they sell the Bonds during the 40-day distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days following the commencement of this offering, an offer or sale of Bonds within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act.

In connection with the offering of any of Bonds, Initial Purchasers (the “Stabilizing Managers”) (or persons acting on their behalf) may over-allot Bonds or effect transactions with a view to supporting the market price of the Bonds during the stabilization period at a level higher than that which might otherwise prevail. However, stabilization action may not necessarily occur. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Bonds is made and, if begun, may be ended at any time, but it must end no later than 30 days after the date on which Uruguay received the proceeds of the issue, or no later than 60 days after the date of allotment of the relevant Bonds, whichever is the earlier. Any stabilization action or over-allotment must be conducted by the relevant Stabilizing Managers (or persons acting on their behalf) in accordance with all applicable laws and rules and will be undertaken at the offices of the Stabilizing Managers (or persons acting on their behalf) and on the over-the-counter market.

The initial purchaser may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business.

We have agreed to indemnify the Initial Purchasers and their controlling persons against certain liabilities in connection with this offering, including liabilities under the Securities Act, or to contribute to payments the Initial Purchasers may be required to make in respect of those liabilities.

Settlement

Delivery of the Bonds was made to investors on September 15, 2017, which was the sixth business day following the date of the offering memorandum (such settlement being referred to as “T+ 6”). Under Rule 15c6-1 under the Securities Exchange Act of 1934, trades in the secondary market are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wished to trade Bonds prior to the delivery of the Bonds hereunder were required, by virtue of the fact that the Bonds initially settle in T+6, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the Bonds who wished to trade the Bonds prior to their date of delivery hereunder should have consulted their advisors.

Conflicts of Interest

The Initial Purchasers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with Uruguay or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of its business activities, the Initial Purchasers and their 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 Uruguay or its affiliates. The Initial Purchasers or their affiliates that may have a lending relationship with Uruguay routinely hedge their credit exposure to Uruguay consistent with their customary risk management policies. Typically, the Initial Purchasers and such affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in Uruguay’s securities, including potentially the Bonds offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Bonds offered hereby. The Initial Purchasers and their 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.

OFFICIAL STATEMENTS

Information in this offering memorandum whose source is identified as a publication of Uruguay or one of its agencies or instrumentalities relies on the authority of that publication as a public official document of Uruguay. All other information in this offering memorandum, other than that included in “Plan of Distribution” above, is included as a public official statement made on the authority of Uruguay.

VALIDITY OF THE BONDS

The validity of the Bonds was passed upon for Uruguay by Counsel to the Ministry of Economy and Finance of Uruguay and by Cleary Gottlieb Steen & Hamilton LLP, special New York counsel to Uruguay.

The validity of the Bonds was passed upon for the underwriters by Shearman & Sterling LLP, United States counsel to the Initial Purchasers, and by Guyer & Regules, Uruguayan counsel to the Initial Purchasers.

As to all matters of Uruguayan law, Cleary Gottlieb Steen & Hamilton LLP may rely on the opinion of Counsel to the Ministry of Economy and Finance of Uruguay, and Shearman & Sterling LLP may rely on the opinion of Guyer & Regules.

As to all matters of United States law, Counsel to the Ministry of Economy and Finance of Uruguay may rely on the opinion of Cleary Gottlieb Steen & Hamilton LLP, and Guyer & Regules may rely on the opinion of Shearman & Sterling LLP. All statements with respect to matters of Uruguayan law in this offering memorandum have been passed upon by Counsel to the Ministry of Economy and Finance of Uruguay and Guyer & Regules and are made upon their authority.

GENERAL INFORMATION

Due Authorization

Uruguay has authorized the creation and issue of the Bonds pursuant to Decree No. 243/017, dated September 4, 2017, of the Executive Power of the Republic of Uruguay and the corresponding resolution of the Ministry of Economy and Finance.

Clearing

The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg and DTC. The codes are:

	<u>ISIN</u>	<u>CUSIP</u>	<u>Common Code</u>
Rule 144A	US760942BC54	760942 BC5	168332475
Regulation S	USP80557BV53	P80557 BV5	168332521

Where You Can Find More Information

This offering memorandum does not contain all of the information included in Uruguay's 2016 Annual Report, as amended by Amendment No. 1 and Amendment No. 2, and the accompanying Prospectus. Any statement made in this offering memorandum concerning the contents of any contract, agreement or other document is not necessarily complete. If Uruguay has filed any contract, agreement or other document as an exhibit to the Form 18-K, you should read the exhibit for a more complete understanding of the document or matter involved. Each statement regarding a contract, agreement or other document is qualified in its entirety by reference to the actual document.

Uruguay is not subject to the informational requirements of the U.S. Securities Exchange Act of 1934. Uruguay commenced filing annual reports on Form 18-K with the SEC on a voluntary basis beginning with its fiscal year ended December 31, 2004. These reports include certain financial, statistical and other information concerning Uruguay. Uruguay may also file amendments on Form 18-K/A to its annual reports for the purpose of filing with the SEC exhibits which have not been included in the 2016 Annual Report that is incorporated by reference into this offering memorandum. When filed, these exhibits will be incorporated by reference into this offering memorandum.

You can request copies of the 2016 Annual Report, Amendment No. 1 and Amendment No. 2, in each case, including its various exhibits, upon payment of a duplicating fee, by writing to the SEC. You may also read and copy these documents at the SEC's public reference room in Washington, D.C.:

100 F Street, N.E.
Room 1580
Washington, D.C. 20549

Any filings that Uruguay makes electronically are available to the public over the Internet at the SEC's website (www.sec.gov). Please call the SEC at 1-800-SEC-0330 for further information.

Copies of the 2016 Annual Report, Amendment No. 1 and Amendment No. 2, in each case, including its various exhibits will also be published on the website of the Luxembourg Stock Exchange, at <http://www.bourse.lu>.

Any person receiving a copy of this offering memorandum may obtain, without charge and upon request, a copy of the 2016 Annual Report, Amendment No. 1 and Amendment No. 2 (in each case, including only the exhibits that are specifically incorporated by reference therein). Requests for such documents should be directed to:

República Oriental del Uruguay
c/o Ministry of Economy and Finance
Colonia 1089—Third Floor
11100 Montevideo
República Oriental del Uruguay
Fax No.: 598-2-1712-2716
Tel. No: +598-2-1712-2785
Email: debtinfo@mef.gub.uy
Attention: Debt Management Unit

Uruguay's SEC file number is 333-07128

ANNEX A

ISSUER

República Oriental del Uruguay
c/o Ministry of Economy and
Finance
Colonia 1089—Third Floor
11100 Montevideo
Uruguay

INITIAL PURCHASERS

Deutsche Bank Securities Inc.
60 Wall Street
New York, New York 10005
United States of America

HSBC Securities (USA) Inc.
452 Fifth Avenue
New York, New York 10018
United States of America

Santander Investment Securities Inc.
45 East 53rd Street
New York, New York 10022
United States of America

**TRUSTEE, REGISTRAR,
TRANSFER AGENT AND
PAYING AGENT**

The Bank of New York Mellon
101 Barclay Street, Floor 7E
New York, New York 10286
United States of America

LUXEMBOURG PAYING AGENT AND LUXEMBOURG TRANSFER AGENT

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building – Polaris
2-4 rue Eugène Ruppert L-2453
Luxembourg EB6-0000

LUXEMBOURG LISTING AGENT

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building – Polaris
2-4 rue Eugène Ruppert L-2453
Luxembourg EB6-0000

LEGAL ADVISORS

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To the Initial Purchasers as to of U.S. Law

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New York, NY 10022
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To Uruguay as to Uruguayan law:

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and Finance of the Republic of Uruguay
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11100 Montevideo
Uruguay

To the Initial Purchasers as to Uruguayan law:

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11100 Montevideo
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