

£1,200,000 SEVEN PER CENT. FIRST MORTGAGE BONDS OF £100 EACH.

# URUGUAY CENTRAL & HYGUERITAS RAILWAY COMPANY OF MONTEVIDEO, LIMITED.

Secured by a First Mortgage on the Government Guarantee for Forty Years (within which period the Bonds will be redeemed at par by the operation of a Sinking Fund), and of the 146 Miles of Railway, as made, from Santa Lucia to Hygueritas.

Subscribers will receive, in addition, upon the delivery of each Definitive Bond, a fully paid-up £20 Share, by way of Bonus, out of the £300,000 of Ordinary Share Capital, which is entitled to Dividend after payment of the Interest and Sinking Fund on the Bonds, and the Interest on the Preference Shares.

These Bonds are the First Mortgage Capital of the Uruguay Central and Hygueritas Railway Company of Montevideo, Limited, and will bear Interest at the rate of 7 per cent. per annum, from the 1st of January, 1873, payable half-yearly on the 30th of June and 31st of December.

## TRUSTEES FOR THE BONDHOLDERS.

GEORGE W. DRABBLE, Esq., Chairman of the London and River Plate Bank, Director of the Buenos Ayres Great Southern Railway Company. } Trustees for the Bondholders and Preference Shareholders of the Central Uruguay Railway Company.  
LORD HENRY GORDON LENNOX, M.P. (Director of the National Bank.) }  
LOFTUS FITZWYGRAM, Esq., 89 Eccleston square, S.W., London. }

Price of Issue, £85 per Bond of £100.

The LONDON AND RIVER PLATE BANK (Limited) are authorised to receive subscriptions for the above, payable as follows:—

£	
5	on application.
10	on allotment.
15	on the 15th February, 1873.
20	on the 15th April, 1873.
15	on the 30th June, 1873, less half-year's coupon, £3 10s, deducting income tax.
20	on the 15th August, 1873.
—	
85	

Subscribers may pay up in full on any day when an instalment falls due, under discount of 5 per cent. per annum on the amounts so paid.

At the price of issue, after reckoning discount for prepayment, the cost is reduced to about 83½ per cent. net, which will give the subscribers a return of upwards of £8 5s per cent. per annum, exclusive of the value of the sinking fund.

Scrip certificates to bearer will be issued on allotment, to be hereafter exchanged for definitive bonds and the bonus shares, free of stamp duty.

The sum to meet the first two years' interest will be placed in the hands of the Trustees for the bondholders before the issue of the definitive bonds.

The bonds will carry coupons, payable half-yearly at the London and River Plate Bank (Limited), 40 Moorgate street, E.C., London, on the 30th of June, and the 31st of December in each year, and will be redeemed by annual drawings, at par (£100), in 40 years, through the operation of a sinking fund. The drawings will take place yearly, on the 1st of November, in London, in the presence of the Trustees for the bondholders, and commence on the 1st of November, 1875, and the bonds so drawn will be paid off on the 31st of December following.

	£
The Government guarantee of £700 per mile amounts only to.....	102,200
The interest and sinking fund on the bonds amount to .....	90,000
Leaving a margin, per annum, of.....	12,200

The bonds, therefore, are more than fully covered by the amount of the Government guarantee, and in addition, they have the security of the traffic of the railway.

A first mortgage deed has been executed to the Trustees, charging the concession relating to the 146 miles of railway, with the guarantee of the Government of Uruguay of £102,200 a year thereon, as a special security for the due payment of the interest and sinking fund on the bonds, the proceeds of which the Trustees will apply to the construction and equipment of the railway. The concession is in perpetuity, the Government guarantee of the net earnings of the line to the amount of 7 per cent. on £10,000 per mile being for 40 years, and attaching, as each separate section, of not less than 20 miles, is opened for traffic. Each such section is thus complete in itself, and the position of the bondholder remains the same, whether a part or the whole of the bonds are issued.

The capital of the Company consists of £1,200,000 in bonds, now offered for subscription, and £600,000 in shares. £300,000 of which are 7 per cent. preference shares, and £300,000 ordinary shares. Out of the latter the bonus shares will be taken.

A contract has been concluded with Messrs Waring Brothers for the complete construction and equipment of the railway, in sections, within two years, to the satisfaction of the Government, and in conformity with the terms of the concession, for the proceeds of the mortgage capital now offered for subscription (or pro rata in case part only shall be issued), the £300,000 of preference shares, and the remainder (£60,000) of the ordinary shares, which will be paid and handed to them by the Trustees against the Engineer's certificates as the works progress.

The Central Uruguay Railway, starting from the capital and shipping port of Montevideo, is now opened to the town of Santa Lucia, where the present line will form a junction with it, and run to Hygueritas, where it will collect the traffic of the vast and fertile provinces watered by the Uruguay and its tributaries, for conveyance by means of the Central Uruguay Railway to Montevideo, the capital of the Republic of Uruguay, and the best port of the River Plate.

The traffic of the line to Santa Lucia is most satisfactory, and fully justifies the opinion of practical men acquainted with the country, that this natural extension of the system, following the course of the main road, by which the traffic is at present conveyed, will, when fully developed, earn considerably more than the 7 per cent. minimum dividend on £10,000 per mile guaranteed by the State.

Notwithstanding the fact that the line to Santa Lucia as yet has been worked almost entirely for passengers, the receipts already amount to upwards of £25 per mile per week, and a very considerable addition may be expected as soon as the goods' traffic commences. A net earning of less than £15 per mile per week on this line is sufficient to pay the interest and sinking fund on the bonds now offered for subscription, and the fixed dividend of 7 per cent. on the preference shares. The ordinary shares are entitled to all excess of net revenue beyond that sum, subject to the application of 50 per cent. thereof to the repayment of advances by the Government, if any, under their guarantee.

The success of the railways in the River Plate States has been of the most marked description. The shares of the Buenos Ayres Great Southern Railway, on the right bank of the river, command a premium of over 33 per cent. The net earnings of the Northern Railway of Buenos Ayres for the year 1871 amounted to 13 per cent. on the entire capital of the Company—£17,000 per mile. From the rapidly increasing prosperity of the country, there can be no doubt that the railways on the left, or Montevidean, bank of the River Plate, will become equally if not more remunerative.

The Seven per Cent. bonds of the Central Uruguay Railway Company, with the same guarantee of the Government as those now offered for subscription, but without any bonus share, issued in April, 1871, at 75, are now quoted at 99.

The latest advices from Uruguay are of a very satisfactory and encouraging character, and have a special interest for the investors in the securities of that country. The progress of the country is steady and continuous; within the space of ten years the revenues have increased more than threefold, the receipts in 1862 were £353,800 only, while in 1871 the Customs' receipts amounted to £1,062,463.

The Consolidated Six per Cent. Loan of Uruguay, issued in London in the autumn of 1871, at the price of 72, is now quoted at 84.

The only deed executed by, or on behalf of, the Company is an indenture, dated the 9th of January, 1873, between William Waring, Henry Waring, and Charles Waring, of the first part, the Company of the second part, and George W. Drabble, Lord Henry Gordon Lennox, M.P., and Loftus Fitzwygram, Esq., of the third part.

Certified copies of the Concession, and certified English translations of the same, and the above deed, as also copies of the memorandum and articles of association of the Company, can be seen at the Offices of the Solicitors, Messrs Cope, Rose, and Pearson, 26 Great George street, Westminster.

Applications must be made in the annexed form, accompanied by a payment of 5 per cent. on the amount applied for, and be forwarded to the Bankers, Messrs Glyn, Mills, Currie, and Co., Lombard street, E.C., London; or to the London and River Plate Bank (Limited), 40 Moorgate street, E.C., London; or to the Brokers, Messrs J. and A. Scrimgeour, 18 Old Broad street, E.C., London.

If no allotment is made the deposits will be returned in full.

In default of payment of the sum due on allotment, or of any of the subsequent instalments the allotment and all payments will be liable to forfeiture.

If in any case a less number of bonds than are applied for be allotted, the surplus of the deposit on application will be applied towards the amount payable on allotment.

Prospectuses and forms of application may be obtained of the London and River Plate Bank, 40 Moorgate street, E.C., London; Messrs Glyn, Mills, Currie, and Co., 67 Lombard street, E.C., London; Messrs J. and A. Scrimgeour, 18 Old Broad street, E.C., London; and of the Secretary, S. J. Nicolle, Esq., at the Offices, 4 Great Winchester street buildings, E.C., London.

London, 9th January, 1873.

## FORM OF APPLICATION.

To the London and River Plate Bank (Limited).

GENTLEMEN,—Having paid to Messrs Glyn, Mills, Currie, and Co., the sum of £ being a deposit of £5 per bond on seven per cent. bonds of the Uruguay Central and Hygueritas Railway Company of Montevideo (Limited), I request you will allot me that number of the said bonds, and I engage to pay up the further instalments on that, or any smaller number you may allot me, on the terms of the prospectus of the 9th January, 1873.

Name in full.....  
Address.....  
Description.....  
Date.....1873.

"Uruguay Central & Hygueritas Railway Company Of Montevideo, Limited." Economist, 11  
Jan. 1873, p. 56. The Economist Historical Archive, [link.gale.com/apps/doc/  
GP4100430614/ECON?u=lse\\_ttda&sid=bookmark-ECON](https://link.gale.com/apps/doc/GP4100430614/ECON?u=lse_ttda&sid=bookmark-ECON). Accessed 22 Feb. 2024.